

ANACOMP, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	<i>June 30,</i> 2017	<i>September 30,</i> 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,975	\$ 4,172
Accounts receivable, net of allowance for doubtful accounts of \$0, in both period	1,085	599
Restricted short-term certificates of deposit	60	60
Prepaid expenses and other current assets	565	267
Total current assets	<u>5,685</u>	<u>5,098</u>
Property and equipment, net	702	663
Other assets	54	61
Pension assets	4,489	4,489
Total Assets	<u><u>\$ 10,930</u></u>	<u><u>\$ 10,311</u></u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 70	61
Accrued compensation, benefits and withholdings	183	240
Other accrued liabilities	617	453
Current portion of long-term promissory note, net of debt discount	-	532
Current portion of capital lease obligations	87	83
Total current liabilities	<u>957</u>	<u>1,369</u>
Capital lease obligations, less current portion	133	199
Long-term promissory note, net of debt discount	-	-
Pension obligation	8,143	8,143
Total Liabilities	<u>9,233</u>	<u>9,711</u>
Stockholders' Equity (Deficit)		
Common stock, \$.000001 par value; 10,000,000 shares authorized; 3,702,510 shares issued and outstanding at September 30, 2016 and 2015, respectively	\$ -	\$ -
Additional paid-in capital	94,158	94,147
Accumulated other comprehensive loss	(2,287)	(2,287)
Accumulated deficit	(90,174)	(91,260)
Total Stockholders' Equity (Deficit)	<u>1,697</u>	<u>600</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u><u>\$ 10,930</u></u>	<u><u>\$ 10,311</u></u>

ANACOMP, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(In thousands)

	Three Months Ended		Nine Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenues	\$ 1,877	\$ 1,188	\$ 6,303	\$ 4,573
Cost of revenues	915	915	3,450	3,182
Gross profit	962	273	2,853	1,391
Operating expenses:				
Selling, general and administrative	606	589	1,746	1,729
Income from operations	356	(316)	1,107	(338)
Other income (expense):				
Interest income	-	-	-	-
Amortization of debt discount	-	(27)	(10)	(101)
Interest expense	(3)	-	(11)	-
Income (loss) before income taxes	353	(343)	1,086	(439)
Income tax provision	-	-	-	(2)
Extraordinary expense	-	(44)	-	(44)
Net income (loss)	\$ 353	\$ (387)	\$ 1,086	\$ (485)

ANACOMP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Three Months Ended		Nine Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Cash flows from operating activities:				
Net income (loss)	\$ 353	\$ (387)	\$ 1,086	\$ (485)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	58	64	190	173
Net amortization of debt discount	-	24	10	91
Stock-based compensation	-	16	11	50
Change in assets and liabilities:				
Accounts receivables	(67)	(480)	(486)	73
Restricted short-term certificates of deposit	-	-	-	-
Prepaid expenses and other assets	(79)	(3)	(291)	(66)
Accounts payable	(16)	114	9	83
Accrued compensation, benefits and withholdings	(99)	(94)	(57)	(157)
Other accrued liabilities	127	134	164	88
Net cash used in operating activities	277	(612)	636	(150)
Cash flows from investing activities:				
Purchases of property and equipment	(32)	(217)	(229)	(290)
Net cash used in investing activities	(32)	(217)	(229)	(290)
Cash flows from financing activities:				
Principal payments on promissory note	-	(270)	(542)	(950)
Principal payments on capital lease obligations	(22)	(20)	(62)	(40)
Net cash used in financing activities	(22)	(290)	(604)	(990)
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
Net increase (decrease) in cash and cash equivalents	223	(1,119)	(197)	(1,430)
Cash and cash equivalents at beginning of period	3,752	5,029	4,172	5,340
Cash and cash equivalents at end of period	<u>\$ 3,975</u>	<u>\$ 3,910</u>	<u>\$ 3,975</u>	<u>\$ 3,910</u>