



APPALACHIAN MOUNTAIN BREWERY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING SEPTEMBER 30, 2015 AND YEAR ENDED DEC. 31, 2014

(Unaudited)

**APPALACHIAN MOUNTAIN BREWERY, INC CONSOLIDATED STATEMENTS
OF OPERATIONS FOR THE QTR ENDING SEPTEMBER 30, 2015
UNAUDITED**

Net revenue	\$504,214
Cost of revenue	<u>216,883</u>
Gross profit	<u>287,331</u>
Operating expenses	
Amortization and depreciation expenses	-
General & administrative expenses	<u>232,641</u>
Total operating expenses	<u>232,641</u>
Income (Loss) from operations	<u>54,690</u>
Other Income (expense)	
Other Income	
Other Expense	
Interest Expense	
Total other income (expense)	<u>\$-</u>
Loss before income tax	54,690
Provision for Income tax	<u> </u>
Net Profit (loss)	<u><u>\$54,690</u></u>

APPALACHIAN MOUNTAIN BREWERY, INC.
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

<u>ASSETS</u>	UNAUDITED 2015	AUDITED 2014
Current Assets		
Cash and Cash Equivalents	\$660,412	\$135,089
Inventory	49,900	49,900
Total Current Assets	\$710,312	\$184,989
Property and Equipment		
Leasehold Improvements	404,963	311,246
Furniture, fixtures, and equipment	876,581	807,057
Less accumulated depreciation	<u>\$(246,235)</u>	<u>\$(246,235)</u>
Net property and equipment	\$1,035,309	\$872,068
Total Assets	<u>\$1,745,621</u>	<u>\$1,057,057</u>
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>		
Current Liabilities		
Accounts Payable and accrued expenses	20,587	130,800
Accrued Interest	10,767	
Current Portion of note payable	\$6,000	\$10,300
Current Portion of note payable-related party	<u>8,489</u>	<u>31,596</u>
Total Current Liabilities	45,843	172,696
Long Term Liabilities		
Notes payable	825,250	270,950
Note Payable- related party	<u>756,142</u>	<u>670,769</u>
Total Long Term Liabilities	<u>\$1,581,392</u>	<u>\$941,719</u>
Stockholders' Equity		
Preferred series A stock (\$.001 par value, 10,000,001 shares authorized; 9,999,991 and 580,502 shares issued and outstanding at December 31, 2013 and 2012, respectively)	10,000	10,000
Preferred series B stock (\$.001 par value, 60,000,000 shares authorized; 8,376,198 and 8,376,198 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively)	8,376	8,376
Preferred series B shares to be issued (30,000 shares December 31, 2014)		30
Common stock (\$.001 par value, 130,000,000 shares authorized; 8,038,115 and 8,038,115 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively)	8,038	8,038
Additional paid-in-capital	434,826	434,826
Accumulated deficits (Retained Earnings)	(342,984)	(518,628)
Total Stockholders' Equity	118,286	(57,358)
Total Liabilities and Stockholders' Equity	<u>\$1,745,521</u>	<u>\$1,057,057</u>

APPALACHIAN MOUNTAIN BREWERY, INC
STATEMENT OF STOCKHOLDERS' DEFICIT
AS OF SEPTEMBER 30, 2015

Par Value	UNAUDITED						
	Preferred Shares	0.001 Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Stockholders' Equity (Deficit)
Balance at December 31, 2008	3,878,900	3,879	23,374,250	23,374	469,697	(363,005)	130,066
Stock Issued for Services			2,487,990	2,488	227,026		229,514
Sale of Stock			14,578,600	14,579	97,921		112,500
Net loss for the year ended December 31, 2009						(285,375)	(285,375)
Balance at December 31, 2009	3,878,900	3,879	40,440,840	40,441	794,644	(648,380)	190,584
Sale of Stock for cash	27,770	28			69,466		69,494
Issuance of Preferred	1,029,530	1,029			(1,029)		
Issuance of Common			8,962,131,813	8,962,132	(8,962,132)		
Net Income for the year ended December 31, 2010						(170,510)	
Balance at December 31, 2010	4,936,200	4,936	9,002,572,653	9,002,573	(8,099,051)	(818,890)	89,568
Capital contribution					50,555		50,555
Reverse split of common stock			(8,999,397,977)	(8,999,398)	8,999,398		
Conversion Preferred B stock to common	(198,700)	(198)	377,966,664	377,967	(377,768)		
Net Income or (loss) December 31, 2011						(130,659)	(130,659)
Balance, December 31, 2011	<u>4,737,500</u>	<u>4,738</u>	<u>381,141,340</u>	<u>381,142</u>	<u>573,134</u>	<u>(949,549)</u>	<u>9,464</u>
Stock Issuance 3/31/12			3,000,000,000	3,000,000	(3,000,000)		
Stock issuance 4/23/12			72,000,000	72,000	(72,000)		
Stock Issuance 3/31/12			154,999,660	155,000	(155,000)		
Stock Issuance May 2012			213,000,000	213,000	(213,000)		
Stock Issuance June 2012			205,000,000	205,000	(205,000)		
Stock Issuance June 2012			50,000,000	50,000	(50,000)		
Stock Issuance June 2012			112,000,000	112,000	(112,000)		
Contributed capital					78098		78,098
Net Income or (Loss) December 31, 2012						(45,692)	(45,692)
Balance, December 31, 2012	<u>4,737,500</u>	<u>4,738</u>	<u>4,188,141,000</u>	<u>4,188,141</u>	<u>(3,155,767)</u>	<u>(995,241)</u>	<u>41,870</u>
Reverse Stock Split 3/14/13 FPR 5,000	4,737,500	4,738	837,629	838	1,031,535	(995,241)	41,870
Net Income or (loss) March 31, 2013						(3,301)	(3,301)
Balance, March 31, 2013	<u>4,737,500</u>	<u>4,738</u>	<u>837,629</u>	<u>838</u>	<u>1,031,535</u>	<u>(998,542)</u>	<u>38,569</u>

Net Income or (Loss) June 30, 2013						(215)	(215)
Balance, June 30, 2013	<u>4,737,500</u>	<u>4,738</u>	<u>837,629</u>	<u>838</u>	<u>1,031,535</u>	<u>(998,757)</u>	<u>38,354</u>
Additional paid in stock					2,335		2,335
Net Income or (Loss) Sept 30, 2013						(1,684)	(1,684)
Balance, September 30, 2013	<u>4,737,500</u>	<u>4,738</u>	<u>837,629</u>	<u>838</u>	<u>1,033,870</u>	<u>(1,000,441)</u>	<u>39,005</u>
Paid in Capital					2,500		2,500
Preferred B Shares issued 12/3/13	290,000	290					290
Preferred B Shares issued 12/23/13	20,000	20					20
Preferred A shares issued Dec 31, 13	9,999,989	10,000					10,000
Preferred A shares cancelled	(580,500)	(581)					(581)
Preferred B Shares issued Dec 31, 13	4,000,000	4,000					4,000
Common stock issued on acquisition			7,200,000	7,200			7,200
Rounding Error			486				
Cancelled Preferred	(234,800)	(235)					-235
Net income or (Loss) Dec 31 2013						(5,469)	(5,469)
Adjust to Additional paid in for Acquisition							11,969
Consolidated Retained Earnings						(115,281)	(115,281)
Balance, December 31, 2013	<u>9,999,991</u>	<u>18,232</u>	<u>8,038,115</u>	<u>8,038</u>	<u>360,000</u>	<u>(322,031)</u>	<u>(295,761)</u>
Additional Paid in Capital					360,000		360,000
Net Income or (Loss) Mar 31 2014						(113,671)	(113,671)
Balance, March 31, 2014	<u>9,999,991</u>	<u>18,232</u>	<u>8,038,115</u>	<u>8,038</u>	<u>360,000</u>	<u>(435,702)</u>	<u>(49,432)</u>
Additional Paid in Capital					0		
Preferred B Shares Issued 4/9/14							
Net Income or (Loss) June 30, 2014						75,858	75,858
Balance, June 30, 2014	<u>9,999,991</u>	<u>18,232</u>	<u>8,038,115</u>	<u>8,038</u>	<u>360,000</u>	<u>(359,844)</u>	<u>26,426</u>
Net Income or (Loss) Sept 30, 2014						(30,432)	(30,432)
Balance, Sept 30, 2014	<u>9,999,991</u>	<u>18,232</u>	<u>8,038,115</u>	<u>8,038</u>	<u>360,000</u>	<u>(390,276)</u>	<u>(4,006)</u>

Additional Paid in Capital					74826		74826
Preferred Issued	174						174
Net Income or (Loss) Dec 31, 2014						(128,153)	(128,153)
Balance, Dec 31, 2014	<u>9,999,991</u>	<u>18,406</u>	<u>8,038,115</u>	<u>8,038</u>	<u>434,826</u>	<u>(518,429)</u>	<u>(57,159)</u>
Preferred Issued							
Net Income or (Loss) March 31, 2014						8,903	8,903
Balance, Mar 31, 2015	<u>9,999,991</u>	<u>18,406</u>	<u>8,038,115</u>	<u>8,038</u>	<u>434,826</u>	<u>(509,526)</u>	<u>(48,256)</u>
Net Income or (Loss) June 30, 2015						111,852	111,852
Balance, June 30, 2015	<u>9,999,991</u>	<u>18,406</u>	<u>8,038,115</u>	<u>8,038</u>	<u>434,826</u>	<u>(397,674)</u>	<u>63,596</u>
Net Income or (Loss) September 30, 2015						54,690	54,690
Balance, September 30, 2015	<u>9,999,991</u>	<u>18,406</u>	<u>8,038,115</u>	<u>8,038</u>	<u>434,826</u>	<u>(342,984)</u>	<u>118,286</u>

APPALACHIAN MOUNTAIN BREWERY, INC.
STATEMENT OF CASH FLOWS
FOR THE QTR ENDING SEPTEMBER 30, 2015 AND YEAR ENDING DECEMBER 31, 2014

	UNAUDITED 2015	AUDITED 2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (loss)	54,690	\$(196,597)
Adjustments to reconcile (net loss) to net cash provided by (used in) operations:		
Depreciation	-	144,363
Issuance of common and preferred shares to related party		
Cancellation of preferred Shares		
Conversion of preferred B into common shares		
Issuance of common shares		
Increase in Inventory		(21,548)
Increase/Decrease in accounts payable and accrued expenses	(40,757)	38,604
Increase in accrued interest payable-related party		(33,196)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>13,933</u>	<u>(68,374)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of fixed assets and leashold improvements	(51,322)	(623,017)
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(51,322)</u>	<u>(623,017)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Notes payable	549,279	250,000
Cash received from investors		435,000
Note payable- related party	(15,000)	(17,011)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>534,279</u>	<u>667,989</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	496,890	(23,402)
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	<u>163,522</u>	<u>158,491</u>
END OF THE PERIOD	<u>660,412</u>	<u>135,089</u>