

**IMPRESO, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

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

	<b>May 31, 2024</b>	<b>August 31, 2023</b>
Current assets:		
Cash	\$ 321,782	\$ 300,282
Trade accounts receivable, net of allowance for doubtful accounts of (\$575,170) as of May 31, 2024, and (\$802,052) as of August 31, 2023	10,465,219	13,122,237
Inventories, net of allowances	34,971,516	34,292,891
Prepaid expenses and other	651,424	384,264
Deferred income tax assets		
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Total current assets	\$ 46,409,941	\$ 48,099,674
Property, plant and equipment, at cost	29,491,440	29,180,749
Less accumulated depreciation	(18,294,165)	(17,630,447)
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Net property, plant and equipment	11,197,275	11,550,302
Right-of-Use Operating Lease Assets	18,263,796	19,947,263
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Noncurrent assets:		
Other assets	\$ 309,668	\$ 224,187
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Total assets	\$ 76,180,679	\$ 79,821,426

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

	<b>May 31, 2024</b>	<b>August 31, 2023</b>
Current liabilities:		
Checks Issued in excess of cash	\$ 2,693,441	\$ 4,711,179
Accounts payable	3,733,737	5,593,784
Accrued liabilities	2,149,010	2,283,798
Accrued Sales Rebates	5,970,055	8,237,667
Current maturities of long-term debt	1,695,133	1,695,133
Current maturities of lease liabilities	2,825,733	2,825,733
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Total current liabilities	19,067,109	25,347,294
Long-term debt, net of current maturities	930,263	1,897,311
Lease Liabilities - Operating	16,195,914	17,615,392
Line of credit	13,267,257	8,295,243
Deferred tax liability	1,428,637	1,428,637
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Total liabilities	\$ 50,889,181	\$ 54,583,877
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	20,244,199	20,190,250
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Stockholders' equity	26,650,783	26,596,834
Treasury stock (1,271,517 shares, at cost)	(1,359,285)	(1,359,285)
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Total stockholders' equity	\$ 25,291,498	\$ 25,237,549
Total liabilities and stockholders' equity	<u>\$ 76,180,679</u>	<u>\$ 79,821,426</u>

**IMPRESO, INC. AND SUBSIDIARIES**

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

	<b>Nine Months Ended May 31, 2024</b>	<b>Twelve Months Ended August 31, 2023</b>
Net sales	\$ 93,921,424	\$ 143,720,176
Cost of sales	82,048,949	122,302,142
Gross profit	11,872,475	21,418,034
Loss on disposal of assets	15,225	-
Selling, general and administrative expenses	10,815,633	19,043,511
Operating income	1,041,616	2,374,523
Other expenses (income):		
Interest expense	1,035,784	1,042,472
Other (income) / expense, net	(48,117)	(249,293)
Total other expense, net	987,668	793,179
Income before income tax expense	53,949	1,581,344
Income tax expense:		
Current	-	542,311
Deferred	-	-
Total income tax expense	-	542,311
Net income	\$ 53,949	\$ 1,039,033

**IMPRESO, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	<b>Nine Months Ended May 31, 2024</b>	<b>Twelve Months Ended August 31, 2023</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 53,949	\$ 1,039,033
Adjustments to reconcile net income to net cash provided by (used in ) operating activities:		
Depreciation and amortization	663,718	1,402,940
Gain on disposal of property and equipment		(15,489)
Bad debt (Recovery) / Expense		
Increase / (Decrease) in provision of losses of inventory		
Deferred income tax expense		43,969
(Increase) / Decrease in trade accounts receivable	2,657,018	(1,353,255)
Noncash lease adjustment	(1,419,478)	493,862
(Increase) / Decrease in inventory	(678,625)	3,494,483
(Increase) / Decrease in prepaid expenses and other	(267,160)	428,566
(Increase) / Decrease in noncurrent assets	1,597,987	
(Decrease) / Increase in checks in excess of cash	(2,017,738)	
(Decrease) / Increase in accounts payable	(1,860,047)	(680,315)
(Decrease) / Increase in accrued liabilities	(2,402,400)	1,775,805
	<u>(3,672,776)</u>	<u>6,629,599</u>
<b>Cash Flows From Investing Activities:</b>		
Additions to property, plant and equipment	(310,691)	(197,635)
Proceeds from sale of property, plant and equipment		
	<u>(310,691)</u>	<u>(197,635)</u>
<b>Cash Flows From Financing Activities:</b>		
Net borrowings / (payments) on line of credit	4,972,014	(5,109,941)
Net borrowings / (payments) on debt	(967,048)	(1,021,741)
Purchase of Treasury Stock	-	-
	<u>4,004,966</u>	<u>(6,131,682)</u>
Net change in cash	21,500	300,282
Cash and cash equivalents, beginning of period	<u>300,282</u>	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ 321,782</u>	<u>\$ 300,282</u>