



CCA Industries, Inc.

Amended Financial Statements (Unaudited)

**For the Three Months and Six Months Ended
May 31, 2020**

CCA INDUSTRIES, INC.
AMENDED FINANCIAL STATEMENTS

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The balance sheet as of May 31, 2020 is amended to correct the amount the right of use assets and related liabilities. Note 4 to the financial statements is amended to correct the right of use asset and accumulated depreciation. The accumulated depreciation changed as a result of recording the depreciation expense of the right of use assets for the first quarter of fiscal 2020. There was no change to the statement of operations, statement of shareholder's equity or statement of cash flow for the quarter and six months ended May 31, 2020 as a result of the correction.

The basic and diluted weighted average common and preferred shares outstanding is amended to exclude all stock options as anti-dilutive and to exclude preferred stock. The preferred stock does not participate in losses. The change did not change the earnings per share.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
AMENDED BALANCE SHEETS (UNAUDITED)

May 31, 2020

ASSETS	Amended	Originally Filed
Current assets:		
Cash and cash equivalents	\$ 454,372	\$ 454,372
Accounts receivable, net of allowances of \$8,042 and \$12,228, respectively	1,761,725	1,761,725
Inventories	3,152,524	3,152,524
Prepaid expenses and sundry receivables	105,017	105,017
Prepaid and refundable income taxes	78,004	78,004
Total Current Assets	5,551,642	5,551,642
Property and equipment, net of accumulated depreciation	992,066	82,544
Intangible assets, net of accumulated amortization	2,257,197	2,257,197
Deferred financing fees, net of accumulated amortization	52,138	52,138
Deferred income taxes	5,957,012	5,957,012
Other	436,745	436,745
Total Assets	\$ 15,246,800	\$ 14,337,278
LIABILITIES AND CAPITAL		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,971,828	\$ 2,029,985
Line of credit	1,270,522	1,270,522
Lease liability - right of use assets	525,969	27,067
Notes payable - current portion	761,717	761,717
Total Current Liabilities	4,530,036	4,089,291
Notes payable	210,933	210,933
Long-term accrued liabilities	-	60,579
Long-term lease liability - right of use assets	529,356	168,859
Long-term - other	168,859	4,529,662
Total Liabilities	5,439,184	4,529,662
Shareholders' Equity:		
Preferred stock, \$1.00 par, authorized 20,000,000 shares, Senior Redeemable Series B, 155,000 and 0 shares designated, issued and outstanding, respectively	155,000	155,000
Common stock, \$0.01 par, authorized 15,000,000 shares, issued and outstanding 6,563,982 and 6,488,982 shares, respectively	65,640	65,640
Class A common stock, \$0.01 par, authorized 5,000,000 shares, issued and outstanding 967,702 and 967,702 shares, respectively	9,677	9,677
Additional paid-in capital	7,187,414	7,187,414
Retained earnings	2,389,885	2,389,885
Total Shareholders' Equity	9,807,616	9,807,616
Total Liabilities and Shareholders' Equity	\$ 15,246,800	\$ 14,337,278

CCA INDUSTRIES, INC. AND SUBSIDIARIES
AMENDED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended May 31, 2020		Six Months Ended May 31, 2020	
	Amended	Originally Filed	Amended	Originally Filed

Revenues:

Sales of health and beauty aid products - net	\$	3,273,956	\$	3,273,956	\$	7,130,040	\$	7,130,040
Other income		3,000		3,000		8,000		8,000
Total Revenues		3,276,956		3,276,956		7,138,040		7,138,040

Costs and Expenses:

Cost of sales		1,237,119		1,237,119		2,732,142		2,732,142
Selling, general and administrative expenses		1,887,188		1,887,188		4,092,764		4,092,764
Advertising, cooperative and promotional expenses		193,619		193,619		396,146		396,146
Research and development		37,000		37,000		98,575		98,575
Bad debt expense		(1,562)		(1,562)		(4,186)		(4,186)
Interest expense		93,833		93,833		161,536		161,536
Total Costs and Expenses		3,447,197		3,447,197		7,476,977		7,476,977

(Loss) Income before (benefit from) provision for income taxes

		(170,241)		(170,241)		(338,937)		(338,937)
(Benefit from) Provision for income taxes		(21,429)		(21,429)		(46,543)		(46,543)

Net (Loss) Income

	\$	(148,812)	\$	(148,812)	\$	(292,394)	\$	(292,394)
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(Loss) Earnings per Share:

Basic	\$	(0.02)	\$	(0.02)	\$	(0.04)	\$	(0.04)
Diluted		(0.02)		(0.02)		(0.04)		(0.04)

Weighted Average Preferred and Common Shares Outstanding:

Basic		7,531,684		7,686,684		7,531,684		7,619,771
Diluted		7,531,684		7,708,247		7,531,684		7,674,673

NOTE 4 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	May 31, 2020	
	Amended	Originally Filed
Furniture and equipment	\$ 149,375	\$ 149,375
Tools, dies and masters	142,681	142,681
Right of use assets	1,173,203	47,624
Leasehold improvements	2,932	2,932
	<u>1,468,190</u>	<u>342,612</u>
Less: Accumulated depreciation	476,124	260,068
Property and Equipment - Net	<u>\$ 992,066</u>	<u>\$ 82,544</u>

Depreciation expense for the three and six months ended May 31, 2020 were \$7,538 and \$17,191, respectively. In accordance with ASU No. 2016-02, Leases, issued by the FASB, the Company recorded right of use assets of \$47,624 for operating leases in effect as of December 1, 2019. This amendment corrects the amount recorded as right of use assets to \$1,173,203 as of May 31, 2020. Accumulated depreciation was increased by \$216,056 as a result of recording additional depreciation expense of the same amount for right of use assets during the six months of fiscal 2020.

NOTE 14 - (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated using the average number of common shares outstanding. Diluted (loss) income per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options and warrants using the "treasury stock method".

	Three Months Ended May 31, 2020		Six Months Ended May 31, 2020	
	Amended	Originally Filed	Amended	Originally Filed
Net (loss) income available for common sharehol	\$ (148,812)	\$ (148,812)	\$ (292,394)	\$ (292,394)
Weighted average common shares outstanding - 1	7,531,684	7,686,684	7,531,684	7,619,771
Net effect of dilutive stock options and warrant	-	21,563	-	54,901
Weighted average common shares and common shares equivalent - Diluted	<u>7,531,684</u>	<u>7,708,247</u>	<u>7,531,684</u>	<u>7,674,673</u>
(Loss) Earnings per Share:				
Basic	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.04)
Diluted	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.04)

CCA INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 14 - (LOSS) EARNINGS PER SHARE (Continued)

The following were excluded from the diluted (loss) income per share because the effects of such shares were anti-dilutive:

	Three Months Ended May 31, 2020		Six Months Ended May 31, 2020	
	Amended	Originally Filed	Amended	Originally Filed
Shares underlying outstanding stock options	1,306,500	1,031,500	1,306,500	1,031,500
Shares underlying outstanding warrant	1,442,744	1,442,744	1,442,744	1,442,744

In addition, 155,000 shares of preferred stock were excluded as preferred stock does not participate in losses.