

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	May 31, 2021	August 31, 2020
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Current assets:		
Cash	\$ (2,116,558)	\$ (1,487,089)
Trade accounts receivable, net of allowance for doubtful accounts of \$603,637 as of May 31, 2021, and \$603,660 as of August 31, 2020	8,800,537	6,996,073
Inventories, net of allowances	26,700,099	19,386,813
Prepaid expenses and other	526,758	352,840
Deferred income tax assets	241,470	-
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Total current assets	34,152,306	25,248,637
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Property, plant and equipment, at cost	27,374,483	26,121,155
Less accumulated depreciation	(15,721,603)	(15,154,819)
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Net property, plant and equipment	11,652,880	10,966,336
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Noncurrent assets:		
Other assets	-	354,567
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Total assets	\$ 45,805,186	\$ 36,569,540
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IMPRESO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	May 31, 2021	August 31, 2020
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Current liabilities:		
Accounts payable	\$ 5,601,236	\$ 3,010,860
Accrued liabilities	2,345,781	1,918,587
Accrued Sales Rebates	3,178,106	3,945,997
Current maturities of long-term debt	435,894	435,894
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Total current liabilities	11,561,017	9,311,338
Long-term debt, net of current maturities	8,706,158	6,589,649
Line of credit	6,175,619	2,477,929
Deferred tax liability	527,312	768,782
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Total liabilities	26,970,106	19,147,698
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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	13,787,782	12,374,890
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Stockholders' equity	20,194,366	18,781,474
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
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Total stockholders' equity	18,835,081	17,422,189
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Total liabilities and stockholders' equity	\$ 45,805,187	\$ 36,569,887
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IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months Ended May 31, 2021	Twelve Months Ended August 31, 2020
Net sales	\$ 65,366,381	\$ 85,742,061
Cost of sales	53,969,805	75,362,956
Gross profit	11,396,576	10,379,105
Loss on disposal of assets	3,128,536	-
Selling, general and administrative expenses	7,696,203	10,233,642
Operating income	571,837	145,463
Other expenses (income):		
Interest expense	(294,963)	447,455
Other (income) / expense, net	1,392,169	(187,239)
Total other expense, net	1,097,206	260,216
Income before income tax expense	1,669,043	(114,753)
Income tax expense:		
Current	5,311	414,586
Deferred	-	-
Total income tax expense	5,311	414,586
Net income	\$ 1,663,732	\$ (529,339)

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended	
	May 31,	
	2021	2020
Cash Flows From Operating Activities:		
Net income	\$ 1,412,892	\$ 383,471
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	566,784	178,060
Bad debt (Recovery) / Expense	0	0
Increase / (Decrease) in provision of losses of inventory	(362,307)	(102,133)
Deferred income tax expense	(482,940)	(241,470)
(Increase) / Decrease in trade accounts receivable	(1,804,464)	(618,736)
(Increase) / Decrease in inventory	(7,187,775)	(1,321,079)
(Increase) / Decrease in prepaid expenses and other	(173,918)	155,118
(Increase) / Decrease in noncurrent assets	354,567	585,061
(Decrease) / Increase in accounts payable	2,590,376	(216,670)
(Decrease) / Increase in accrued liabilities	(340,697)	(52,474)
	<u>(5,427,482)</u>	<u>(1,250,852)</u>
Net cash (used in) provided by operating activities		
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(1,253,328)	(585,062)
Proceeds from sale of property, plant and equipment	0	0
	<u>(1,253,328)</u>	<u>(585,062)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	3,697,690	(1,326,619)
Net borrowings / (payments) on debt	2,116,509	(16,458)
Purchase of Treasury Stock	-	-
	<u>5,814,199</u>	<u>(1,343,077)</u>
Net cash provided by (used in) financing activities		
Net change in cash	(866,611)	(3,178,991)
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ (866,611)</u>	<u>\$ (3,178,991)</u>