



**APPALACHIAN MOUNTAIN BREWERY, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDING JUNE 30, 2018 AND YEAR ENDED DECEMBER 31, 2017**

**(Unaudited)**

**APPALACHIAN MOUNTAIN BREWERY, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF JUNE 30, 2018 AND DECEMBER 31, 2017**

<b>ASSETS</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 191,603	\$ 884,265
Inventory	824,744	609,382
Accounts receivable	997,490	709,920
Other current assets	21,000	21,000
<b>Total Current Assets</b>	<b>2,034,837</b>	<b>2,224,567</b>
<b>Property and Equipment</b>		
Furniture, fixtures, and equipment	1,061,743	1,097,756
Leasehold Improvements	449,965	449,965
Less accumulated depreciation	(1,015,675)	(1,015,675)
<b>Net property and equipment</b>	<b>496,033</b>	<b>532,046</b>
<b>Intangible Assets</b>		
Intellectual Property	650,000	
<b>Total Assets</b>	<b>3,180,870</b>	<b>2,756,613</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	1,117,101	832,009
Accrued interest	130,282	105,117
Accrued payroll	25,672	231,563
Current portion of note payable	32,350	35,539
Other current liabilities	168,921	165,994
<b>Total Current Liabilities</b>	<b>1,474,326</b>	<b>1,370,222</b>
<b>Long Term Liabilities</b>		
Notes payable	1,400,000	1,400,000
Note Payable- related party	633,413	641,127
<b>Total Long Term Liabilities</b>	<b>2,033,413</b>	<b>2,041,127</b>
<b>Total Liabilities</b>	<b>3,507,739</b>	<b>3,411,349</b>
<b>Stockholders' Equity</b>		
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, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, respectively)	8,038	8,038
Additional paid-in-capital	380,472	380,472
<b>Accumulated deficits</b>	<b>(733,505)</b>	<b>(1,061,372)</b>
Total Stockholders' Equity	(326,869)	(654,736)
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,180,870</b>	<b>\$ 2,756,613</b>

**APPALACHIAN MOUNTAIN BREWERY, INC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE QUARTER ENDED JUNE 30, 2018 AND YEAR ENDED DECEMBER 31, 2017**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>Net revenue</b>	\$ 1,390,412	\$ 3,971,951
<b>Cost of sales</b>	901,888	2,728,129
<b>Gross profit</b>	<u>488,524</u>	<u>1,243,822</u>
<b>Operating expenses</b>		
General expenses	113,831	501,011
Labor expense	86,947	425,991
Lease expense	37,710	132,153
Depreciation expense	-	8,406
Utility expense	1,820	8,027
<b>Total operating expenses</b>	<u>240,308</u>	<u>1,075,588</u>
<b>Income from operations</b>	<u>248,216</u>	<u>168,234</u>
<b>Other Expenses</b>		
Interest Expense	28,441	74,998
<b>Total other expenses</b>	<u>28,441</u>	<u>74,998</u>
Profit before income tax	219,775	93,236
Provision for Income tax	-	-
<b>Net Income</b>	<u><u>\$ 219,775</u></u>	<u><u>\$ 93,236</u></u>

**APPALACHIAN MOUNTAIN BREWERY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED JUNE 30, 2018 AND THE YEAR ENDED DECEMBER 31, 2017**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Income	\$ 219,275	\$ 93,236
Accounts receivable	(916,623)	(581,039)
(Increase) / Decrease in Inventory	(127,654)	(340,272)
Depreciation	-	133,416
Increase / (Decrease) in accounts payable	858,633	991,688
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>33,631</u>	<u>297,029</u>
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchases of fixed assets and leasold improvements	310,028	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>310,028</u>	<u>-</u>
 <b><u>PROCEEDS FROM NOTES PAYABLE</u></b>		
Notes payable		(988)
Repayment of note related-party	(259,714)	(13,655)
<b>NET CASH FROM FINANCING</b>	<u>(259,714)</u>	<u>(14,643)</u>
 <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	83,945	282,386
 CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD	107,658	601,879
 <b>END OF THE PERIOD</b>	<u><u>\$ 191,603</u></u>	<u><u>\$ 884,265</u></u>