

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	November 30, 2017	August 31, 2017
Current assets:		
Cash	\$ 8,406	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$240,979 as of November 30, 2017 and \$239,441 as of August 31, 2017	6,971,485	8,516,105
Inventories, net of allowances	15,603,728	13,348,294
Prepaid expenses and other	608,507	1,081,349
Deferred income tax assets	225,429	240,429
Total current assets	23,417,555	23,186,177
Property, plant and equipment, at cost	19,140,686	18,464,840
Less-Accumulated depreciation	(14,635,462)	(14,442,709)
Net property, plant and equipment	4,505,224	4,022,131
Noncurrent assets:		
Other assets	956,135	59,821
Total assets	\$ 28,878,914	\$ 27,268,129

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

	<u>November 30,</u> 2017	<u>August 31,</u> 2017
Current liabilities:		
Accounts payable	\$ 4,041,565	\$ 4,565,422
Accrued liabilities	565,643	675,502
Accrued commissions	2,698,683	2,406,316
Current maturities of long-term debt	<u>100,486</u>	<u>86,380</u>
Total current liabilities	7,406,377	7,733,620
Long-term debt, net of current maturities	82,157	125,976
Line of Credit	6,103,670	4,132,450
Deferred tax liability	<u>528,191</u>	<u>528,191</u>
Total liabilities	<u>14,120,395</u>	<u>12,520,237</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>9,711,220</u>	<u>9,700,593</u>
Stockholders' equity	16,117,804	16,107,177
Treasury stock (1,271,517 shares, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>14,758,519</u>	<u>14,747,892</u>
Total liabilities and stockholders' equity	<u>\$ 28,878,914</u>	<u>\$ 27,268,129</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended November 30, 2017	Twelve Months Ended August 31, 2017
Net sales	\$ 19,964,343	\$ 87,048,181
Cost of sales	17,824,400	78,291,148
Gross profit	2,139,943	8,757,033
Loss on disposal of assets	0	34,857
Selling, general and administrative expenses	2,077,594	8,300,209
Operating income	62,349	421,967
Other expenses (income):		
Interest expense	46,585	217,262
Other (income) / expense, net	(29,453)	2,143
Total other expense, net	17,132	219,405
Income before income tax expense	45,217	202,562
Income tax expense:		
Current	19,790	22,742
Deferred	15,000	85,265
Total income tax expense	34,790	108,007
Net income	\$ 10,427	\$ 94,555

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended November 30,	
	2017	2016
Cash Flows From Operating Activities:		
Net income	\$ 10,627	\$ 18,887
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	192,753	138,570
Bad debt (recovery) / expense	(25,000)	(506)
Decrease in provision of losses of inventory	(26,088)	(131,043)
Loss on disposal of property, plant and equipment	0	0
Deferred income tax expense	15,000	22,534
(Increase) / Decrease in trade accounts receivable	1,569,620	829,644
(Increase) / Decrease in inventory	(2,229,346)	938,198
(Increase) / Decrease in prepaid expenses and other	472,842	(27,651)
(Increase) / Decrease in noncurrent assets	(896,314)	(3,710)
(Decrease) / Increase in accounts payable	(523,857)	399,211
(Decrease) / Increase in accrued liabilities	182,508	(513,971)
Net cash (used in) provided by operating activities	<u>(1,257,255)</u>	<u>1,670,163</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(675,846)	(65,440)
Proceeds from sale of property, plant and equipment	0	0
Net cash used in investing activities	<u>(675,846)</u>	<u>(65,440)</u>
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	1,971,220	(1,569,329)
Net payments on debt	(29,713)	(35,394)
Purchase of Treasury Stock	-	-
Net cash provided by (used in) financing activities	<u>1,941,507</u>	<u>(1,604,723)</u>
Net change in cash	8,406	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ 8,406</u>	<u>\$ -</u>