

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	Feb 28, 2021	August 31, 2020
	<u> </u>	<u> </u>
Current assets:		
Cash	\$ (3,522,141)	\$ (1,487,089)
Trade accounts receivable, net of allowance for doubtful accounts of \$603,418 as of Feb 28, 2021, and \$603,660 as of August 31, 2020	8,338,423	6,996,073
Inventories, net of allowances	21,101,704	19,386,813
Prepaid expenses and other	713,606	352,840
Deferred income tax assets	241,470	-
	<u> </u>	<u> </u>
Total current assets	<u>26,873,062</u>	<u>25,248,637</u>
Property, plant and equipment, at cost	26,582,318	26,121,155
Less accumulated depreciation	<u>(15,485,206)</u>	<u>(15,154,819)</u>
	<u> </u>	<u> </u>
Net property, plant and equipment	<u>11,097,112</u>	<u>10,966,336</u>
Noncurrent assets:		
Other assets	<u>-</u>	<u>354,567</u>
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 37,970,174</u></u>	<u><u>\$ 36,569,540</u></u>

IMPRESO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	Feb 28, 2021	August 31, 2020
Current liabilities:		
Accounts payable	\$ 3,509,793	\$ 3,010,860
Accrued liabilities	2,151,558	1,918,587
Accrued Sales Rebates	3,183,874	3,945,997
Current maturities of long-term debt	435,894	435,894
Total current liabilities	9,281,119	9,311,338
Long-term debt, net of current maturities	6,568,245	6,589,649
Line of credit	3,983,960	2,477,929
Deferred tax liability	527,312	768,782
Total liabilities	20,360,636	19,147,698
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	12,562,238	12,374,544
Stockholders' equity	18,968,822	18,781,128
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	17,609,537	17,421,843
Total liabilities and stockholders' equity	\$ 37,970,173	\$ 36,569,541

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	<u>Six Months Ended Feb 28, 2021</u>	<u>Twelve Months Ended August 31, 2020</u>
Net sales	\$ 40,936,545	\$ 85,742,061
Cost of sales	<u>34,065,610</u>	<u>75,362,956</u>
Gross profit	6,870,935	10,379,105
Loss on disposal of assets	1,935,820	-
Selling, general and administrative expenses	<u>4,930,727</u>	<u>10,233,642</u>
Operating income	4,388	145,463
Other expenses (income):		
Interest expense	186,030	447,455
Other (income) / expense, net	<u>(385,618)</u>	<u>(187,239)</u>
Total other expense, net	(199,588)	260,216
Income before income tax expense	203,977	(114,753)
Income tax expense:		
Current	5,311	414,586
Deferred	-	<u>-</u>
Total income tax expense	5,311	414,586
Net income	<u>\$ 198,666</u>	<u>\$ (529,339)</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended	
	Feb 28,	
	2021	2020
Cash Flows From Operating Activities:		
Net income	\$ 187,694	\$ 383,471
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	330,387	178,060
Bad debt (Recovery) / Expense	0	0
Increase / (Decrease) in provision of losses of inventory	(655,081)	(102,133)
Deferred income tax expense	(482,940)	(241,470)
(Increase) / Decrease in trade accounts receivable	(1,342,350)	(618,736)
(Increase) / Decrease in inventory	(1,589,380)	(1,321,079)
(Increase) / Decrease in prepaid expenses and other	(360,766)	155,118
(Increase) / Decrease in noncurrent assets	354,567	585,061
(Decrease) / Increase in accounts payable	498,933	(216,670)
(Decrease) / Increase in accrued liabilities	(529,152)	(52,474)
	<u>(3,588,088)</u>	<u>(1,250,852)</u>
 Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(461,163)	(585,062)
Proceeds from sale of property, plant and equipment	0	0
	<u>(461,163)</u>	<u>(585,062)</u>
 Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	1,506,031	(1,326,619)
Net borrowings / (payments) on debt	(21,404)	(16,458)
Purchase of Treasury Stock	-	-
	<u>1,484,627</u>	<u>(1,343,077)</u>
 Net change in cash	<u>(2,564,624)</u>	<u>(3,178,991)</u>
 Cash and cash equivalents, beginning of period	<u>-</u>	<u>-</u>
 Cash and cash equivalents, end of period	<u>\$ (2,564,624)</u>	<u>\$ (3,178,991)</u>