

**IMPRESO, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**

**ASSETS**  
**(unaudited)**

	<b>May 31, 2020</b>	<b>August 31, 2019</b>
	<u>                    </u>	<u>                    </u>
Current assets:		
Cash	\$ 814	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$649,437 as of May 31,2020, and \$679,275 as of August 31, 2019	6,018,912	8,792,502
Inventories, net of allowances	21,560,780	20,723,656
Prepaid expenses and other	398,107	359,967
Deferred income tax assets	-	-
	<u>                    </u>	<u>                    </u>
Total current assets	27,978,613	29,876,125
Property, plant and equipment, at cost	25,480,906	21,706,492
Less accumulated depreciation	<u>(15,021,201)</u>	<u>(14,655,171)</u>
Net property, plant and equipment	<u>10,459,705</u>	<u>7,051,321</u>
Noncurrent assets:		
Other assets	<u>113,097</u>	<u>113,097</u>
Total assets	<u><u>\$ 38,551,415</u></u>	<u><u>\$ 37,040,543</u></u>

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

	<b>May 31, 2020</b>	<b>August 31, 2019</b>
Current liabilities:		
Accounts payable	\$ 4,427,700	\$ 7,063,846
Accrued liabilities	1,556,739	1,961,340
Accrued commissions	3,357,014	3,598,077
Current maturities of long-term debt	421,113	439,532
Total current liabilities	9,762,566	13,062,795
Long-term debt, net of current maturities	6,609,949	1,670,618
Line of credit	4,316,388	3,828,634
Deferred tax liability	527,312	527,312
Total liabilities	21,216,215	19,089,359
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	12,287,901	12,903,885
Stockholders' equity	18,694,485	19,310,469
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	17,335,200	17,951,184
Total liabilities and stockholders' equity	\$ 38,551,415	\$ 37,040,543

**IMPRESO, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	<b>Nine Months Ended May 31, 2020</b>	<b>Twelve Months Ended August 31, 2019</b>
Net sales	\$ 65,151,225	\$ 115,265,459
Cost of sales	57,324,870	102,383,448
Gross profit	7,826,355	12,882,011
Loss on disposal of assets	0	-
Selling, general and administrative expenses	7,857,504	10,164,984
Operating income	(31,149)	2,717,027
Other expenses (income):		
Interest expense	348,658	488,203
Other (income) / expense, net	(89,888)	114,994
Total other expense, net	258,770	603,197
Income before income tax expense	(289,919)	2,113,830
Income tax expense:		
Current	326,065	386,461
Deferred	0	31,635
Total income tax expense	326,065	418,096
Net income	\$ (615,984)	\$ 1,695,734

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

	Nine Months Ended May 31,	
	2020	2019
Cash Flows From Operating Activities:		
Net income	\$ (615,984)	\$ 1,127,992
Adjustments to reconcile net income to net cash provided by (used in ) operating activities-		
Depreciation and amortization	366,030	528,645
Bad debt (Recovery) / Expense	0	43,819
Increase / (Decrease) in provision of losses of inventory	(125,511)	(8,063)
Deferred income tax expense	0	104,303
(Increase) / Decrease in trade accounts receivable	2,773,590	(563,366)
(Increase) / Decrease in inventory	(711,613)	3,083
(Increase) / Decrease in prepaid expenses and other	(38,140)	(149,828)
(Increase) / Decrease in noncurrent assets	0	(24,982)
(Decrease) / Increase in accounts payable	(2,636,146)	(1,719,905)
(Decrease) / Increase in accrued liabilities	(645,664)	663,823
	<u>(1,633,438)</u>	<u>5,521</u>
Net cash (used in) provided by operating activities		
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(3,774,414)	(1,373,893)
Proceeds from sale of property, plant and equipment	0	0
	<u>(3,774,414)</u>	<u>(1,373,893)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	487,754	1,313,265
Net borrowings / (payments) on debt	4,920,912	60,304
Purchase of Treasury Stock	-	-
	<u>5,408,666</u>	<u>1,373,569</u>
Net cash provided by (used in) financing activities		
Net change in cash	814	5,197
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ 814</u>	<u>\$ 5,197</u>