



APPALACHIAN MOUNTAIN BREWERY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDING JUNE 30, 2017 AND YEAR ENDED DECEMBER 31, 2016

(Unaudited)

APPALACHIAN MOUNTAIN BREWERY, INC.
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016

ASSETS	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Current Assets		
Cash and cash equivalents	\$ 596,748	\$ 601,879
Inventory	466,613	349,614
Accounts receivable	400,985	128,941
Other current assets	21,000	21,000
Total Current Assets	<u>1,485,346</u>	<u>1,101,434</u>
Property and Equipment		
Furniture, fixtures, and equipment	1,098,003	1,097,756
Leasehold Improvements	449,965	449,965
Less accumulated depreciation	(979,653)	(882,258)
Net property and equipment	<u>568,315</u>	<u>665,463</u>
Total Assets	<u>2,053,661</u>	<u>1,766,897</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	276,296	217,221
Accrued interest	74,350	64,092
Accrued payroll	21,093	46,492
Current portion of note payable	35,716	35,697
Other current liabilities	129,864	95,597
Total Current Liabilities	<u>537,319</u>	<u>459,099</u>
Long Term Liabilities		
Notes payable	1,400,000	1,400,000
Note Payable- related party	652,386	655,770
Total Long Term Liabilities	<u>2,052,386</u>	<u>2,055,770</u>
Total Liabilities	<u>2,589,705</u>	<u>2,514,869</u>
Stockholders' Equity		
Preferred series A stock (\$.001 par value, 10,000,001 shares authorized; 9,999,991 and 9,999,991 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively)	10,000	10,000
Preferred series B stock (\$.001 par value, 60,000,000 shares authorized; 8,125,724 and 8,125,724 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively)	8,126	8,126
Common stock (\$.001 par value, 130,000,000 shares authorized; 8,038,115 and 8,038,115 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively)	8,038	8,038
Additional paid-in-capital	380,472	380,472
Accumulated deficits	(942,680)	(1,154,608)
Total Stockholders' Equity	(536,044)	(747,972)
Total Liabilities and Stockholders' Equity	<u>\$ 2,053,661</u>	<u>\$ 1,766,897</u>

APPALACHIAN MOUNTAIN BREWERY, INC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTER ENDED JUNE 30, 2017 AND YEAR ENDED DECEMBER 31, 2016

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Net revenue	\$ 1,083,030	\$ 3,265,526
Cost of sales	705,612	2,354,304
Gross profit	<u>377,418</u>	<u>911,222</u>
Operating expenses		
General expenses	111,515	457,291
Labor expense	112,132	488,057
Lease expense	35,070	160,264
Utility expense	2,006	6,129
Depreciation expense		3,980
Total operating expenses	<u>260,723</u>	<u>1,115,721</u>
Profit (Loss) from operations	<u>116,695</u>	<u>(204,499)</u>
Other Expenses		
Interest Expense	24,005	112,148
Total other expenses	<u>24,005</u>	<u>112,148</u>
Profit (Loss) before income tax	92,690	(316,647)
Provision for Income tax	-	-
Net income	<u><u>\$ 92,690</u></u>	<u><u>\$ (316,647)</u></u>

APPALACHIAN MOUNTAIN BREWERY, INC.
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED JUNE 30, 2017 AND THE YEAR ENDED DECEMBER 31, 2016

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (loss)	\$ 92,690	\$ (316,647)
Accounts receivable	(314,278)	(128,941)
(Increase) / Decrease in Inventory	(39,699)	(299,714)
Depreciation	47,162	404,330
Increase / (Decrease) in accounts payable	128,166	235,118
NET CASH USED IN OPERATING ACTIVITIES	<u>(85,959)</u>	<u>(105,854)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of fixed assets and leashold improvements	(884)	(84,535)
NET CASH USED IN INVESTING ACTIVITIES	<u>(884)</u>	<u>(84,535)</u>
 <u>PROCEEDS FROM NOTES PAYABLE</u>		
Notes payable		609,603
Repayment of note related-party	(3,384)	(12,735)
NET CASH FROM FINANCING	<u>(3,384)</u>	<u>596,868</u>
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(90,227)	406,479
 CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	686,975	195,400
 END OF THE PERIOD	<u><u>\$ 596,748</u></u>	<u><u>\$ 601,879</u></u>