

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	May 31, 2019	August 31, 2018
Current assets:		
Cash	\$ 5,197	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$692,201 as of May 31, 2019 and \$736,020 as of August 31, 2018	7,524,963	7,005,416
Inventories, net of allowances	21,349,432	21,344,452
Prepaid expenses and other	635,415	485,587
Deferred income tax assets	-	-
Total current assets	<u>29,515,007</u>	<u>28,835,455</u>
Property, plant and equipment, at cost	21,359,639	19,985,746
Less-Accumulated depreciation	<u>(14,475,244)</u>	<u>(13,946,599)</u>
Net property, plant and equipment	<u>6,884,395</u>	<u>6,039,147</u>
Noncurrent assets:		
Other assets	<u>113,417</u>	<u>88,435</u>
Total assets	<u>\$ 36,512,819</u>	<u>\$ 34,963,037</u>

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

	<u>May 31,</u> <u>2019</u>	<u>August 31,</u> <u>2018</u>
Current liabilities:		
Accounts payable	\$ 4,280,906	\$ 6,000,811
Accrued liabilities	2,335,266	1,235,984
Accrued commissions	3,808,117	4,243,576
Current maturities of long-term debt	<u>390,758</u>	<u>382,588</u>
Total current liabilities	10,815,047	11,862,959
Long-term debt, net of current maturities	1,825,385	1,773,251
Line of Credit	5,720,163	4,406,898
Deferred tax liability	<u>768,782</u>	<u>664,479</u>
Total liabilities	<u>19,129,377</u>	<u>18,707,587</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>12,336,143</u>	<u>11,208,151</u>
Stockholders' equity	18,742,727	17,614,735
Treasury stock (1,271,517 shares, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>17,383,442</u>	<u>16,255,450</u>
Total liabilities and stockholders' equity	<u>\$ 36,512,819</u>	<u>\$ 34,963,037</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months Ended May 31, 2019	Twelve Months Ended August 31, 2018
Net sales	\$ 75,951,798	\$ 101,331,030
Cost of sales	67,004,935	89,060,043
Gross profit	8,946,863	12,270,987
Loss on disposal of assets	0	-
Selling, general and administrative expenses	7,244,507	9,714,026
Operating income	1,702,356	2,556,961
Other expenses (income):		
Interest expense	371,499	321,676
Other (income) / expense, net	(136,640)	36,707
Total other expense, net	234,859	358,383
Income before income tax expense	1,467,497	2,198,578
Income tax expense:		
Current	339,505	314,302
Deferred	0	376,718
Total income tax expense	339,505	691,020
Net income	\$ 1,127,992	\$ 1,507,558

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended	
	May 31,	
	2019	2018
Cash Flows From Operating Activities:		
Net income	\$ 1,127,992	\$ 624,024
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	528,645	625,233
Bad debt (Recovery) / Expense	43,819	604,095
Increase / (Decrease) in provision of losses of inventory	(8,063)	28,883
Deferred income tax expense	104,303	240,429
(Increase) / Decrease in trade accounts receivable	(563,366)	(244,993)
(Increase) / Decrease in inventory	3,083	(5,605,233)
(Increase) / Decrease in prepaid expenses and other	(149,828)	491,243
(Increase) / Decrease in noncurrent assets	(24,982)	(38,856)
(Decrease) / Increase in accounts payable	(1,719,905)	822,975
(Decrease) / Increase in accrued liabilities	663,823	2,384,636
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Net cash (used in) provided by operating activities	5,521	(67,564)
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(1,373,893)	(2,618,700)
Proceeds from sale of property, plant and equipment	0	0
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Net cash used in investing activities	(1,373,893)	(2,618,700)
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	1,313,265	638,688
Net borrowings / (payments) on debt	60,304	2,053,782
Purchase of Treasury Stock	-	-
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Net cash provided by (used in) financing activities	1,373,569	2,692,470
Net change in cash	5,197	6,206
Cash and cash equivalents, beginning of period	<hr/>	<hr/>
Cash and cash equivalents, end of period	<u>\$ 5,197</u>	<u>\$ 6,206</u>