



CCA Industries, Inc.

Amended Financial Statements (Unaudited)

As of and For the Quarter Ended February 29, 2020

CCA INDUSTRIES, INC.
AMENDED FINANCIAL STATEMENTS

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The balance sheet as of February 29, 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 ended February 29, 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.
BALANCE SHEETS (UNAUDITED)

ASSETS	February 29, 2020 (Unaudited)	
	Amended	Originally Filed
Current assets:		
Cash and cash equivalents	\$ 43,348	\$ 43,348
Accounts receivable, net of allowances of \$9,604 and \$12,228, respectively	2,784,711	2,784,711
Inventories	3,291,824	3,291,824
Prepaid expenses and sundry receivables	292,850	292,850
Prepaid and refundable income taxes	78,792	78,792
Total Current Assets	6,491,525	6,491,525
Property and equipment, net of accumulated depreciation	1,114,202	98,490
Intangible assets, net of accumulated amortization	2,243,954	2,243,954
Deferred financing fees, net of accumulated amortization	71,690	71,690
Deferred income taxes	5,934,483	5,934,483
Other	436,745	436,745
Total Assets	\$ 16,292,599	\$ 15,276,887
LIABILITIES AND CAPITAL		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,543,562	\$ 2,601,718
Line of credit	1,750,944	1,750,944
Lease liability - right of use assets	528,132	37,346
Notes payable - current portion	750,000	750,000
Total Current Liabilities	5,572,638	5,140,008
Long-term accrued liabilities	-	75,119
Long-term lease liability- right of use assets	658,201	-
Long-term - other	168,859	168,859
Total Liabilities	6,399,698	5,383,986
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	7,123,887	7,123,887
Retained earnings	2,538,697	2,538,697
Total Shareholders' Equity	9,892,901	9,892,901
Total Liabilities and Shareholders' Equity	\$ 16,292,599	\$ 15,276,887

CCA INDUSTRIES, INC.
STATEMENT OF OPERATIONS (UNAUDITED)

	Three Months Ended	
	February 29, 2020	
	Amended	Originally Filed
Revenues:		
Sales of health and beauty aid products - net	\$ 3,856,084	\$ 3,856,084
Other income	5,000	5,000
Total Revenues	3,861,084	3,861,084
Costs and Expenses:		
Cost of sales	1,495,023	1,495,023
Selling, general and administrative expenses	2,205,576	2,205,576
Advertising, cooperative and promotional expenses	202,527	202,527
Research and development	61,575	61,575
Bad debt expense	(2,624)	(2,624)
Interest expense	67,703	67,703
Total Costs and Expenses	4,029,780	4,029,780
(Loss) Income before (benefit from) provision for income taxes	(168,696)	(168,696)
(Benefit from) Provision for income taxes	(25,114)	(25,114)
Net (Loss) Income	\$ (143,582)	\$ (143,582)
(Loss) Earnings per Share:		
Basic	\$ (0.02)	\$ (0.02)
Diluted	\$ (0.02)	\$ (0.02)
Weighted Average Preferred and Common Shares Outstanding:		
Basic	7,531,684	7,552,124
Diluted	7,531,684	7,632,860

CCA INDUSTRIES, INC.
NOTE TO UNAUDITED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	February 29, 2020	
	Amended	Originally Filed
Furniture and equipment	\$ 147,970	\$ 147,970
Tools, dies and masters	142,681	142,681
Right of use assets	1,173,203	47,624
Leasehold improvements	2,932	2,932
	<u>1,466,785</u>	<u>341,207</u>
Less: Accumulated depreciation	352,582	242,717
Property and Equipment - Net	<u>\$ 1,114,203</u>	<u>\$ 98,490</u>

Depreciation expense for the three months ended February 29, 2020 amounted to \$9,653. 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 February 29, 2020. Accumulated depreciation was increased by \$109,865 as a result of recording additional depreciation expense of the same amount for right of use assets during the first quarter 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”.

	For the Three Months Ended	
	February 29, 2020	
	Amended	Originally Filed
Net income (loss) available for common shareholders	\$ (143,582)	\$ (143,582)
Weighted average common shares outstanding - Basic	7,531,684	7,552,124
Net effect of dilutive stock options and warrant	-	80,736
Weighted average common shares and common shares equivalent - Diluted	<u>7,531,684</u>	<u>7,632,860</u>
Earnings (Loss) per Share:		
Basic	\$ (0.02)	\$ (0.02)
Diluted	\$ (0.02)	\$ (0.02)

1,306,500 shares underlying stock options and 1,442,744 of shares underlying the outstanding warrant for the three months ended February 29, 2020, were excluded from the diluted (loss) income per share because the effects of such shares were anti-dilutive. 155,000 shares of preferred stock were excluded from basic and diluted loss per share as preferred stock does not participate in losses.