

APPALACHIAN MOUNTAIN BREWERY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2016 AND YEAR ENDED DECEMBER 31, 2015

(Unaudited)

APPALACHIAN MOUNTAIN BREWERY, INC.
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2016 AND DECEMBER 31, 2015

ASSETS	**June 30, 2016**	**December 31, 2015**
Current Assets		
Cash and cash equivalents	$506,173	$195,400
Inventory	179,310	49,900
Accounts receivable	557,206	
Other current assets	2,500	5,670
Total Current Assets	1,245,189	250,970
Property and Equipment		
Leasehold Improvements	443,643	440,427
Furniture, fixtures, and equipment	1,097,756	1,022,759
Less accumulated depreciation	(591,390)	(477,928)
Net property and equipment	950,009	985,258
Total Assets	**$ 2,195,198**	**$ 1,236,228**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	439,311	45,099
Accrued interest	37,391	18,989
Accrued payroll	22,210	38,642
Current portion of note payable	42,038	40,985
Other current liabilities	33,210	
Total Current Liabilities	574,160	143,715
Long Term Liabilities		
Notes payable	1,400,000	799,779
Note Payable- related party	662,716	669,425
Total Long Term Liabilities	2,062,716	1,469,204
Total Liabilities	2,636,876	1,612,919
Stockholders' Equity		
Preferred series A stock ($.001 par value, 10,000,001 shares authorized; 9,999,991 and 580,502 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively)	10,000	10,000
Preferred series B stock ($.001 par value, 60,000,000 shares authorized; 8,376,198 and 8,376,198 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively)	8,126	8,376
Preferred series B shares to be issued (30,000 shares March 31, 2016)	30	30
Common stock ($.001 par value, 130,000,000 shares authorized; 8,038,115 and 8,038,115 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively)	8,038	8,038
Additional paid-in-capital	380,472	434,826
Accumulated deficits	(848,314)	(837,961)
Total Stockholders' Equity	(441,678)	(376,691)
Total Liabilities and Stockholders' Equity	**$2,195,198**	**$1,236,228**

APPALACHIAN MOUNTAIN BREWERY, INC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTER ENDED JUNE 30, 2016 AND YEAR ENDED DECEMBER 31, 2015

	June 30, 2016	December 31, 2015
Net revenue	$ 1,123,891	$ 1,735,418
Cost of sales	836,532	608,067
Gross profit	287,359	1,127,351
Operating expenses		
General expenses	143,497	456,847
Labor expense	110,569	
Lease expense	31,926	136,772
Payroll expense		482,360
Depreciation expense		231,691
Utility expense		72,939
Total operating expenses	285,992	1,380,609
Income from operations	1,367	(253,258)
Other Expenses		
Interest Expense	27,927	66,274
Total other expenses	27,927	66,274
Profit (Loss) before income tax	(26,560)	(319,532)
Provision for Income tax	-	-
Net Income (loss)	**$ (26,560)**	**$ (319,532)**

APPALACHIAN MOUNTAIN BREWERY, INC.
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED JUNE 30, 2016 AND THE YEAR ENDED DECEMBER 31, 2015

	June 30, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$ (26,560)	$ (319,532)
Accounts receivable	(472,464)	
(Increase) / Decrease in Inventory	13,832	
Depreciation	46,994	231,691
Increase / (Decrease) in accounts payable	359,687	(29,991)
NET CASH USED IN OPERATING ACTIVITIES	(78,511)	(117,832)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets and leashold improvements	(3,495)	(349,519)
NET CASH USED IN INVESTING ACTIVITIES	(3,495)	(349,519)
PROCEEDS FROM NOTES PAYABLE		
Notes payable		560,494
Repayment of note related-party	(3,384)	(32,940)
NET CASH FROM FINANCING	(3,384)	527,554
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,390)	60,311
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	591,563	135,089
END OF THE PERIOD	$ 506,173	$ 195,400