ORTHOMETRIX, INC.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2015 AND 2014

Orthometrix, Inc.
Balance Sheets

	March 31, 2015 (unaudited)	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash	$ 50,056	$ 226,678
Accounts receivable	49,990	173,969
Inventory	69,157	99,004
Prepaid expenses	12,607	19,551
Due from Andante Medical Devices Inc.	321,899	287,619
Total Current Assets	503,709	806,821
PROPERTY AND EQUIPMENT, Net	3,346	2,988
TOTAL ASSETS	$ 507,055	$ 809,809
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 36,388	$ 63,217
Accrued expenses	24,903	24,903
Customer deposit	21,909	21,909
Unearned service revenue - current portion	61,100	40,833
Total Current Liabilities	144,300	150,862
OTHER LIABILITIES:		
Notes payable	545,119	545,119
Notes payable - related parties	19,609	19,609
Accrued interest on notes payable	558,584	543,959
Accrued interest on notes payable - related parties	485,944	554,175
Deferred compensation	1,278,370	1,347,763
Unearned service revenue - non current portion	165,642	172,542
Total Other Liabilities	3,053,268	3,183,167
TOTAL LIABILITES	3,197,568	3,334,029
STOCKHOLDERS' DEFICIT:		
Common stock - par value $.0005 per share, 75,000,000 shares authorized, and 53,416,864 and 53,211,864 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	26,707	26,605
Preferred stock - par value $.0005 per share, 1,000,000 shares authorized	-	-
Additional paid-in capital	44,309,120	44,308,233
Accumulated deficit	(47,026,340)	(46,859,058)
Total Stockholders' Deficit	(2,690,513)	(2,524,220)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 507,055	$ 809,809

Orthometrix, Inc.
Statements of Operations (Unaudited)

	For The Three Months Ended 31, 2015	For The Three Months Ended 31, 2014
REVENUE	$ 124,561	$ 750,686 *
COST OF GOODS SOLD	46,450	191,204
GROSS PROFIT	78,111	559,482
SELLING AND MARKETING EXPENSES	69,715	61,236
GENERAL AND ADMINISTRATIVE EXPENSES	159,216	131,051
RESEARCH AND DEVELOPMENT EXPENSE	5,932	-
OPERATING INCOME	(156,752)	367,195
OTHER INCOME (EXPENSES):		
Interest expense	(14,831)	3,733
Income taxes	-	(1,075)
Interest income	4,301	1,974
TOTAL OTHER INCOME (EXPENSES)	(10,530)	4,632
NET INCOME	$ (167,282)	$ 371,827
Weighted average shares		
Basic	53,405,142	53,188,975
Diluted	53,405,142	55,432,919
Income per share		
Basic	$ (0.0031)	$ 0.0070
Diluted	$ (0.0031)	$ 0.0067

Note:

* The sales for the first quarter of 2014 included a one time Multi-Unit sale to the government of Canada of approxematetly $700,000.

Orthometrix, Inc.
Statements of Changes in Stockholders' Deficit (Unaudited)

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
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	-	-	101	-	101
Stock options exercised	205,000	103	423	-	526
Net income	-	-	-	371,827	371,827
Balance as of March 31, 2014	53,211,864	$ 26,605	$ 44,306,848	$ (46,903,380)	$ (2,569,927)
Balance as of December 31, 2014	53,211,864	26,605	44,308,233	(46,859,058)	(2,524,220)
Stock options issued as compensation	-	-	558	-	558
Stock options exercised	205,000	102	329	-	431
Net income	-	-	-	(167,282)	(167,282)
Balance as of March 31, 2015	53,416,864	$ 26,707	$ 44,309,120	$ (47,026,340)	$ (2,690,513)

Orthometrix, Inc.
Statements of Cash Flows (Unaudited)

	For the Three Months Ended March 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ (167,282)	$ 371,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock options issued as compensation	558	103
Depreciation expense	392	-
Changes in operating assets and liabilities:		
Accounts receivable	123,979	(796,652)
Inventory	29,847	(445)
Prepaid expenses	6,944	3,903
Receivable from Andante Medical Devices Inc	(4,280)	(31,974)
Accounts payable	(26,829)	185,105
Accrued expenses	-	55,425
Accured intereset on notes payable	14,625	-
Accured interest on notes payable - related parties	(68,231)	-
Deferred compensation	(69,393)	-
Unearned service revenue	13,367	107,375
NET CASH PROVIDED BY OPERATING ACTIVITIES	(146,303)	(105,333)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of property and equipment	(750)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to Andante Medical Devices Inc	(30,000)	(30,000)
Proceeds of notes payable from related parties	-	120,356
Exercise of stock options	431	524
NET CASH USED IN FINANCING ACTIVITIES	(29,569)	90,880
NET INCREASE (DECREASE) IN CASH	(176,622)	(14,453)
Cash at beginning of year	226,678	14,453
Cash at end of the year	$ 50,056	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 68,436	$ -