

APPALACHIAN MOUNTAIN BREWERY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

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

(Unaudited)

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

ASSETS	**September 30, 2016**	**December 31, 2015**
Current Assets		
Cash and cash equivalents	$ 694,310	$195,400
Inventory	311,308	49,900
Accounts receivable	130,981	
Other current assets	12,500	5,670
Total Current Assets	1,149,098	250,970
Property and Equipment		
Leasehold Improvements	443,643	440,427
Furniture, fixtures, and equipment	1,097,756	1,022,759
Less accumulated depreciation	(844,685)	(477,928)
Net property and equipment	696,713	985,258
Total Assets	**1,845,811**	**1,236,228**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	172,790	45,099
Accrued interest	31,341	18,989
Accrued payroll	17,649	38,642
Current portion of note payable	37,169	40,985
Other current liabilities	135,379	
Total Current Liabilities	394,328	143,715
Long Term Liabilities		
Notes payable	1,400,000	799,779
Note Payable- related party	659,273	669,425
Total Long Term Liabilities	2,059,273	1,469,204
Total Liabilities	2,453,601	1,612,919
Stockholders' Equity		
Preferred series A stock ($.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 ($.001 par value, 60,000,000 shares authorized; 8,376,198 and 8,376,198 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively)	8,126	8,376
Preferred series B shares to be issued (30,000 shares March 31, 2016)		30
Common stock ($.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	(1,014,426)	(837,961)
Total Stockholders' Equity	(607,790)	(376,691)
Total Liabilities and Stockholders' Equity	**$ 1,845,811**	**$1,236,228**

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

	September 30, 2016	December 31, 2015
Net revenue	$ 914,283	$ 1,735,418
Cost of sales	772,480	608,067
Gross profit	141,803	1,127,351
Operating expenses		
General expenses	137,171	456,847
Labor expense	108,196	482,360
Lease expense	34,551	136,772
Depreciation expense	2,744	231,691
Utility expense	1,196	72,939
Total operating expenses	283,858	1,380,609
Loss from operations	(142,055)	(253,258)
Other Expenses		
Interest Expense	24,057	66,274
Total other expenses	24,057	66,274
Profit (Loss) before income tax	(166,112)	(319,532)
Provision for Income tax	-	-
Net loss	**$ (166,112)**	**$ (319,532)**

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

	September 30, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$ (166,112)	$ (319,532)
Accounts receivable	443,079	
(Increase) / Decrease in Inventory	(91,389)	
Depreciation	260,149	231,691
Increase / (Decrease) in accounts payable	(220,595)	(29,991)
NET CASH USED IN OPERATING ACTIVITIES	191,424	(117,832)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets and leashold improvements	-	(349,519)
NET CASH USED IN INVESTING ACTIVITIES	-	(349,519)
PROCEEDS FROM NOTES PAYABLE		
Notes payable	(3,443)	560,494
Repayment of note related-party	-	(32,940)
NET CASH FROM FINANCING	(3,443)	527,554
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	187,981	60,311
CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	506,329	135,089
END OF THE PERIOD	$ 694,310	$ 195,400