

THE GUITAMMER COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	2015	2014
Total revenue	\$ 1,577,672	\$ 1,051,019
Cost of goods sold	848,442	605,934
Gross profit	729,230	445,085
Operating expenses		
General and administrative	1,483,866	1,579,507
Research and development	7,382	22,570
	1,491,248	1,602,077
Loss from operations	(762,018)	(1,156,992)
Other income (expense)		
Investment Income from joint venture	42,003	(221,129)
Net Interest expense	(270,294)	20
	(228,291)	(221,109)
Loss before provision for income taxes	(990,309)	(1,378,101)
Provision for income taxes	-	-
Loss before dividends on preferred stock	\$ (990,309)	\$ (1,378,101)
Dividends - preferred stock	(26,411)	-
Net loss available to common stockholders	(1,016,720)	(1,378,101)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)
Basic and diluted weighted average common shares outstanding	83,080,224	79,562,108

THE GUITAMMER COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,305	\$ 16,185
Accounts receivable, net	103,123	25,139
Inventory	137,888	361,223
Prepaid expenses and other current assets	131	131
Total current assets	253,447	402,678
Property and equipment, net	35,952	64,173
Deferred financing costs, net	-	25,066
Other assets	25,666	29,729
Investment in joint venture	135,503	-
Total Assets	\$ 450,568	\$ 521,646
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Line of credit	\$ 39,523	\$ 39,523
Accounts payable	913,755	853,933
Accrued expenses	532,891	366,938
Deferred revenue	23,310	36,899
Current portion of long-term debt - related parties	954,476	604,529
Current portion of long-term debt - non-related parties	721,445	795,630
Total current liabilities	3,185,400	2,697,452
Long-term debt, net of current portion - related parties	-	340,229
Long-term debt, net of current portion - non related parties	-	-
Total Liabilities	3,185,400	3,037,681
Commitments	-	-
Stockholders' deficit		
Common stock, par value of \$.001, 200,000,000 shares authorized; 83,100,498 and 83,000,498 shares issued and outstanding at December 31, 2015 and December 2014, respectively	83,101	83,001
Preferred stock, par value of \$.001, 1,000,000 shares authorized; 50,000 and 0 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	50	-
Additional paid-in capital	8,783,633	7,985,860
Accumulated deficit	(11,601,616)	(10,584,896)
Total Stockholders' deficit	(2,734,832)	(2,516,035)
Total Liabilities and Stockholders' deficit	\$ 450,568	\$ 521,646