

**IMPRESO, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

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

	<u>November 30,</u> <u>2018</u>	<u>August 31,</u> <u>2018</u>
Current assets:		
Cash	\$ -	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$699,375 as of November 30, 2018 and \$736,020 as of August 31, 2018	7,471,985	7,005,416
Inventories, net of allowances	23,115,151	21,344,452
Prepaid expenses and other	710,704	485,587
Deferred income tax assets	-	-
	<u>31,297,840</u>	<u>28,835,455</u>
Property, plant and equipment, at cost	20,131,457	19,985,746
Less-Accumulated depreciation	<u>(14,136,204)</u>	<u>(13,946,599)</u>
	<u>5,995,253</u>	<u>6,039,147</u>
Net property, plant and equipment		
Noncurrent assets:		
Other assets	<u>113,267</u>	<u>88,435</u>
	<u>\$ 37,406,360</u>	<u>\$ 34,963,037</u>

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

	November 30, 2018	August 31, 2018
Current liabilities:		
Accounts payable	\$ 4,875,655	\$ 6,000,811
Accrued liabilities	1,483,281	1,235,984
Accrued commissions	4,335,294	4,243,576
Current maturities of long-term debt	361,274	382,588
Total current liabilities	11,055,504	11,862,959
Long-term debt, net of current maturities	1,683,907	1,773,251
Line of Credit	7,404,077	4,406,898
Deferred tax liability	528,191	664,479
Total liabilities	20,671,679	18,707,587
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	11,687,382	11,208,151
Stockholders' equity	18,093,966	17,614,735
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	16,734,681	16,255,450
Total liabilities and stockholders' equity	\$ 37,406,360	\$ 34,963,037

**IMPRESO, INC. AND SUBSIDIARIES**

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

	Three Months Ended November, 2018	Twelve Months Ended August 31, 2018
Net sales	\$ 25,000,287	\$ 101,331,030
Cost of sales	22,027,673	89,060,043
Gross profit	2,972,614	12,270,987
Loss on disposal of assets	0	-
Selling, general and administrative expenses	2,375,634	9,714,026
Operating income	596,980	2,556,961
Other expenses (income):		
Interest expense	100,014	321,676
Other (income) / expense, net	(43,246)	36,707
Total other expense, net	56,768	358,383
Income before income tax expense	540,212	2,198,578
Income tax expense:		
Current	60,981	314,302
Deferred	0	376,718
Total income tax expense	60,981	691,020
Net income	\$ 479,231	\$ 1,507,558

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

	<b>Three Months Ended</b>	
	<b>November 30,</b>	
	<b>2018</b>	<b>2017</b>
Cash Flows From Operating Activities:		
Net income	\$ 479,231	\$ 10,627
Adjustments to reconcile net income to net cash provided by (used in ) operating activities-		
Depreciation and amortization	189,605	192,753
Bad debt (Recovery) / Expense	(7,289)	(25,000)
Increase / (Decrease) in provision of losses of inventory	(6,216)	(26,088)
Deferred income tax expense	(136,288)	15,000
(Increase) / Decrease in trade accounts receivable	(459,280)	1,569,620
(Increase) / Decrease in inventory	(1,764,483)	(2,229,346)
(Increase) / Decrease in prepaid expenses and other	(225,117)	472,842
(Increase) / Decrease in noncurrent assets	(24,832)	(896,314)
(Decrease) / Increase in accounts payable	(1,125,156)	(523,857)
(Decrease) / Increase in accrued liabilities	339,015	182,508
	<u>(2,740,810)</u>	<u>(1,257,255)</u>
Net cash (used in) provided by operating activities		
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(145,711)	(675,846)
Proceeds from sale of property, plant and equipment	0	0
	<u>(145,711)</u>	<u>(675,846)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	2,997,179	1,971,220
Net borrowings / (payments) on debt	(110,658)	(29,713)
Purchase of Treasury Stock	-	-
	<u>2,886,521</u>	<u>1,941,507</u>
Net cash provided by (used in) financing activities		
Net change in cash	-	8,406
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ 8,406</u>