

APPALACHIAN MOUNTAIN BREWERY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDING DECEMBER 31, 2015 AND YEAR ENDED DEC. 31, 2014

(Unaudited)

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

ASSETS	**2015**	**2014**
Current Assets		
Cash and cash equivalents	$195,400	$135,089
Inventory	49,900	49,900
Prepaid expenses	5,670	
Total Current Assets	250,970	184,989
Property and Equipment		
Leasehold Improvements	440,427	311,246
Furniture, fixtures, and equipment	1,022,759	807,057
Less accumulated depreciation	(477,928)	(246,235)
Net property and equipment	985,258	872,068
Total Assets	**$ 1,236,228**	**$ 1,057,057**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	45,099	130,800
Accrued interest	18,989	
Accrued payroll	38,642	
Current portion of note payable	40,985	$10,300
Current portion of note payable-related party		31,596
Total Current Liabilities	143,715	172,696
Long Term Liabilities		
Notes payable	799,779	270,950
Note Payable- related party	669,425	670,769
Total Long Term Liabilities	1,469,204	941,719
Total Liabilities	1,612,919	1,114,415
Stockholders' Equity		
Preferred series A stock ($.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 ($.001 par value, 60,000,000 shares authorized; 8,376,198 and 8,376,198 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively)	8,376	8,376
Preferred series B shares to be issued (30,000 shares December 31, 2014(	30	30
Common stock ($.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)	(837,961)	(518,628)
Total Stockholders' Equity	(376,691)	(57,358)
Total Liabilities and Stockholders' Equity	**$1,236,228**	**$1,057,057**

APPALACHIAN MOUNTAIN BREWERY, INC CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2015

	2015	2014
Net revenue	$ 1,735,418	$ 968,470
Cost of revenue	608,067	254,327
Gross profit	1,127,351	714,143
Operating expenses		
Payroll expense	482,360	383,822
Depreciation expense	231,691	144,363
Lease expense	136,772	-
Utility expense	72,939	27,596
Other expenses	456,847	289,670
Total operating expenses	1,380,609	845,451
Loss from operations	(253,258)	(131,308)
Other Expenses		
Interest Expense	66,274	65,289
Total other expenses	66,274	65,289
Loss before income tax	(319,532)	(196,597)
Provision for Income tax	-	-
Net loss	**$ (319,532)**	**$ (196,597)**

APPALACHIAN MOUNTAIN BREWERY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING DECEMBER 31, 2015 AND DECEMBER 31, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$ (319,532)	$ (196,597)
Depreciation	231,691	144,363
Increase in Inventory		(21,548)
Increase/Decrease in accounts payable and accrued expenses	(29,991)	38,604
Increase in accrued interest payable-related party		(33,196)
NET CASH USED IN OPERATING ACTIVITIES	(117,832)	(68,374)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets and leashold improvements	(349,519)	(623,017)
NET CASH USED IN INVESTING ACTIVITIES	(349,519)	(623,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable	560,494	250,000
Cash received from investors		435,000
Note payable- related party	(32,940)	(17,011)
NET CASH PROVIDED BY FINANCING ACTIVITIES	527,554	667,989
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,311	(23,402)
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	135,089	158,491
END OF THE PERIOD	$ 195,400	$ 135,089