

**Impreso, Inc. and Subsidiaries****Consolidated Balance Sheet****August 31, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
<b>Current Assets</b>			
Trade accounts receivable - Net of allowance for doubtful accounts of \$806,505 as of August 31, 2022; \$730,491 as of August 31, 2021; and \$603,660 as of August 31, 2020	\$ 11,768,982	\$ 8,464,012	\$ 7,144,809
Inventories	37,787,374	27,014,227	19,386,811
Prepaid expenses and other	923,920	676,677	352,840
Total current assets	<u>50,480,276</u>	<u>36,154,916</u>	<u>26,884,460</u>
Property and Equipment - Net of accumulated depreciation	12,197,148	11,447,963	10,966,336
Noncurrent Assets - Deposits	113,097	113,097	113,097
Total assets	<u><b>\$ 62,790,521</b></u>	<u><b>\$ 47,715,976</b></u>	<u><b>\$ 37,963,893</b></u>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Checks issued in excess of funds held on deposit	\$ 3,442,924	\$ 2,016,197	\$ 1,487,092
Accounts payable	6,274,099	4,673,664	5,858,163
Line of credit	14,673,439	6,224,907	2,477,929
Current maturities of long-term debt	1,508,598	1,205,877	435,894
Accrued sales rebates	5,933,223	3,395,011	3,945,997
Accrued liabilities	2,269,467	2,404,802	1,965,662
Total current liabilities	<u>34,101,750</u>	<u>19,920,458</u>	<u>16,170,737</u>
Long-term Debt - Net of current maturities	3,105,587	5,170,660	3,891,082
Deferred Tax Liability	1,384,668	1,165,626	486,854
Total liabilities	<u>38,592,005</u>	<u>26,256,744</u>	<u>20,548,673</u>
<b>Stockholders' Equity</b>			
Preferred stock, \$0.01 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	-	-	-
Common stock, \$0.01 par value; 15,000,000 shares authorized; 5,292,780 issued; 4,021,263 outstanding as of August 31, 2022, 2021, and 2020	52,928	52,928	52,928
Additional paid-in capital	6,353,656	6,353,656	6,353,656
Retained earnings	19,151,217	16,411,933	12,367,921
Treasury stock (1,271,517 shares as of August 31, 2022, 2021, and 2020, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>24,198,516</u>	<u>21,459,232</u>	<u>17,415,220</u>
Total liabilities and stockholders' equity	<u><b>\$ 62,790,521</b></u>	<u><b>\$ 47,715,976</b></u>	<u><b>\$ 37,963,893</b></u>

**Impreso, Inc. and Subsidiaries****Consolidated Statement of Operations****Years Ended August 31, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Net Sales</b>	\$ 112,359,993	\$ 98,484,108	\$ 96,151,574
<b>Cost of Sales</b>	<u>98,906,594</u>	<u>86,950,647</u>	<u>85,772,467</u>
<b>Gross Profit</b>	13,453,399	11,533,461	10,379,107
<b>Selling, General, and Administrative Expense</b>	<u>11,781,155</u>	<u>10,374,135</u>	<u>10,167,523</u>
<b>Operating Income</b>	1,672,244	1,159,326	211,584
<b>Nonoperating (Expense) Income</b>			
Interest expense	(444,618)	(304,727)	(326,932)
Other income - Net	58,713	1,084,414	1,128
Gain from PPP debt forgiveness	<u>2,000,000</u>	<u>2,410,300</u>	<u>-</u>
Total nonoperating income (expense)	<u>1,614,095</u>	<u>3,189,987</u>	<u>(325,804)</u>
<b>Income (Loss) - Before income taxes</b>	3,286,339	4,349,313	(114,220)
<b>Income Tax Expense</b>	<u>547,055</u>	<u>305,301</u>	<u>421,744</u>
<b>Consolidated Net Income (Loss)</b>	<u><u>\$ 2,739,284</u></u>	<u><u>\$ 4,044,012</u></u>	<u><u>\$ (535,964)</u></u>

**Impreso, Inc. and Subsidiaries****Consolidated Statement of Cash Flows**

	Years Ended August 31, 2022, 2021, and 2020		
	2022	2021	2020
<b>Cash Flows from Operating Activities</b>			
Net income (loss)	\$ 2,739,284	\$ 4,044,012	\$ (535,964)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortization	982,424	802,182	629,073
Deferred income tax expense (recovery)	857,356	678,772	(37,196)
Changes in operating assets and liabilities that (used) provided cash:			
Accounts receivable	(3,304,970)	(1,319,203)	1,647,693
Inventories	(10,773,147)	(7,627,416)	1,336,845
Prepaid expenses and other	(247,243)	(323,837)	7,127
Accounts payable	1,600,435	(1,184,499)	1,276,196
Accrued liabilities	1,595,615	(111,847)	219,556
Net cash (used in) provided by operating activities	(6,550,246)	(5,041,836)	4,543,330
<b>Cash Flows Used in Investing Activities - Additions to property, plant, and equipment</b>	(1,562,661)	(1,283,808)	(4,414,664)
<b>Cash Flows from Financing Activities</b>			
Checks issued in excess of funds on deposit	1,426,727	529,105	(994,787)
Borrowings on line of credit	126,239,465	113,034,405	100,593,257
Payments on line of credit	(117,790,933)	(109,287,427)	(101,943,962)
Borrowings on debt	1,438,429	4,962,073	2,514,252
Payments on debt	(3,200,781)	(2,912,512)	(297,426)
Net cash provided by (used in) financing activities	8,112,907	6,325,644	(128,666)
<b>Net Change in Cash</b>	-	-	-
<b>Cash - Beginning of year</b>	-	-	-
<b>Cash - End of year</b>	\$ -	\$ -	\$ -