INDEX TO FINANCIAL STATEMENTS

NUTRAFUELS, INC.
Balance Sheets
(Unaudited)

ASSETS	March 31, 2016	December 31, 2016
CURRENT ASSETS		
Cash	$ 294,048	$ 12,133
Accounts receivable	132,133	0
Inventory	17,563	94,405
Prepaid expenses and other current assets	21,473	5,500
Total current assets	465,217	112,038
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	316,244	296,447
Leasehold improvements	112,285	112,285
Total Property and Equipment	428,529	408,732
Less accumulated depreciation	(230,756)	(214,842)
Property and equipment, net	197,773	193,890
Total Assets	$ 662,990	$ 305,928
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 18,099	$ 19,335
Accrued expenses	119,996	759,487
Convertible debt net of discount of $0 and $249,338	0	1,132,251
Convertible debt - related party	0	210,000
Notes payable - related party	29,500	432,000
Total current liabilities	167,595	2,553,073
Commitments and Contingencies		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.0001 par value, authorized 10,000 shares; 1,000 and 1,000 issued and outstanding	-	-
Common stock, $0.0001 par value, authorized 499,990,000 shares; 70,360,019 and 44,827,207 issued and outstanding shares	7,036	4,483
Additional paid-in capital	13,852,590	6,618,715
Accumulated deficit	(13,364,231)	(8,870,343)
Total stockholders' equity (deficit)	495,395	(2,247,145)
Total Liabilities and Stockholders' Deficit	$ 662,990	$ 305,928

The accompanying notes are an integral part of the financial statements

NUTRAFUELS, INC.
Statements of Operations
Three Months Ended March 31,
(Unaudited)

	2017	2016
Revenue	$ 232,639	$ 38,886
Cost of sales	134,251	24,249
Gross Profit	98,388	14,637
OPERATING EXPENSES:		
Advertising and promotion	13,723	9,909
Administrative salaries	811,388	42,524
General and administrative expenses	411,521	220,097
Depreciation expense	15,914	14,479
Total operating expenses	1,252,546	287,009
INCOME (LOSS) FROM OPERATIONS	(1,154,158)	(272,372)
OTHER INCOME AND (EXPENSE)		
Gain on settlement of debt	717	0
Induced debt conversion loss	(3,116,500)	
Interest expense	(223,947)	(88,201)
Total other income (expense)	(3,339,730)	(88,201)
Net income (loss) before income taxes	(4,493,888)	(360,573)
Income tax expense	0	0
Net income (loss)	$ (4,493,888)	$ (360,573)
Income per weighted average common share - basic and diluted	$(0.07)	$(0.01)
Number of weighted average common shares outstanding-basic and diluted	65,209,864	25,887,989

The accompanying notes are an integral part of the financial statements

NUTRAFUELS, INC.
Statements of Changes in Stockholders' Equity
(Unaudited)

	Number Shares Pfd	Number Shares Common	Par Amount Pfd	Par Amount Common	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE, December 31, 2014	1,000	22,268,409	0	2,228	3,904,936	(4,856,492)	(949,328)
Shares issued for cash	0	3,152,000	0	315	404,885	0	405,200
Shares issued for services	0	2,305,000	0	230	510,070	0	510,300
Shares issued as debt discount	0	275,000	0	27	274,973	0	275,000
Net loss	0	0	0	0	0	(2,019,814)	(2,019,814)
Balance December 31, 2015	1,000	28,000,409	0	2,800	5,094,864	(6,876,306)	(1,778,642)
Shares issued for cash	0	5,615,000	0	561	560,939	0	561,500
Shares issued for debt conversion	0	2,347,285	0	235	234,614	0	234,849
Shares issued for services	0	7,669,513	0	767	506,429	0	507,196
Shares issued as debt discount	0	1,195,000	0	120	80,568	0	80,688
Induced conversion expense	0	0	0	0	141,301	0	141,301
Net loss	0	0	0	0	0	(1,994,038)	(1,994,038)
Balance December 31, 2016	1,000	44,827,207	0	4,483	6,618,715	(8,870,343)	(2,247,145)
Shares issued for cash	0	6,957,285	0	696	773,804	0	774,500
Shares issued for cash - option exercise	0	25,000	0	2	4,998	0	5,000
Shares issued for debt conversion	0	10,129,942	0	1,013	2,402,330	0	2,403,343
Shares issued for services	0	8,420,585	0	842	841,216	0	842,058
Amortization of derivative value	0	0	0	0	95,027	0	95,027
Induced conversion expense	0	0	0	0	3,116,500	0	3,116,500
Net loss	0	0	0	0	0	(4,493,888)	(4,493,888)
Balance March 31, 2017	1,000	70,360,019	$ 0	$ 7,036	$13,852,590	$ (13,364,231)	$ 495,395

The accompanying notes are an integral part of the financial statements

NUTRAFUELS, INC.
Statements of Changes in Cash Flows
Three Months Ended March 31,
(Unaudited)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(4,493,888)	$ (360,573)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Stock compensation	842,058	36,000
Depreciation	15,914	14,479
Amortization of debt discount	49,145	46,068
Gain on settlement of debt	(717)	0
Debt induced conversion expense	3,116,500	0
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(132,133)	17,338
(Decrease) in subscription receivable	5,500	4,500
(Increase) in inventory	76,842	(3,335)
(Increase) in prepaid expenses	(15,973)	0
(Decrease) increase in accounts payable	(1,236)	(7,278)
Increase in accrued expenses	47,789	55,257
Net cash provided by (used in) operating activities	(490,199)	(197,544)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(19,797)	(12,056)
Net cash used in investing activities	(19,797)	(12,056)
CASH FLOW FROM FINANCING ACTIVITIES:		
Common stock issued for cash	774,500	196,500
Cash proceeds from option exercise	5,000	0
Cash proceeds from debt issuance - related parties	0	20,500
Repayment of debt	0	0
Repayment of debt - related party	0	0
Net cash provided by financing activities	779,500	217,000
Net increase in cash	269,504	7,400
CASH, beginning of year	24,544	17,144
CASH, end of year	$ 294,048	$ 24,544
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid in cash	$ 635	$ 0
Non-Cash Financing Activities:		
Shares issued to convert debt and accrued interest	$ 2,403,343	$ 0

The accompanying notes are an integral part of the financial statements

NUTRAFUELS, INC.
Notes to Financial Statements
(Unaudited)

(1) NATURE OF OPERATIONS

NutraFuels, Inc. ("the Company") is the producer and distributor of nutritional supplements that uses micro molecular formulae and a utilization of an oral spray to provide faster and more efficient absorption.

(2) BASIS OF PRESENTATION AND USE OF ESTIMATES

a) Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America ("U.S.") as promulgated by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and with the rules and regulations of the U.S Securities and Exchange Commission ("SEC"). In our opinion, the accompanying unaudited financial statements contain all adjustments (which are of a normal recurring nature) necessary for a fair presentation. Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017.

b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

c) Cash and Equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less. The Company had no cash equivalents at March 31, 2017.

d) Inventories

Inventories are stated at cost utilizing the weighted average method of valuation and consist of raw materials and finished goods.

e) Allowance for Doubtful Accounts

We establish the existence of bad debts through a review of several factors including historical collection experience, current aging status of the customer accounts, and financial condition of our customers.

f) Property and Equipment

All property and equipment are recorded at cost and depreciated over their estimated useful lives, generally three and twelve years, using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from their respective accounts, and the resulting gain or loss is included in the results of operations. Repairs and maintenance charges, which do not increase the useful lives of the assets, are charged to operations as incurred.

(2) BASIS OF PRESENTATION AND USE OF ESTIMATES, continued

g) Revenue Recognition

The Company's financial statements are prepared under the accrual method of accounting. Revenues are recognized when persuasive evidence of an arrangement exists, services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. This occurs only when the product is ordered and subsequently shipped.

h) Income Taxes

The Company follows the provisions of ASC 740-10, Accounting for Uncertain Income Tax Positions. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

i) Net Income (Loss) Per Share

Basic loss per share excludes dilution and is computed by dividing the loss attributable to stockholders by the weighted-average number of shares outstanding for the period. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings of the Company. Diluted loss per share is computed by dividing the loss available to stockholders by the weighted average number of shares outstanding for the period and dilutive potential shares outstanding unless consideration of such dilutive potential shares would result in anti-dilution.

j) Financial Instruments and Fair Value Measurements

ASC 825 also requires disclosures of the fair value of financial instruments. The carrying value of the Company's current financial instruments, which include cash and cash equivalents, accounts payable and accrued liabilities approximates their fair values because of the short-term maturities of these instruments.

FASB ASC 820 "Fair Value Measurement" clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. It also requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability.
Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

(2) BASIS OF PRESENTATION AND USE OF ESTIMATES, continued

j) Impairment of Long-Lived Assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying value amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived assets exceeds its fair value.

k) Related Party Transactions

All transactions with related parties are in the normal course of operations and are measured at the exchange amount.

l) Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers,” which requires companies to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time based on when control of goods and services transfer to a customer. As a result, we do not expect significant changes in the presentation of our financial statements. This ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, and entities are permitted to apply either prospectively or retrospectively; early adoption is permitted. The Company does not expect adoption of this guidance to have a material effect on the Company’s financial position, results of operations and cash flows.

In November 2015, the FASB issued ASU No. 2015-17, “Balance Sheet Classification of Deferred Taxes,” which requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. As a result, each jurisdiction will now only have one net noncurrent deferred tax asset or liability. This ASU is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, and entities are permitted to apply either prospectively or retrospectively; early adoption is permitted. The Company does not expect adoption of this guidance to have a material effect on the Company’s financial position, results of operations and cash flows.

In January 2016, the FASB issued ASU No. 2016-01, “Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities”. The new standard principally affects accounting standards for equity investments, financial liabilities where the fair value option has been elected, and the presentation and disclosure requirements for financial instruments. Upon the effective date of the new standards, all equity investments in unconsolidated entities, other than those accounted for using the equity method of accounting, will generally be measured at fair value through earnings. There will no longer be an available-for-sale classification and therefore, no changes in fair value will be reported in other comprehensive income for equity securities with readily determinable fair values. The new guidance on the classification and measurement will be effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years and early adoption is permitted. The Company is in the process of evaluating the impact of the adoption of ASU 2016-01 on the Company’s financial position, results of operations and cash flows.

In February 2016, the FASB issued ASU 2016-02, “Leases” which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The ASU is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The adoption of ASU 2016-02 is expected to result in the recognition of right to use assets and associated obligations on its balance sheet.

(3) CONVERTIBLE DEBT

In January 2017 the Company issued 6,782,942 shares of common stock to convert $1,561,593 of convertible debt and accrued interest.

(4) NOTES PAYABLE - RELATED PARTY

In January 2017 the Company issued 3,367,000 shares of common stock to convert $841,750 of debt and accrued interest to a related party.

In the first quarter 2017 we repaid $5,850 in cash to a related party on a short-term non interest bearing basis.

(5) STOCKHOLDERS' EQUITY

In the first quarter 2017 the Company issued 6,782,942 shares of common stock to convert $1,561,593 of convertible debt and accrued interest.

In January 2017 the Company issued 3,367,000 shares of common stock to convert $841,750 of debt and accrued interest to a related party.

In February 2017 the Company issued 25,000 shares of common stock in exchange for $5,000 in cash for the exercise of options.

During the first quarter 2017 the Company issued 6,597,285 shares of common stock in exchange for $774,500 in cash

(6) COMMITMENTS AND CONTINGENCIES

a) Real Property Lease

We lease our office and warehouse facilities under an operating lease in Coconut Creek, Florida. The lease expires in February 2018. The minimum lease payments required for the remaining term of the lease are $29,480.

b) Contractual Obligations

During January 2014, we were granted a license to market nutritional supplements under the TapouT XT name to retail locations worldwide. Under the license agreement, we were required to pay a royalty fee to Nutra Evolution of 12.5% of net sales. The agreement provided us with an initial test period of four years, until January 31, 2018, to distribute the product. We paid $85,000 in conjunction with the license. At the expiration of this four year period, we had the option to extend the license for three (3) consecutive three (3) year terms.

The agreement originally required the company to pay minimum royalties of $400,000 during the first contract year; $750,000 during the second contract year and $1,000,000 each year thereafter. In the second quarter 2015 we terminated the license agreement and no longer are obligated to pay the minimum royalties.

c) Other

The Company is subject to asserted claims and liabilities that arise in the ordinary course of business. The Company maintains insurance policies to mitigate potential losses from these actions. In the opinion of management, the amount of the ultimate liability with respect to those actions will not materially affect the Company's financial position or results of operations.

(6) CONCENTRATIONS OF CREDIT RISK

a) Cash

The Company maintains its cash in bank deposit accounts, which may, at times, may exceed federally insured limits. The Company had cash balance in excess of FDIC insured limits at March 31, 2017 of $44,048.