

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	Nov 30, 2020	August 31, 2020
	<u> </u>	<u> </u>
Current assets:		
Cash	\$ (1,997,230)	\$ (1,487,089)
Trade accounts receivable, net of allowance for doubtful accounts of (\$603,418) as of Nov 30,2020, and \$603,660 as of August 31, 2020	6,958,233	6,996,073
Inventories, net of allowances	19,996,927	19,386,813
Prepaid expenses and other	704,387	352,840
Deferred income tax assets	-	-
	<u> </u>	<u> </u>
Total current assets	<u>25,662,317</u>	<u>25,248,637</u>
Property, plant and equipment, at cost	26,422,015	26,121,155
Less accumulated depreciation	<u>(15,284,700)</u>	<u>(15,154,819)</u>
	<u> </u>	<u> </u>
Net property, plant and equipment	<u>11,137,315</u>	<u>10,966,336</u>
Noncurrent assets:		
Other assets	<u>354,567</u>	<u>354,567</u>
	<u> </u>	<u> </u>
Total assets	<u>\$ 37,154,199</u>	<u>\$ 36,569,540</u>

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

	Nov 30, 2020	August 31, 2020
Current liabilities:		
Accounts payable	\$ 4,015,967	\$ 3,010,860
Accrued liabilities	1,960,683	1,918,587
Accrued commissions	4,328,945	3,945,997
Current maturities of long-term debt	435,894	435,894
Total current liabilities	10,741,489	9,311,338
Long-term debt, net of current maturities	6,483,555	6,589,649
Line of credit	1,710,301	2,477,929
Deferred tax liability	527,312	768,782
Total liabilities	19,462,657	19,147,698
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	12,644,242	12,374,890
Stockholders' equity	19,050,826	18,781,474
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	17,691,541	17,422,189
Total liabilities and stockholders' equity	<u>\$ 37,154,198</u>	<u>\$ 36,569,887</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended Nov 30, 2020	Twelve Months Ended August 31, 2020
Net sales	\$ 20,033,806	\$ 85,742,061
Cost of sales	16,123,320	75,362,956
Gross profit	3,910,486	10,379,105
Loss on disposal of assets	-	-
Selling, general and administrative expenses	3,875,547	10,233,642
Operating income	34,939	145,463
Other expenses (income):		
Interest expense	87,449	447,456
Other (income) / expense, net	(338,490)	(187,239)
Total other expense, net	(251,041)	260,217
Income before income tax expense	285,979	(114,754)
Income tax expense:		
Current	5,312	414,586
Deferred	-	-
Total income tax expense	5,312	414,586
Net income	\$ 280,667	\$ (529,340)

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended	
	Nov 30,	
	2020	2019
Cash Flows From Operating Activities:		
Net income	\$ 280,667	\$ 383,471
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation and amortization	129,881	178,060
Bad debt (Recovery) / Expense	0	0
Increase / (Decrease) in provision of losses of inventory	(655,105)	(102,133)
Deferred income tax expense	(241,470)	(241,470)
(Increase) / Decrease in trade accounts receivable	37,840	(618,736)
(Increase) / Decrease in inventory	(484,603)	(1,321,079)
(Increase) / Decrease in prepaid expenses and other	(351,547)	155,118
(Increase) / Decrease in noncurrent assets	0	585,061
(Decrease) / Increase in accounts payable	1,005,107	(216,670)
(Decrease) / Increase in accrued liabilities	425,044	(52,474)
	<u>145,814</u>	<u>(1,250,852)</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(300,860)	(585,062)
Proceeds from sale of property, plant and equipment	0	0
	<u>(300,860)</u>	<u>(585,062)</u>
Cash Flows From Financing Activities:		
Net borrowings / (payments) on line of credit	(767,628)	(1,326,619)
Net borrowings / (payments) on debt	(106,094)	(16,458)
Purchase of Treasury Stock	-	-
	<u>(873,722)</u>	<u>(1,343,077)</u>
Net change in cash	(1,028,768)	(3,178,991)
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ (1,028,768)</u>	<u>\$ (3,178,991)</u>