

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	<u>Feb 28, 2023</u>	<u>Aug 31, 2022</u>
Current assets:		
Cash	\$ (1,596,775)	\$ (3,474,183)
Trade accounts receivable, net of allowance for doubtful accounts of as of (\$802,538) Nov 30,2021, and (\$806,505) as of August 31, 2022	12,120,327	11,693,283
Inventories, net of allowances	40,433,179	38,246,863
Prepaid expenses and other	843,078	646,956
Deferred income tax assets	<u>241,470</u>	
Total current assets	<u>52,041,280</u>	<u>47,112,919</u>
Property, plant and equipment, at cost	29,731,023	29,447,767
Less accumulated depreciation	<u>(17,833,700)</u>	<u>(17,243,484)</u>
Net property, plant and equipment	<u>11,897,323</u>	<u>12,204,284</u>
Noncurrent assets:		
Other assets	<u>113,097</u>	<u>113,097</u>
Total assets	<u>\$ 64,051,700</u>	<u>\$ 59,430,300</u>

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

	<u>Feb 28, 2023</u>	<u>August 31, 2022</u>
Current liabilities:		
Accounts payable	\$ 6,640,659	\$ 5,816,591
Accrued liabilities	2,403,019	1,918,613
Accrued commissions	8,534,332	5,933,223
Current maturities of long-term debt	<u>1,149,713</u>	<u>1,149,713</u>
Total current liabilities	18,727,724	14,818,140
Long-term debt, net of current maturities	2,910,125	3,538,054
Line of credit	14,641,569	14,673,439
Deferred tax liability	<u>396,473</u>	<u>1,528,774</u>
Total liabilities	<u>36,675,891</u>	<u>34,558,407</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
Retro adjustment to past retained earnings		(1,012,868)
Prior retained earnings	20,837,462	18,098,178
Current retained earnings	<u>1,491,048</u>	<u>2,739,284</u>
Stockholders' equity	28,735,094	26,231,178
Treasury stock (1,271,517 shares, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>27,375,809</u>	<u>24,871,893</u>
Total liabilities and stockholders' equity	<u>\$ 64,051,700</u>	<u>\$ 59,430,300</u>

IMPRESO, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	<u>Six Months Ended Feb 28, 2023</u>	<u>Twelve Months Ended August 31, 2022</u>
Net sales	\$ 64,407,264	\$ 112,359,993
Cost of sales	<u>55,205,719</u>	<u>98,906,594</u>
Gross profit	9,201,545	13,453,399
Loss on disposal of assets	-	-
Selling, general and administrative expenses	<u>7,242,220</u>	<u>11,781,155</u>
Operating income	1,959,325	1,672,244
Other expenses (income):		
Interest expense	(543,859)	(444,618)
Other (income) / expense, net	73,137	58,713
Gain from PPP Debt Forgiveness	<u> </u>	<u>2,000,000</u>
Total other expense, net	(470,722)	1,614,095
Income before income tax expense	1,488,603	3,286,339
Income tax expense:		
Current	(2,445)	547,055
Deferred	<u> </u>	<u> </u>
Total income tax expense	(2,445)	547,055
Net income	<u>\$ 1,491,048</u>	<u>\$ 2,739,284</u>