



CCA Industries, Inc.

Amended Financial Statements (Unaudited)

**As of and For the Nine Months Ended
August 31, 2020**

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CCA INDUSTRIES, INC.
AMENDED FINANCIAL STATEMENTS

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The balance sheet as of August 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 nine months ended August 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.
AMENDED BALANCE SHEETS (UNAUDITED)

	August 31, 2020	
ASSETS	Amended	Originally Filed
Current assets:		
Cash and cash equivalents	\$ 107,000	\$ 107,000
Accounts receivable, net of allowances of \$7,981 and \$12,228, respectively	2,076,080	2,076,080
Inventories	2,798,905	2,798,905
Prepaid expenses and sundry receivables	100,771	100,771
Prepaid and refundable income taxes	122,894	122,894
Total Current Assets	5,205,650	5,205,650
Property and equipment, net of accumulated depreciation	866,735	65,048
Intangible assets, net of accumulated amortization	2,257,141	2,257,141
Deferred financing fees, net of accumulated amortization	32,586	32,586
Deferred income taxes	5,763,840	5,763,840
Other	360,751	360,751
Total Assets	\$ 14,486,703	\$ 13,685,016
LIABILITIES AND CAPITAL		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,752,655	\$ 1,810,812
Income tax payable	4,278	4,278
Line of credit	1,147,959	1,147,959
Lease liability - right of use assets	523,525	16,788
Notes payable - current portion	562,500	562,500
Total Current Liabilities	3,990,916	3,542,337
Long-term accrued liabilities	-	46,040
Long-term lease liability - right of use assets	399,148	-
Long-term - other	147,853	147,853
Total Liabilities	4,537,918	3,736,230
Shareholders' Equity:		
Preferred stock, \$1.00 par, authorized 20,000,000 shares, issued and outstanding 155,000 and 0 shares, 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	7,248,359	7,248,359
Retained earnings	2,470,110	2,470,110
Total Shareholders' Equity	9,948,786	9,948,786
Total Liabilities and Shareholders' Equity	\$ 14,486,704	\$ 13,685,016

See Notes to Unaudited Financial Statements.

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

	Nine Months Ended August 31, 2020	
	Amended	Originally Filed
Revenues:		
Sales of health and beauty aid products - net	\$ 10,864,216	\$ 10,864,216
Other income	9,000	9,000
Total Revenues	10,873,216	10,873,216
Costs and Expenses:		
Cost of sales	4,112,683	4,112,683
Selling, general and administrative expenses	5,959,277	5,959,277
Advertising, cooperative and promotional expenses	569,613	569,613
Research and development	123,828	123,828
Bad debt expense	(4,247)	(4,247)
Interest expense	218,515	218,515
Total Costs and Expenses	10,979,669	10,979,669
Income (Loss) before provision for (benefit from) income taxes	(106,453)	(106,453)
Provision for (Benefit from) income taxes	105,716	105,716
Net Income (Loss)	\$ (212,169)	\$ (212,169)
Earnings (Loss) per Share:		
Basic	\$ (0.03)	\$ (0.03)
Diluted	\$ (0.03)	\$ (0.03)
Weighted Average Preferred and Common Shares Outstanding:		
Basic	7,531,684	7,642,157
Diluted	7,531,684	7,686,130

PLEASE NOTE: There was no change to the statement of operations for the three months ended August 31, 2020.

See Notes to Unaudited Financial Statements.

NOTE 4 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	August 31, 2020	
	Amended	Originally Filed
Furniture and equipment	\$ 149,376	\$ 149,376
Tools, dies and masters	142,681	142,681
Right of use assets	1,173,203	47,624
Leasehold improvements	2,932	2,932
	1,468,191	342,613
Less: Accumulated depreciation	601,456	277,565
Property and Equipment - Net	<u>\$ 866,735</u>	<u>\$ 65,048</u>

Depreciation expense for the three and nine months ended August 31, 2020 were \$7,218 and \$24,409, respectively; and for the three and nine months ended August 31, 2019 were \$12,370 and \$34,914, 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 August 31, 2020. Accumulated depreciation was increased by \$323,891 as a result of recording additional depreciation expense of the same amount for right of use assets during the first nine months of fiscal 2020.

NOTE 14 - EARNINGS (LOSS) PER SHARE

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

	Nine Months Ended August 31, 2020	
	Amended	Originally Filed
Net income (loss) available for common shareholde	\$ (212,169)	\$ (212,169)
Weighted average common shares outstanding - Basic	7,531,684	7,642,157
Net effect of dilutive stock options and warrant	-	43,973
Weighted average common shares and common shares equivalent - Diluted	7,531,684	7,686,130
Earnings (Loss) per Share:		
Basic	\$ (0.03)	\$ (0.03)
Diluted	\$ (0.03)	\$ (0.03)

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

	Nine Months Ended August 31,	
	Amended	Originally Filed
Shares underlying outstanding stock options	1,306,500	1,031,500
Shares underlying outstanding warrant	-	-

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