

ARC Group, Inc.
Consolidated Balance Sheets (Unaudited)

	June 30, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 294,585	\$ 50,923
Restricted cash and cash equivalents	33,060	-
Accounts receivable, net	33,635	67,395
Accounts receivable, net – related party	3,186	14,568
Other receivables, net	12,368	-
Inventory	46,770	45,250
Notes receivable, net	40,026	63,742
Interest receivable, net	44	838
Other current assets	15,594	1,806
	479,268	244,522
Total current assets		
Notes receivable, net of current portion	7,309	29,379
Property and equipment, net	95,476	80,948
Other assets	3,287	-
	\$ 585,340	\$ 354,849
Total assets		
Liabilities and stockholders' deficit		
Accounts payable and accrued expenses	\$ 667,384	\$ 735,331
Accounts payable and accrued expenses – related party	17,254	98,434
Accrued interest	10,735	2,594
Ad fund liability	45,428	-
Settlement agreements payable	259,314	253,724
Accrued legal settlement	151,987	148,105
Notes payable – in default	7,000	7,000
Notes payable – related party	255,256	232,572
Contingent consideration	20,897	20,897
Other current liabilities	4,373	5,096
	1,439,628	1,503,753
Total current liabilities		
Total liabilities	1,439,628	1,503,753
Stockholders' deficit:		
Class A common stock – \$0.01 par value: 100,000,000 shares authorized, 6,883,001 and 6,647,464 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	68,830	66,475
Additional paid-in capital	3,939,098	3,747,953
Stock subscriptions payable	213,215	199,863
Accumulated deficit	(5,075,431)	(5,163,195)
	(854,288)	(1,148,904)
Total stockholders' deficit		
Total liabilities and stockholders' deficit	\$ 585,340	\$ 354,849