

**IMPRESO, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

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

	<b>May 30, 2022</b>	<b>August 31, 2021</b>
	<u>                    </u>	<u>                    </u>
Current assets:		
Cash	\$ -	-
Trade accounts receivable, net of allowance for doubtful accounts of (\$730,359.22) as of May 30, 2022, and (\$730,491) as of August 31, 2021	5,418,047	8,464,012
Inventories, net of allowances	35,652,787	27,014,227
Prepaid expenses and other	709,412	676,677
Deferred income tax assets	241,470	-
	<u>                    </u>	<u>                    </u>
Total current assets	42,021,715	36,154,916
Property, plant and equipment, at cost	28,793,554	27,404,965
Less accumulated depreciation	<u>(16,955,391)</u>	<u>(15,957,002)</u>
Net property, plant and equipment	<u>11,838,163</u>	<u>11,447,963</u>
Noncurrent assets:		
Other assets	<u>113,097</u>	<u>113,097</u>
Total assets	<u><u>\$ 53,972,976</u></u>	<u><u>\$ 47,715,976</u></u>

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

	<b>May 30, 2022</b>	<b>August 31, 2021</b>
Current liabilities:		
Accounts payable	\$ 7,585,618	\$ 6,689,861
Accrued liabilities	475,339	2,404,802
Accrued Sales Rebates	4,787,613	3,395,011
Current maturities of long-term debt	1,205,877	1,205,877
Total current liabilities	14,054,447	13,695,551
Long-term debt, net of current maturities	5,065,391	5,170,660
Line of credit	11,687,894	6,224,907
Deferred tax liability	637,930	1,165,626
Total liabilities	31,445,662	26,256,744
	31,445,662	
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	17,480,015	16,411,933
Stockholders' equity	23,886,599	22,818,517
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	22,527,314	21,459,232
Total liabilities and stockholders' equity	\$ 53,972,976	\$ 47,715,976

**IMPRESO, INC. AND SUBSIDIARIES**

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

	<b>Nine Months Ended May 30, 2022</b>	<b>Twelve Months Ended August 31, 2021</b>
Net sales	\$ 75,908,662	\$ 98,484,108
Cost of sales	58,304,634	86,950,647
Production	7,944,355	
Gross profit	9,659,673	11,533,461
Loss on disposal of assets	-	-
Selling, general and administrative expenses	8,367,449	10,374,135
Operating income	1,292,224	1,159,326
Other expenses (income):		
Interest expense	(379,246)	(304,727)
Other (income) / expense, net	155,368	1,084,414
Total other expense, net	(223,877)	3,189,987
Income before income tax expense	1,068,347	4,349,313
Income tax expense:		
Current	16,124	305,301
Deferred	-	-
Total income tax expense	16,124	305,301
Net income	\$ 1,052,223	\$ 4,044,012

**IMPRESO, INC. AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	<b>Nine Months Ended</b>	
	<b>May 30,</b>	
	<b>2022</b>	<b>2021</b>
Cash Flows From Operating Activities:		
Net income	\$ 1,068,082	\$ 198,664
Adjustments to reconcile net income to net cash provided by (used in ) operating activities-		
Depreciation and amortization	998,389	481,616
Bad debt (Recovery) / Expense	0	47,040
Increase / (Decrease) in provision of losses of inventory	131,949	2,042
Deferred income tax expense	(769,166)	0
(Increase) / Decrease in trade accounts receivable	3,045,965	(393,785)
(Increase) / Decrease in inventory	(8,513,049)	(1,107,577)
(Increase) / Decrease in prepaid expenses and other	(32,735)	(111,571)
(Increase) / Decrease in noncurrent assets	0	1,743,506
(Decrease) / Increase in accounts payable	895,757	1,069,098
(Decrease) / Increase in accrued liabilities	(536,861)	(158,243)
	<u>(3,711,669)</u>	<u>1,770,790</u>
Net cash (used in) provided by operating activities		
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(1,388,590)	0
Proceeds from sale of property, plant and equipment	0	0
	<u>(1,388,590)</u>	<u>0</u>
Net cash used in investing activities		
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	5,462,987	(1,506,031)
Net borrowings / (payments) on debt	(105,269)	0
Purchase of Treasury Stock	-	-
	<u>5,357,718</u>	<u>(1,506,031)</u>
Net cash provided by (used in) financing activities		
Net change in cash	257,460	264,759
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ 257,460</u>	<u>\$ 264,759</u>