ORTHOMETRIX, INC.

March 12, 2015

Dear Shareholder:

I am pleased to report that our Company has posted another profitable year. This was mainly due to continuing improvement in research funding in Canada, which benefited our peripheral Quantitative Computed Tomography (pQCT™) systems sales, while NIH funding remained depressed in the US. Consequently, our pQCT™ sales increased by 48% in 2014 as compared to 2013. The continuing weakness of the general economy, which particularly affected the sales of our VibraFlex® Whole Body Vibration (WBV) systems in 2012, seems to continue to ease up and sales of WBV systems increased by 35% in 2014 as compared to 2013. Enclosed is a copy of our 2014 audited financial statements for your review.

You will note that our total sales increased by 43% from $1,072,145 to $1,529,765. We were able to maintain Gross Margin around 70%, mainly as a result of the fluctuation in product mix and currency exchange rates (our purchases are primarily made in Euros and our sales in US dollars). We posted a net profit of $416,149 or $0.0078 /share compared to a net profit of $58,009 or $0.0011/share in 2014, a 617% improvement.

Without underestimating the value of these improvements, I must reiterate that the future of our company will continue to depend upon having healthcare mass-market devices reimbursed in the US, without which we remain 100% dependent on the North American pQCT research market, which is limited and unpredictable. Therefore, I set out seven years ago to acquire new medical devices with substantial market potential to distribute worldwide. It took longer than expected but I think that we may be on the verge of being rewarded for our efforts.

In 2013, as reported in my last Shareholders Letter, we acquired from Andante Medical Devices, Inc. the exclusive rights to distribute the SmartStep® worldwide, except in Israel. The SmartStep is a patented gain training device with biofeedback that helps patient re-learn how to walk correctly after an orthopedic trauma (lower-limb sports injuries, hip/knee replacement, amputation) or a neurological trauma (stroke, Parkinson's). There are over 1 million hip/knee surgery procedures per year in the US market alone.

In 2014, we acquired from Encore Path, Inc., the exclusive rights to distribute worldwide the Tailwind®, a patented Bilateral Arm Trainer with Rhythmic Auditory Cueing (BATRAC) that was developed at the University of Maryland School of Medicine's Department of Physical Therapy and Rehabilitation Services. The Tailwind has been shown to improve arm movement in stroke patients with paralysis. Like the SmartStep, US sales of Tailwind plummeted in 2012 due to the lack of specific reimbursement. There are over 500,000 new surviving stroke patients per year in the US market alone, and an existing population of 5 million of survivors.

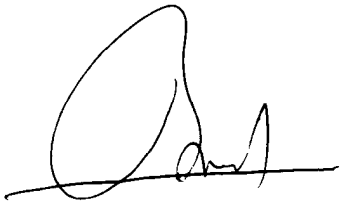
I am pleased to report that, under our guidance, both manufacturers filed an application with the Center for Medicare and Medicaid Services (CMS) in 2014 to obtain an HCPCS reimbursement code. Both of these applications were approved and appeared in the Federal Register in February 2015. Final notification of code approval to the manufacturer is scheduled for November 2015. If approved, the codes will be in effect in 2016.

Reimbursement approval for either device will allow our Company to resume growth since either device is positioned in a huge market and we believe would shield our Company from the uncertainties of our current market.
This means that we will have to raise funds to rebuild US sales distribution channels for 2016. Hopefully, this will be facilitated by an increase in the market value of our stock. Fund-raising efforts are scheduled to start in 6 to 8 months. In the meantime, we will continue to be dependent upon the whims of the North American pQCT research market in 2015.

Regarding our stock price, I am pleased to report that we successfully worked with the OTC Markets Group to upgrade in 2014 the status of our shares in the pink sheet market to the "Current Information" top tier. As a result, trading has significantly increased and the market price of our shares has increased 100 fold from a 2013 low of $0.0014 to a 2014 high of $0.14. The bid price on December 31, 2014 was $0.03/share.

I want to thank every shareholder for continuing to be supportive of our Company.

Very truly yours,



Reynald Bonmati
Chairman of the Board and President



pQCT® XCT





WBV Galileo™/VibraFlex®



Leonardo™



SmartStep® systems



Tailwind™ system

FORWARD-LOOKING STATEMENTS

Statements made in this letter and the information incorporated by reference into this letter that are not historical factual statements are ‘‘forward-looking statements’’ within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Action of 1995 and are including this section for purposes of complying with those safe harbor provisions. The forward-looking statements include, among other things, statements regarding the intent, belief or expectations of Orthometrix, Inc. and its officers and can be identified by the use of terminology such as ‘‘may’’, ‘‘will’’, ‘‘expect’’, ‘‘believe’’, ‘‘intend’’, ‘‘plan’’, ‘‘estimate’’, ‘‘should’’ and other comparable terms or the negative thereof. In addition, we, through our senior management, from time to time make forward-looking oral and written public statements concerning our expected future operations and other developments. You are cautioned that, while forward-looking statements reflect our good faith belief and best judgment based upon current information, they are not guarantees of future performance and are subject to known and unknown risks and uncertainties. These risks and uncertainties could cause actual results to differ materially from expectations, and we disclaim any intention or obligation to update or revise any forward-looking statements or to update the reasons why actual results could differ materially from results projected in the forward-looking statement as a result of new information, future events or otherwise. Any forward-looking statements, whether made in this letter or elsewhere, should be considered in context with the risk factors discussed or incorporated by reference in this letter.

(12 pages to follow)

ORTHOMETRIX, INC.

Financial Statements

For The Years Ended December 31, 2014 And 2013

ORTHOMETRIX, INC.

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JANOVER LLC
Certified Public Accountants • Advisors

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Orthometrix, Inc.
Naples, FL

We have audited the accompanying financial statements of Orthometrix, Inc., which comprise the balance sheet as of December 31, 2014, and the related statements of operations, changes in stockholders' deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orthometrix, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matter – Prior Period Financial Statements

The financial statements of Orthometrix, Inc. as of December 31, 2013, were audited by other auditors whose report dated August 4, 2014, expressed an unmodified opinion on those statements.

Janover LLC

New York, New York
March 11, 2015

Orthometrix, Inc.
Balance Sheets

	December 31, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 226,678	$ 14,453
Accounts receivable	173,969	5,414
Inventory	99,004	73,296
Prepaid expenses	19,551	15,498
Due from Andante Medical Devices Inc.	287,619	106,138
Total Current Assets	806,821	214,799
PROPERTY AND EQUIPMENT, Net	2,988	2,669
TOTAL ASSETS	$ 809,809	$ 217,468
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 63,217	$ 239,328
Accrued expenses	24,903	125,552
Customer deposit	21,909	-
Unearned service revenue - current portion	40,833	8,125
Total Current Liabilities	150,862	373,005
OTHER LIABILITIES:		
Notes payable	545,119	368,542
Notes payable - related parties	19,609	262,396
Accrued interest on notes payable	543,959	291,845
Accrued interest on notes payable - related parties	554,175	737,478
Deferred compensation	1,347,763	1,126,583
Unearned service revenue - non current portion	172,542	-
Total Other Liabilities	3,183,167	2,786,844
TOTAL LIABILITES	3,334,029	3,159,849
STOCKHOLDERS' DEFICIT:		
Common stock - par value $.0005 per share, 75,000,000 shares authorized, and 53,211,864 and 53,006,864 shares issued and outstanding at December 31, 2014 and 2013, respectively	26,605	26,502
Preferred stock - par value $.0005 per share, 1,000,000 shares authorized	-	-
Additional paid-in capital	44,308,233	44,306,324
Accumulated deficit	(46,859,058)	(47,275,207)
Total Stockholders' Deficit	(2,524,220)	(2,942,381)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 809,809	$ 217,468

See notes to financial statements.

Orthometrix, Inc.
Statements of Operations

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
REVENUE	$ 1,529,765	$ 1,072,145
COST OF GOODS SOLD	464,984	332,401
GROSS PROFIT	1,064,781	739,744
SELLING AND MARKETING EXPENSES	216,369	196,618
GENERAL AND ADMINISTRATIVE EXPENSES	585,052	415,219
OPERATING INCOME	263,360	127,907
OTHER INCOME (EXPENSES):		
Interest expense	(68,812)	(71,057)
Interest income	11,811	1,159
Write off of old payables	209,790	-
TOTAL OTHER INCOME (EXPENSES)	152,789	(69,898)
NET INCOME	$ 416,149	$ 58,009
Weighted average shares		
Basic	53,208,549	53,006,864
Diluted	53,208,549	53,006,864
Income per share		
Basic	$ 0.0078	$ 0.0011
Diluted	$ 0.0078	$ 0.0011

See notes to financial statements.

Orthometrix, Inc.
Statements of Changes in Stockholders' Deficit

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance as of December 31, 2012	53,006,864	$ 26,502	$ 44,305,999	$ (47,333,216)	$ (3,000,715)
Stock options issued as compensation	-	-	325	-	325
Net income	-	-	-	58,009	58,009
Balance as of December 31, 2013	53,006,864	26,502	44,306,324	(47,275,207)	(2,942,381)
Stock options issued as compensation	-	-	1,486	-	1,486
Stock options exercised	205,000	103	423	-	526
Net income	-	-	-	416,149	416,149
Balance as of December 31, 2014	53,211,864	$ 26,605	$ 44,308,233	$ (46,859,058)	$ (2,524,220)

See notes to financial statements.

Orthometrix, Inc.
Statements of Cash Flows

	For the Years Ended December 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 416,149	$ 58,009
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock options issued as compensation	1,486	325
Depreciation expense	1,181	1,068
Write off of old paybales	(209,790)	-
Changes in operating assets and liabilities:		
Accounts receivable	(168,555)	10,873
Inventory	(25,708)	(29,041)
Prepaid expenses	(4,053)	(3,035)
Receivable from Andante Medical Devices Inc	(131,481)	(41,138)
Accounts payable	33,679	(11,770)
Accrued expenses	(100,649)	122,349
Customer deposit	21,909	-
Accured intereset on notes payable	62,621	38,896
Accured interest on notes payable - related parties	6,190	(9)
Deferred compensation	221,180	91,041
Unearned service revenue	205,250	(4,633)
NET CASH PROVIDED BY OPERATING ACTIVITIES	329,409	232,935
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of property and equipment	(1,500)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to Andante Medical Devices Inc	(50,000)	(65,000)
Repayments of notes payable	(30,469)	(11,019)
Proceeds of notes payable from related parties	160,356	-
Repayments of notes payable from related parties	(196,097)	(206,810)
Exercise of stock options	526	-
NET CASH USED IN FINANCING ACTIVITIES	(115,684)	(282,829)
NET INCREASE (DECREASE) IN CASH	212,225	(49,894)
Cash at beginning of year	14,453	64,347
Cash at end of the year	$ 226,678	$ 14,453
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$ 32,170
Cash paid for income taxes	$ -	$ 1,025
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of notes payable from related parties to unrelated parites	$ 207,046	$ -
Reclassification of accrued interest on notes payable from related parties to unrelated parites	$ 189,493	$ -

See notes to financial statements.

1. **The Company:**

Orthometrix, Inc. ("OMRX" or the "Company") markets, sells, and services several musculoskeletal product lines used in pharmaceutical research, diagnostic and monitoring of bone and muscle disorders, sports medicine, rehabilitative medicine, physical therapy, fitness and pain management. Operations are insufficient to service the Company's debts, which have been deferred to later years. The Company will have to maintain and increase profitability and further develop its sales to be ultimately able to service its debts.

2. **Summary of Significant Accounting Policies:**

Basis of Presentation

The accompanying financial statements and related footnotes are presented in accordance with accounting principles generally accepted in the United States of America.

Revenue and Cost Recognition

The Company primarily sells its products directly to customers and through third party dealers and distributors, with whom the Company has distribution agreements. Product revenue is recognized at the time products are shipped and title passes to the customer. Service revenue is recognized over the period it is earned.

Stock-based Compensation

Stock-based compensation related to employees, directors, and consultants is accounted for at the estimated fair value of the stock-based compensation at the time of issuance.

Accounts Receivable

The Company records trade accounts receivable at net realized value. This value includes an allowance for estimated uncollectible accounts, if necessary, to reflect any loss anticipated on the trade accounts receivable balance. The Company has determined that an allowance for estimated uncollectible accounts is not necessary.

Inventory

Inventory, consisting of purchased completed products for sale, are stated at the lower of cost or market; cost is determined principally by the first-in, first-out method.

Income Taxes

The Company accounts for income taxes utilizing the asset and liability approach. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for anticipated tax audit issues based on the Company's estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the liabilities are no longer determined to be necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax liabilities and assets are determined based on the difference between the financial statement basis and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined to be more likely than not that the benefit of such deferred tax asset will not be realized in future periods. If it becomes more likely than not that a tax asset will be used, the related valuation allowance on such assets would be reduced.

Income/(Loss) per Share

Basic per share amounts are computed using the weighted average number of common shares outstanding. Diluted per share amounts are computed using the weighted average number of common shares outstanding, after giving effect to dilutive options, using the treasury stock method.

Unearned Service Revenue

The Company recognizes revenue on service contracts ratably over applicable contract periods or as services are performed. Amounts billed and collected before the services are performed are included in unearned service revenues shown as a liability on the balance sheet. Unearned Service Revenue was $213,375 and $8,125 as of December 31, 2014 and 2013, respectively.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or accumulative deficit.

3. Notes Payable and Accrued Interest:

Unpaid principal on notes payable amounted to $545,119 and $368,542 at December 31, 2014 and 2013, respectively. These notes payable bear interest at rates ranging from 4.25% (prime plus one) to 12% per annum. Prime rate was 3.25% at December 31, 2014 and 2013. Unpaid interest on these notes payable amounted to $543,959 and $291,845 at December 31, 2014 and 2013, respectively. Total obligations of $1,089,078 have been agreed to defer to 2016 as of December 31, 2014.

4. Compensation Programs:

The Company has a stock-based compensation plan whereby stock options may be granted to officers, employees and non-employee consultants to purchase a specified number of shares of Common Stock. All outstanding options granted have an exercise price not less than 100% of the market value of the Company's Common Stock at the date of grant, are for a term not to exceed 10 years except for the President of the Company who is granted options no less than 110% of the market and for a term not to exceed 5 years. All options vest over a four-year period at 25% per year unless otherwise authorized by the Board of Directors.

The Amended and Restated 1994 Stock Option and Incentive Plan for Employees includes 5,000,000 shares of Common Stock reserved for issuance. Options are issued to employees at the discretion of the Board of Directors. During 2014 and 2013, respectively, 205,000 and 180,000 options were issued as compensation to employees. The Company determines the compensation cost of stock options granted to employees based on the fair value of the options at the time of issuance. Non-cash compensation cost is recognized over the service or vesting period.

Under the Amended and Restated 2000 Stock Option Plan for Non-Employee Directors and Consultants (the "Board Plan"), which has 1,500,000 shares of common stock reserved for issuance, each non-employee director receives options to acquire shares of Common Stock. Effective in 2014, Directors receive annually a grant to acquire 25,000 shares under the Board Plan; options are issued to consultants at the discretion of the Board of Directors. 200,000 options and none were issued to non-employee directors and consultants during 2014 and 2013, respectively. The Company determines the compensation cost of stock options granted to non-employee directors and consultants based on the fair value of the options at the time of issuance. Non-cash compensation cost is recognized over the service or vesting period.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants during each of the years ended December 31, 2014 and 2013: dividend yield of 0%, risk-free weighted average interest rate of 3.25%, expected volatility factor of 227% and an expected option term of 10 years (or 5 years for 10% shareholders). The weighted average fair value at date of grant for options granted during 2014 and 2013 was $0.01 and $0.002 per option, respectively.

The fair value of these options based on the Black-Scholes option-pricing model amounted to $6,885 and $351, respectively, for the 2014 and 2013 grants.

The following is a summary of options related to the Amended and Restated 1994 Stock Option and Incentive Plan for Employees and the Board Plan as of December 31:

	2013	Range of Option Prices Per Share	2014	Range of Option Prices Per Share
Options outstanding at beginning of year	6,820,000	$0.00077 - 0.27000	2,005,000	$0.00077 - 0.23000
Cancellations	(4,995,000)	$0.00330 - 0.27000	(190,000)	$0.15000 – 0.20000
Granted	180,000	$0.00176 - 0.00350	405,000	$0.0032 - 0.06710
Exercised	-	N/A	(205,000)	$0.00200 – 0.00320
Options outstanding at end of year	2,005,000		2,015,000	

As of December 31, 2014, 2,015,000 shares of options were outstanding with exercise prices ranging from $0.00077 to $0.06710 and remaining contractual life ranging from 0.45 to 9.10 years.

As of December 31, 2013, 2,005,000 shares of options were outstanding with exercise prices ranging from $0.00077 to $0.23000 and remaining contractual life ranging from 0.38 to 9.8 years.

5. Income Taxes:

The Company has not provided income tax expenses for the year ended December 31, 2014 on its current earnings as a result of the availability of net operating loss carry forwards. At December 31, 2014, the Company had a net operating loss carryforward of approximately $19,500,000 expiring starting in 2018. The utilization of the carryforwards is subject to annual limitation under Section 382 of the Internal Revenue Code should there be a "382 change of ownership."

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes and net operating loss carryforwards. At December 31, 2014, there was a deferred tax asset of approximately $6,600,000 offset by a full valuation allowance.

The Company recognizes interest and penalties related to uncertain tax positions in general and administrative expenses. As of December 31, 2014, the Company has no unrecognized tax positions, including interest and penalties. The tax years 2011-2014 are still open to examination by the major tax jurisdictions in which the Company operates. The Company files returns in the United States Federal tax jurisdiction and various other state jurisdictions.

6. Related Party Transactions:

The president and largest shareholder was owed loans of none and $34,644 at December 31, 2014 and 2013, respectively. Notes payable outstanding at December 31, 2013 bore interest rate at 4.25% (prime plus one) per annum. The majority of the other debt of $19,609 and $227,752 is owed to other stakeholders at December 31, 2014 and 2013, respectively. These notes payable bear interest at rates ranging from 4.25% (prime plus one) to 12% per annum. Prime rate was 3.25% at December 31, 2014 and 2013.

The president and largest shareholder was owed accrued interest of $545,019 and $539,709 at December 31, 2014 and 2013, respectively. The majority of the other debt of $9,156 and $197,769 is owed to other stakeholders.

In addition, the president is owed compensation of $1,347,763 and $1,252,135 at December 31, 2014 and 2013, respectively. These outstanding balances were non-interest bearing. The president is also entitled to a 5% incentive bonus as called for in the employment agreement. The total incentive bonus paid or accrued for the year ended December 31, 2014 and 2013 was $24,903 and $6,723, respectively.

As of December 31, 2014, the above related party obligations have been deferred to subsequent to December 31, 2015. $573,784 have been deferred to 2016 and $1,347,763 have been deferred indefinitely.

On September 1, 2013, the Company entered a management agreement with Andante Medical Device, Inc. ("Andante"), which is also a related party to the Company. On September 1, 2014, the management agreement was extended to December 31, 2015 on the same terms to make it co-terminus with the waiting period for the HCPCS approval notice Andante has been expecting from the Center for Medicare and Medicaid Services (CMS). Andante's application was officially accepted by the CMS in February 2015. It is the Company's belief that, should CMS grants Andante a reimbursement code effective in 2016, Andante not only would no longer need management assistance but also would be in a position to repay its note in full within a year through sales of its product to the Company (see distribution agreement below). Should CMS deny coverage, then the collection of the note becomes problematic. Total management fee recognized by the Company amounted to $120,000 and $40,000 for 2014 and 2013, respectively. The Company was also granted certain warrants to purchase shares of Andante. None of the warrants were exercised as of December 31, 2014. During 2014, the Company purchased an aggregate of 61,554 shares of Andante's Common stock from two selling shareholders for an aggregate of $2.00, representing 19.8% of the Company.

On September 1, 2013, Andante issued a promissory note to the Company in the amount of $105,000 with interest rate of 6% per annum. The note became due on August 31, 2014. During 2014 the promissory note was modified to increase the note to $275,000. At December 31, 2014 and 3013, unpaid principal and accrued interest earned amounted to $287,619 and $106,138, respectively.

On September 1, 2013, Andante entered into a distribution agreement with the Company to distribute its products. On September 1, 2014, the distribution agreement was extended to December 31, 2019 on the same terms to make its terms 4 years minimum from the HCPCS approval notice Andante has been expecting from the CMS.

7. Concentration of Credit Risk:

Major Customers

For the year ended December 31, 2014, approximately, 38.2%, 16.1%, 10.6% and 10.6% of the Company's revenue was derived from four major customers. At December 31, 2014, accounts receivable due from these customers was none, none, none and $161,390, respectively.

For the year ended December 31, 2013, approximately, 24.1%, 14.7%, 14.7% and 14.3% of the Company's revenue was derived from four major customers. At December 31, 2013, there was no accounts receivable due from these customers.

The Company generally sells on credit terms ranging from thirty to ninety days or against irrevocable letters of credit. Any financing of the end user is the decision of, and dependent on, the distributor in each territory. The Company sells to customers in various geographic territories worldwide.

Cash and Cash Equivalents

The Company maintains cash balances with a financial institution, which, at times, may exceed the limits of the Federal Deposit Insurance Corporation of $250,000, per depositor, per financial institution. The Company has not experienced any losses to date as a result of this policy, and management believes there is little risk of loss.

8. Subsequent Events Evaluation:

The Company has evaluated subsequent events and transactions from the balance sheet date through the date of the independent auditors' report and has determined that there are no such events that would have a material impact on the financial statements.