

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	November 30, 2019	August 31, 2019
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Current assets:		
Cash	\$ -	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$679,275 as of November 30, 2019 and \$679,275 as of August 31, 2019	8,006,966	8,792,502
Inventories, net of allowances	19,401,637	20,723,656
Prepaid expenses and other	642,672	359,967
Deferred income tax assets	-	-
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Total current assets	28,051,275	29,876,125
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Property, plant and equipment, at cost	22,291,553	21,706,492
Less-Accumulated depreciation	(14,833,231)	(14,655,171)
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Net property, plant and equipment	7,458,322	7,051,321
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Noncurrent assets:		
Other assets	113,097	113,097
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Total assets	<u>\$ 35,622,694</u>	<u>\$ 37,040,543</u>

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

	November 30, 2019	August 31, 2019
Current liabilities:		
Accounts payable	\$ 5,333,240	\$ 7,063,846
Accrued liabilities	2,040,771	1,961,340
Accrued commissions	3,968,851	3,598,077
Current maturities of long-term debt	423,074	439,532
Total current liabilities	11,765,936	13,062,795
Long-term debt, net of current maturities	2,492,775	1,670,618
Line of Credit	2,502,015	3,828,634
Deferred tax liability	527,312	527,312
Total liabilities	17,288,038	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	13,287,357	12,903,885
Stockholders' equity	19,693,941	19,310,469
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	18,334,656	17,951,184
Total liabilities and stockholders' equity	\$ 35,622,694	\$ 37,040,543

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended November 30, 2019	Twelve Months Ended August 31, 2019
Net sales	\$ 24,377,383	\$ 115,265,459
Cost of sales	21,130,922	102,383,448
Gross profit	3,246,461	12,882,011
Loss on disposal of assets	0	-
Selling, general and administrative expenses	2,666,712	10,164,984
Operating income	579,749	2,717,027
Other expenses (income):		
Interest expense	118,309	488,203
Other (income) / expense, net	(18,317)	114,994
Total other expense, net	99,992	603,197
Income before income tax expense	479,757	2,113,830
Income tax expense:		
Current	96,285	386,461
Deferred	0	31,635
Total income tax expense	96,285	418,096
Net income	\$ 383,472	\$ 1,695,734

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended	
	November 30,	
	2019	2018
Cash Flows From Operating Activities:		
Net income	\$ 383,472	\$ 479,231
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	178,060	189,605
Bad debt (Recovery) / Expense	0	(7,289)
Increase / (Decrease) in provision of losses of inventory	(331,942)	(6,216)
Deferred income tax expense	0	(136,288)
(Increase) / Decrease in trade accounts receivable	785,536	(459,280)
(Increase) / Decrease in inventory	1,653,961	(1,764,483)
(Increase) / Decrease in prepaid expenses and other	(282,705)	(225,117)
(Increase) / Decrease in noncurrent assets	0	(24,832)
(Decrease) / Increase in accounts payable	(1,730,606)	(1,125,156)
(Decrease) / Increase in accrued liabilities	450,205	339,015
	<u>1,105,981</u>	<u>(2,740,810)</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(585,061)	(145,711)
Proceeds from sale of property, plant and equipment	0	0
	<u>(585,061)</u>	<u>(145,711)</u>
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	(1,326,619)	2,997,179
Net borrowings / (payments) on debt	805,699	(110,658)
Purchase of Treasury Stock	-	-
	<u>(520,920)</u>	<u>2,886,521</u>
Net change in cash	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ -</u>