

Quarterly Financials

Fourth Quarter Ended September 30th 2011

Item 1 Exact name of the issuer and its predecessor (if any)

Nuvonyx, Inc. f/k/a US Aloe, Inc. (the "Company"). The name change to Nuvonyx, Inc. was effective on October 4, 2010.

Item 2 Shares Outstanding

- (i) **Period end date:** September 30, 2011
- (ii) **Number of Shares Authorized:** Common Shares 240,000,000 ; Preferred Shares 5,000,000
- (iii) **Number of Shares Outstanding:** Common Shares 88,596,280; Preferred Stock 0
- (iv) **Freely Tradable Shares (Public Float):** Common Shares 3,702,227; Preferred Shares 0
- (v) **Total Number of Beneficial Shareholders:** 45
- (vi) **Total Number of Shareholders of Record:** 45

Item 3 Interim Financial Statements

The interim Financial Statements are attached at the end of this Quarterly Update in attachment A.

The following reports are located in Attachment A:

Balance Sheet

Statement of Operations

Statement of Stockholders' Deficit

Statement of Cash Flows

Item 4 Management's Discussion and Analysis

Nuvonyx is a vertically integrated manufacturer and marketer of nutritional products that feature Aloe Vera juice as an ingredient. It owns a 70 acre crop of organically grown ALOE VERA, which it harvests on a weekly basis and processed for juice. This is done in the 36,000 sq. ft. plant in Carlsbad, California. After processing which includes hand filleting of the leaves, the juice is blended and bottled in the factory. The fully automated facility includes bottling, automated boxing and reboxing, robotic palletizers, and multiple lines.

Our product line is divided into four categories: our newly developed nutritional beverage, other products containing aloe sold under our own brands, other products containing aloe which are sold under private label arrangements, and Real Aloe nutritional supplements. Our products have historically been sold through direct relationships with customers. It is our intention that our newly developed nutritional beverage product be sold through a network marketing multilevel channel, and we have invested in key personnel who have a track record of success in this channel.

We believe our facility is capable of producing over \$1 billion dollars of products annually, so plant utilization as a result of sales is a key factor in profitability. While our priority is to utilize our facility to produce aloe products, subject to the availability of financing to purchase production equipment, we

intend to increase our marketing efforts with third parties who may wish to subcontract product manufacturing to us.

On September 27, 2010, we restarted our network marketing activities under the brand "MAZU." The first week's sales were \$167,054 and exceeded our forecast of \$10,000 due to larger than anticipated inventory purchases. We are additionally encouraged by the interest that has been demonstrated in our product with requests from Europe, Canada, Australia, Indonesia, Mexico and the Russian Federation to sample product. In February 2011, we launched in 27 EU countries, with distributors in Spain, UK, Ireland, Germany, France and Austria.

There are industry wide factors that impact our business starting with the condition of the general economy. 2011 has been a relatively flat year for the overall economy. We have mirrored that in our company. Although we have launched new products it has only allowed us to maintain our sales numbers. We do continue to feel that utilizing a network marketing model for our new product line during this economic downturn will provide the best return on investment for our sales and marketing dollar. Strong network marketing businesses have outperformed many industry leaders during down economies as more people are looking to supplement their income or migrate from other industries.

Another important strategic factor is the existing consumer knowledge of aloe as a product with health benefits. We feel that we will be able to leverage this existing consumer knowledge to get people to try our products. We will not have to carry the same level of burden for initial educational costs that other entrants to this market had to bear when their products were focused on acai, pomegranate, or goji, which were relatively unknown at the time.

While there has been a substantial increase in entrants into the health products industry in the last ten years, we believe there is space for another competitor. Obesity rates continue to climb, both in the United States and worldwide, along with the average age of the overall global population. This will continue to fuel the growth of this industry and its need for healthier products. Furthermore, the proliferation of products within this industry has created an environment that is conducive to trying new products. Additionally, network marketing distributors are constantly looking for products to add to their portfolio, and consumers are looking for the best tasting, healthiest product. Management believes that this confluence of events will lead to a lower cost to acquire a customer than many of our competitors had to face upon their entry into the market.

We believe that the most critical factor to our business strategy will be to obtain distributors for our new nutritional beverage product line. We must acquire distributors, facilitate their ability to sell our products, and reward them financially to sell those products on our behalf. Oftentimes a network marketing company has the ability to initially acquire distributors but not retain them. We believe that our incentive plan matches other top network marketing sales incentive models.

Our initial distributor outreach will be focused in the United States. While many network companies operate and are successful on a global scale, we believe the best use of our resources is to focus initially on the U.S. market. We have received interest from international distributors, but initially their support will be secondary to the U.S. Market and establishing our distributor base there. Once we have reached what we believe is an appropriate base in the U.S. market, we intend to expand to appropriate international markets.

Results of Operations:

In our presentations of financial figures, “gross sales” is the total amount that we are charging for our products. However, we recognize that with a network marketing business model, there are significant adjustments to the gross sales numbers and that it is not a measurement consistent with U.S. Generally Accepted Accounting Principles (U.S. GAAP). We believe our “net sales” numbers are in compliance with U.S. GAAP and derived as follows:

Gross Sales to Net Sales Calculation

Product Sales From All Product Lines
+ Shipping, Handling, & Related Income
= Gross Sales
- Distributor Commissions
- Credit Card Fees
= Net Sales

Gross Sales is a critical number for us to demonstrate as it allows us to comprehend our overall transactions and measure the effectiveness of our incentive structure for distributors. However, Gross Sales is not a replacement for Net Sales, as demonstrated on our income statement. Net Sales as demonstrated in our reconciliation is our gross sales minus distributor commissions and including revenue from shipping and handling. Cost of Goods Sold includes our raw material and product preparation costs, shipping handling, Allocation of Facility Costs, and any other related expenses to creating, preparing, and getting our products to our distributors. Gross Profit is our Net Sales minus our Cost of Goods Sold. Selling, General, & Administrative (SG&A) costs are our operating expenses outside the cost of creating and getting our products to our distributors. Net Profit is our Gross Profit minus our SG&A costs.

Summary Financial Results:

Net Sales for Quarter ended September 30, 2011 were \$295,431. This is a 29% decrease over Quarter Ended September 30th 2010 which was \$416,115.

Net Sales for the Year to Date ended September 30, 2011 were \$1,501,845. This is compared to the Year to Date ended September 30, 2010 of \$1,515,932. A 0.9% decrease over Year to Date of the same time period last year.

~~Sales have declined as compared to this time last year but our year to date has remained stable as~~ compared to this time last year. At this point our network marketing company is continuing to add new customers but show a small growth of overall customer levels. The retail business continues to have consistent sales and profit.

Net Loss for the Quarter Ended September 30, 2011 (Three Months) was (\$964,405). This is compared to a net loss of (\$1,268,663) for the Quarter Ended September 30, 2010 (Three Months).

Net Loss for the year to date ended September 30, 2011 was (\$2,583,367) compared to a Net Loss

of (\$2,138,248) for the year to date ended September 30, 2010.

The net lose decreased by \$304,258 during quarter ending September 30, 2011 as compared to the same quarter last year ending September 30, 2010. This was not enough to offset the overall year to date loss increase of \$445,119 as compared Year to Date ended September 30th 2010. Additional losses were also incurred by significant contracts signed and paid for in stock during the period ended September 30th 2011.

It should be noted that our Cost of Goods Sold includes the allocation of our facilities costs attributable to the manufacturing of our products representing the majority of these expenses. As a result, Costs of Goods Sold appears disproportionately large compared to our revenues. As revenues increase, this percentage will decrease. Our gross margin before the allocation of these expenses is approximately 60%.

We expect that as revenues increase in the future our margins will improve such that we expect to reach breakeven point in the year ending September 30, 2012.

Liquidity and Capital Resources:

Historically, we have funded our operations principally through the issuance of equity for services, the incurrence of purchase money debt for equipment and loans from our Chief Executive Officer and principal shareholder. The implementation of our business plan and future results are heavily dependent on our raising funds from third parties in the form of debt, equity or a combination thereof. No assurance can be given that we will be successful in our financing efforts or whether any financing will be on terms favorable to our shareholders. To the extent we are unable to raise sufficient funds; the implementation of our business strategy will be materially and negatively impacted.

Currently we do not have any off balance sheet items.

Item 5 Legal Proceedings

None

Item 6 Default upon senior securities

None

Item 7 Other information

None.

Item 8 Exhibits

Material Contracts

Company has entered into four contracts in exchange for stock to provide public relations and communication services as to better, more fully and more effectively deal and communicate with its shareholders and the investment community.

Articles of incorporation and bylaws

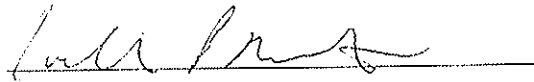
No changes have been made form previous attachments.

Item 9 Issuer's certifications

I, William Mountanos, certify that:

1. I have reviewed this Quarterly Disclosure Statement of Nuvonyx, 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 issues as of and for the periods presented in the disclosure statement.

November 17, 2011



William Mountanos
Chief Executive Officer and Acting Chief Financial
Officer

Attachment A

Nuvonyx, Inc.
Consolidated Balance Sheets
September 30, 2011
(Unaudited)

Assets

Current assets:	
Cash and cash equivalents	\$ 16,136
Accounts receivable, net	101,572
Inventories, net	267,379
Prepaid expenses	592,489
Total current assets	<u>977,576</u>
Other assets - deposits	71,879
Fixed assets, net	<u>2,679,385</u>
Total non current assets	<u>2,751,264</u>
Total assets	<u>\$ 3,728,840</u>

Liabilities and stockholders' deficit

Current liabilities:	
Accounts payable	\$ 934,142
Accrued expenses and other current liabilities	262,417
Amounts payable to related parties, including accrued interest	192,000
Customer deposits	60,000
Notes payable and accrued interest	540,820
Total current liabilities	<u>1,989,379</u>
Deferred rent	47,932
Stockholders' deficit:	
Preferred stock, \$0.001 par value; 10,000,000 and 5,000,000 shares authorized at December 31, 2010; no shares issued and outstanding	-
Common stock, \$0.001 par value; 240,000,000 shares authorized and 88,596,280 shares issued and outstanding at September 30, 2010	88,595
Additional paid-in capital	10,774,070
Common stock subscription receivable	(3,762)
Accumulated deficit	(9,167,374)
Total stockholders' deficit	<u>1,691,529</u>
Total liabilities and stockholders' deficit	<u>\$ 3,728,840</u>

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Nuvonyx, Inc.
Consolidated Statements of Operations
For the Fourth Quarter and Year Ended September 30, 2011
(Unaudited)

	<u>Fourth Quarter Ended September 30, 2011</u>	<u>Year Ended September 30, 2011</u>
Net sales	\$ 295,431	\$ 1,501,845
Operating expenses:		
Cost of sales	417,034	1,967,368
Selling, general and administrative	815,013	1,996,718
Total operating expenses	<u>1,232,047</u>	<u>3,964,086</u>
Loss from operations	(936,616)	(2,462,241)
Other income (expense):		
Interest expense	(27,789)	(121,126)
Total other income (expense)	<u>(27,789)</u>	<u>(121,126)</u>
Loss before provision for income taxes	(964,405)	(2,583,367)
Provision for income taxes	<u>-</u>	<u>-</u>
Net loss	<u>\$ (964,405)</u>	<u>\$ (2,583,367)</u>
Net loss per common share - basic and diluted		<u>\$ (0.04)</u>
Weighted average shares outstanding		<u>67,628,218</u>

Nuvonyx, Inc.
Consolidated Statement of Stockholders' Deficit
For the Year Ended September 30, 2011
(Unaudited)

	Preferred stock		Common stock		Additional paid-in capital	Common stock subscription receivable	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount				
Balance at September 30, 2010	-	\$ -	59,632,668	\$ 59,633	\$ 5,258,395	\$ (78,762)	\$ (6,584,007)	\$ (1,344,741)
Proceeds received from stock subscription	-	-	-	-	-	75,000	-	75,000
Issuance of stock	-	-	367,335	367	-	-	-	367
Issuance of stock for cash at \$0.10 per share	-	-	2,500,000	2,500	247,500	-	-	250,000
Issuance of stock for cash at \$0.125 per share, net of issuance costs	-	-	1,480,000	1,480	176,520	-	-	178,000
Issuance of stock to lender and vendor, valued a \$.125 per share, for conversion of debt	-	-	172,489	172	21,389	-	-	21,561
Issuance of stock to lender, valued at \$0.066 per share, for conversion of debt	-	-	1,600,000	1,600	103,650	-	-	105,250
Issuance of stock to officer and related parties valued at \$0.25 per share, for conversion of debt	-	-	4,922,298	4,922	1,225,653	-	-	1,230,575
Issuance of stock to lender, valued at \$0.20 per share, for conversion of debt	-	-	121,015	121	24,082	-	-	24,203
Issuance of stock to vendors, valued at \$0.20 per share, for purchase of equipment	-	-	13,480,475	13,480	2,682,615	-	-	2,696,095
Issuance of stock to vendors, valued at \$0.20 per share, for marketing strategies	-	-	4,070,000	4,070	809,930	-	-	814,000
Issuance of stock for purchase of rights, valued a \$.125 per share, for conversion of debt	-	-	250,000	250	31,000	-	-	31,250
Non-cash stock-based compensation	-	-	-	-	193,336	-	-	193,336
Net loss and comprehensive loss	-	-	-	-	-	-	(2,583,367)	(2,583,367)
Balance at September 30, 2011	-	\$ -	88,596,280	\$ 88,595	\$ 10,774,070	\$ (3,762)	\$ (9,167,374)	\$ 1,691,529

Nuvonyx, Inc.
Consolidated Statements of Cash Flows
For the Fourth Quarter and Year Ended September 30, 2011
(Unaudited)

	Fourth Quarter Ended September 30, 2011	Year Ended September 30, 2011
Operating activities		
Net loss	\$ (964,405)	\$ (2,583,367)
Adjustments to reconcile net loss to net cash used for operating activities:		
Bad debt	(2,206)	4,914
Stock-based compensation	32,905	193,336
Depreciation	46,565	50,039
Issuance of common stock for services rendered	31,616	31,616
Gain on forgiveness of debt	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(14,158)	(32,391)
Inventories	7,169	133,568
Prepaid expenses and other	249,018	223,060
Accounts payable	126,508	508,824
Accrued expenses and other current liabilities	137,773	171,582
Customer deposits	60,000	60,000
Accrued interest	7,164	59,122
Deferred rent	31,581	31,581
Net cash used for operating activities	<u>(250,470)</u>	<u>(1,148,116)</u>
Investing activities		
Purchases of property and equipment	-	(17,102)
Net cash used for investing activities	<u>-</u>	<u>(17,102)</u>
Financing activities		
Net change in advances from related party	117,000	391,760
Proceeds from issuance of notes payable	134,000	234,000
Proceeds received from stock subscription	-	75,000
Proceeds from issuance of common stock	-	428,000
Net cash used in financing activities	<u>251,000</u>	<u>1,128,760</u>
Decrease in cash and cash equivalents	530	(36,458)
Cash and cash equivalents at beginning of period	<u>15,000</u>	<u>52,594</u>
Cash and cash equivalents at end of period	<u>\$ 16,136</u>	<u>\$ 16,136</u>
Supplemental cash flow information		
Cash paid for interest	\$ 4,714	\$ 36,904
Cash paid for income taxes	\$ -	\$ -