

CCOM GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	March 31, 2020 (Unaudited)	December 31, 2019
Assets		
Current assets:		
Cash	\$ 343,421	\$ 193,448
Accounts receivable, net of allowance for doubtful accounts of \$608,479 and \$557,532, respectively	11,720,659	11,260,382
Inventory	23,255,329	17,858,956
Prepaid expenses and other current assets	726,275	973,961
Total current assets	36,045,684	30,286,747
Property and equipment	1,038,055	1,009,524
Goodwill	1,416,929	1,416,929
Other assets - noncurrent	350,563	356,788
Deferred tax asset - noncurrent	2,799,000	2,799,000
	\$ 41,650,231	\$ 35,868,988
Liabilities and Stockholders' Equity		
Current liabilities:		
Borrowings under credit facility - revolving credit	\$ 13,088,802	\$ 12,395,838
Notes payable - current portion	109,373	107,776
Trade payables	10,404,732	4,128,135
Accrued liabilities	2,183,292	2,657,118
Income taxes payable	24,625	24,625
Total current liabilities	25,810,824	19,313,492
Notes payable, excluding current portion	323,593	351,531
Deferred tax liability - noncurrent	354,000	354,000
Total liabilities	26,488,417	20,019,023
Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 284,612 shares issued and outstanding, liquidation preference of \$1,423,060	14,231	14,231
Common stock, \$.05 par value, 20,000,000 shares authorized, 9,154,928 shares issued and outstanding	457,746	457,746
Additional paid-in capital	12,596,853	12,596,853
Retained Earnings	2,092,984	2,781,135
Total stockholders' equity	15,161,814	15,849,965
	\$ 41,650,231	\$ 35,868,988

CCOM GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended March 31,	
	<u>2020</u>	<u>2019</u>
Sales	\$ 22,408,803	\$ 21,803,610
Cost of sales	<u>16,494,292</u>	<u>15,695,470</u>
Gross profit	5,914,511	6,108,140
 Selling, general and administrative expenses, net	 <u>6,512,497</u>	 <u>6,331,664</u>
Operating loss	(597,986)	(223,524)
 Other income	 56,454	 57,351
Interest expense, net; includes related party interest of \$0 and \$10,937, respectively	 <u>(131,553)</u>	 <u>(187,019)</u>
Loss before income tax expense	(673,085)	(353,192)
 Income tax expense	 <u>15,066</u>	 <u>18,380</u>
Net loss	\$ <u><u>(688,151)</u></u>	\$ <u><u>(371,572)</u></u>
 Loss per common share:		
Basic and diluted	 <u>\$ (0.07)</u>	 <u>\$ (0.04)</u>
 Weighted average shares outstanding:		
Basic and diluted	 <u>9,154,928</u>	 <u>9,154,928</u>

CCOM GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For The Three Months Ended March 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (688,151)	\$ (371,572)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for doubtful accounts	58,753	(7,708)
Depreciation	98,253	65,080
Net gain on sale of fixed assets	-	(2,225)
Changes in operating assets and liabilities		
Accounts receivable	(519,030)	706,650
Inventory	(5,396,373)	(2,916,636)
Prepaid expenses and other current assets	247,686	(46,670)
Other assets - noncurrent	6,225	6,177
Trade payables	6,276,597	(173,863)
Accrued liabilities	(473,826)	(220,397)
Net cash used in operating activities	(389,866)	(2,961,164)
Cash flows from investing activities:		
Additions to property and equipment	(126,784)	(69,695)
Proceeds from disposal of property and equipment	-	7,000
Net cash used in investing activities	(126,784)	(62,695)
Cash flows from financing activities:		
Repayments of notes payable: includes related party repayments of \$0 and \$51,335 respectively	(26,341)	(65,039)
Borrowings under credit facility - revolving credit, net	692,964	3,263,877
Net cash provided by financing activities	666,623	3,198,838
Increase in cash	149,973	174,979
Cash - beginning of period	193,448	307,472
Cash - end of period	\$ 343,421	\$ 482,451