

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	February 29, 2020	August 31, 2019
Current assets:		
Cash	\$ 1,628	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$650,458 as of February 29,2020, and \$679,275 as of August 31, 2019	8,805,604	8,792,502
Inventories, net of allowances	19,994,127	20,723,656
Prepaid expenses and other	388,979	359,967
Deferred income tax assets	-	-
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Total current assets	29,190,338	29,876,125
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Property, plant and equipment, at cost	24,838,812	21,706,492
Less Accumulated depreciation	(15,003,590)	(14,655,171)
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Net property, plant and equipment	9,835,222	7,051,321
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Noncurrent assets:		
Other assets	113,097	113,097
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Total assets	\$ 39,138,657	\$ 37,040,543
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IMPRESO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	February 29, 2020	August 31, 2019
Current liabilities:		
Accounts payable	\$ 7,121,357	\$ 7,063,846
Accrued liabilities	1,364,488	1,961,340
Accrued commissions	3,273,862	3,598,077
Current maturities of long-term debt	<u>427,641</u>	<u>439,532</u>
Total current liabilities	12,187,348	13,062,795
Long-term debt, net of current maturities	2,397,287	1,670,618
Line of credit	5,511,945	3,828,634
Deferred tax liability	<u>527,312</u>	<u>527,312</u>
Total liabilities	<u>20,623,892</u>	<u>19,089,359</u>
Stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	0	0
Common stock, \$.01 par value; 15,000,000 shares authorized; 5,292,780 issued and 4,021,263 outstanding	52,928	52,928
Additional paid-in capital	6,353,656	6,353,656
Retained earnings	<u>13,467,466</u>	<u>12,903,885</u>
Stockholders' equity	19,874,050	19,310,469
Treasury stock (1,271,517 shares, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>18,514,765</u>	<u>17,951,184</u>
Total liabilities and stockholders' equity	<u>\$ 39,138,657</u>	<u>\$ 37,040,543</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Six Months Ended February 29, 2020	Twelve Months Ended August 31, 2019
Net sales	\$ 47,968,063	\$ 115,265,459
Cost of sales	41,653,916	102,383,448
Gross profit	6,314,147	12,882,011
Loss on disposal of assets	0	-
Selling, general and administrative expenses	5,282,567	10,164,984
Operating income	1,031,580	2,717,027
Other expenses (income):		
Interest expense	229,525	488,203
Other (income) / expense, net	18,884	114,994
Total other expense, net	248,409	603,197
Income before income tax expense	783,171	2,113,830
Income tax expense:		
Current	219,590	386,461
Deferred	0	31,635
Total income tax expense	219,590	418,096
Net income	\$ 563,581	\$ 1,695,734

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended November 30,	
	2020	2019
Cash Flows From Operating Activities:		
Net income	\$ 563,581	\$ 739,939
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	348,419	374,466
Bad debt (Recovery) / Expense	0	(7,289)
Increase / (Decrease) in provision of losses of inventory	(123,976)	(6,216)
Deferred income tax expense	0	104,303
(Increase) / Decrease in trade accounts receivable	(13,102)	(1,396,149)
(Increase) / Decrease in inventory	853,505	(1,398,565)
(Increase) / Decrease in prepaid expenses and other	(29,012)	(376,497)
(Increase) / Decrease in noncurrent assets	0	(25,132)
(Decrease) / Increase in accounts payable	57,511	(1,330,661)
(Decrease) / Increase in accrued liabilities	(921,067)	(1,030,844)
Net cash (used in) provided by operating activities	<u>735,859</u>	<u>(4,352,645)</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(3,132,320)	(1,303,938)
Proceeds from sale of property, plant and equipment	<u>0</u>	<u>0</u>
Net cash used in investing activities	<u>(3,132,320)</u>	<u>(1,303,938)</u>
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	1,683,311	5,512,956
Net borrowings / (payments) on debt	714,778	149,024
Purchase of Treasury Stock	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>2,398,089</u>	<u>5,661,980</u>
Net change in cash	1,628	5,397
Cash and cash equivalents, beginning of period	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ 1,628</u>	<u>\$ 5,397</u>