Microlog Inc. of Delaware/Nutroganics, Inc.
2012 and 2013 Financials

	2013	2012
Balance Sheet		
Assets		
Current Assets		
Total Cash	272,987	21,961
Total A/R	225,285	122,594
Total Inventory	1,140,791	131,109
Total Other Current Assets	37,512	30,873
Total Current Assets	**1,676,576**	**306,537**
Total Fixed Assets	102,781	-
Total Other Assets	125,674	7,850
TOTAL ASSETS	**1,905,031**	**314,387**
Liabilities		
Current Liabilities		
Total A/P	909,885	195,434
Total Other Current Liabilities	484,685	606,679
Total Current Liabilities	**1,394,570**	**802,113**
Notes payable	1,075,311	-
Total Long Term Liabilities	**1,075,311**	-
TOTAL LIABILITIES	**2,469,881**	**802,113**
Equity		
Common Stock	209,566	119,566
Common stock- MLOG of Md	1,153	1,153
Preferred Stock	893,280	
Paid in Capital	25,399,296	25,282,508
Treasury Stock	(1,233,999)	(1,176,537)
Retained Earnings	(24,107,612)	(24,229,476)
Other Equity	(1,499,132)	-
Net Income	**(227,402)**	**(484,941)**
TOTAL EQUITY	**(564,851)**	**(487,726)**
TOTAL LIABILITIES & EQUITY	**1,905,031**	**314,387**

	2013	2012
Income Statement		
Total Income	2,078,955	922,392
Total COGS	1,475,378	634,691
Gross Profit	603,577	287,701
Total SG&A	1,197,517	950,104
Net Ordinary Income	(593,940)	(662,403)
Net Other Income	366,538	177,463
NET INCOME	**(227,402)**	**(484,941)**
Earnings (loss) per share		
Basic	(0.01)	(0.03)
Weighted average number of shares outstanding		
Basic	21,491,556	17,650,581
Statement of Cash Flows		
Cash Flow from Operating Activities	33,291	(484,941)
Depreciation Expense	24,818	-
Change in A/R	123,609	102,725
Change in Inventory	(544,180)	(56,156)
Change in Prepaids	42,392	(20,938)
Change in A/P	550,409	27,822
Change in Accrued Expenses	-	26,346
Change in Deferred Expenses	-	(5,570)
Change in Unearned Revenue	(41,069)	(24,629)
Change in Customer Deposits	(241,434)	241,434
Total Adjustments	(85,455)	291,035
Net Cash provided by Operations	**(52,165)**	**(193,906)**
Cash Flow from Investing Activities		
Investments	(723,676)	-
Cash Flow from Financing Activities		
Silverbow Acquisition	86,087	
Proceeds from notes payable	300,000	
Proceeds from notes payable - related parties	640,680	
(Payments on) notes payable - related parties		
Paid in Capital	100	
Paid in Capital in Excess of Par		30,000
Net Cash provided by Financing Activities	**1,026,867**	**30,000**
Net Increase/Decrease in Cash	**251,027**	**(163,906)**
Cash at beginning of period	21,961	(185,867)
Cash at the end of the period	272,987	21,961

Statement of Changes in Equity	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount				
Balance, Dec. 31, 2011	-	0	17,130,089	120,719	25,282,508	(1,176,537)	(24,229,476)	(2,785)
			-	-				-
Purchase of MobilPro shares			1,500,000					-
Net Income							(484,941)	(484,941)
Balance, Dec. 31, 2012	-	-	18,630,089	120,719	25,282,508	(1,176,537)	(24,714,416)	(487,726)
Cancellation of MobilePro Duplicate Issue			(6,346,176)					
Silverbow Common Stock Purchase				90,000		(57,462)	606,804	639,342
Issued as NutraBev Merger Consideration	93,130	893,280						893,280
Options Converted as Part of Microlog of Maryland Spin Out			10,280,000					
Nutroganics Formation					100			100
Microlog Treasury Stock								
Additional Paid in Capital, Stock Options					116,688			116,688
Other Equity					-	-	(1,499,132)	(1,499,132)
Net Income							(227,402)	(227,402)
								-
Balance, Dec. 31, 2013	93,130	893,280	22,563,913	210,719	25,399,296	(1,233,999)	(25,834,147)	(564,851)

Note 1 – Organization and Business Background

History

Prior to 2013, Microlog Corporation of Delaware was the name of the Company. On July 22, 2013, the Company took those voice, data and software businesses and operations assets which were not already in Microlog Corporation of Maryland, a Maryland corporation and wholly owned subsidiary of the Company ("Microlog Maryland"), and concurrently distributed all of the outstanding shares of capital stock of Microlog Maryland to the Company's shareholders (the "Spinoff"). Each stockholder of record of the Company on July 22, 2013 received in the Spinoff one share of the common stock of Microlog Maryland for each share of the Company's common stock held by such stockholder. All shares issued pursuant to the Spinoff were issued as uncertificated shares in book-entry form.

Concurrent with the Spinoff, the Company acquired all of the outstanding capital stock of NutraBev Holdings International, Inc., a Delaware corporation ("NutraBev"). NutraBev owned all of the capital stock of Silverbow Honey Company, a Washington corporation that packages and sells honey products. Pursuant to the terms of the acquisition of NutraBev, the Company issued 93,129.928 shares of preferred stock, each of which is convertible into 1,000 shares of common stock of the Company, to NutraBev's pre-transaction stockholders. In connection with the acquisition of NutraBev, which constituted a change-of-control transaction, the Company sought the approval by written consent of the stockholders of the Company entitled to vote thereon in accordance with Section 228 of the Delaware General Corporation Law. Stockholders holding more than the requisite number of votes consented to the transaction, and the acquisition was therefore consummated. Subsequent to the Spinoff, the Company's name was changed to Nutroganics, Inc.

Effective October 21, 2013, NutraBev was merged with and into Nutroganics in accordance with Section 253 of the Delaware General Corporation Law. Following such merger, Nutroganics continues to exist as the surviving corporation and NutraBev has ceased to exist. Consistent with the Spinoff transaction, the strategy of the organization changed from telecommunications technology software and services to the healthy lifestyle marketplace.

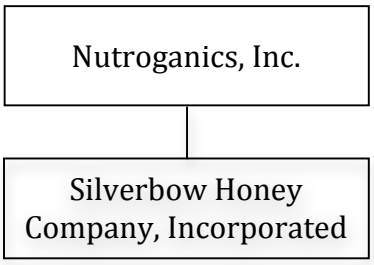
It is vital to note that with the change in business and strategy, in management's view, anything reported prior to July 22, 2013 is not relevant to an understanding of the Company going forward.

The reorganization between the Company and Microlog has been accounted for as a reverse acquisition and recapitalization of the Company whereby Nutroganics is deemed to be the accounting acquirer (legal acquiree) and Microlog to be the accounting acquiree (legal acquirer). The accompanying consolidated financial statements are in substance those of Nutroganics and its subsidiaries, with the assets and liabilities, and revenues and expenses, of Microlog being excluded from the date of reorganization. Nutroganics is not deemed to be a continuation of the business of Microlog. Accordingly, the accompanying consolidated financial statements include the following:

(1) The balance sheet consists of the net assets of the accounting acquirer;

(2) The financial position, results of operations, and cash flows of the accounting acquirer for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree from the date of reorganization.

The corporation's current legal organization is as follows:



Currently, Nutroganics is focused on acquiring revenue-generating businesses, including brands, related manufacturing facilities, and established distributors operating in the healthy lifestyle marketplace. The Company will seek to create value by aggregating revenues across businesses, exploiting shared 'co-packing' arrangements, expanding production capabilities, identifying margins of efficiencies, and capitalizing on linear costs benefits. In addition, the Company will facilitate organic growth by increasing 'own-brand' sales, relabeling products to target additional market segments, and expanding sales channels through the sharing of distribution and retail account bases.

Nutroganics owns Silverbow Honey Company, Inc. ("Silverbow"), a producer and packager of honey products. Operating out of organic and NSF certified facilities in Moses Lake, Washington, Silverbow sells its products to food manufacturers and national grocery chains under the 'Silverbow' brand and private label brands. The Company has signed a letter of intent to acquire NuStar Manufacturing, LLC, a Utah based manufacturer of nutritional supplement products.

Industry

The healthy-lifestyle and nutritional products industry is currently undergoing tremendous growth. As "Baby Boomers" through to the "Millennials" attempt to defy the aging process, look their best, and stave off illness, nutritional foods are becoming part of the everyday life of the largest demographic segments. According to Research and Markets, the nutraceutical market in the U.S. alone is poised to reach $64.3 billion by 2017 and grow at a rate of 6% annually.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The significant accounting policies summarized in the accompanying notes to the consolidated financial statements included have been followed in the production and development of these statements. The financial statements include all adjustments (consisting only of normal recurring adjustments), which are, in the opinion of management, considered necessary for a fair presentation of the results for the periods presented. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles, or "GAAP," have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequately informative, and similarly are not misleading. Results for interim periods are not necessarily indicative of the results to be expected for the full year.

These statements reflect managements' considered view of the financial results of the business but are not independently audited.

Use of Estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principals ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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 those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits of up to $250,000. At September 30, 2014 the Company had no balances in excess of coverage provided by the FDIC.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Nutroganics, Inc. and its wholly owned subsidiary, Silverbow Honey Co., Inc. All significant intercompany transactions have been eliminated.

Accounts Receivable

The Company reports all receivables at gross amounts due from customers. Because historical losses related to these receivables have been insignificant, management uses the direct write-off method to account for bad debts. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against earnings. The Company

maintains facilities with financial institutions to "factor" certain eligible receivables against institutionally defined limits by obligor.

Inventories
Inventory consists principally of raw honey and packaging materials. Values are stated at the lower of either cost or net realizable value on a first-in, first-out basis. Maintenance and repair costs are expensed in the period in which they occur.

Property and Equipment
Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, which is generally 3-7 years.

Maintenance and repairs are charged to expenses when they are incurred, and the cost of additions, replacements, and improvements is capitalized.

Financing Activities

Share data

	December 31, 2013
Common Shares Outstanding	22,563,913
Preferred Shares Outstanding	93,129.925
Stock Options Outstanding	300,000
Convertibles and Warrants	8,804,995
Fully Diluted Common Shares	124,922,992

Income Taxes –
Our effective tax rate for the year is dependent upon many factors, including the impact of enacted tax laws in jurisdictions in which we operate and the amount of taxable income that we earn. For calendar year 2012, we anticipate that the substantial losses will attract no Federal or State Income Tax liabilities. Furthermore, we recognize that accumulated losses of $24.3 million from prior years will not yield benefits in future years as a charge on income as an application of Section 382 rules and continuity of business operations concluded that these losses are not available to Nutroganics.

Related Party Transactions

In 2013, the Company purchased Silverbow Honey, Inc. Under the terms of that purchase, the Company owes members of the Grigg family $673,698 in the form of several unsecured obligations. Mr. Jay O. Wright has made the following periodic investments in Nutroganics in addition to providing a financial guarantee for the State of Washington Surety Bond:

Obligor	Issue Date	Original Value	Monthly Interest	Conversion Price
Nutroganics	May 17, 2013	75,920.00	1.25%	--

Nutroganics	May 23, 2013	10,600.00	1.25%	--
Nutroganics	July 30, 2013	6,466.00	1.25%	--

Mr. Steven Grigg, a relative of the President of Silverbow Honey, sells raw honey materials to Silverbow Honey Company, Inc. Purchases of honey from Mr. Grigg have been reviewed and compared to other similar purchases to ensure that Mr. Steven Grigg's honey is purchased on terms no more favorable than other similar and comparable purchases by Silverbow. The lease for the Silverbow facility is through Don Grigg and Silverbow Properties. LLC. Terms of that lease are disclosed under lease obligations payable.

We do not have any special committee, policy or procedure related to the review, approval or ratification of related party transactions. During the fiscal years ended December 31, 2013 and 2012, respectively, other than the notes described above, there have not been any related party transactions between us and any of our directors, officers and principal stockholders, except for the following:

- On October 8, 2013, we entered into a certain Consulting Agreement with Bayberry Capital, Inc., a wholly-owned affiliate of Mr. Wright, pursuant to which Bayberry Capital, Inc. receives certain compensation in consideration for Mr. Wright serving as our Chairman.
- On October 8, 2013, we entered into a certain Consulting Agreement with Lifestyle Services, Inc., a wholly-owned affiliate of Mr. Sackler, pursuant to which Lifestyle Services, Inc.. receives certain compensation in consideration for Mr. Sackler serving as our Chief Executive Officer.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification ("ASC") for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB ASC ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35- 37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accounts payable approximate their fair values because of the short maturity of these instruments.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2013 and 2012 nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the years ended December 31, 2013 and 2012, respectively.

Revenue Recognition and Cost of Sales

Software revenue is recognized as products are delivered and any installation requirements are completed. Revenue for maintenance contracts is recognized on a cash basis.

Loss per Share

The Company calculates net loss per share in accordance with ASC 260, "*Earnings per Share*". Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. No diluted loss per share is required to be represented.

Note 3 - INTANGIBLE ASSETS

Other income in 2013 is dominated by settlement agreements reached with a number of parties on patent related matters. All intellectual property had been previously amortized through the income statement.

Note 4 – NOTES PAYABLE

Nutroganics	Grigg, Gary	$540,832
	World Wide Investments	$300,000
	Wright, Jay	$101,764
Silverbow	Don Grigg	$78,353
	Gary Grigg	$54,513
	Steven Grigg	(151)
		1,075,311

Note 5 – PREFERRED STOCK

Jay Wright, chairman, and David Sackler, CEO, own or control our preferred stock. The preferred shares in Nutroganics where granted in exchange for their existing interests in NutraBev Holdings International, Inc. Each of the 93,129.928 preferred shares may be exchanged for 1,000 common share of Nutroganics, Inc. Our preferred stock gives control of our company to these two individuals. Therefore, these two individuals have discretion over the direction and actions of the company, regardless of the views of the common stockholders. As such, should a conflict of interest arise in the future between Mr. Wright, Mr. Sackler, and the common stockholders, the common stockholders would have limited influence on the direction of the company.

By virtue of each such directors membership on our board of directors, each such officer's position managing the Company, or each such stockholder's holdings in the Company, these directors, officers, and stockholders and may influence, individually or by acting in concert, the election of the members of our board of directors, our management and our affairs and may make it difficult for us to consummate corporate transactions such as mergers, consolidations or the sale of all or substantially all of our assets that may be favorable from the Company's standpoint or that of the Company's other stockholders.

Note 6 – COMMON STOCK

As part of the spin out of Microlog of MD from Nutroganics 10,280,000 options were converted to shares in Nutroganics. Additionally, administrative action was completed to return 6,346,176 shares issued to one shareholder erroneously in a prior period.

Note 7 – STOCK-BASED COMPENSATION

The following parties received stock option grants in 2012:

	Grant
R Meccarielli	1,000,000
J Wright	250,000
J Navarro	250,000

The options carried an exercise price of $0.22 per share and the aggregrate value ascribed to this grant for book purposes is $49,500 based on a Black-Scholes valuation model.

Note 8 – GOING CONCERN

These consolidated financial statements have been prepared assuming that Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

Note 9 – SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to December 31, 2013 to the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these financial statements other than the followings.

On February 15, 2014, Nutroganics and NuStar Manufacturing, LLC entered into a Definitive Membership Interest Purchase Agreement to allow Nutroganics to acquire 100% of the Membership Interests of NuStar.

Director Independence

We currently have no independent directors, as defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

Liquidity and Capital Resources

At December 31, 2013 we had working capital of approximately $282,006, of which $272,987 was cash on hand.

Our Certificate of Incorporation authorizes the issuance of up to 200,000,000 shares of common stock and 1,000,000 shares of preferred stock. The Company is dependent on raising funds to grow and expand its businesses. The Company needs to raise additional capital to continue its operations and to implement it plan of operations. Additional financing is anticipated to take the form of one or more private placements to qualified investors under exemptions from the registration requirements of the Securities Act or a subsequent public offering. There are no current agreements or understandings with regard to the form, time or amount of such financing and there is no assurance than any of this financing can be obtained or that the Company can continue as a going concern.

Our ultimate existence is dependent upon our ability to generate sufficient cash flows from operations to support our daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis. We may compensate providers of services to us by issuance of common stock in lieu of cash.

In such a restricted cash flow scenario, we may be unable to complete our business plan steps, and would, instead, delay all cash intensive activities. Without necessary cash flow or additional funding, we may become dormant until such time as sufficient working capital becomes available.

While we are of the opinion that good faith estimates of our ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that we will receive sufficient funding to sustain operations or implement any future business plan steps.

LEGAL PROCEEDINGS.

We are currently not a party to any legal proceedings.

Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, David Sackler certify that:

1. I have reviewed the 2012 and 2013 Financial Statements of Nutroganics, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ David Sackler
CEO Nutroganics, Inc.

I, Douglas A. Scott, Jr. certify that:

1. I have reviewed the 2012 and 2013 Financial Statements of Nutroganics, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations

and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ Douglas A. Scott, Jr.
CFO Nutroganics, Inc.