

ARC Group, Inc.
Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue:				
Restaurant sales	\$ 885,989	\$ -	\$ 1,754,465	\$ -
Franchise and other revenue	165,825	167,499	343,127	302,332
Franchise and other revenue – related party	40,040	131,702	83,058	305,484
Total net revenue	<u>1,091,854</u>	<u>299,201</u>	<u>2,180,650</u>	<u>607,816</u>
Operating expenses:				
Restaurant operating costs:				
Cost of sales	311,748	-	594,754	-
Labor	296,419	-	564,898	-
Occupancy	63,820	-	94,535	-
Other operating expenses	187,258	-	357,310	-
Professional fees	257,590	32,740	283,210	68,900
Employee compensation expense	74,270	119,574	159,593	249,982
General and administrative expenses	16,237	26,704	31,446	47,565
Total operating expenses	<u>1,207,342</u>	<u>179,018</u>	<u>2,085,746</u>	<u>366,447</u>
Income / (loss) from operations	<u>(115,488)</u>	<u>120,183</u>	<u>94,904</u>	<u>241,369</u>
Other income / (expense):				
Interest income / (expense)	(8,299)	-	(16,224)	2,915
Income from investment in Paradise on Wings	-	29,349	-	5,026
Other income	5,474	-	9,084	864
Total other income / (expense)	<u>(2,825)</u>	<u>29,349</u>	<u>(7,140)</u>	<u>8,805</u>
Net income / (loss)	<u>\$ (118,313)</u>	<u>\$ 149,532</u>	<u>\$ 87,764</u>	<u>\$ 250,174</u>
Net income / (loss) per share – basic and fully diluted	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>
Weighted average number of shares outstanding – basic and fully diluted	<u>6,734,534</u>	<u>6,592,464</u>	<u>6,691,239</u>	<u>6,592,072</u>