

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	May 31, 2018	August 31, 2017
Current assets:		
Cash	\$ 6,206	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$808,039 as of May 31, 2018 and \$239,441 as of August 31, 2017	8,157,003	8,516,105
Inventories, net of allowances	18,924,644	13,348,294
Prepaid expenses and other	590,106	1,081,349
Deferred income tax assets	-	240,429
Total current assets	27,677,959	23,186,177
Property, plant and equipment, at cost	21,083,540	18,464,840
Less-Accumulated depreciation	(15,067,942)	(14,442,709)
Net property, plant and equipment	6,015,598	4,022,131
Noncurrent assets:		
Other assets	98,677	59,821
Total assets	\$ 33,792,234	\$ 27,268,129

IMPRESO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (CONTINUED)

LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	May 31, 2018	August 31, 2017
Current liabilities:		
Accounts payable	\$ 5,388,397	\$ 4,565,422
Accrued liabilities	361,872	675,502
Accrued commissions	5,104,582	2,406,316
Current maturities of long-term debt	397,737	86,380
Total current liabilities	11,252,588	7,733,620
Long-term debt, net of current maturities	1,868,401	125,976
Line of Credit	4,771,138	4,132,450
Deferred tax liability	528,191	528,191
Total liabilities	18,420,318	12,520,237
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	10,324,617	9,700,593
Stockholders' equity	16,731,201	16,107,177
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	15,371,916	14,747,892
Total liabilities and stockholders' equity	\$ 33,792,234	\$ 27,268,129

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months Ended May 31, 2018	Twelve Months Ended August 31, 2017
Net sales	\$ 64,225,099	\$ 87,048,181
Cost of sales	55,945,719	78,291,148
Gross profit	8,279,380	8,757,033
Loss on disposal of assets	0	34,857
Selling, general and administrative expenses	7,158,250	8,300,209
Operating income	1,121,130	421,967
Other expenses (income):		
Interest expense	223,980	217,262
Other (income) / expense, net	(1,228)	2,143
Total other expense, net	222,752	219,405
Income before income tax expense	898,378	202,562
Income tax expense:		
Current	33,924	22,742
Deferred	240,429	85,265
Total income tax expense	274,353	108,007
Net income	\$ 624,025	\$ 94,555

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended	
	May 31,	
	2018	2017
Cash Flows From Operating Activities:		
Net income	\$ 624,024	\$ 93,895
Adjustments to reconcile net income to net cash provided by / (used in) operating activities		
Depreciation and amortization	625,233	419,943
Bad debt (recovery) / expense	604,095	(8,159)
Increase / (Decrease) in provision of losses of inventory	28,883	(151,820)
Loss on disposal of property, plant and equipment	0	9,674
Deferred income tax expense	240,429	55,265
(Increase) / Decrease in trade accounts receivable	(244,993)	1,114,732
(Increase) / Decrease in inventory	(5,605,233)	257,431
(Increase) / Decrease in prepaid expenses and other	491,243	(82,464)
(Increase) / Decrease in noncurrent assets	(38,856)	(602,163)
(Decrease) / Increase in accounts payable	822,975	1,004,004
(Decrease) / Increase in accrued liabilities	2,384,636	(502,686)
	<u> </u>	<u> </u>
Net cash (used in) / provided by operating activities	(67,564)	1,607,652
	<u> </u>	<u> </u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(2,618,700)	(509,694)
Proceeds from sale of property, plant and equipment	0	0
	<u> </u>	<u> </u>
Net cash (used in) / provided by investing activities	(2,618,700)	(509,694)
	<u> </u>	<u> </u>
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	638,688	(1,000,859)
Net borrowings / (payments) on debt	2,053,782	(97,099)
Purchase of Treasury Stock	-	-
	<u> </u>	<u> </u>
Net cash (used in) / provided by financing activities	2,692,470	(1,097,958)
	<u> </u>	<u> </u>
Net change in cash	6,206	-
Cash and cash equivalents, beginning of period	-	-
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Cash and cash equivalents, end of period	<u>\$ 6,206</u>	<u>\$ -</u>