UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

Commission file number: 333-185103

Synergy CHC Corp.
(Exact name of registrant as specified in its charter)

Nevada	**99-0379440**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
865 Spring Street Westbrook, ME	04092
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 615-939-9004

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, par value $0.00001 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

The aggregate market value of the registrant's common stock held by non-affiliates as of June 30, 2016 was approximately $14.1 million based upon the closing price of the common stock as quoted by the Over-the-Counter Bulletin Board (the "OTC Bulletin Board")

As of March 21, 2017, there were 88,764,357 shares of the registrant's common stock, par value $0.00001 per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information contained in this annual report contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are contained principally in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," and are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative of these words or other variations on these words or comparable terminology. As used herein, "we," "us," "our" and the "Company" refers to Synergy CHC Corp. and its wholly owned subsidiaries.

The forward-looking statements herein represent our expectations, beliefs, plans, intentions or strategies concerning future events, including, but not limited to: our future financial performance; the continuation of historical trends; the sufficiency of our cash balances for future needs; our future operations; our sales and revenue levels and gross margins, costs and expenses; the relative cost of our operation as compared to our competitors; new product introduction, entry and expansion into new markets and utilization of new sales channels and sales agents; improvements in, and the relative quality of, our technologies and the ability of our competitors to copy such technologies; our competitive technological advantages over our competitors; brand image, customer loyalty and expanding our customer base; the sufficiency of our resources in funding our operations; and our liquidity and capital needs.

Our forward-looking statements are based on our current expectations and beliefs concerning future developments, and there can be no assurance that any projections or other expectations included in any forward-looking statements will come to pass. Moreover, our forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements.

Except as required by applicable laws, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

PART I

ITEM 1. BUSINESS

Overview

We are a consumer health care company that is in the process of building a portfolio of best-in-class consumer product brands. Our strategy is to grow both organically and by further acquisition.

Corporate History

We were organized as a corporation under the laws of the State of Nevada on December 29, 2010 under the name “Oro Capital Corporation”. On April 7, 2014, an Agreement and Plan of Merger (the “Merger Agreement”) was entered into by and among us, Synergy Merger Sub, Inc., a Delaware corporation and our wholly owned subsidiary formed for the purpose of the transactions under the Merger Agreement (“Merger Sub”), and Synergy Strips Corp., a Delaware corporation incorporated on January 24, 2012 (“SSC”). The Merger Agreement provided for the merger of Merger Sub with and into SSC (the “Merger”), with SSC surviving the merger as our wholly owned subsidiary. On April 17, 2014, we issued a share dividend to our shareholders in order to effect a 30-for-1 forward stock split. The Merger was consummated on April 21, 2014. On April 21, 2014, we changed our fiscal year end from July 31 to December 31. On April 28, 2014, we changed the name of the Company from “Oro Capital Corporation” to “Synergy Strips Corp.” On August 5, 2015, we changed the name to “Synergy CHC Corp.”

2016 Fiscal Year Developments

During 2016 we created a new Canadian subsidiary, Synergy CHC Inc., for the purpose of operating a technology center in Halifax, Nova Scotia. The new center is an online marketing arm of the company, called The Synergy Effect. We created another new subsidiary, Sneaky Vaunt Corp., for the purpose of developing, marketing and selling specialty products. We also focused on executing our current brands and creating line extensions that will launch in 2017.

Description of the Business

FOCUSfactor is sold at America’s leading retailers such as Costco, Sam’s Club, BJ’s, Walmart, Walgreens, CVS and The Vitamin Shoppe. FOCUSfactor is a brain-health nutritional supplement that includes a proprietary blend of brain supporting vitamins, minerals, antioxidants and other nutrients. In December 2012, the United States Patent and Trademark Office issued US Patent 8,329,227 covering FOCUSfactor’s proprietary formulation “for enhanced mental function.” The issuance of the patent marked one of the few times a patent has been issued for a nationally branded nutritional supplement. FOCUSfactor is clinically tested with results demonstrating improvements in focus, concentration and memory in healthy adults. FOCUSfactor is a material product to our revenue base, representing 37% of revenue.

Flat Tummy Tea is a uniquely formulated two-step herbal detox tea that works to naturally help speed metabolism, boost energy and reduce bloating. Flat Tummy Tea is sold exclusively online at www.flattummytea.com. Flat Tummy Tea is a material product to our revenue base, representing 60% of revenue.

Hand MD is the world’s first anti-aging skincare line formulated specifically for the hands. Hand MD is sold exclusively online at www.buyhandmd.com.

Neuragen is a topical product that works directly at the site of pain as opposed to oral products. Neuragen reduces the spontaneous firing of damaged peripheral nerves. By calming these nerves, Neuragen is clinically shown to reduce shooting and burning pains quickly and without side effects. Neuragen is sold at Walgreens and through various distribution channels.

UrgentRx is a line of fast-acting, portable OTC medications that prove ‘right now relief’ for today’s busy, on the go consumer. UrgentRx fast powders are innovative, fast acting flavored powdered medications in patented credit card sized packets. They can be taken without water, providing immediate relief for a wide variety of every day ailments such as allergy attacks, headaches, aches and pains, heartburn and upset stomach. UrgentRx can be found at convenience stores and drugstores across the United States.

Products

Current Products

Development and Commercialization Strategy

We intend to expand on the current retail strategies and build out a strong online sales model.

Research and Development

We currently outsource our research and development to our manufacturers, as they are experienced in the development of new products and line extensions.

Manufacturing

We currently outsource the manufacturing of our products to third parties who have the necessary equipment and technology to provide mass quantities as required. FOCUSfactor is manufactured by Atrium Innovations and Vit-Best Nutrition. Flat Tummy Tea is manufactured by Caraway Tea Company. Neuragen is manufactured by C-Care. Hand MD is manufactured by HealthSpecialty. Urgent Rx is manufactured by Capstone Nutrition.

Commercialization

We are highly dependent on two retailers for the sale of our FOCUSfactor product: Costco Wholesale Corporation and Sam's West, Inc./Walmart (a/k/a Sam's Club), which comprise 88% of our net revenue for FOCUSfactor. We intend to diversify our sales network and generate revenue by selling our consumer-ready products to retailers across North America, which retailers may then sell to end consumers through retail distribution channels. We also sell direct to wholesalers and distributors at a reduced cost to grow our revenue base quickly and to penetrate the market more effectively.

Intellectual Property

Our success depends in part upon our ability to protect our core technology and intellectual property. To establish and protect our proprietary rights, we will rely on a combination of patents, patent applications, trademarks, copyrights, trade secrets, including know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

In December 2012, the United States Patent and Trademark Office issued U.S. Patent 8,329,227 covering FOCUSfactor's proprietary formulation "for enhanced mental function." The issuance of the patent marked one of the few times a patent has been issued for a nationally branded nutritional supplement. The issuance of the patent for FOCUSfactor came after a 2011 clinical study report which showed that FOCUSfactor improved memory, concentration and focus in healthy adults participating in the study. The clinical study of FOCUSfactor was sponsored by Factor Nutrition Labs, the owner of the Focus Factor Business at the time, and was conducted by Cognitive Research Corporation, a full-service contract research organization that specializes in the effects of nutritional supplements and pharmaceutical products on human cognition. The study was conducted in compliance with all applicable country requirements for the conduct of clinical studies, including those outlined by the International Conference on Harmonization, Consolidated Guidelines on Good Clinical Practices, and the Food and Drug Administration.

In February 2013, the United States Patent and Trademark Office issued U.S. Patent 8,376,140 covering UrgentRx's portable powder delivery system and method.

Distribution and Marketing

We plan to focus on selling to retailers and distributors who currently are active in the consumer product space to expedite the penetration of market acceptance of the product. We are currently conducting research with focus groups to find out what the best approach for marketing efforts is and how to do so on the most cost-effective manner. We also plan to develop an online sales channel.

Markets

We sell our products in mostly American retail locations along with other developed countries with similar retail landscapes to North America.

Competition

Although there are many competing products on the market, in all our current product categories, FOCUSfactor is the only product in its category with both a patent and clinical study to support its claims. These competitors include a wide range of products, from targeted brain-enhancement supplements to indirect competitors such as energy drinks that claim to improve concentration.

Government Regulation

The products that we sell, and those that we are developing for future sale, may be subject to U.S. Food and Drug Administration ("FDA") approval for packaging compliance. With respect to the products we currently sell, our regulatory counsel has reviewed all of our products and we are compliant with the current rules. Since the current products sold are considered nutraceuticals, cosmeceuticals and over the counter products, minimal regulations are placed on the product with the exception of the appropriate labeling and warnings on the packaging.

The Company will rely on legal and operational compliance programs, as well as local counsel, to guide its businesses in complying with applicable laws and regulations of the jurisdictions in which it does business.

The Company does not anticipate, at this time, that the cost of compliance with U.S. and foreign laws will have a material financial impact on its operations, business or financial condition. There are however no guarantees that new regulatory and tariff legislation may not have a material negative effect on its business in the future.

Employees

As of March 21, 2017, we had 36 full-time employees and no part-time employees. We intend to grow our employee base in response to the demands and requirements of the business.

ITEM 1A. RISK FACTORS.

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not Applicable.

ITEM 2. PROPERTIES

The following table describes our principal properties leased as of March 21, 2017:

Purpose	Location	Square
Technology Center (1)	Halifax, NS	
Main Office (2)	Westbrook, ME	
Subsidiary Head Office (3)	Denver, CO	
Subsidiary Head Office (4)	Cottesloe, WA, Australia	

(1) Monthly rental payments are $8,050 CDN per month on a month to month basis
(2) Monthly rental payments are $4,290 per month on a month to month basis
(3) Monthly rental payments are $8,923 per month less a $3,010 per month sublease through March 2017
(4) Monthly rental payments are $5,900 AUD per month (approximately $4,480 USD) through April 2017.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any legal proceedings and we are not aware of any claims or actions pending or threatened against us. In the future, we might from time to time become involved in litigation relating to claims arising from our ordinary course of business.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Only a sporadic and limited market exists for our securities. There is no assurance that a regular trading market will develop, or if one develops, that it will be sustained. Therefore, a shareholder in all likelihood will be unable to resell his, her or its securities in our Company. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops. Our securities are traded on the OTCQB operated by OTCMarkets.com under the symbol "SNYR".

Quarter Ended	High	Low
12/31/16	$ 0.74	$ 0.46
9/30/16	$ 0.70	$ 0.40
6/30/16	$ 1.00	$ 0.35
3/31/16	$ 0.43	$ 0.30
12/31/15	$ 0.74	$ 0.46
9/30/15	$ 0.70	$ 0.40
6/30/15	$ 1.00	$ 0.35
3/31/15	$ 0.43	$ 0.30
12/31/14	$ 0.55	$ 0.31
9/30/14	$ 0.60	$ 0.31
6/30/14	$ 2.00	$ 0.30
3/31/14	$ 0.33	$ 0.33

Shareholders

As of March 21, 2017, we had 39 shareholders of record of our common stock.

Dividend Policy

We have not declared any cash dividends. We do not intend to pay dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations. The payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as earnings levels, capital requirements, our overall financial condition and any other factors our board deems relevant.

Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to "Item 11. Executive Compensation" in this report.

ITEM 6. SELECTED FINANCIAL DATA.

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion is an overview of the important factors that management focuses on in evaluating our business; financial condition and operating performance should be read in conjunction with the financial statements included in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the Company's reports filed with the SEC on Form 10-K, 10-Q and 8-K as well as in this Annual Report on Form 10-K. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Overview

The Company is in the business of marketing and distributing consumer branded products through various distribution channels primarily in the health and wellness industry. The Company's strategy is to grow both organically and by future acquisition.

Our management's discussion and analysis of our financial condition and results of operations are only based on our current business and should be read in conjunction with our audited Consolidated Financial Statements and accompanying notes thereto included elsewhere in this Annual Report Form 10-K. Key factors affecting our results of operations include revenues, cost of revenues, operating expenses and income and taxation.

Non-GAAP Financial Measures

We currently focus on Adjusted EBITDA to evaluate our business relationships and our resulting operating performance and financial position. Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash expenses and other adjustments as set forth below. We present Adjusted EBITDA because we consider it an important measure of our performance and it is a meaningful financial metric in assessing our operating performance from period to period by excluding certain items that we believe are not representative of our core business, such as certain non-cash items and other adjustments.

We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), provides useful information to investors.

		December 31, 2016
Net loss	$	(796,161)
Interest income		(5,107)
Interest expense		1,567,867
Taxes		944,358
Depreciation		44,480
Amortization		2,961,751
EBITDA	$	4,717,188
Loss on change in fair value of derivative liability		(1,380,600)
Stock-based compensation		2,200,160
One-time expenses for 2015 acquisitions		109,163
Stock issued for services		50,000
Settlement Expenses		56,250
Directors Fees		40,000
Loss on extinguishment of debt		657,180
Focus Factor Kids return		1,249,487
Impairment of Intangible Assets		2,176,910
Loss on foreign currency translation and transaction		40,842
Write off of obsolete inventory		300,187
Non-cash implied interest		114,213
Adjusted EBITDA	$	10,330,980

EBITDA and Adjusted EBITDA are considered non-GAAP financial measures. EBITDA represents earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA, further adjusted to exclude the impact of higher-than-normal revenue change order activity and certain expenses and transactions that we believe are not representative of our core operating results, including loss on change in fair value of derivative liability; stock-based compensation; one-time expenses for acquisitions; loss on foreign currency translation and transaction; and the write off of obsolete inventory. The Company's definitions of EBITDA and adjusted EBITDA might not be comparable to similarly titled measures reported by other companies.

Results of Operations for the Years Ended December 31, 2016 and December 31, 2015

During 2015, we completed five acquisitions, with at least one in each of the three targeted verticals of Nutraceuticals, Cosmeceuticals and Over the Counter (OTC). Our objective is to grow all three verticals to provide a balanced and synergistic portfolio that drives consumer demand via multiple channels. During 2016 we focused on growing and managing our existing brands.

Revenue

For the year ended December 31, 2016, we had revenues of $34,840,394 from sales of our products, as compared to revenue of $13,456,377 for the year ended December 31, 2015. This is primarily due to having a full year of operations of the acquisitions we completed during 2015 and is comprised of the following categories:

	December 31, 2016	December 31, 2015
Nutraceuticals	$ 33,877,529	$ 13,030,006
Over the Counter (OTC)	907,401	416,417
Cosmeceuticals	55,464	9,954
	$ 34,840,394	$ 13,456,377

Cost of Revenue

For the year ended December 31, 2016, our cost of revenue was $10,205,324. Our cost of revenue for the year ended December 31, 2015, was $5,308,130. This increase is also due to having a full year of operations of the acquisitions we completed during 2015 and is comprised of the following categories:

	December 31, 2016	December 31, 2015
Nutraceuticals	$ 10,020,273	$ 5,194,831
Over the Counter (OTC)	167,784	110,637
Cosmeceuticals	17,267	2,662
	$ 10,205,324	$ 5,308,130

Gross Profit

Gross profit was $24,635,070, or 71%, for the year ended December 31, 2016, as compared to gross profit of $8,148,247, or 61%, for the same period in 2015, an increase of $16,486,825, or 202%. The increase in gross profit and gross profit margin is directly related to increase in sales and better negotiated deals with manufacturers, utilizing volume purchasing to avail lower prices and purchasing finished goods instead of buying components.

Operating Expenses

Selling and Marketing Expenses

For the year ended December 31, 2016, our selling and marketing expenses were $10,334,075 as compared to $3,685,727 for the year ended December 31, 2015, which is primarily due to marketing our various products in multiple media channels including print, television and online. This increase is also due to having a full year of operations of the acquisitions we completed during 2015.

General and Administrative Expenses

For the year ended December 31, 2016, our general and administrative expenses were $8,019,722. For the year ended December 31, 2015, our general and administrative expenses were $3,368,495, the change in which was primarily due to having a full year of operations of the acquisitions we completed in 2015.

Depreciation and Amortization Expenses

For the year ended December 31, 2016 our depreciation and amortization expenses were $1,170,778 as compared to $608,002 for the year ended December 31, 2015. The increase in 2016 is due to the acquisitions completed during 2015.

Impairment of Intangible Assets and Goodwill

During review of intangible assets and goodwill, it was determined that the carrying value of the intangible assets and goodwill for one of our subsidiaries may not be recoverable, so the assets were fully impaired. For the year ended December 31, 2016, we recorded non-cash intangible asset and goodwill impairment charges of $2,176,910 related to a subsidiary.

Other Income and Expenses

For the year ended December 31, 2016 we had other (income) and expense items of the following:

Interest income	$	(5,107)
Interest expense		1,567,867
Remeasurement loss on translation of foreign subsidiary		54,345
Gain on change in fair value of derivative liability		(1,380,600)
Amortization of debt discount		1,620,151
Amortization of debt issuance cost		215,302
Settlement expense		56,250
Loss on extinguishment of debt		657,180
Total	$	2,785,388

For the year ended December 31, 2015 we had other (income) and expense items of the following:

Interest income	$	(1,460)
Interest expense		958,740
Remeasurement gain on translation of foreign subsidiary		(7,740)
Loss on change in fair value of derivative liability		1,028,921
Amortization of debt discount		5,499,640
Amortization of debt issuance cost		154,525
Total	$	7,632,626

The increase in interest expense in 2016 was due to the loans issued for the purpose of acquisitions of various companies' during 2015. We also issued warrants along with the loans and paid debt issuance cost in 2015 which lead to the amortization of debt discount and debt issuance cost during 2015. We issued warrants with a reset provision in 2015 which lead to the calculation of warrant derivative liability and hence we recorded a loss on change in fair value of derivative liability. In 2016, we cancelled those warrants and issued shares, which resulted in a loss on extinguishment of debt.

Income tax expense

For the years ended December 31, 2016 and 2015 we incurred income tax expense of $944,358 and $389,945, respectively, primarily related to our subsidiary, NomadChoice Pty Limited (NomadChoice), located in Australia and which we acquired in 2015.

Net Loss

For the year ended December 31, 2016, our net loss was $796,161. For the year ended December 31, 2015 our net loss was $7,536,548. This was primarily due to non-operating expenses such as amortization of debt discounts and the change in the fair value of derivative liabilities in 2015. In 2016, we had a full year of operations of the companies we acquired in 2015.

Liquidity and Capital Resources

Overview

As of December 31, 2016, we had $2,517,642 cash on hand and a $4,944,587 working capital deficit. In addition, we also have restricted cash of $100,000 which is held for credit card collateral.

As of December 31, 2015, we had $3,640,893 cash on hand and a $6,029,421 working capital deficit. The deficit is largely due to the future liability we've accrued for in relation to an earn-out payment of $2,551,500 in which payments are due based solely on future earnings and a derivative liability for stock warrants outstanding of $3,096,179. In addition, we also had restricted cash of $607,084 which was comprised of $510,605 for the earn-out payment held in escrow account, $46,479 for a rolling reserve with Paypal and $50,000 for credit card collateral.

Going Concern

The Company's consolidated financial statements are prepared using U.S. GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company had an accumulated deficit at December 31, 2016 of $9,366,000. The Company had a working capital deficit of $4,944,587 as of December 31, 2016. During the year ended December 31, 2016, the Company incurred net loss of $796,161. Due to acquisitions during 2015 of revenue producing products, the Company believes it has established an ongoing source of revenue that is sufficient to cover its operating costs and has income from operations of $2,933,585. The ability of the Company to continue as a going concern is dependent on the Company continuing to execute the sales of their products.

Due to acquisitions during 2015 of revenue-producing products, the Company believes it has established an ongoing source of revenue that is sufficient to cover its operating costs. Management's plans to continue as a going concern include raising additional capital through borrowing and/or sales of equity and debt securities. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. In their report accompanying our audited financial statements, our independent registered public accounting firm expressed substantial doubt as to our ability to continue as a going concern.

Year Ended December 31, 2016 and 2015

Net Cash Provided by (Used in) Operating Activities

For the year ended December 31, 2016, we had net cash provided by operating activities of $6,038,620, as compared to $644,316 used in operating activities for the year ended December 31, 2015. The decrease was primarily attributable to a change in the business due to acquisitions during 2015.

For 2016, the $6,038,620 consists of our net loss of $796,161 increased by:

Amortization of debt issuance cost	$	215,302
Depreciation and amortization		1,170,778
Stock based compensation		2,200,160
Amortization of debt discount		1,620,151
Stock issued for services		50,000
Settlement expense		56,250
Foreign currency transaction gain		(13,503)
Loss on extinguishment of debt		657,180
Change in the fair value of derivative liability		(1,380,600)
Remeasurement loss on translation of foreign subsidiary		54,345
Impairment of goodwill and intangible assets		2,176,910
Non cash implied interest		114,213
Write-off of inventory		180,122
Decrease in accounts receivable		1,734,466
Increase in inventory		(547,295)
Increase in prepaid expenses		(1,051,168)
Increase in deferred revenue		36,000
Decrease in accounts payable and accrued expenses		(438,530)

For 2015, the $644,316 consists of our net loss of $7,536,548 reduced by:

Amortization of debt issuance cost	$	154,525
Depreciation and amortization		608,002
Stock based compensation		551,714
Amortization of debt discount		5,499,640
Foreign currency transaction loss		54,600
Change in the fair value of derivative liability		1,028,921
Remeasurement gain on translation of foreign subsidiary		(7,740)
Bad debt allowance		50,000
Increase in accounts receivable		(1,317,050)
Increase in inventory		(19,632)
Increase in prepaid expenses		(194,889)
Increase in accounts payable and accrued expenses		484,141

Net Cash Used in Investing Activities

For the year ended December 31, 2016, we used net cash of $2,346,643 in investing activities, as compared to $4,399,856 used in investing activities for the year ended December 31, 2015. The decrease was primarily attributable to the acquisitions during 2015.

Investing activities during 2016:

Payments for acquisition of fixed assets	$	(302,227)
Restricted cash		507,084
Payment of earn out liability		(2,551,500)

Investing activities during 2015:

Payments for acquisition of fixed assets	$	(7,833)
Restricted cash		(607,084)
Payments for acquisition of Focus Factor assets		(4,500,000)
Payments for acquisition of Neuragen assets		(250,000)
Payments for acquisition of NomadChoice Pty Ltd		(2,918,200)
Cash acquired in acquisitions		3,883,261

Net Cash (Used in) Provided by Financing Activities

For the year ended December 31, 2016, financing activities used $4,831,250, as compared to $8,684,727 provided by financing activities for the year ended December 31, 2015. The decrease was primarily attributable to payments of notes payable issued in connection with the acquisitions during 2016.

Financing activities during 2016:

Repayment of notes payable	$	(4,831,250)

Financing activities during 2015:

Advances from related party	$	16,077
Proceeds from notes payable		11,500,000
Repayment of notes payable		(1,150,000)
Payment of debt issuance costs		(533,377)
Payment of dividends on subsidiary		(1,173,975)
Proceeds from exercise of warrants		2
Proceeds from issuance of common stock		26,000

Key 2017 Initiatives

During 2017, we have plans for organic growth within our current product lines by developing and launching new products and brands. Our technology center in Halifax, Nova Scotia will be in full operations for all of our brands. We have new marketing campaigns in process and intend to expand our online presence for each product. While we intend to grow further through additional acquisitions, we feel it is important to also develop our existing products.

Contractual Obligations and Off-Balance Sheet Arrangements

Contractual Obligations

None.

Off-Balance Sheet Arrangements

None.

Inflation

The effect of inflation on the Company's operating results was not significant.

Summary of Significant Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accounts receivable allowances. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 2 to our audited consolidated financial statements appearing elsewhere in this report.

Recent Accounting Pronouncements

Note 2 to our audited consolidated financial statements appearing elsewhere in this report includes Recent Accounting Pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this Item is set forth in the consolidated financial statements and notes thereto beginning at page F-1 of this Form 10-K.

CONSOLIDATED FINANCIAL STATEMENTS
Synergy CHC Corp.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Synergy CHC Corp.

We have audited the accompanying consolidated balance sheets of Synergy CHC Corp. (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Synergy CHC Corp. at December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company suffered a net loss, has accumulated deficit and has a net working capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ RBSM LLP

RBSM LLP
March 24, 2017

New York, New York

Synergy CHC Corp.
Consolidated Balance Sheets

	December 31, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	$ 2,517,642	$ 3,640,893
Restricted cash	100,000	607,084
Accounts receivable, net	2,195,391	3,979,857
Prepaid expenses	1,348,602	422,434
Inventory, net	1,102,777	686,655
Total Current Assets	7,264,412	9,336,923
Fixed assets, net	257,386	12,017
Goodwill	7,793,240	11,496,402
Intangible assets, net	5,145,434	5,915,262
Total Assets	$ 20,460,472	$ 26,760,604
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 4,558,919	$ 5,032,102
Deferred revenue	36,000	-
Provision for income taxes payable	973,177	910,894
Earn out payment	-	2,551,500
Current portion of long-term notes payable, net of debt discount and debt issuance cost, related party	5,890,903	3,025,669
Current portion of long-term notes payable	750,000	750,000
Warrant derivative liability	-	3,096,179
Total Current Liabilities	12,208,999	15,366,344
Long-term Liabilities:		
Note payable	-	750,000
Royalty payable	313,752	258,897
Notes payable, net of debt discount and debt issuance cost, related parties	830,245	4,965,650
Total long-term liabilities	1,143,997	5,974,547
Total Liabilities	13,352,996	21,340,890
Commitments and contingencies		-
Stockholders' Equity:		
Common stock, $0.00001 par value; 300,000,000 shares authorized; 88,764,357 and 81,692,954, shares issued and outstanding, respectively	888	817
Common stock to be issued (125,000 and 213,742 shares, respectively)	56,250	68,000
Additional paid in capital	16,400,316	13,920,735
Accumulated other comprehensive income	16,022	-
Accumulated deficit	(9,366,000)	(8,569,841)
Total stockholders' equity	7,107,476	5,419,713
Total Liabilities and Stockholders' Equity	$ 20,460,472	$ 26,760,604

The accompanying notes are an integral part of these consolidated financial statements

Synergy CHC Corp.

Consolidated Statements of Operations and Comprehensive Loss

	For the year Ended December 31, 2016	For the year ended December 31, 2015
Revenue	$ 34,840,394	$ 13,456,377
Cost of Sales	10,205,324	5,308,130
Gross Profit	24,635,070	8,148,247
Operating expenses		
Selling and marketing	10,334,075	3,685,727
General and administrative	8,019,722	3,368,495
Impairment of goodwill and intangible assets	2,176,910	-
Depreciation and amortization	1,170,778	608,002
Total operating expenses	21,701,485	7,662,224
Income from operations	2,933,585	486,023
Other (income) expenses		
Interest income	(5,107)	(1,460)
Interest expense	1,567,867	958,740
Remeasurement loss (gain) on translation of foreign subsidiary	54,345	(7,740)
(Gain) loss on change in fair value of derivative liability	(1,380,600)	1,028,921
Amortization of debt discount	1,620,151	5,499,640
Amortization of debt issuance cost	215,302	154,525
Settlement expense	56,250	-
Loss on extinguishment of debt	657,180	-
Total other expenses	2,785,388	7,632,626
Net income (loss) before income taxes	$ 148,197	$ (7,146,603)
Income tax expense	944,358	389,945
Net loss after tax	$ (796,161)	$ (7,536,548)
Net loss per share – basic and diluted	$ (0.01)	$ (0.11)
Weighted average common shares outstanding		
Basic and diluted	81,650,381	68,852,305
Comprehensive loss		
Net loss	$ (796,161)	$ (7,536,548)
Foreign currency translation adjustment	16,022	-
Comprehensive loss	$ (780,139)	$ (7,536,548)

The accompanying notes are an integral part of these consolidated financial statements

Synergy CHC Corp.

Consolidated Statement of Stockholders' Equity (Deficit)

	Common stock Shares	Common stock Amount	Additional Paid in Capital	Common Stock to be issued	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2014	62,100,000	$ 621	$ 867,004	$ 40,000	$ -	$ (1,033,291)	$ (125,666)
Common stock issued for cash	40,000	1	25,999				26,000
Common stock issued as part of the Contribution Agreement with Hand MD	2,142,857	21	1,499,978	-		-	1,500,000
Common stock issued for acquisitions of Breakthrough Products, Inc.	3,000,000	30	2,549,970	-		-	2,550,000
Common stock issued for acquisitions of NomadChoice Pty Ltd.	3,571,428	36	1,749,964	-		-	1,750,000
Common stock issued to settle accounts payable	292,857	3	204,997	-		-	205,000
Common stock issued for conversion of notes payable	400,000	4	99,996				100,000
Common stock issued for exercise of warrants	10,145,812	101	(99)				2
Fair value of warrants issued along with notes payable	-	-	5,968,801	-		-	5,968,801
Fair value of vested stock options	-	-	523,714	-		-	523,714
Fair value of warrants issued to Breakthrough Products, Inc. as part of acquisition	-	-	430,411	-		-	430,411
Common stock to be issued for services	-	-	-	28,000		-	28,000
Net loss	-	-	-	-		(7,536,548)	(7,536,548)
Balance as of December 31, 2015	**81,692,954**	**$ 817**	**$13,920,735**	**$ 68,000**	**$ -**	**$ (8,569,839)**	**$ 5,419,713**
Adjusting the value of goodwill for the value of shares issued related to acquisition of Breakthrough Products, Inc.			(1,170,000)				(1,170,000)
Common stock cancelled	(713,767)	(7)	(124,993)				(125,000)
Common stock to be issued				56,250			56,250
Common stock issued for services	285,170	3	117,997	(68,000)			50,000
Common stock issued in conjunction with cancellation of warrants and options issued concurrent with debt	7,500,000	75	1,456,417				1,456,492
Fair value of vested stock options			2,200,160				2,200,160
Foreign currency translation gain					16,022		16,022
Net loss						(796,161)	(796,161)

Balance as of December 31, 2016	88,764,357	$	888	$	16,400,316	$	56,250	$	16,022	$	(9,366,000)	$	7,107,476

The accompanying notes are an integral part of these consolidated financial statements

Synergy CHC Corp.
Consolidated Statements of Cash Flows

	For the year Ended December 31, 2016	For the year ended December 31, 2015
Cash Flows from Operating Activities		
Net loss	$ (796,161)	$ (7,536,548)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of debt issuance cost	215,302	154,525
Depreciation and amortization	1,170,778	608,002
Stock based compensation expense	2,200,160	551,714
Stock issued for services	50,000	-
Settlement expense	56,250	-
Loss on extinguishment of debt	657,180	-
Amortization of debt discount	1,620,151	5,499,640
Impairment of goodwill and intangible assets	2,176,910	-
Foreign currency transaction (gain) loss	(13,503)	54,600
Change in the fair value of derivative liability	(1,380,600)	1,028,921
Remeasurement loss (gain) on translation of foreign subsidiary	54,345	(7,740)
Non cash implied interest	114,213	-
Write-off of inventory	180,122	-
Bad debts	-	50,000
Changes in operating assets and liabilities:		
Accounts receivable	1,734,466	(1,317,050)
Inventory	(547,295)	(19,632)
Prepaid expense and other current assets	(1,051,168)	(194,889)
Deferred revenue	36,000	-
Accounts payable and accrued liabilities	(438,530)	484,141
Net cash provided by (used in) operating activities	6,038,620	(644,316)
Cash Flows from Investing Activities		
Payments for acquisition of fixed assets	(302,227)	(7,833)
Restricted cash	507,084	(607,084)
Payments for acquisition of Focus Factor	-	(4,500,000)
Payments for acquisition transaction with Knight Therapeutics Inc.	-	(250,000)
Payment of earn out liability	(2,551,500)	-
Payments for acquisition of NomadChoice Pty Ltd	-	(2,918,200)
Cash acquired in acquisitions	-	3,883,261
Net cash used in investing activities	(2,346,643)	(4,399,856)
Cash Flows from Financing Activities		
Advances from related party notes	-	16,077
Proceeds from notes payable	-	11,500,000
Repayment of notes payable	(4,831,250)	(1,150,000)
Payment of debt issuance cost	-	(533,377)
Dividends paid	-	(1,173,975)
Proceeds from exercise of warrants	-	2
Proceeds from issuance of common stock	-	26,000
Net cash (used in) provided by financing activities	(4,831,250)	8,684,727
Effect of exchange rate on cash and cash equivalents	16,022	-
Net (decrease) increase in cash and cash equivalents	(1,123,251)	3,640,554
Cash and Cash Equivalents, beginning of period	3,640,893	338

The accompanying notes are an integral part of these consolidated financial statements

Cash and Cash Equivalents, end of period	$	2,517,642	$	3,640,893
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the period for:				
Interest	$	1,488,123	$	806,740
Income taxes	$	864,864	$	12,688
Supplemental Disclosure of Non-cash Investing and Financing Activities:				
Common stock issued for conversion of notes payable	$	-	$	100,000
Beneficial conversion feature on warrants issued concurrent with debt	$	-	$	5,968,801
Derivative liability at inception	$	-	$	2,067,258
Assumption of liabilities as part of asset purchase agreement with Factor Nutrition Labs, LLC	$	-	$	1,912,827
Assumption of liabilities as part of acquisition transaction with Knight Therapeutics Inc.	$	-	$	969,532
Note issued as part of asset purchase agreement with Factor Nutrition Labs, LLC	$	-	$	1,500,000
Common stock issued as part of contribution agreement with Hand MD	$	-	$	1,500,000
Common stock issued for the acquisition of Breakthrough Products, Inc.	$	-	$	2,550,000
Common stock issued for the acquisition of NomadChoice Pty Ltd.	$	-	$	1,750,000
Fair value of warrants issued as part of acquisition of Breakthrough Products, Inc.	$	-	$	430,411
Net liabilities taken over as part of acquisition of Breakthrough Products, Inc.	$	-	$	422,749
Net assets taken over as part of acquisition of NomadChoice Pty Ltd.	$	-	$	70,801
Common stock issued to settle payables	$	-	$	205,000
Reallocation of goodwill related to acquisition of Factor Nutrition to intellectual property	$	450,000	$	-
Reallocation of goodwill related to acquisition of Breakthrough Products, Inc. to intellectual property	$	150,000	$	-
Reallocation of non-compete agreement related to acquisition of Breakthrough Products, Inc. to goodwill	$	50,000	$	-
Adjusting the value of goodwill for the value of shares issued related to acquisition of Breakthrough Products, Inc.	$	1,170,000	$	-
Reallocation of blogger database and intellectual property related to acquisition of Nomadchoice Pty Ltd. to customer database	$	215,000	$	-
Common stock to be issued now issued	$	68,000	$	-
Cancellation of common stock	$	125,000	$	-
Common stock issued in conjunction with cancellation of warrants and options issued concurrent with debt	$	1,456,492	$	-
Adjustment of accounts receivable and payables created during acquisition of Neuragen	$	24,592	$	-
Inventory written-off and adjusted against accounts receivable and payables created during acquisition of Neuragen	$	48,949	$	-

The accompanying notes are an integral part of these consolidated financial statements

Note 1 – Nature of the Business

Synergy CHC Corp. ("Synergy", "we", "us", "our" or the "Company") (formerly Synergy Strips Corp.) was incorporated on December 29, 2010 in Nevada under the name "Oro Capital Corporation." On April 21, 2014, the Company changed its fiscal year end from July 31 to December 31. On April 28, 2014, the Company changed its name to "Synergy Strips Corp.". On August 5, 2015, the Company changed its name to "Synergy CHC Corp."

The Company is a consumer health care company that is in the process of building a portfolio of best-in-class consumer product brands. Synergy's strategy is to grow its portfolio both organically and by further acquisition.

Synergy is the sole owner of five subsidiaries: Neuragen Corp., Breakthrough Products, Inc., NomadChoice Pty Ltd., Synergy CHC Inc., and Sneaky Vaunt Corp., and the results have been consolidated in these statements.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

All amounts referred to in the notes to the consolidated financial statements are in United States Dollars ($) unless stated otherwise.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. At December 31, 2016 and 2015 significant estimates included are assumptions about collection of accounts receivable, useful life of fixed and intangible assets, impairment analysis of goodwill and intangible assets, estimates used in the fair value calculation of stock based compensation, beneficial conversion feature and derivative liability on warrants using Black-Scholes Model.

Cash and Cash Equivalents

The Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents. As of December 31, 2016 and 2015 the Company had no cash equivalents. The Company maintains its cash and cash equivalents in banks insured by the Federal Deposit Insurance Corporation (FDIC) in accounts that at times may be in excess of the federally insured limit of $250,000 per bank. The Company minimizes this risk by placing its cash deposits with major financial institutions. At December 31, 2016 and 2015, the uninsured balances amounted to$2,038,985 and $3,453,290, respectively.

Capitalization of Fixed Assets

The Company capitalizes expenditures related to property and equipment, subject to a minimum rule, that have a useful life greater than one year for: (1) assets purchased; (2) existing assets that are replaced, improved or the useful lives have been extended; or (3) all land, regardless of cost. Acquisitions of new assets, additions, replacements and improvements (other than land) costing less than the minimum rule in addition to maintenance and repair costs, including any planned major maintenance activities, are expensed as incurred.

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board's ("FASB"), Accounting Standards Codification ("ASC") 605, Revenue Recognition ("ASC 605"). ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred and/or service has been performed; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. The Company believes that these criteria are satisfied upon shipment from its fulfillment centers. Certain of our distributors may also perform a separate function as a co-packer on our behalf. In such cases, ownership of and title to our products that are co-packed on our behalf by those co-packers who are also distributors, passes to such distributors when we are notified by them that they have taken transfer or possession of the relevant portion of our finished goods. Freight billed to customers is presented as revenues, and the related freight costs are presented as cost of goods sold. Cancelled orders are refunded if not already dispatched, refunds are only paid if stock is damaged in transit, discounts are only offered with specific promotions and orders will be refilled if lost in transit.

Accounts receivable

Accounts receivable are generally unsecured. The Company establishes an allowance for doubtful accounts receivable based on the age of outstanding invoices and management's evaluation of collectability. Accounts are written off after all reasonable collection efforts have been exhausted and management concludes that likelihood of collection is remote. Any future recoveries are applied against the allowance for doubtful accounts. As of December 31, 2016 and 2015, allowance for doubtful accounts was $0 and $121,291, respectively.

Advertising Expense

The Company expenses marketing, promotions and advertising costs as incurred. Such costs are included in selling and marketing expense in the accompanying consolidated statements of operations.

Research and Development

Costs incurred in connection with the development of new products and processing methods are charged to general and administrative expenses as incurred.

Income Taxes

The Company utilizes FASBASC 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

The Company generated a deferred tax asset through net operating loss carry-forward. However, a valuation allowance of 100% has been established due to the uncertainty of the Company's realization of the net operating loss carry forward prior to its expiration.

NomadChoice Pty Ltd, the Company's wholly-owned subsidiary is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Net Earnings (Loss) Per Common Share

The Company computes earnings per share under ASC subtopic 260-10, Earnings Per Share. Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to the common stockholders (the numerator) by the weighted average number of shares of common stock outstanding (the denominator) during the reporting periods. Diluted loss per share is computed by increasing the denominator by the weighted average number of additional shares that could have been outstanding from securities convertible into common stock (using the "treasury stock" method), unless their effect on net loss per share is anti-dilutive. As of December 31, 2016 and 2015, options to purchase 6,300,000 and 5,000,000 shares of common stock, respectively, were outstanding. As of December 31, 2016 and 2015, warrants to purchase 1,000,000 and 9,132,002 shares of common stock, respectively, were outstanding. These potential shares were excluded from the shares used to calculate diluted loss per share as their inclusion would reduce net loss per share.

Going Concern

The Company's consolidated financial statements are prepared using U.S. GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company had an accumulated deficit at December 31, 2016 of $9,366,000. The Company had a working capital deficit of $4,944,587 as of December 31, 2016. During the year ended December 31, 2016, the Company incurred net loss of $796,161. Due to acquisitions during 2015 of revenue-producing products, the Company believes it has established an ongoing source of revenue that is sufficient to cover its operating costs and has income from operations of $2,933,585. The ability of the Company to continue as a going concern is dependent on the Company continuing to execute the sales of their products.

Due to acquisitions during 2015 of revenue-producing products, the Company believes it has established an ongoing source of revenue that is sufficient to cover its operating costs. Management's plans to continue as a going concern include raising additional capital through borrowing and/or sales of equity and debt securities. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Fair Value Measurements

The Company measures and discloses the fair value of assets and liabilities required to be carried at fair value in accordance with ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure.

ASC 825 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825 establishes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which we have access at the measurement date.

Level 2 - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As of December 31, 2016, the Company has determined that there were no assets or liabilities measured at fair value.

Inventory

Inventory consists of raw materials, components and finished goods. The Company's inventory is stated at the lower of cost (FIFO cost basis) or market. Finished goods include the cost of labor to assemble the items.

Stock-Based Compensation

ASC 718, "Compensation – Stock Compensation," prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, "Equity – Based Payments to Non-Employees." Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

Intangible Assets with Indefinite Lives

We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. All of our intangible assets are subject to amortization except intellectual property of $1,450,000 acquired as part of Asset Purchase Agreement entered into with Factor Nutrition LLC on January 22, 2015. As of December 31, 2016 and 2015, our qualitative analysis of intangible assets with indefinite lives did not indicate any impairment.

Long-lived Assets

Long-lived assets include equipment and intangible assets other than those with indefinite lives. We assess the carrying value of our long-lived asset groups when indicators of impairment exist and recognize an impairment loss when the carrying amount of a long-lived asset is not recoverable when compared to undiscounted cash flows expected to result from the use and eventual disposition of the asset.

Indicators of impairment include significant underperformance relative to historical or projected future operating results, significant changes in our use of the assets or in our business strategy, loss of or changes in customer relationships and significant negative industry or economic trends. When indications of impairment arise for a particular asset or group of assets, we assess the future recoverability of the carrying value of the asset (or asset group) based on an undiscounted cash flow analysis. If carrying value exceeds projected, net, undiscounted cash flows, an additional analysis is performed to determine the fair value of the asset (or asset group), typically a discounted cash flow analysis, and an impairment charge is recorded for the excess of carrying value over fair value. As of December 31, 2015, our qualitative analysis of long-lived assets did not indicate any impairment. However, as of December 31, 2016 our review of intangible assets related to one of our subsidiaries did indicate that the carrying amount of the asset may not be recoverable. During the year ended December 31, 2016, the Company fully impaired related intangible assets and charged to operations impairment loss of $193,750.

Goodwill

An asset purchase is accounted for under the purchase method of accounting. Under that method, assets and liabilities of the business acquired are recorded at their estimated fair values as of the date of the acquisition, with any excess of the cost of the acquisition over the estimated fair value of the net tangible and intangible assets acquired recorded as goodwill. As of December 31, 2015 our qualitative analysis of goodwill did not indicate any impairment. However, as of December 31, 2016, our review of Goodwill related to one of our subsidiaries did indicate that the carrying amount of the asset may not be recoverable. During the year ended December 31, 2016, the Company fully impaired related goodwill and charged to operations impairment loss of $1,983,160.

Foreign Currency Translation

The functional currency of one of the Company's foreign subsidiaries (Nomadchoice Pty Ltd.) is the U.S. Dollar. The Company's subsidiary maintains its record using local currency (Australian Dollar). All monetary assets and liabilities of foreign subsidiaries were translated into U.S. Dollars at fiscal year-end exchange rates, non-monetary assets and liabilities of foreign subsidiaries were translated into U.S. Dollars at transaction day exchange rates.

Income and expense items related to non-monetary items were translated at exchange rates prevailing during the transaction date and other incomes and expenses were translated using average exchange rate for the period. The resulting translation adjustments, net of income taxes, were recorded in statements of operations as remeasurement gain or loss on translation of foreign subsidiary.

The functional currency of the Company's other foreign subsidiary (Synergy CHC Inc.) is the Canadian Dollar (CAD). The Company's foreign subsidiary maintains its records using local currency (CAD). All assets and liabilities of the foreign subsidiary were translated into U.S. Dollars at period end exchange rates and stockholders'equity is translated at the historical rates. Income and expense items were translated using average exchange rate for the period. The resulting translation adjustments, net of income taxes, are reported as other comprehensive income and accumulated other comprehensive income in the stockholder's equity in accordance with ASC 220 – Comprehensive Income.

Translation gains and losses that arise from exchange rate fluctuations from transactions denominated in a currency other than the functional currency are translated into either Australian Dollars or Canadian Dollars, as the case may be, at the rate on the date of the transaction and included in the results of operations as incurred.

Concentrations of Credit Risk

In the normal course of business, the Company provides credit terms to its customers; however, collateral was not required. Accordingly, the Company performed credit evaluations of its customers and maintained allowances for possible losses which, when realized, were within the range of management's expectations. From time to time, a higher concentration of credit risk existed on outstanding accounts receivable for a select number of customers due to individual buying patterns.

Warehousing costs

Warehouse costs include all third party warehouse rent fees and are charged to selling and marketing expenses as incurred. Any additional costs relating to assembly or special pack-outs of the Company's products are charged to cost of sales.

Product display costs

All displays manufactured and purchased by the Company are for placement of product in retail stores. This also includes all costs for display execution and setup and retail services are charged to cost of sales and expensed as incurred.

Warrant Derivative Liabilities

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

A Black-Scholes-Merton option-pricing model, with dilution effects, was utilized to estimate the fair value of the Warrant Derivative Liabilities as of November 12, 2015 and December 31, 2015. As of December 23, 2016 the Warrant Derivative Liability was extinguished in conjunction with the issuance of shares. This model is subject to the significant assumptions discussed below and requires the following key inputs with respect to the Company and/or instrument:

Input	**November 12, 2015**	**December 31, 2015**	**December 23, 2016**
Stock Price	$ 0.46	$ 0.69	$ 0.39
Exercise Price	$ 0.49	$ 0.49	$ 0.49
Expected Life (in years)	10.0	9.75	8.92
Stock Volatility	157.56%	152.07	143.15%
Risk-Free Rate	2.32%	2.27	2.55%
Dividend Rate	0%	0	0%
Outstanding Shares of Common Stock	4,547,243	4,547,243	4,547,243

Cost of Sales

Cost of sales includes the purchase cost of products sold and all costs associated with getting the products into the retail stores including buying and transportation costs.

Debt Issuance Costs

Debt issuance costs consist primarily of arrangement fees, professional fees and legal fees. These costs are netted off with the related loan and are being amortized to interest expense over the term of the related debt facilities.

Shipping Costs

Shipping and handling costs billed to customers are recorded in sales. Shipping costs incurred by the company are recorded in selling and marketing expenses.

Related parties

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. All transactions with related parties shall be recorded at fair value of the goods or services exchanged.

Segment Reporting

Segment identification and selection is consistent with the management structure used by the Company's chief operating decision maker to evaluate performance and make decisions regarding resource allocation, as well as the materiality of financial results consistent with that structure. Based on the Company's management structure and method of internal reporting, the Company has one operating segment. The Company's chief operating decision maker does not review operating results on a disaggregated basis; rather, the chief operating decision maker reviews operating results on an aggregate basis.

Reclassification of Prior Period Presentation

Certain reclassifications have been made to conform the prior period data to the current presentations. These reclassifications had no effect on the reported results.

Recent Accounting Pronouncements

ASU 2016-18

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. The effective date for ASU 2016-18 is for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting ASU 2016-18 on our consolidated financial statements.

ASU 2016-15

In August 2016, the FASB issued AS 2016-15, Classification of Certain Cash Receipts and Cash Payments, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The effective date for ASU 2016-15 is for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of adopting ASU 2016-18 on our consolidated financial statements.

ASU 2016-10

In April 2016, the FASB issued ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, which provides further guidance on identifying performance obligations and improves the operability and understandability of licensing implementation guidance. The effective date for ASU 2016-10 is the same as the effective date of ASU 2014-09 as amended by ASU 2015-14, for annual reporting periods beginning after December 15, 2017, including interim periods within those years. The Company has not yet determined the impact of ASU 2016-10 on its consolidated financial statements.

ASU 2016-09

In March 2016, the FASB issued ASU No. 2016-09, Compensation – Stock Compensation, or ASU No. 2016-09. The areas for simplification in this update involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public entities, the amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements, forfeitures, and intrinsic value should be applied using a modified retrospective transition method by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is adopted. Amendments related to the presentation of employee taxes paid on the statement of cash flows when an employer withholds shares to meet the minimum statutory withholding requirement should be applied retrospectively. Amendments requiring recognition of excess tax benefits and tax deficiencies in the income statement and the practical expedient for estimating expected term should be applied prospectively. An entity may elect to apply the amendments related to the presentation of excess tax benefits on the statement of cash flows using either a prospective transition method or a retrospective transition method. We are currently evaluating the impact of adopting ASU No. 2016-09 on our consolidated financial statements.

ASU 2016-08

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) that clarifies how to apply revenue recognition guidance related to whether an entity is a principal or an agent. ASU 2016-08 clarifies that the analysis must focus on whether the entity has control of the goods or services before they are transferred to the customer and provides additional guidance about how to apply the control principle when services are provided and when goods or services are combined with other goods or services. The effective date for ASU 2016-08 is the same as the effective date of ASU 2014-09 as amended by ASU 2015-14, for annual reporting periods beginning after December 15, 2017, including interim periods within those years. The Company has not yet determined the impact of ASU 2016-08 on its consolidated financial statements.

ASU 2016-01

In January 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-01, which amends the guidance in U.S. GAAP on the classification and measurement of financial instruments. Changes to the current guidance primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the ASU clarifies guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The new standard is effective for fiscal years and interim periods beginning after December 15, 2017, and upon adoption, an entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet at the beginning of the first reporting period in which the guidance is effective. Early adoption is not permitted except for the provision to record fair value changes for financial liabilities under the fair value option resulting from instrument-specific credit risk in other comprehensive income. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

ASU 2015-17

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes. Currently deferred taxes for each tax jurisdiction are presented as a net current asset or liability and net noncurrent asset or liability on the balance sheet. To simplify the presentation, the new guidance requires that deferred tax liabilities and assets for all jurisdictions along with any related valuation allowances be classified as noncurrent in a classified statement of financial position. This guidance is effective for interim and annual reporting periods beginning after December 15, 2016, and early adoption is permitted. The Company adopted this guidance in the fourth quarter of the year ended December 31, 2015 on a retrospective basis. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements., and did not have any effect on prior periods due to the full valuation allowance against the Company’s net deferred tax assets.

ASU 2015-16

In September 2015, the FASB issued ASU 2015-16, Simplifying the Accounting for Measurement –Period Adjustments. Changes to the accounting for measurement-period adjustments relate to business combinations. Currently, an acquiring entity is required to retrospectively adjust the balance sheet amounts of the acquiree recognized at the acquisition date with a corresponding adjustment to goodwill as a result of changes made to the balance sheet amounts of the acquiree. The measurement period is the period after the acquisition date during which the acquirer may adjust the balance sheet amounts recognized for a business combination (generally up to one year from the date of acquisition). The changes eliminate the requirement to make such retrospective adjustments, and, instead require the acquiring entity to record these adjustments in the reporting period they are determined. The new standard is effective for both public and private companies for periods beginning after December 15, 2015. Adoption of this new standard did not have any impact on the Company's consolidated financial statements.

ASU 2015-14

In August 2015, the FASB issued ASU No. 2015-14, Revenue From Contracts With Customers (Topic 606). The amendments in this ASU defer the effective date of ASU 2014-09. Public business entities should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. We are still evaluating the effect of the adoption of ASU 2014-09 on our consolidated financial statements.

ASU 2015-11

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory (Topic 330). ASU 2015-11 simplifies the accounting for the valuation of all inventory not accounted for using the last-in, first-out ("LIFO") method by prescribing that inventory be valued at the lower of cost and net realizable value. ASU 2015-11 is effective for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016 on a prospective basis. We do not expect the adoption of ASU 2015-11 to have a material effect on our consolidated financial statements.

ASU 2015-05

In April 2015, the FASB issued ASU 2015-05, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40). ASU 2015-05 provides guidance regarding the accounting for a customer's fees paid in a cloud computing arrangement; specifically about whether a cloud computing arrangement includes a software license, and if so, how to account for the software license. ASU 2015-05 is effective for public companies' annual periods, including interim periods within those fiscal years, beginning after December 15, 2015 on either a prospective or retrospective basis. Early adoption is permitted. Adoption of this new standard did not have any impact on the Company's consolidated financial statements.

ASU 2015-07

In May 2015, the FASB issued ASU No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) This guidance eliminates the requirement to categorize investments within the fair value hierarchy if their fair value is measured using the net asset value ("NAV") per share practical expedient in the FASB's fair value measurement guidance. The new standard is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015. Adoption of this new standard did not have any impact on the Company's consolidated financial statements

ASU 2015-03

In April 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The amendments are effective for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The amendments are to be applied on a retrospective basis, wherein the balance sheet of each individual period presented is adjusted to reflect the period-specific effects of applying the new guidance. The Company reclassified debt issuance cost of $160,950 and $378,852 from other assets to liabilities and netted off with the related loans in the liabilities as of December 31, 2016 and 2015, respectively.

ASU 2015-02

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which is intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). The ASU focuses on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. In addition to reducing the number of consolidation models from four to two, the new standard simplifies the FASB Accounting Standards Codification and improves current U.S. GAAP by placing more emphasis on risk of loss when determining a controlling financial interest, reducing the frequency of the application of related-party guidance when determining a controlling financial interest in a variable interest entity ("VIE"), and changing consolidation conclusions for companies in several industries that typically make use of limited partnerships or VIEs. The ASU will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. Adoption of this new standard did not have any impact on the Company's consolidated financial statements.

ASU 2015-01

In January 2015, the FASB issued ASU No. 2015-01, "Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items." This ASU eliminates from U.S. GAAP the concept of extraordinary items. ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. Adoption of this new standard did not have any impact on the Company's consolidated financial statements.

ASU 2014-17

In November 2014, the FASB issued ASU No. 2014-17, "Business Combinations (Topic 805): Pushdown Accounting." This ASU provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable. ASU 2014-17 was effective on November 18, 2014. The adoption of ASU 2014-17 did not have any effect on our financial position, results of operations or cash flows.

ASU 2014-16

In November 2014, the FASB issued ASU 2014-16, "Derivatives and Hedging (Topic 815)." ASU 2014-16 addresses whether the host contract in a hybrid financial instrument issued in the form of a share should be accounted for as debt or equity. ASU 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We do not currently have issued, nor are we investors in, hybrid financial instruments. Adoption of this new standard did not have any impact on the Company's financial position, results of operations or cash flows.

ASU 2014-15

In August 2014, the FASB issued ASU No. 2014-15 Presentation of Financial Statements-Going Concern. The amendments in this update apply to all reporting entities and require an entity's management, in connection with preparing financial statements for each annual and interim reporting period, to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). This ASU is effective for annual periods ending after December 15, 2016. We adopted this standard for the year ended December 31, 2016. Based on the results of our analysis, no additional disclosures were required.

ASU 2014-12

In June 2014, the FASB issued ASU No. 2014-12, "Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period." This ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Adoption of this new standard did not have any impact on the Company's financial position, results of operations or cash flows.

ASU 2014-09

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 affects any entity using U.S. GAAP that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. We are still evaluating the effect of the adoption of ASU 2014-09. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 by one year for all entities and permits early adoption on a limited basis. ASU 2014-09 will be effective for the Company in the first quarter of 2018, and early adoption permitted in the first quarter of 2017. We are still evaluating the effect of the adoption of ASU 2014-09 on our consolidated financial statements.

ASU 2014-08

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) and Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 amends the definition for what types of asset disposals are to be considered discontinued operations, as well as amending the required disclosures for discontinued operations and assets held for sale. ASU 2014-08 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2014. The adoption of ASU 2014-08 did not have any effect on our financial position, results of operations or cash flows.

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's condensed financial position, results of operations or cash flows.

Change in Fiscal Year End

On April 21, 2014, the Company's board of directors approved a change to the Company's fiscal year end from July 31 to December 31 of each year.

Note 3 – Acquisitions

Asset Purchase Agreement with Factor Nutrition Labs, LLC:

On January 22, 2015 (the "Closing Date"), the Company entered into an Asset Purchase Agreement (the "Purchase Agreement") with Factor Nutrition Labs, LLC, a Delaware limited liability company (the "Seller"), Vita Partners, LLC, RPR Partners, LLC, and Thor Associates, Inc. (each a "Principal Owner"). Pursuant to the Purchase Agreement, the Company purchased all of the assets of the Seller's line of business and products called FOCUS Factor (the product plus the business related to the product is collectively referred to as the "Focus Factor Business") and assumed the accounts payable and contractual obligations of the Focus Factor Business for an aggregate purchase price of $6.0 million, with $4.5 million paid on the Closing Date, and $750,000 to be paid on or before January 20, 2016 and an additional $750,000 to be paid on or before January 20, 2017.

Distribution Agreement

On January 22, 2015, the Company and Knight entered into a Distribution, License and Supply Agreement (the "Distribution Agreement"), pursuant to which the Company granted to Knight an exclusive license to commercialize FOCUSFactor, FOCUSFactor Kids and Synergy Strip and all improvements thereto (together the "Licensed Products") and appointed Knight as the exclusive distributor to offer to sell and sell the Licensed Products in Canada, and, at Knight's election, one or more of Israel, Russia, and Sub-Saharan Africa. The Distribution Agreement provides that Knight may sublicense its rights or use sub-distributors under the Distribution Agreement on terms consistent with the terms of the Distribution Agreement. During the term of the Distribution Agreement, Knight agrees to obtain from the Company all its requirements for the Licensed Products and the Company agrees to supply the Licensed Products at its adjusted production cost plus a designated percentage and any applicable taxes.

In the event of a long term inability by the Company to supply Knight with the Licensed Products, Knight is entitled to require, among other remedies, the Company to grant a Knight-designated third party a non-exclusive license to use all relevant intellectual property to manufacture and supply Knight with the Licensed Products for commercialization in the Territory. The term of the Distribution Agreement runs until 15 years from the date of the first commercial sale of a Licensed Product in Canada, and the Distribution Agreement will automatically renew for successive 15-year periods unless either party provides the other with written notice of its intention not to renew (a "Non-Renewal Notice"). The Company agrees that in the event it issues a Non-Renewal Notice, the Company will pay to Knight a non-renewal fee equal to the net sales of the Licensed Products achieved by Knight in the Territory during the eight calendar quarters preceding the date of such notice, plus all applicable taxes.

Distribution Option Agreement

In connection with the Loan Agreement, the Company entered into a Product Distribution Option Agreement, dated January 22, 2015 (the "Option Agreement"), pursuant to which the Company granted Knight the exclusive right to negotiate the exclusive distribution rights of any one or more of the Company's products, including products from the Focus Factor Business, for the territories of Canada, Russia, Sub-Saharan Africa and Israel (the "Option"), pursuant to designated parameters. The Option Agreement is effective upon the date of the Option Agreement, will run until January 31, 2045, and will automatically renew thereafter for successive five-year periods unless either party provides a notice of termination prior to the Option Agreement's expiration. If Knight does not exercise the option then the Company is free to contract for distribution with other parties, but only on terms no less favorable than those offered by Knight pursuant to the Option Agreement.

On December 3, 2015, we entered into an Amendment to First Amendment Agreement (the "Second Amendment Agreement") with Knight pursuant to which we agreed to grant distribution rights to Knight for Breakthrough's products. To satisfy this obligation, on December 3, 2015, we also entered into an Amendment and Confirmation Agreement (the "Confirmation Agreement") with Knight, Nomad and Breakthrough to amend the Distribution, License and Supply Agreement dated January 22, 2015 (the "Distribution Agreement") between us and Knight to grant to Knight an exclusive license to commercialize any and all Nomad and Breakthrough products and appoint Knight as the exclusive distributor to offer and sell those products in Canada, Israel, Romania, Russia and each of the countries within Sub-Saharan Africa, which is the new "Territory" under the Distribution Agreement, as amended. Pursuant to the Second Amendment Agreement, Nomad will buy all Flat Tummy Tea products within the Territory for direct to consumer sales exclusively from Knight and/or its affiliates at cost of goods plus 60% of gross sales.

The Company has accounted for this transaction under the acquisition method of accounting. Under the acquisition method of accounting, the total acquisition consideration price is allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values based on the management's estimates as of the date of the acquisition. The Company expects to retain the services of independent valuation firm to determine the fair value of these identifiable intangible assets. Once determined, the Company will reallocate the purchase price of the acquisition based on the results of the independent evaluation if they are materially different from the allocations as recorded on January 22, 2015. The preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on the estimated fair values is as follows:

Assets		
Accounts receivable	$	2,733,167
Inventory		67,113
Intellectual property		1,000,000
Non-compete provision		50,000
Non-solicitation provision		50,000
Intangible assets-Customer relationships		1,941,030
Goodwill		2,071,517
Liabilities		
Accounts payable		(971,381)
Accrued expenses		(941,446)
	$	6,000,000

During first quarter 2016 filing, the Company has consulted with a valuation professional to assist in determining the fair value of the identifiable FOCUSfactor intangible assets. As a result of this work, the Company has increased the amount allocated to the FOCUSfactor indefinite-lived brand and patent by $450,000 and reduced the amount recorded to goodwill by an identical amount. This adjustment had no effect on the income statement. The Company believes that the restated amount of $1,450,000 properly states the fair value of the FOCUSfactor brand and patent.

The final allocation of the purchase price to the assets acquired and liabilities assumed based on the independent valuation is as follows:

Assets		
Accounts receivable	$	2,733,167
Inventory		67,113
Intellectual property		1,450,000
Non-compete provision		50,000
Non-solicitation provision		50,000
Intangible assets-Customer relationships		1,941,030
Goodwill		1,621,517
Liabilities		
Accounts payable		(971,381)
Accrued expenses		(941,446)
	$	6,000,000

The Customer relationships, the non-compete and the non-solicitation provisions will be amortized over their estimated useful lives of 5 years. Intellectual property is not amortized and will be tested for impairment. During the years ended December 31, 2016 and 2015, the Company charged to operations amortization expense of $408,206 and $384,720, respectively.

The purchase price allocated to the acquisition of the assets of Factor Nutrition Labs, LLC is made up as follows:

		Amount
Cash payment made on January 22, 2015	$	4,500,000
Cash payment made on January 20, 2016		750,000
Cash payment to be made on January 20, 2017		750,000
Total	$	6,000,000

Asset Purchase Agreement with Knight Therapeutics Inc.:

On June 26, 2015 (the "Closing Date"), Neuragen Corp., a Delaware corporation ("Neuragen") and our wholly owned subsidiary, entered into an Asset Purchase Agreement (the "Purchase Agreement") with Knight Therapeutics Inc., a Canadian corporation ("Knight Canada"). Pursuant to the Purchase Agreement, Neuragen purchased the U.S. rights related to an innovative OTC product that helps relieve pain caused by diabetic nerve damage (the "Purchased Assets") for an aggregate purchase price of $1.2 million, with (i) $250,000 paid on the Closing Date, (ii) $250,000 to be paid on or before June 30, 2016, (iii) $700,000 to be paid in quarterly installments (beginning with the quarter ending September 30, 2015) equal to the greater of $12,500 or 5% of U.S. net sales, and (iv) 2% of U.S. net sales of Neuragen for 60 months thereafter. The payment of such amounts is secured by a security interest in certain assets, undertakings and property ("Collateral") pursuant to the Security Agreement, which will be released upon receipt of total payments of $1.2 million (collectively, "Total Consideration"). The Company has recorded present value of future payments of $290,947 and $531,589 as of December 31, 2016 and 2015, respectively. The Company has recorded interest expense of $59,358 and $37,372 for the years ended December 31, 2016 and 2015, respectively.

Security Agreement

On the Closing Date, Neuragen entered into a Security Agreement with Knight Canada, pursuant to which Neuragen granted a lien and security interest to Knight Canada in Collateral in connection with the Purchase Agreement.

The Security Agreement was made to secure the payment of all indebtedness, obligations and liabilities of Neuragen of the Purchase Agreement, including all expenses and charges, legal or otherwise, suffered or incurred by Knight Canada in collecting or enforcing such indebtedness of the Purchase Agreement.

The Security Agreement includes customary events of default, including but not limited to: payment defaults; Neuragen becoming insolvent or entering into bankruptcy; or if any contemplated security ceases to be a valid and perfected first-priority security interest that is not remedied within fifteen business days by Neuragen. Upon the occurrence of an event of default and during the continuation thereof, the principal amount of the outstanding Total Consideration will bear a default interest rate of an additional 10% per annum.

The acquisition was treated as an acquisition of assets as the transaction involved the acquisition of a brand and a license agreement. The allocation of the purchase price to the assets acquired and liabilities assumed based on the estimated fair values is as follows:

Assets		
Accounts receivable	$	58,054
Inventory		204,925
Intangible property		100,000
License agreement		606,553
Liabilities		
Accounts payable		(51,795)
Accrued expenses		(148,520)
	$	769,217

The intangible property and license agreement will be amortized over their estimated useful lives of 5 years. During the year ended December 31, 2016 and 2015, the Company charged to operations amortization expense of $141,311 and $70,655, respectively.

Contribution Agreement with Hand MD Corp.:

On August 18, 2015 (the "Closing Date"), we entered into a Contribution Agreement with Hand MD Corp., a Delaware corporation, whereby we contributed to Hand MD Corp. 2,142,857 shares of our common stock in exchange for 50% of Hand MD Corp.'s outstanding capital securities valued at $0.70 per share. Simultaneously, Hand MD, LLC, a California limited liability company, entered into a Contribution Agreement with Hand MD Corp., the principal owners of Hand MD, LLC, and us whereby Hand MD LLC contributed to Hand MD Corp. all of its right, title and interest in its intellectual property associated with skincare, nail care and nail polish products (the "Hand MD Business") in exchange for the other 50% of Hand MD Corp.'s outstanding capital securities. In the Contribution Agreement among Hand MD Corp., Hand MD, LLC, the principal owners of Hand MD, LLC and us, Hand MD, LLC and its principal owners agreed to not compete or solicit customers or employees for five years. As part of the transaction, we also purchased from Hand MD Corp. all inventory related to the Hand MD Business for approximately $106,000. The Company has recorded 50% of the present value of future royalty payments of $313,752 and $258,897 as of December 31, 2016 and 2015, respectively.

We also entered into a license agreement with Hand MD Corp. on August 18, 2015, whereby we acquired the exclusive worldwide license to commercialize Hand MD Corp. skincare products and all improvements thereto. The license runs in perpetuity unless earlier terminated. We will pay Hand MD Corp. a royalty of 5% of the net sales price of product sold, transferred or otherwise disposed of by us, as well as 5% of any amount we receive from sublicensees, subject to a minimum royalty of $250,000 in the second year of the license and $500,000 in the third year of the license, after which the minimum royalty terminates. We are solely responsible for any regulatory and intellectual property filings, including those necessary to maintain regulatory approvals for the licensed products. Either we or Hand MD Corp. can terminate the agreement in the event of bankruptcy or insolvency of the other party, or the uncured material breach of the agreement by the other party. Upon termination we would be entitled to sell any inventory of licensed product in the normal course of business and consistent with sales of licensed product during the term of the agreement.

The Contribution Agreements and the License Agreement contain customary representations and warranties and covenants by the respective parties.

We also entered into a Consulting Agreement on August 18, 2015, with Kara Harshbarger, the co-founder of Hand MD, LLC, pursuant to which she will provide marketing and sales related services. We will pay Ms. Harshbarger $10,000 a month for one year unless the Consulting Agreement is terminated earlier by either party. If we terminate the Consulting Agreement without cause, we will be obligated to pay the remaining term of the Agreement. Ms. Harshbarger agreed not to compete with us in the United States in any marketing or sales of skincare, nail polish and nail care products during the term of the Consulting Agreement and for 12 months after its termination. Ms. Harshbarger also agreed not to solicit customers or employees for the same period.

The acquisition was treated as an acquisition of assets as the transaction involved the acquisition of a brand and a license agreement. The allocation of the purchase price to the assets acquired and liabilities assumed based on the estimated fair values is as follows:

Assets		
Intangible property	$	100,000
License agreement		1,670,675
Liabilities		-
Royalty payable		(258,897)
Others		(11,778)
	$	1,500,000

The intangible property and license agreement will be amortized over their estimated useful lives of 5 years. During the years ended December 31, 2016 and 2015, the Company charged to operations amortization expense of $354,135 and $118,045, respectively.

Stock Purchase Agreement with Breakthrough Products, Inc.:

On November 12, 2015 (the "UrgentRx Closing Date"), we entered into a Stock Purchase Agreement (the "UrgentRx SPA") with Breakthrough Products, Inc., a Delaware corporation (the "Company"), URX ACQUISITION TRUST, a Delaware statutory trust, (the "Trust"), Jordan Eisenberg, the chief executive officer and a shareholder of the Company ("Eisenberg"), and the other shareholders of the Company (Eisenberg and such other shareholders collectively referred to as the "UrgentRx Sellers") for the purchase of all the issued and outstanding capital stock of the Company for 6,000,000 shares of our common stock ("UrgentRx Equity Consideration").

In addition to the UrgentRx Equity Consideration, we have agreed to pay a royalty to the Trust, for the benefit of the UrgentRx Sellers, equal to 5% of gross sales of the UrgentRx (as defined below) following the first $5,000,000 in gross sales by the UrgentRx Products, on a quarterly basis for a period of seven years from the UrgentRx Closing Date.

The Company is engaged in the business of developing and selling medications for headache, heart burn, allergy attack, ache and pain, and upset stomach in the form of powders ("UrgentRx").

Following the UrgentRx Closing Date, we discovered certain liabilities and obligations of Breakthrough that required an adjustment to the UrgentRx Equity Consideration and the royalty payments.

On December 17, 2015, we entered into a Settlement and Release Agreement (the "Settlement Agreement") with the UrgentRx Sellers, the Trust, on its own behalf and as the representative of the UrgentRx Sellers, David T. Leyrer, Michael Valentino, Ron Fugate, and Randall Kaplan (collectively with Leyrer, Valentino, Fugate, the "Former Directors") to resolve the post-closing liabilities. Pursuant to the terms of the Settlement Agreement, 3,000,000 shares of the Equity Consideration were returned by the Trust to us and our obligation to pay royalties to the Trust was reduced from seven years to five years. The Settlement Agreement further contained mutual releases among us, the UrgentRx Sellers, and the Former Directors, with limited exceptions. Additionally, we issued a three-year warrant to the Trust with a $5.00 per share exercise price. We may redeem the warrant at a price of $0.001 per share if our common stock is traded on the OTCBB or on a national securities exchange, and the per share closing sale price of our common stock equals or exceeds the exercise price for a period of 90 consecutive calendar days. In the event of a reorganization or reclassification of our capital stock, the merger or consolidation of our company into another entity or the sale or transfer of all or substantially all of our assets, the warrant will terminate if not exercised prior to the date of such event.

The Company has accounted for this transaction under the acquisition method of accounting. Under the acquisition method of accounting, the total acquisition consideration price is allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values based on the management's estimates as of the date of the acquisition. The Company expects to retain the services of independent valuation firm to determine the fair value of these identifiable intangible assets. Once determined, the Company will reallocate the purchase price of the acquisition based on the results of the independent evaluation if they are materially different from the allocations as recorded on November 12, 2015. The preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on the estimated fair values is as follows:

Assets		
Cash	$	2,298,619
Accounts receivable		(68,976)
Inventory		234,709
Prepaid expenses		57,569
Intellectual property		100,000
Non-compete provision		50,000
Goodwill		3,253,160
Liabilities		
Accounts payable		(741,822)
Accrued expenses		(2,202,848)
	$	2,980,411

The preliminary purchase price allocated to the acquisition of the assets of UrgentRx is made up as follows:

		Amount
Stock payment	$	2,550,000
Stock warrants issued		430,411
Total	$	2,980,411

During second quarter 2016 filing, the Company has consulted with a valuation professional to assist in determining the fair value of the identifiable Breakthrough Products, Inc.'s intangible assets. As a result of this work, the Company has increased the amount allocated to the UrgentRx patent by $150,000, decreased the amount allocated to a Non-Compete agreement by $50,000 and reduced the amount recorded to goodwill by the identical amounts. In addition, it was determined that an incorrect stock price was used to calculate the purchase price of the transaction. As a result of this determination, the Company decreased Additional Paid In Capital and Goodwill by $1,170,000. These adjustments had no effect on the income statement. The Company believes that these restated amounts properly state the fair value of the Breakthrough Products, Inc. transaction.

The final allocation of the purchase price to the assets acquired and liabilities assumed based on the independent valuation is as follows:

Assets		
Cash	$	2,298,619
Accounts receivable		(68,976)
Inventory		234,709
Prepaid expenses		57,569
Intellectual property		250,000
Non-compete provision		-
Goodwill		1,983,160
Liabilities		
Accounts Payable		(741,822)
Accrued Expenses		(2,202,848)
	$	1,810,411

The Intellectual property will be amortized over its estimated useful live of 5 years and the non-compete provision will be amortized over its term of 3 years. During the years ended December 31, 2016 and 2015, the Company charged to operations amortization expense of $51,667 and $4,583, respectively.

As of December 31, 2016 our review of intangible assets and Goodwill related to UrgentRx did indicate that the carrying amount of these assets may not be recoverable. It was determined that the net balance of $193,750 of intangible assets and $1,983,160 of Goodwill would be fully impaired and accordingly the Company recorded impairment loss of $2,176,910 during the year ended December 31, 2016.

The adjusted purchase price allocated to the acquisition of the assets of UrgentRx is made up as follows:

	Amount

Stock payment	$	1,380,000
Stock warrants issued		430,411
Total	$	1,810,411

<u>Stock Purchase Agreement with TPR Investments Pty Ltd:</u>

On November 15, 2015 (the "Flat Tummy Tea Closing Date"), we entered into a Stock Purchase Agreement (the "Flat Tummy Tea SPA") with TPR Investments Pty Ltd ACN 128 396 654 as trustee for Polmear Family Trust (the "Flat Tummy Tea Seller"), Timothy Polmear and Rebecca Polmear and NomadChoice Pty Limited ACN 160 729 939 trading as Flat Tummy Tea, an Australian proprietary limited company ("NomadChoice") for the purchase of all the issued and outstanding capital stock of NomadChoice for $4,000,000 (AUD) in cash consideration (the "Cash Consideration") and 3,571,428 shares of our common stock ("Flat Tummy Tea Equity Consideration").

In addition to the Cash Consideration and the Flat Tummy Tea Equity Consideration, we have also agreed to pay the Flat Tummy Tea Seller certain earn-out payments of up to $3,500,000 (AUD) in aggregate upon certain EBITDA thresholds are met as of June 30, 2016, as described in the Flat Tummy Tea SPA. This earn-out payment was distributed on March 4, 2016.

Flat Tummy Tea is engaged in the business of developing, manufacturing, and selling herbal detox tea ("Flat Tummy Tea").

The Company has accounted for this transaction under the acquisition method of accounting. Under the acquisition method of accounting, the total acquisition consideration price is allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values based on the management's estimates as of the date of the acquisition. The Company expects to retain the services of independent valuation firm to determine the fair value of these identifiable intangible assets. Once determined, the Company will reallocate the purchase price of the acquisition based on the results of the independent evaluation if they are materially different from the allocations as recorded on November 1, 2015. The preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on the estimated fair values is as follows:

Assets		
Cash	$	1,584,642
Other receivable		30,684
Inventory		134,212
Prepaid expenses		141,070
Fixed assets, net		5,698
Intangible assets, Net		3,493
Blogger database		200,000
Customer database		500,000
Intellectual property		100,000
Non-compete provision		50,000
Goodwill		6,174,899
Liabilities		
Accounts payable		(77,064)
Accrued expenses		(56,224)
Dividends payable		(1,177,152)
Provision for income tax		(518,558)
	$	7,095,700

During second quarter 2016 filing, the Company has consulted with a valuation professional to assist in determining the fair value of the identifiable NomadChoice's intangible assets. As a result of this work, the Company has increased the amount allocated to the Customer Database by $215,000, decreased the amount allocated to Intellectual Property by $100,000 and decreased the amount allocated to the Blogger Database by $115,000. These adjustments had no effect on the income statement. The Company believes that these restated amounts properly state the fair value of the TPR Investments Pty Ltd. transaction.

The final allocation of the purchase price to the assets acquired and liabilities assumed based on the independent valuation is as follows:

Assets		
Cash	$	1,584,642
Other receivable		30,684
Inventory		134,212
Prepaid expenses		141,070
Fixed assets, net		5,698
Intangible assets, Net		3,493
Blogger database		85,000
Customer database		715,000
Intellectual property		-
Non-compete provision		50,000
Goodwill		6,174,899
Liabilities		
Accounts payable		(77,064)
Accrued expenses		(56,224)
Dividends payable		(1,177,152)
Provision for income tax		(518,558)
	$	7,095,700

The Blogger Database, Customer Database, Intellectual property and non-compete provision will be amortized over its estimated useful lives of 5 years. During the years ended December 31, 2016 and 2015, the Company charged to operations amortization expense of $170,000 and $28,333, respectively.

The purchase price allocated to the acquisition of the assets of NomadChoice is made up as follows:

		Amount
Cash	$	2,848,800
Stock issued at closing		1,750,000
Earn-out payment		2,496,900
Total	$	7,095,700

Note 4 – Income Taxes

The Company utilizes FASBASC740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

The Company generated a deferred tax asset through net operating loss carry-forwards. Based upon Management's evaluation, a valuation allowance of 100% has been established due to the uncertainty of the Company's realization of the benefit derived from net operating loss carry-forwards.

Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse. The Company does not have any uncertain tax positions.

Income tax expense for the years ended December 31, 2016 and 2015 was $944,358 and $389,945, respectively, due to Foreign Income Tax relating to NomadChoice in Australia.

The table below summarizes the differences between the U.S. statutory federal rate and the Company's effective tax rate for the years ended December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
U.S. Statutory Rate	34%	34%
U.S. effective rate in excess of AU/CA rate	(1)%	(1)%
U.S. valuation allowance	(34)%	(34)%
Foreign Tax - Australia	638%	6.8%
Total provision for income taxes	637%	5.8%

The Company has deferred tax assets, which have been fully reserved, as follows as of December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Deferred tax assets	$ 12,950,124	$ 11,460,536
Valuation allowance for deferred tax assets	(12,950,124)	(11,460,536)
Net deferred tax assets	$ -	$ -

Taxes accrued and paid for the tax year December 31, 2016 are attributable to NomadChoice Pty, Ltd., the Company's wholly-owned subsidiary and is subject to income taxes in the jurisdiction in which it operates, Australia. Tax expense was $944,358 and $389,945 for 2016 and 2015, respectively. The effective tax rate is attributable to the Company's world wide income/(loss) as it relates to the income tax expense due in Australia. Earnings in foreign subsidiaries are permanently reinvested and the Company does not have plans to pay a dividend from such subsidiaries for the foreseeable future.

The Company also has net operating loss carryforwards of approximately $32,720,733 and $25,137,583 included in the deferred tax asset table above for 2016 and 2015, respectively, the majority attributable to the acquisition of Breakthrough Products, Inc. However, due to limitations of carryover attributes and separate return limitation year rules, it is unlikely the company will benefit from the NOL's and thus Management has determined a 100% valuation reserved is required. Further, the Company has not completed an evaluation of the NOL's attributable to Breakthrough Products, Inc. at the date of this report.

The total deferred tax asset is calculated by multiplying a domestic (US) 34 percent marginal tax rate for 2016 and 34 percent marginal tax rate for 2015 by the cumulative Net Operating Loss Carryforwards ("NOL").The Company currently has net operating loss carryforwards approximately aggregating $32,720,733 and $33,707,458 for 2016 and 2015, respectively, which expire through 2035. The deferred tax asset related to the NOL carryforwards Management has determined based on all the available information that a 100% Valuation reserve is required.

For U.S. purposes, the Company has not completed its evaluation of NOL utilization limitations under Internal Revenue Code, as amended (the "Code") Section 382, change of ownership rules. If the Company has had a change in ownership, the NOL's would be limited as to the amount that could be utilized each year, based on the Code.

Note 5 – Accounts Receivable

Accounts receivable, net of allowances for sales returns and doubtful accounts, consisted of the following:

	December 31, 2016	December 31, 2015
Trade accounts receivable	$ 2,195,391	$ 4,101,148
Less allowances	-	(121,291)
Total accounts receivable, net	**$ 2,195,391**	**$ 3,979,857**

During the year ended December 31, 2016 and 2015, the Company charged $0 and $50,000, respectively to bad debt expense in setting up an allowance.

Note 6 – Prepaid Expenses

At December 31, 2016 and 2015, prepaid expenses consisted of the following:

	December 31, 2016	December 31, 2015
Advances for inventory	$ 188,980	$ 171,494
Media production	207,555	55,849
Insurance	70,392	54,519
Trade shows	46,700	45,700
Deposits	6,228	41,228
Consultants	15,000	24,000
Rent	15,452	16,216
Promotion - Bloggers	426,220	-
License agreement	258,333	-
Software subscriptions	88,782	-
Miscellaneous	24,960	13,428
Total	**$ 1,348,602**	**$ 422,434**

Note 7 – Concentration of Credit Risk

Cash and cash equivalents

The Company maintains its cash and cash equivalents in banks insured by the Federal Deposit Insurance Corporation (FDIC) in accounts that at times may be in excess of the federally insured limit of $250,000 per bank. The Company minimizes this risk by placing its cash deposits with major financial institutions. At December 31, 2016 and 2015, the uninsured balance amounted to $2,038,985 and $3,453,290, respectively.

Accounts receivable

As of December 31, 2016 and 2015, three customers accounted for 91% and 93%, respectively of the Company's accounts receivable.

Major customers

For the year ended December 31, 2016, three customers accounted for approximately 34% of the Company's net revenue. For the year ended December 31, 2015, three customers accounted for approximately 73% of the Company's net revenue. Substantially all of the Company's business is with companies in the United States.

Major suppliers

For the year ended December 31, 2016 and 2015, our products were made by the following suppliers:

FOCUSfactor	Atrium Innovations - Pittsburgh, PA	Vit-Best Nutrition, Inc. - Tustin, CA
Flat Tummy Tea	Caraway Tea Company, LLC - Highland, NY	-
Neuragen	C-Care, LLC - Linthicum Heights, MD	-
UrgentRx	Capstone Nutrition - Ogden, UT	-
Hand MD	HealthSpecialty - Santa Fe Springs, CA	

It is the opinion of management that the products can be produced by other manufacturers and the choice to utilize these suppliers is not a significant concentration.

Note 8 – Inventory

Inventory consists of finished goods, components and raw materials. The Company's inventory is stated at the lower of cost (FIFO cost basis) or market.

The carrying value of inventory consisted of the following:

	December 31, 2016	December 31, 2015
Finished goods	$ 474,420	$ 535,908
Components	431,241	115,340
Inventory in transit	104,500	-
Raw Materials	92,616	35,406
Total inventory	**$ 1,102,777**	**$ 686,654**

As of January 22, 2015, inventory was pledged to Knight under the Loan Agreement (see note 12). As of December 31, 2016, $104,500 of the Company's inventory was in transit.

Note 9 – Fixed Assets and Intangible Assets

As of December 31, 2016 and 2015, fixed assets and intangible assets consisted of the following:

	December 31, 2016	December 31, 2015
Property and equipment	$ 308,084	$ 18,187
Less accumulated depreciation	(50,698)	(6,170)
Fixed assets, net	$ 257,386	$ 12,017

Depreciation expense for the years ended December 31, 2016 and 2015 was $44,480 and $1,513, respectively.

	December 31, 2016	December 31, 2015
FOCUSfactor intellectual property	$ 1,450,000	$ 1,000,000
Intangible assets subject to amortization	5,373,017	5,521,751
Less accumulated amortization and impairment	(1677,583)	(606,489)
Intangible assets, net	**$ 5,145,434**	**$ 5,915,262**

Amortization expense for the years ended December 31, 2016 and 2015 was $1,126,298 and $606,489, respectively. Impairment of intangible assets for the years ended December 31, 2016 and 2015 was $193,750 and $0, respectively. These intangible assets were acquired through Asset Purchase Agreement and Stock Purchase Agreements disclosed in Note 3.

The estimated aggregate amortization expense over each of the next five years is as follows:

2017	$ 1,074,650
2018	1,074,576
2019	1,074,311
2020	471,897
2021	-

Note 10 – Related Party Transactions

On April 2, 2014, the Company granted 1,000,000 options valued at approximately $282,000 to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company (see note 15).

On October 31, 2014, the Company borrowed $100,000 through a promissory note bearing interest at 10% with a maturity date of October 31, 2015 from a company owned by Mr. Ross, the Company's Chief Executive Officer. During the year ended December 31, 2015, the note was converted into 400,000 shares of the Company's common stock.

The Company accrued and paid consulting fees of $25,000 and $15,000 per month in 2016 and 2015, respectively, to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company. The Company expensed $481,215 and $180,000, respectively during 2016 and 2015 as consulting fees and bonuses, and made payments totaling $481,215 and $486,958 towards services to an entity owned and controlled by an officer and shareholder of the Company for the year ended December 31, 2016 and 2015. As of December 31, 2016 and 2015, the total outstanding balance was $0.

On January 22, 2015, the Company entered into a Loan Agreement with Knight Therapeutics (Barbados) Inc., a related party, for the purchase of the Focus Factor assets. At December 31, 2016 and 2015, the Company owed Knight $2,752,639 and $4,267,268, respectively, on this loan, net of discount (see Note 12).

On June 26, 2015, the Company entered into a Security Agreement with Knight Therapeutics, Inc., through its wholly owned subsidiary Neuragen Corp., for the purchase of Knight Therapeutics, Inc.'s assets. At December 31, 2016 and 2015, the Company owed Knight $625,000 and $925,000 in relation to this agreement (see Note 12).

On August 18, 2015, the Company entered into a Consulting Agreement with Kara Harshbarger, the co-founder of Hand MD, LLC, pursuant to which she will provide marketing and sales related service. The Company will pay Ms. Harshbarger $10,000 a month for one year unless the Consulting Agreement is terminated earlier by either party. Hand MD, LLC is a 50% owner in Hand MD Corp. The Company expensed $120,000 and $40,000 through payroll for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the total outstanding balance was $0.

On November 12, 2015, the Company entered into a Loan Agreement with Knight Therapeutics (Barbados) Inc., a related party, for the purchase of NomadChoice Pty Limited and Breakthrough Products, Inc. At December 31, 2016 and 2015, the Company owed Knight $3,680,162 and $3,571,314, respectively, on this loan, net of discount (see Note 12).

On December 22, 2016, we issued to Knight Therapeutics (Barbados) Inc., or Knight, 7,500,000 shares of our common stock in exchange for the cancellation of warrants to purchase an aggregate of 8,132,002 shares of our common stock held by Knight, with per share purchase prices of $0.34 and $0.49, and the cancellation of an option to purchase 1,000,000 shares of our common stock held by Knight, with an exercise price of $0.25 per share. As additional consideration, Knight has agreed to purchase up to $2.0 million worth of our common stock if and when we undertake a common stock equity financing, subject to certain terms and conditions.

At December 31, 2016 and 2015, NomadChoice Pty Ltd. (subsidiary) of the Company owed Knight Therapeutics $87,678 and $71,573, respectively, in connection with a royalty distribution agreement (see Note 3).

Note 11 – Accounts Payable and Accrued Liabilities

As of December 31, 2016 and 2015, accounts payable and accrued liabilities consisted of the following:

	December 31, 2016	December 31, 2015
Payroll	$ 275,913	$ 128,237
Legal fees	37,546	38,752
Manufacturers	1,459,460	1,527,333
Promotions	1,244,480	1,213,021
Returns allowance	860,126	1,128,133
Customers	401,594	411,033
Interest	31,079	110,754
Royalties	87,677	71,573
Warehousing	19,080	31,748
Others	141,964	371,518
Total	**$ 4,558,919**	**$ 5,032,102**

Note 12 – Notes Payable

The Company's loans payable at December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Loans payable	$ 7,634,697	$ 12,406,589
Unamortized debt discount	-	(2,536,419)
Unamortized debt issuance cost	(163,549)	(378,852)
Total	7,471,148	9,491,319
Less: Current portion	(6,640,903)	(3,775,669)
Long-term portion	$ 830,245	$ 5,715,650

$6,000,000 January 22, 2015 Loan:

On January 22, 2015, the Company entered into a Loan and Security Agreement ("Loan Agreement") with Knight Therapeutics (Barbados) Inc. ("Knight"), pursuant to which Knight agreed to loan the Company $6.0 million (the "Loan"), and which amount was borrowed at closing (the "Financing") for the purpose of acquiring the Focus Factor Business (defined below). At closing, the Company paid Knight an origination fee of $120,000 and a work fee of $60,000 and also paid $40,000 of Knight's expenses associated with the Loan. The Loan bears interest at a rate of 15% per year; provided, however, that upon the occurrence of an equity or convertible equity offering by the Company of at least $1.0 million, the interest rate will drop to 13% per year. Interest accrues quarterly and is payable in arrears on March 31, June 30, September 30 and December 31 in each year, beginning on March 31, 2015.

All outstanding principal and accrued and unpaid interest is due on the earliest to occur of either January 20, 2017 (the "Maturity Date"), or the date that Knight, in its discretion, accelerates the Company's obligations due to an event of default. The Company may extend the Maturity Date for two successive additional 12-month periods if at March 31, 2016 and March 31, 2017, respectively, the Company's revenues exceed $13.0 million and its EBITDA exceeds $2.0 million for the respective 12-month period then ending. These covenants were achieved, therefore the Company chose to extend the loan for the first 12-month period. Principal payments under the Loan Agreement commenced on June 30, 2015 and continue quarterly as set forth on the Repayment Schedule to the Loan Agreement.

Subject to certain restrictions, the Company may prepay the outstanding principal of the Loan (in whole but not in part) at any time if the Company pays a concurrent prepayment fee equal to the greater of (i) the total unpaid annual interest that would have been payable during the year in which the prepayment is made if the prepayment is made prior to the first anniversary of the closing, and (ii) $300,000. The Company's obligations under the Loan Agreement are secured by a first priority security interest in all present and future assets of the Company. The Company also agreed to not pledge or otherwise encumber its intellectual property assets, subject to certain customary exceptions.

The Loan Agreement includes customary representations, warranties, and affirmative and restrictive covenants, including covenants to attain and maintain certain financial metrics, and to not merge or dispose of assets, acquire other businesses (except for businesses substantially similar or complementary to the Company's business and the aggregate consideration to be paid does not exceed $100,000) or make capital expenditures in excess of $100,000 over the Company's annual business plan in any year. The Loan Agreement also includes customary events of default, including payment defaults, breaches of covenants, change of control and material adverse effect default. Upon the occurrence of an event of default and during the continuation thereof, the principal amount of the Loan will bear a default interest rate of an additional 5%.

In connection with the Loan Agreement, the Company issued to Knight a warrant that entitled Knight to purchase 4,595,187 shares of common stock of the Company ("Common Stock") on or prior to close of business on January 30, 2015 (the "ST Warrant"). The aggregate exercise price of the Common Stock under the ST Warrant is $1.00. Knight exercised the ST Warrant on January 22, 2015. Also in connection with the Loan Agreement, the Company issued to Knight a warrant to purchase 3,584,759 shares of Common Stock on or prior to the close of business of January 22, 2025 (the "LT Warrant"). The exercise price per share of the Common Stock under the LT Warrant is $0.34. The LT Warrant provides for cashless exercise. The LT Warrant also provides that in the event the closing price of the Common Stock remains above $1.00 for six consecutive months, Knight will forfeit the difference between the number of shares acquired under the LT Warrant prior to 90 days after such six-month period, and 25% of the shares purchasable under the LT Warrant.

The beneficial conversion feature of the warrants issued to the noteholders amounted to $1,952,953 (ST warrants) and $1,462,560 (LT warrants), respectively, and was recorded as debt discount of the corresponding debt.

The Company recognized amortization of debt discount of $1,952,953 (ST warrants) and $854,828 (LT warrants) during the year ended December 31, 2015. The Company recognized amortization of debt discount of $607,732 (LT warrants) during the year ended December 31, 2016. Unamortized debt discount as of December 31, 2015 amounted to $607,732. During 2016, this debt discount was fully expensed in conjunction with the cancellation of all warrants and options held by Knight.

The Company also recorded deferred financing costs of $289,045 with respect to the above loan. The Company recognized amortization of deferred financing costs of $92,976 and $136,207 during the years ended December 31, 2016 and 2015, respectively. Unamortized debt issuance cost as of December 31, 2016 amounted to $59,861.

The Company recognized and paid interest expense of $625,359 and $805,686 during the years ended December 31, 2016 and 2015, respectively. Accrued interest expense was $0 as of both December 31, 2016 and 2015. Loan payable balance was $2,812,500 and $4,875,000 as of December 31, 2016 and 2015, respectively.

On December 22, 2016, we entered into Subscription Agreement with Knight Therapeutics (Barbados) Inc., or Knight, and issued 7,500,000 shares of our common stock in exchange for the cancellation of warrants to purchase an aggregate of 8,132,002 shares of our common stock held by Knight, with per share purchase prices of $0.34 and $0.49, and the cancellation of an option to purchase 1,000,000 shares of our common stock held by Knight, with an exercise price of $0.25 per share. As additional consideration, Knight has agreed to purchase up to $2.0 million worth of our common stock if and when we undertake a common stock equity financing, subject to certain terms and conditions.

$1,500,000 January 22, 2015 Loan:

On January 22, 2015, the Company issued a 0% promissory note in a principal amount of $1,500,000 in connection with an Asset Purchase Agreement (see note 1). The note has a maturity date of January 20, 2017, with $750,000 to be paid on or before January 20, 2016 and an additional $750,000 to be paid on or before January 20, 2017. Loan payable balance was $750,000 and $1,500,000 as of December 31, 2016 and 2015, respectively. The loan was paid in full in January 2017.

$950,000 June 26, 2015 Security Agreement:

On June 26, 2015, the Company, through its wholly owned subsidiary, Neuragen Corp. ("Neuragen"), issued a 0% promissory note in a principal amount of $950,000 in connection with an Asset Purchase Agreement (see note 1). The note requires $250,000 to be paid on or before June 30, 2016, and $700,000 to be paid in quarterly installments (beginning with the quarter ending September 30, 2015) equal to the greater of $12,500 or 5% of U.S. net sales, and 2% of U.S. net sales of Neuragen for 60 months thereafter. The payment of such amounts is secured by a security interest in certain assets, undertakings and property ("Collateral") pursuant to the Security Agreement, which will be released upon receipt of total payments of $1.2 million.

The Company also recorded deferred financing costs of $10,486 with respect to the above agreement. The Company recognized amortization of deferred financing costs of $5,243 and $2,643 during the years ended December 31, 2016 and 2015, respectively. Unamortized debt issuance cost as of December 31, 2016 amounted to $2,600. The Company recorded present value of future payments of $290,947 and $531,589 as of December 31, 2016 and 2015, respectively. The Company recorded interest expense of $59,358 and $37,372 for the year ended December 31, 2016 and 2015, respectively.

$5,500,000 November 12, 2015 Loan:

On November 12, 2015, we entered into a First Amendment to Loan Agreement ("First Amendment") with Knight, pursuant to which Knight agreed to loan us an additional $5.5 million, and which amount was borrowed at closing (the "Financing") for the purpose of acquiring Breakthrough Products, Inc. and NomadChoice Pty Limited through Stock Purchase Agreements. At closing, we paid Knight an origination fee of $110,000 and a work fee of $55,000 and also paid $24,000 of Knight's expenses associated with the Loan. The Loan bears interest at a rate of 15% per year. The interest rate will decrease to 13% if we meet certain equity-fundraising targets. The New Loan Agreement matures on November 11, 2017.

In connection with the New Loan Agreement, we issued Knight a warrant that entitles Knight to purchase 5,550,625 shares of our common stock ("Knight Warrant Shares") representing approximately 6.5% of our fully diluted capital, which Knight exercised in full on November 12, 2015. Knight also received a 10-year warrant entitling Knight to purchase up to 4,547,243 shares of our common stock at $0.49 per share ("Knight Warrants").

The beneficial conversion feature of the warrants issued to the noteholders amounted to $2,553,287 (5,550,625 warrants) and $2,067,258 (4,547,243 warrants), respectively, and was recorded as debt discount of the corresponding debt. For derivative liability calculation on 4,547,243 warrants, refer to Note 17.

The Company recognized amortization of debt discount of $2,553,287 (5,550,625 warrants) and $138,571 (4,547,243 warrants) during the year ended December 31, 2015. The Company recognized amortization of debt discount of $1,012,419 (4,547,243 warrants) during the year ended December 31, 2016 and remaining balance of $916,267 was extinguished as part of the Subscription Agreement disclosed below. Unamortized debt discount as of December 31, 2015 amounted to $1,928,686. During 2016, this debt discount of $1,012,419 was expensed and $912,267 was extinguished in conjunction with the cancellation of all warrants and options held by Knight.

The Company also recorded deferred financing costs of $233,847 with respect to the above loan. The Company recognized amortization of deferred financing costs of $117,083 and $15,675 during the years ended December 31, 2016 and 2015, respectively. Unamortized debt issuance cost as of December 31, 2016 amounted to $101,088.

The Company recognized interest expense of $767,904 and $110,753 during the years ended December 31, 2016 and 2015, respectively. Accrued interest expense was $31,079 and $110,753 as of December 31, 2016 and 2015, respectively. The principal balance outstanding at December 31, 2016 and 2015 was $3,781,250 and $5,500,000, respectively.

On December 22, 2016, we entered into Subscription Agreement with Knight Therapeutics (Barbados) Inc., or Knight, and issued 7,500,000 shares of our common stock in exchange for the cancellation of warrants to purchase an aggregate of 8,132,002 shares of our common stock held by Knight, with per share purchase prices of $0.34 and $0.49, and the cancellation of an option to purchase 1,000,000 shares of our common stock held by Knight, with an exercise price of $0.25 per share. As additional consideration, Knight has agreed to purchase up to $2.0 million worth of our common stock if and when we undertake a common stock equity financing, subject to certain terms and conditions.

Note 13 – Stockholders' Deficit

The total number of shares of all classes of capital stock which the Company is authorized to issue is 75,000,000 shares of common stock with $0.00001 par value. On July 30, 2014, the Company's board of directors approved an increase of the Company's authorized common stock from 75,000,000 to 300,000,000 shares, which increase was approved by the Company's shareholders and became effective on August 5, 2015.

On April 17, 2014, upon approval from FINRA, the Company effected a 30 for 1 forward stock split by way of a stock dividend, of all of its issued and outstanding shares of common stock (the "Stock Split"). The Stock Split did not affect the number of the Company's authorized common stock or its par value. All references in the accompanying consolidated financial statements and notes thereto have been retroactively restated to reflect the stock split.

During the year ended December 31, 2015, the Company issued 4,595,187 shares of its common stock upon exercise of the ST Warrant at an aggregate exercise price of $1.00 in connection with the Loan Agreement (see note1).

During the year ended December 31, 2015, the Company issued 5,550,625 shares of its common stock upon exercise of a Warrant at an aggregate exercise price of $1.00 in connection with the Loan Agreement (see note1).

During the year ended December 31, 2015, the Company issued 400,000 shares of its common stock to a note holder in a note conversion at $0.25 per share. At the time of conversion, the note was valued at $100,000 for outstanding principal.

During the year ended December 31, 2015, the Company issued 2,142,857 shares of its common stock valued at $0.70 per share in accordance with Contribution Agreement entered into with Hand MD Corp. in exchange for 50% of Hand MD Corp.'s outstanding capital securities.

During the year ended December 31, 2015, the Company issued 3,571,428 shares of its common stock valued at $0.35 per share in accordance with a stock purchase agreement entered into with NomadChoice Pty Limited in exchange for 100% of NomadChoice Pty Limited's outstanding capital securities.

During the year ended December 31, 2015, the Company issued 3,000,000 shares of its common stock valued at $0.85 per share in accordance with a stock purchase agreement entered into with Breakthrough Products, Inc. in exchange for 100% of Breakthrough Product Inc.'s outstanding capital securities.

During the year ended December 31, 2015, the Company issued 40,000 shares of its common stock valued at $0.65 per share for cash.

During the year ended December 31, 2015, the Company issued 292,857 shares of its common stock valued at $0.70 per share to settle accounts payable.

As of December 31, 2015, the Company committed to issue common stock valued at $68,000 for services rendered. During 2016, 213,742 shares of the Company's common stock were issued valued at $0.32 per share.

During the year ended December 31, 2016, the Company issued 71,248 shares of its common stock valued at $0.70 per share for services rendered.

During the year ended December 31, 2016, the Company cancelled 713,767 shares of its common stock valued at $125,000 in conjunction with an agreement with a former shareholder. The Company committed to issue 125,000 shares to former shareholders valued at $56,250 recorded as settlement expense during the year. These shares were not issued as of the date of this Annual Report.

During the year ended December 31, 2016, the Company issued 7,500,000 shares of its common stock valued at $1,456,492 in conjunction with an agreement to cancel all outstanding stock warrants and options issued along with the loans payable.

As of December 31, 2016 and 2015, there were 88,764,357 and 81,692,954 shares of the Company's common stock issued and outstanding, respectively.

Note 14 – Commitments and Contingencies

Litigation:

From time to time the Company may become a party to litigation in the normal course of business. Management believes that there are no current legal matters that would have a material effect on the Company's financial position or results of operations.

Operating leases

In April 2014, a subsidiary entered into an extension of a non-cancellable operating lease for office space that expires on March 31, 2017. Rent expense under this lease for the period from acquisition until December 31, 2015 was $8,923 per month less a $3,010 per month sublease through March 2017.

In December 2015, a subsidiary entered into a non-cancellable operating lease for office space through November 2016. This lease was extended until April 2017. Rental payments under this lease are $5,900 Australian dollars per month, which is approximately $4,480.

In December 2015, the Company entered into a non-cancellable operating lease for office space through December 2016. Rental payments under this lease were $5,500 per month.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2016:

Year ending December 31:		
2017	$	35,659
Total	$	35,659

On December 8, 2014, a subsidiary entered into a non-cancellable 36 month phone lease with an estimated cost of $894 a month.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2016:

Year ending December 31:		
2017	$	9,834
Total	$	9,834

Note 15 – Stock Options

On July 30, 2014, the Company's board of directors approved the Company's 2014 Equity Incentive Plan and the reservation of 15,525,000 shares of common stock for issuance under such plan. Such plan was approved by the Company's shareholders and became effective on August 5, 2015.

On April 2, 2014, the Company granted 1,000,000 options with an exercise price of $0.25 per share to the Company owned by Mr. Jack Ross, Chief Executive Officer of the Company.

On December 14, 2015, the Company granted 1,000,000 options each with an exercise price of $0.25 per share to two Board Members of the Company.

On December 14, 2015, the Company granted 1,000,000 options each with an exercise price of $0.65 per share to two employees of the Company.

On December 14, 2015, the Company granted 1,000,000 options with an exercise price of $0.25 per share to a Board Observer of the Company. During 2016, these options were cancelled in conjunction with the issuance of 7,500,000 shares and the cancellation of all outstanding options and warrants.

On February 18, 2016, the Company granted 300,000 options with an exercise price of $0.70 per share to an employee of the Company.

On April 18, 2016, the Company granted 500,000 options with an exercise price of $0.70 per share to an employee of the Company.

On July 4, 2016, the Company granted 500,000 options with an exercise price of $0.70 per share to an employee of the Company.

The following table summarizes the changes in options outstanding and the related prices for the shares of the Company's common stock issued to employees and consultants under a stock option plan at December 31, 2016:

	Options Outstanding			Options Exercisable	
Exercise Prices ($)	**Number Outstanding**	**Weighted Average Remaining Contractual Life (Years)**	**Weighted Average Exercise Price ($)**	**Number Exercisable**	**Weighted Average Exercise Price ($)**
$ 0.25 - $0.70	6,300,000	6.5	$ 0.47	3,408,333	$ 0.38

The stock option activity for the year ended December 31, 2016 is as follows:

	Options Outstanding	**Weighted Average Exercise Price**
Outstanding at December 31, 2014	1,000,000	$ 0.25
Granted	4,000,000	0.45
Exercised	-	-
Expired or canceled	-	-
Outstanding at December 31, 2015	5,000,000	$ 0.41
Granted	2,300,000	0.50
Exercised	-	-
Expired or canceled	(1,000,000)	(0.25)
Outstanding at December 31, 2016	6,300,000	$ 0.47

Stock-based compensation expense related to vested options was $2,200,160 and $523,714 during the years ended December 31, 2016 and 2015, respectively. The Company determined the value of share-based compensation for options vesting during the year ended December 31, 2015 using the Black-Scholes fair value option-pricing model with the following weighted average assumptions: estimated fair value of Company's common stock of $0.74, risk-free interest rate of 2.23%, volatility of 154%, expected lives of 10 years, and dividend yield of 0%. The Company determined the value of share-based compensation for options vesting during the year ended December 31, 2016 using the Black-Scholes fair value option-pricing model with the following weighted average assumptions: estimated fair value of Company's common stock of $0.40-0.61, risk-free interest rate of 0.90-1.24%, volatility of 135-160%, expected lives of 3-6 years, and dividend yield of 0%. Stock options outstanding as of December 31, 2016, as disclosed in the above table, have an intrinsic value of $780,000.

Note 16 – Stock Warrants

The following table summarizes the warrants outstanding and the related prices for the shares of the Company's common stock at December 31, 2016:

	Warrants Outstanding			Warrants Exercisable	
Exercise Prices ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
5.00	1,000,000	1.96	5.00	1,000,000	5.00

The warrant activity for the year ended December 31, 2016 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2014	-	$ -
Granted	19,277,814	0.44
Exercised	(10,415,812)	0.00000020
Expired or canceled	-	-
Outstanding at December 31, 2015	9,132,002	$ 0.92
Granted	-	-
Exercised	-	-
Expired or canceled	(8,132,002)	(0.42)
Outstanding at December 31, 2016	1,000,000	$ 5

Note 17 – Derivatives

The Company has incurred a liability for the estimated fair value of a derivative warrant instrument. The estimated fair value of the derivative warrant instruments has been calculated using the Black-Scholes fair value option-pricing model with key input variables provided by management, as of the issue date, with the valuation offset against additional paid in capital, and at each reporting date, with changes in fair value recorded as gains or losses on revaluation in non-operating income (expense).

The Company identified embedded derivatives related to the warrants issued along with loan payable entered into in November 2015. These embedded derivatives included certain conversion features. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the warrants and to adjust the fair value as of each subsequent balance sheet date. At the inception of the warrants, the Company determined a fair value of $2,067,258 of the embedded derivative. The fair value of the embedded derivative was determined using the Black-Scholes Model based on the following assumptions:

	November 12, 2015
Risk-free interest rate	2.32%
Expected remaining term	10 Years
Expected volatility	157.56%
Dividend yield	0%

The initial fair values of the embedded derivative of $2,067,258 was allocated as a debt discount $2,067,258.

Fair value at December 31, 2015 was estimated to be $3,096,179 and based on the following assumptions:

	December 31, 2015
Risk-free interest rate	2.27%
Expected remaining term	9.75 Years
Expected volatility	152.07%
Dividend yield	0%

During the year ended December 31, 2015, the increase in the fair value of the warrant derivative liability of $1,028,921 was recorded as a loss on change in fair value of derivative liability.

During the year ended December 31, 2016, the decrease in the fair value of the warrant derivative liability of $1,380,600 was recorded as a gain on change in fair value of derivative liability.

During December 2016, the Company cancelled these warrants and issued 7,500,000 shares of common stock and accordingly warrant derivative liability was extinguished.

Fair value at December 23, 2016 when the warrants were cancelled was estimated to be $1,715,579, based on the following assumptions:

	December 23, 2016
Risk-free interest rate	2.55%
Expected remaining term	8.92 Years
Expected volatility	143.15%
Dividend yield	0%

The following table summarizes the derivative liabilities included in the balance sheet at December 31, 2016:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
Balance - December 31, 2015	$	3,096,179
Extinguishment of derivatives liabilities from cancellation of warrants		(1,715,579)
Gain on change in fair value of the derivative liabilities		(1,380,600)
Balance – December 31, 2016	$	-

Note 18 – Segments

Segment identification and selection is consistent with the management structure used by the Company's chief operating decision maker to evaluate performance and make decisions regarding resource allocation, as well as the materiality of financial results consistent with that structure. Based on the Company's management structure and method of internal reporting, the Company has one operating segment. The Company's chief operating decision maker does not review operating results on a disaggregated basis; rather, the chief operating decision maker reviews operating results on an aggregate basis.

Net sales attributed to customers in the United States and foreign countries for the years ended December 31, 2016 and 2015 were as follows:

		December 31, 2016		**December 31, 2015**
United States	$	32,010,018	$	13,129,753
Foreign countries		2,830,376		326,624
	$	34,840,394	$	13,456,377

The Company's net sales by product group for the years ended December 31, 2016 and 2015 were as follows:

	December 31, 2016	December 31, 2015
Nutraceuticals	$ 33,877,529	$ 13,030,006
Over the Counter (OTC)	907,401	416,417
Cosmeceuticals	55,464	9,954
	$ 34,840,394	$ 13,456,377

(1) Net sales for any other product group of similar products are less than 10% of consolidated net sales.

Long-lived assets (net) attributable to operations in the United States and foreign countries as of December 31, 2016 and 2015 were as follows:

	December 31, 2016	December 31, 2015
United States	$ 13,174,461	$ 17,411,598
Foreign countries	21,599	12,081
	$ 13,196,060	$ 17,423,679

Note 19 – Subsequent Events

Other than disclosed below, management evaluated all activities of the Company through the issuance date of the Company's consolidated financial statements and concluded that no subsequent events have occurred that would require adjustments or disclosure into the consolidated financial statements.

During 2017, the Company paid the remaining $750,000 on the loan to Factor Nutrition Labs, bringing the balance to $0. The Company also paid an additional $1,031,250 in principal on the second loan to Knight Therapeutics.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 or 15d-15 under the Exchange Act, our management, with the participation of our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer) evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report, being December 31, 2016.

Based on this evaluation, these officers concluded that, as of December 31, 2016, these disclosure controls and procedures were not effective to ensure that the information required to be disclosed by our company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. The conclusion that our disclosure controls and procedures were not effective was due to the presence of material weaknesses in internal control over financial reporting as identified below under the heading "Management's Report on Internal Control over Financial Reporting." Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. The term "internal control over financial reporting" is defined as a process designed by, or under the supervision of, an issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Under the supervision of our president and chief executive officer (our principal executive officer), who is also our chief financial officer (our principal financial officer and principal accounting officer), we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2016 using the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, our management concluded our internal control over financial reporting was not effective as at December 31, 2016.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016, we determined that there were control deficiencies that constituted material weaknesses which are indicative of many small companies with small staff, such as:

(1) inadequate segregation of duties and effective risk assessment; and

(2) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both generally accepted accounting principles in the United States and guidelines of the Securities and Exchange Commission.

These control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements could not have been prevented or detected on a timely basis. As a result of the material weaknesses described above, we concluded that we did not maintain effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control Integrated Framework* issued by COSO. Our management is currently evaluating remediation plans for the above deficiencies. During the period covered by this annual report on Form 10-K, we have not been able to remediate the remaining weaknesses described above. However, we plan to take steps to enhance and improve the design of our internal control over financial reporting.

Changes in Internal Control

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during our year ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

As a "smaller reporting company," as defined by Item 10 of the Regulation S-K, we are not required to include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The following table sets forth the names of the members of our Board of Directors, nominees for our Board of Directors, executive officers, and the position with the Company held by each.

Name	Age	Title	Tenure
Jack Ross	51	President, CEO, CFO and Director	Since October 2014
Stephen Fryer	78	Director	Since December 2014
Paul SoRelle	60	Director	Since December 2014

Each director is elected to hold office until the next annual meeting of shareholders and until his/her successor has been qualified and elected. Our President, Chief Executive Officer and Chief Executive Officer, our sole executive officer, serves at the discretion of our Board of Directors. There are no understandings between any of our directors or executive officer or any other person pursuant to which any executive officer or director was or is to be selected as an executive officer or director. Furthermore, there are no family relationships between any director, executive officer, or person nominated or chosen by us to become a director or executive officer.

Background of Executive Officer and Board of Directors

The following is a brief account of the business experience of each director, director nominee and executive officer of the Company.

Jack Ross - President, Chief Executive Officer, Chief Financial Officer and Director

Mr. Ross is currently the sole officer and director of Pure Sports Inc., positions he has held since February 2009, the sole officer and director of Gowan Capital Inc., positions he has held since May 2011, the sole officer and director of Synergy Energy Strips World Wide Inc., positions he has held since August 2011, the sole officer and director of Rio e Cigs Inc., positions he has held since December 2011, and the sole officer and director of Kenek Brands Inc., positions he has held since May 2014. From January 2012 to April 2014, Mr. Ross served as the sole officer and director of Synergy Strips Corp., which was acquired by and became a wholly owned subsidiary of the Company in April 2014 (the “Subsidiary”) in connection with the Merger. Other than the Subsidiary, none of these companies are related to or affiliated with the Company. Mr. Ross’s significant leadership experience at various private and public companies led to the conclusion that he should serve as a member of our Board of Directors, in light of our business and structure.

Mr. Stephen Fryer - Director

Since April 2003, Mr. Fryer has been the Chief Executive Officer and Managing Partner of SC Capital Partners, Inc., a private micro-market investment banking and private equity intermediary. Prior to joining SC Capital Partners, Inc., Mr. Fryer was a consulting investment banker with Grant Bettingen, Inc., a broker-dealer based in California, from January 2001 to March 2003. From May 1989 to August 1997, Mr. Fryer was the Principal and Managing Director of Ventana International, Ltd., a venture capital and private investment banking firm with operations and investors in the United States, Latin America, Europe and Asia. Mr. Fryer earned a B.S. in Mechanical Engineering, with a minor in Economics, from the University of Southern California. Mr. Fryer’s substantial experience in the investment banking industry, and his demonstrated skill in corporate finance, led to the conclusion that he should serve as a member of our Board of Directors, in light of our business and structure.

Mr. Paul SoRelle - Director

Since November 1999, Mr. SoRelle has been the Chief Executive Officer and Managing Partner of Pioneer Press of Greeley, Inc., a commercial offset printing company. Prior to joining Pioneer Press, Mr. SoRelle worked in the gaming business as well as the retail gasoline and convenience store business. Mr. SoRelle’s significant leadership experience at Pioneer Press of Greeley, Inc. led to the conclusion that he should serve as a member of our Board of Directors, in light of our business and structure.

Legal Proceedings

No director, director nominee, executive officer, or control person of the Company has been involved in any legal proceeding listed in Item 401(f) of Regulation S-K in the past 10 years.

CORPORATE GOVERNANCE

Director Independence

As of March 15, 2017, we have three directors. Each director is elected to hold office for a one year period or until the next Annual Meeting of Shareholders and until his/her successor has been qualified and elected following the one year of service. Our common stock is not listed on any exchange. Consequently, no exchange rules regarding director independence are applicable to us. However, we have applied the director independence test of The NASDAQ Capital Market and Mr. Fryer and Mr. SoRelle are independent directors. Officers serve at the discretion of the Company's directors. There are no understandings between the director of the Company or any other person pursuant to which any officer or director was or is to be selected as an officer or director.

Code of Ethics

The Company does not have a code of ethics for our principal executive or principal financial officers, due to our size and current stage of development. The Company's management intends to promote honest and ethical conduct, full and fair disclosure in our reports to the SEC, and compliance with applicable governmental laws and regulations.

Committees

The Company does not have any standing committees and the Board of Directors performs the duties of an audit committee, nominating committee and compensation committee. Since the Company has no standing committees, the Company does not have any written charters governing such committees' conduct.

Nominating Committee

We do not have a nominating committee, as we believe the Company is too small to warrant a separate standing nominating committee. Director Jack Ross is responsible for selecting individuals to stand for election as members of our Board of Directors. The Company does not have a policy with regards to the consideration of any director candidates recommended by our stockholders. Our Board of Directors has determined that it is in the best position to evaluate our Company's requirements as well as the qualifications of each candidate when it considers a nominee for a position on our Board of Directors. If stockholders wish to recommend candidates directly to our Board of Directors, they may do so by communicating directly with Jack Ross, our President, Chief Executive Officer, Chief Financial Officer and the Chairman of our Board of Directors by mail, at Synergy CHC Corp., Attn: President, 865 Spring Street, Westbrook, ME 04092, or by telephone at (615) 939-9004.

Audit Committee

We do not have an audit committee currently serving and, as a result, our Board of Directors performs the duties of an audit committee. We also do not have an "audit committee financial expert," as such term is defined in Item 407(d)(5)(ii) of Regulation S-K, however we feel that our directors' backgrounds and financial sophistication is sufficient to fulfill the duties of the audit committee.

Compensation Committee

We do not have a compensation committee, as we believe the Company is too small to warrant a separate standing compensation committee. As a result, our Board of Directors performs the duties of a compensation committee. While the Company believes that its current size does not warrant a separate standing compensation committee, it will reassess that need if and when additional directors are appointed and/or elected.

Shareholder Communications

Shareholders may send written communications on the Company's web site: www.synergychc.com

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's executive officers, directors, and persons who beneficially own more than 10% of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of the Company's common stock and other equity securities. These executive officers, directors, and greater than 10% beneficial owners are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms filed by such reporting persons. Based solely upon the Company's review of such forms furnished to it, the Company believes that during the fiscal year ended 2016 and through to March 15, 2017, all of its executive officers, directors, and every person who is directly or indirectly the beneficial owner of more than 10% of any class of the Company's securities, complied with the filing requirements of Section 16(a) of the Exchange Act except for the following: (a) Jack Ross, our President, Chief Executive Officer, Chief Financial Officer and a member of our Board of Directors filed a Form 3 on February 9, 2015, to report the shares of our common stock beneficially owned by Mr. Ross as of October 27, 2014, the date upon which Mr. Ross became our President, Chief Executive Officer, Chief Financial Officer and a member of our Board of Directors; (b) Stephen J. Fryer, a member of our Board of Directors, filed a Form 3 on February 9, 2015, to report that he beneficially owns no shares of our common stock as of December 8, 2014, the date upon which Mr. Fryer became a member of our Board of Directors; (c) James P. SoRelle, a member of our Board of Directors, filed a Form 3 on February 10, 2015, to report that he beneficially owns no shares of our common stock as of December 8, 2014, the date upon which Mr. SoRelle became a member of our Board of Directors; and (d) Jack Ross filed a Form 4 on April 27, 2015 to report the acquisition of shares of common stock on April 19, 2015 by Gowan Private Equity, Inc., which report was due on April 21, 2015; (e) Jack Ross filed a Form 3/A on October 18, 2016 to amend his reported shares owned as of December 8, 2014.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth certain information about compensation paid, earned or accrued for services for each executive officer for the past two fiscal years.

Summary Compensation Table

	Year	Salary	Bonus	Stock Awards	Option Awards	All Other Compensation	Total
Jack Ross	2016	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Chairman, President, Chief Executive Officer and Chief Financial Officer	2015	0	0	0	0	0	0

We have not made provisions for paying cash or non-cash compensation to our officers and directors. No salaries or fees are being paid at the present time to our officers and directors and none have been paid or owed from inception to date. We have no employment agreement with our sole officer. As of December 31, 2016 and 2015, we had no pension plans or compensatory plans or other arrangements that provide compensation in the event of a termination of employment or a change of control of our Company.

Equity Compensation Plans

On July 30, 2014, the Company's board of directors approved the Company's 2014 Equity Incentive Plan and the reservation of 15,525,000 shares of common stock for issuance under such plan. Such plan was approved by the Company's shareholders and became effective on August 5, 2015.

On April 2, 2014, the Company granted 1,000,000 options with an exercise price of $0.25 per share to the Company owned by Mr. Jack Ross, Chief Executive Officer of the Company.

On December 14, 2015, the Company granted 1,000,000 options each with an exercise price of $0.25 per share to two Board Members of the Company.

On December 14, 2015, the Company granted 1,000,000 options each with an exercise price of $0.65 per share to two employees of the Company.

On December 14, 2015, the Company granted 1,000,000 options with an exercise price of $0.25 per share to a Board Observer of the Company. During 2016, these options were cancelled in conjunction with the issuance of 7,500,000 shares and the cancellation of all outstanding options and warrants.

On February 18, 2016, the Company granted 300,000 options with an exercise price of $0.70 per share to an employee of the Company.

On April 18, 2016, the Company granted 500,000 options with an exercise price of $0.70 per share to an employee of the Company.

On July 4, 2016, the Company granted 500,000 options with an exercise price of $0.70 per share to an employee of the Company.

The following table summarizes the changes in options outstanding and the related prices for the shares of the Company's common stock issued to employees and consultants under a stock option plan at December 31, 2016:

	Options Outstanding			Options Exercisable	
Exercise Prices ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 0.25 - $0.70	6,300,000	6.5	$ 0.47	3,408,333	$ 0.38

The stock option activity for the year ended December 31, 2016 is as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2014	1,000,000	$ 0.25
Granted	4,000,000	0.45
Exercised	-	-
Expired or canceled	-	-
Outstanding at December 31, 2015	5,000,000	$ 0.41
Granted	2,300,000	0.50
Exercised	-	-
Expired or canceled	(1,000,000)	(0.25)
Outstanding at December 31, 2016	6,300,000	$ 0.47

Stock-based compensation expense related to vested options was $2,200,160 and $523,714 during the years ended December 31, 2016 and 2015, respectively. The Company determined the value of share-based compensation for options vesting during the year ended December 31, 2015 using the Black-Scholes fair value option-pricing model with the following weighted average assumptions: estimated fair value of Company's common stock of $0.74, risk-free interest rate of 2.23%, volatility of 154%, expected lives of 10 years, and dividend yield of 0%. The Company determined the value of share-based compensation for options vesting during the year ended December 31, 2016 using the Black-Scholes fair value option-pricing model with the following weighted average assumptions: estimated fair value of Company's common stock of $0.40-0.61, risk-free interest rate of 0.90-1.24%, volatility of 135-160%, expected lives of 3-6 years, and dividend yield of 0%. Stock options outstanding as of December 31, 2016, as disclosed in the above table, have an intrinsic value of $780,000.

Outstanding Equity Awards at Fiscal Year-End

The following table contains certain information concerning unexercised options for our sole executive officer as of December 31, 2016.

Option awards	Stock awards

Name	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised options unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options	Option exercise price	Option expiration date	Number of shares or units of stock that have not vested	Market value of shares of units of stock that have not vested	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested	Eq ince pl awa Ma c pay valu unes sha uni ot rig that r ves
Jack Ross	-	-	-	-	-	-	-	-	

Director Compensation

The following table provides information regarding all compensation paid to non-employee directors during the fiscal year ended December 31, 2016.

Name	Fees earned or paid in cash	Stock awards	Option awards (1)	Non-equity incentive plan compensation	Nonqualified deferred compensation earnings	All other compensation	Total
Jack Ross	$ -	-	-	-	-	-	$ -
Stephen Fryer	$ 20,000	-	-	-	-	-	$ 20,000
Paul SoRelle	$ 20,000	-	-	-	-	-	$ 20,000

(1) This column reflects the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board, or "FASB", issued Accounting Standards Update, or "ASC", Topic 718.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth certain information regarding our common stock beneficially owned as of the date of this report, for (i) each stockholder known to be the beneficial owner of 5% or more of our outstanding common stock, (ii) each executive officer and director, and (iii) all executive officers and directors as a group. To the best of our knowledge, subject to community and marital property laws, all persons named have sole voting and investment power with respect to such shares, except as otherwise noted.

Common Stock Beneficially Owned

	Number of shares beneficially owned	Percentage of shares beneficially owned
Executive officers and directors: (1)		
Jack Ross (4) (5)	48,389,399	50.90%
Stephen Fryer (5)	1,000,000	1.05%
Paul SoRelle (5)	2,296,658	2.42%
All directors and executive officers as a group (3 persons)	51,686,057	54.37%
5% Stockholders: (2)		
Gowan Private Equity Inc (4)	43,780,750	46.05%
Knight Therapeutics (Barbados) Inc.(3)	17,645,812	18.56%

(1) Unless otherwise noted, the address for each of the named beneficial owners is: 865 Spring Street, Westbrook, ME 04092.

(2) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding.

(3) As disclosed pursuant to a Schedule 13G filed with the SEC on February 2, 2015. This stockholder's address is Chancery House, High Street, Bridgetown, Barbados.

(4) This stockholder's address is: 275 Canterbury Lane, Fall River NS B2T 1A4, Canada. Jack Ross is the Chief Executive Officer of Kenek Brands, Inc., Dunhill Distribution Group, Inc. Gowan Capital Inc. and Gowan Private Equity Inc. Kenek Brands Inc. owns options to purchase 1,000,000 shares of common stock. Gowan Private Equity owns 43,780,750. Gowan Capital Inc. owns 400,000 shares. Dunhill Distribution Group owns 3,208,649.

(5) Consists of 1,000,000 options to purchase shares of common stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

TRANSACTIONS WITH RELATED PERSONS

The information required by Item 407(a) of Regulation S-K is included in this Annual Report on Form 10-K under the heading Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE – Director Independence.

Since January 1, 2014, the Company has not been a party to any transaction in which the amount involved exceeded or will exceed the lesser of $120,000 or 1% of the average of its total assets at year end for the last two fiscal years, and in which any of its directors, named executive officers or beneficial owners of more than 5% of the Company's capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than described below:

On April 7, 2014, an Agreement and Plan of Merger (the "Merger Agreement") was entered into by and among the Company, Synergy Merger Sub, Inc., a Delaware corporation and the wholly owned subsidiary of the Company formed for the purpose of the transactions under the Merger Agreement ("Merger Sub"), and Synergy Strips Corp., a Delaware corporation incorporated on January 24, 2012 ("SSC"). The Merger Agreement provided for the merger of Merger Sub with and into SSC (the "Merger"), with SSC surviving the merger as the wholly owned subsidiary of the Company. The Merger was consummated on April 21, 2014. In connection with the Merger, Dunhill Distribution Group, Inc. acquired 3,208,649 shares of the Company's Common Stock. Jack Ross, the Company's President, CEO, CFO and a director, is the Chief Executive Officer of Dunhill Distribution Group, Inc.

On April 2, 2014, the Company granted 1,000,000 options valued at approximately $282,000 to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company (see note 15).

On October 31, 2014, the Company borrowed $100,000 through a promissory note bearing interest at 10% with a maturity date of October 31, 2015 from a company owned by Mr. Ross, the Company's chief executive officer. During the year ended December 31, 2015, the note was converted into 400,000 shares of the Company's common stock.

The Company accrued and paid consulting fees of $25,000 and $15,000 per month in 2016 and 2015, respectively, to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company. The Company expensed $481,215 and $180,000, respectively during 2016 and 2015 as consulting fees and bonuses, and made payments totaling $481,215 and $486,958 towards services to an entity owned and controlled by an officer and shareholder of the Company for the year ended December 31, 2016 and 2015. As of December 31, 2016 and 2015, the total outstanding balance was $0.

On January 22, 2015, the Company entered into a Loan Agreement with Knight Therapeutics (Barbados) Inc. a related party, for the purchase of the Focus Factor assets. At December 31, 2016 and 2015, the Company owed Knight $2,752,639 and $4,267,268, respectively, on this loan, net of discount (see Note 12).

On June 26, 2015, the Company entered into a Security Agreement with Knight Therapeutics, Inc., through its wholly owned subsidiary Neuragen Corp. for the purchase of Knight Therapeutics, Inc.'s assets. At December 31, 2016 and 2015, the Company owed Knight $625,000 and $925,000 on this agreement (see Note 12).

On August 18, 2015, the Company entered into a Consulting Agreement with Kara Harshbarger, the co-founder of Hand MD, LLC, pursuant to which she will provide marketing and sales related service. The Company will pay Ms. Harshbarger $10,000 a month for one year unless the Consulting Agreement is terminated earlier by either party. Hand MD, LLC is a 50% owner in Hand MD Corp. The Company expensed $120,000 and $40,000 through payroll for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the total outstanding balance was $0.

On November 12, 2015, the Company entered into a Loan Agreement with Knight for the purchase of NomadChoice Pty Limited and Breakthrough Products, Inc. At December 31, 2016 and 2015, the Company owed Knight $3,680,162 and $3,571,314, respectively, on this loan, net of discount (see Note 12).

On December 22, 2016, we issued to Knight Therapeutics (Barbados) Inc., or Knight, 7,500,000 shares of our common stock in exchange for the cancellation of warrants to purchase an aggregate of 8,132,002 shares of our common stock held by Knight, with per share purchase prices of $0.34 and $0.49, and the cancellation of an option to purchase 1,000,000 shares of our common stock held by Knight, with an exercise price of $0.25 per share. As additional consideration, Knight has agreed to purchase up to $2.0 million worth of our common stock if and when we undertake a common stock equity financing, subject to certain terms and conditions.

At December 31, 2016 and 2015, a NomadChoice Pty Ltd. (subsidiary) of the Company owed Knight Therapeutics $87,678 and $71,573, respectively, in connection with a royalty distribution agreement (see Note 12).

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Audit Committee's Pre-Approval Practice

Prior to our engagement of our independent auditor, such engagement was approved by our board of directors. The services provided under this engagement may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Pursuant our requirements, the independent auditors and management are required to report to our board of directors at least quarterly regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. Our board of directors may also pre-approve particular services on a case-by-case basis. All audit-related fees, tax fees and other fees incurred by us for the year ended December 31, 2016 and 2015, were approved by our board of directors.

RBSM LLP serves as our independent registered public accounting firm.

Independent Registered Public Accounting Firm Fees and Services

The following table sets forth the aggregate fees including expenses billed to us for the years ended December 31, 2016 and 2015 by our auditors.

	Year Ended December 31, 2016	Year Ended December 31, 2015
Audit Fees(1)	$ 137,863	$ 125,500
Audit-Related Fees(2)	-	-
Tax Fees(3)	3,500	-
All Other Fees(4)	-	1,663
Total	$ 141,363	$ 127,163

(1) Audit Fees - This category includes the audit of the Company's annual financial statements, review of financial statements included in its Quarterly Reports on Form 10-Q, and services that are normally provided by independent auditors in connection with the engagement for fiscal years.

(2) Audit-Related Fees - This category consists of fees reasonably related to the performance of the audit or review of the Company's financial statements that are not reported as "Audit Fees."

(3) Tax Fees - This category consists of tax compliance, tax advice, and tax planning work.

(4) All Other Fees - This category consists of fees for other miscellaneous items.

PART IV

ITEM 15. EXHIBITS FINANCIAL STATEMENT SCHEDULES.

The following documents are filed as part of this report:

1. Consolidated Financial Statements

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

2. Consolidated Financial Statement Schedules

None.

3. Exhibits

Exhibit Number	Exhibit Title	Incorporated by Reference (Unless Otherwise Indicated) Form	File	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated April 7, 2014, by and among Oro Capital Corporation, Synergy Merger Sub, Inc. and Synergy Strips Corp.	8-K	000-55098	2.1	4/9/2014
2.2	Agreement and Plan of Merger dated April 21, 2014 (incorporated by reference to the Registrant's Current Report on Form 8-K filed on April 9, 2014).	8-K	000-55098	2.1	5/7/2014
2.3	Asset Purchase Agreement, dated January 22, 2015, by and among Synergy Strips Corp.; Factor Nutrition Labs, LLC; Vita Partners, LLC, RPR Partners, LLC, and Thor Associates, Inc.	10-K	000-55098	2.3	3/31/2015
2.4	Asset Purchase Agreement, dated June 26, 2015, by and between Neuragen Corp. and Knight Therapeutics, Inc.	8-K	000-55098	2.4	7/2/2015
3.1	Articles of Incorporation	S-1	333-185103	3.1	11/21/2012
3.2	Amendment to Articles of Incorporation	8-K	000-55098	3.1(b)	5/7/2014
3.3	Certificate of Amendment to Articles of Incorporation	8-K	000-55098	3.4	8/6/2015
3.4	By-Laws	S-1	333-185103	3.2	11/21/2012
3.5	Amendment to By-Laws	8-K	000-55098	3.2	6/26/2015
4.1	Form of Subscription Agreement	S-1/A	333-185103	4.1	2/19/2013

4.2	Synergy Strips Corp. Common Stock Purchase Warrant, dated January 22, 2015.	10-K	000-55098	4.2	3/31/2015
4.3	Synergy Strips Corp. Common Stock Purchase Warrant (10-Year Warrant), dated January 22, 2015.	10-K	000-55098	4.3	3/31/2015
4.4	Synergy CHC Corp. Common Stock Purchase Warrant, dated November 12, 2015.	8-K	000-55098	4.4	11/18/2015
4.5	Synergy CHC Corp. Common Stock Purchase Warrant (10-Year Warrant), dated November 12, 2015.	8-K	000-55098	4.5	11/18/2015
4.6	Synergy CHC Corp. Common Stock Warrant dated December 17, 2015.	8-K	000-55098	4.6	12/22/2015
10.1	Mineral Claim Agreement for the Shipman Diamond Project, dated September 1, 2011.	S-1	333-185103	10.1	11/21/2012
10.2	Transfer of Mineral Dispositions with Danny Aaron, dated February 21, 2012.	S-1	333-185103	10.2	11/21/2012
10.3	Form of Sales and Marketing Consultant and Distribution Agreement, dated April 2, 2014.	8-K	000-55098	10.1	5/7/2014
10.4	Sales and Marketing Consultant and Distribution Agreement, dated April 2, 2014, between Synergy Strips Corp. and Kenek Brands Inc.	8-K	000-55098	10.1	5/7/2014
10.5	Loan Agreement, dated January 22, 2015, between Knight Therapeutics (Barbados) Inc. and Synergy Strips Corp.	10-K	000-55098	10.5	3/31/2015
10.6	Product Distribution Option Agreement, dated January 22, 2015, between Knight Therapeutics (Barbados) Inc. and Synergy Strips Corp.	10-K	000-55098	10.6	3/31/2015
10.7	Distribution, License and Supply Agreement, dated January 22, 2015, by and between Synergy Strips Corp. and Knight Therapeutics (Barbados) Inc.	10-K	000-55098	-	3/31/2015
10.8	Synergy Strips Corp. 2014 Equity Incentive Plan	8-K	000-55098	10.8	8/6/2015
10.9	Contribution Agreement, dated August 18, 2015, between Synergy CHC Corp. and Hand MD Corp.	8-K	000-55098	10.9	8/21/2015
10.10	Contribution Agreement, dated August 18, 2015, among Hand MD, LLC, Principal Owners as listed therein, Synergy CHC Corp. and Hand MD. Corp.	8-K	000-55098	10.10	8/21/2015
10.11	Intellectual Property License Agreement, dated August 18, 2015, by and between Synergy CHC Corp. and Hand MD. Corp.	8-K	000-55098	10.11	8/21/2015
10.12	Consulting Agreement, dated August 18, 2015, by and between Synergy CHC Corp. And Kara Harshbarger.	8-K	000-55098	10.12	8/21/2015
10.13	Stock Purchase Agreement, dated November 12, 2015, by and among Breakthrough Products, Inc., URX ACQUISITION TRUST, Jordan Eisenberg, other shareholders as listed therein and Synergy CHC Corp.	8-K	000-55098	10.13	11/18/2015

10.14	Share Purchase Agreement, dated November 15, 2015, between TPR Investments Pty Ltd CAN 128 396 654 as trustee for Polmear Family Trust, Timothy Polmear and Rebecca Polmear, NomadChoice Pty Limited ACN 160 729 939 trading as Flat Tummy Tea and Synergy CHC Corp.	8-K	000-55098	10.14	11/18/2015

10.15	First Amendment to Loan Agreement, dated November 12, 2015, between Knight Therapeutics (Barbados) Inc. and Synergy CHC Corp.	8-K	000-55098	10.15	11/18/2015
10.16	Amendment to First Amendment Agreement, dated December 3, 2015, between Knight Therapeutics (Barbados) Inc. and Synergy CHC Corp.	8-K	000-55098	10.16	12/9/2015
10.17	Amendment and Confirmation Agreement, dated December 3, 2015, by and among Knight Therapeutics (Barbados) Inc., Nomad Choice Pty Ltd., Synergy CHC Corp. and Breakthrough Products, Inc.	8-K	000-55098	10.17	12/9/2015
10.18	Settlement and Release Agreement, dated December 17, 2015, by and between Synergy CHC Corp., the former shareholders of Breakthrough Products, Inc. and URX ACQUISITION TRUST and as representative of certain shareholders.	8-K	000-55098	10.18	12/22/2015
16.1	Letter from M&K CPAS, PLLC to the Securities and Exchange Commission dated June 11, 2014.	8-K/A	000-55098	16.1	6/12/2014
21.1	Subsidiaries of the Registration	-	-	-	Filed herewith
23.1	Promissory Note to Danny Aaron, dated May 17, 2013.	S-1/A	333-185103	23.2	5/17/2013
23.2	Promissory Note and Future Advances Note to Danny Aaron , dated May 28, 2013.	S-1/A	333-185103	23.2	5/28/2013
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)	-	-	-	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)	-	-	-	Filed herewith
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350	-	-	-	Filed herewith
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350	-	-	-	Filed herewith
101.INS	XBRL Instance Document.	-	-	-	Furnished herewith
101.SCH	XBRL Taxonomy Extension Schema Document.	-	-	-	Furnished herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	-	-	-	Furnished herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	-	-	-	Furnished herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	-	-	-	Furnished herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	-	-	-	Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYNERGY CHC CORP.

Date: March 24, 2017

By: */s/ Jack Ross*
President, Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Jack Ross Jack Ross	President, Chief Executive Officer (principal executive officer) Chief Financial Officer, Chief Accounting Officer, (principal financial officer), Director	March 24, 2017
/s/ Stephen Fryer Stephen Fryer	Director	March 24, 2017
/s/ Paul SoRelle Paul SoRelle	Director	March 24, 2017