SCRYPT, INC.
CONSOLIDATED BALANCE SHEETS
June 30, 2015 (Unaudited) and December 31, 2014 (Audited)

ASSETS

	Unaudited 2015	Audited 2014
Current assets		
Cash and cash equivalents	$ 194,238	$ 152,389
Accounts receivable - trade, net of allowance for doubtful accounts of $1,867 and $3,812 , respectively	801,429	997,118
Receivable due from Axacore, Inc.	76,204	202,407
Inventory	65,588	93,053
Prepaid expenses	102,868	79,558
Accrued interest income	1,012	1,028
Total current assets	1,241,339	1,525,554
Noncurrent assets		
Related party note receivable	208,556	208,556
Property and equipment, net of accumulated depreciation of $1,623,189 and $1,049,437, respectively	1,050,208	611,164
Goodwill	1,380,632	1,380,632
Intangible Assets, net of accumulated amortization of $189,571 and $0, respectively	2,091,428	2,281,000
Total noncurrent assets	4,730,824	$ 4,481,352
Total assets	$ 5,972,163	$ 6,006,906

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Current portion of notes payable; including $30,000 and $122,500 to related parties, respectively	$ 246,200	$ 338,700
Payable due to Axacore, Inc.	103,196	634,927
Line of credit	175,000	-
Accounts payable - trade	243,914	410,012
Accrued payroll and payroll taxes	-	43,532
Deferred revenue	989,717	704,269
Accrued interest expense	12,327	9,756
Other accrued expenses	107,499	36,709
Total current liabilities	1,877,853	-
Noncurrent liabilities		
Long-term portion of notes payable; including $7,500 to a related party	-	65,600
Capital lease liability	123,847	-
Total noncurrent liabilities	123,847	65,600
Total liabilities	2,001,700	65,600
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock - $0.001 par value; 15,000,000 shares authorized:		
Series A convertible preferred stock - 925,000 shares issued and outstanding (liquidation preference of $925,000)	925	925
Series B convertible preferred stock - 454,547 shares issued and outstanding (liquidation preference of $500,002)	454	454
Common stock - $0.001 par value; 55,000,000 shares authorized, 46,049,614 shares issued and outstanding	46,050	46,050
Additional paid-in capital	49,894,296	49,781,019
Accumulated deficit	(45,971,263)	(46,065,048)
Total shareholders' equity	3,970,462	3,763,400
Total liabilities and shareholders' equity	$ 5,972,163	$ 3,829,000

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2015 and 2014

	Unaudited 2015	Unaudited 2014
Revenues	$ 3,920,180	$ 1,505,898
Operating expenses		
Cost of revenues	1,044,551	733,888
Selling, general and administrative	2,760,301	1,134,832
Operating profit (loss)	115,328	(362,822)
Other income (expense)		
Interest expense, net	(15,035)	(3,499)
Other expense, net	-	(133,000)
Net profit (loss) before income taxes	$ 100,293	$ (499,321)
Income tax expense	$ 6,508	$ 850
Net profit (loss) attributable to common shareholders	$ 93,785	$ (500,171)
Net loss per common share - basic and diluted	$ 0.00	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	46,049,640	29,240,096

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended June 30, 2015 and 2014

	Unaudited 2015	Unaudited 2014
Revenues	$ 2,058,041	$ 891,320
Operating expenses		
Cost of revenues	597,330	393,146
Selling, general and administrative	1,454,192	600,761
Loss on debt settlement, net	-	-
Operating profit (loss)	6,519	(102,587)
Other income (expense)		
Interest expense, net	(7,085)	(1,386)
Other expense, net	-	-
Net profit (loss) before income taxes	$ (566)	$ (103,973)
Income tax expense	$ 1,869	$ 425
Net profit (loss) attributable to common shareholders	$ (2,435)	$ (104,398)
Net loss per common share - basic and diluted	$ 0.00	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	46,049,640	29,612,559

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the Six Months Ended June 30, 2015 (Unaudited) and Year Ended December 31, 2014 (Audited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid - in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2013	925,000	$ 925	454,547	$ 454	28,053,866	$ 28,054	$ 44,593,475	$ (44,214,507)	$ 408,401
Issuance of common stock in connection with the sale of common stock shares	-	-	-	-	880,000	880	263,120	-	264,000
Issuance of common stock in connection with the Termination of the Technology License Agreement with SecureCare Technologies, Inc. UK Ltd.	-	-	-	-	700,000	700	132,300	-	133,000
Issuance of common stock	-	-	-	-	5,515,748	5,516	1,042,476	-	1,047,992
Compensation expense related to stock options	-	-	-	-	-	-	54,549	-	54,549
Issuance of common stock in connection with the acquisition of Axacore, Inc.	-	-	-	-	10,900,000	10,900.00	3,695,100	-	3,706,000
Net loss	-	-	-	-	-	-	-	(1,850,542)	(1,850,542)
Balance at December 31, 2014	925,000	$ 925	454,547	$ 454	46,049,614	$ 46,050	$ 49,781,019	$ (46,065,048)	$ 3,763,400
Compensation expense related to stock options	-	-	-	-	-	-	113,277	-	113,277
Net profit	-	-	-	-	-	-	-	93,785	93,785
Balance at June 30, 2015	**925,000**	$ **925**	**454,547**	$ **454**	**46,049,614**	$ **46,050**	$ **49,894,296**	$ **(45,971,263)**	$ **3,970,462**

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2015 and 2014

	Unaudited **2015**	Unaudited **2014**
Cash flows from operating activities		
Net profit (loss)	$ 93,785	$ (500,170)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	333,996	78,537
Compensation expense related to stock options	113,277	8,768
Stock issuance expense resulting from cancellation of an agreement	-	133,000
Changes in operating assets and liabilities:		
Accounts receivable - trade	(394,889)	116,482
Prepaid expenses	(23,309)	(3,539)
Inventory	27,465	-
Interest Receivable	(4,415)	-
Deferred revenue	285,448	126,257
Accounts payable - trade	(23,308)	(36,739)
Other liabilities	32,526	(10,130)
Cash flows provided (used) by operating activities	440,576	(87,533)
Cash flows from investing activities		
Capital expenditures	(16,809)	(41,475)
Capitalized software development costs	(421,965)	-
Cash remitted in Axacore, Inc. merger	(60,437)	-
Cash flows used in investing activities	(499,211)	(41,475)
Cash flows from financing activities		
Proceeds from common stock sale	-	264,000
Proceeds from issuance of note payable	50,000	-
Proceeds from related party advances	120,000	-
Net borrowing under line of credit agreement	175,000	-
Payments on notes payable	(208,100)	(50,000)
Payment of related party advances	(20,000)	-
Payments on capital lease	(20,848)	-
Proceeds from interest receivable	4,432	-
Cash flows provided by financing activities	100,484	214,000
Net increase (decrease) in cash and cash equivalents	41,849	84,991
Cash and cash equivalents, beginning of period	152,389	290,425
Cash and cash equivalents, end of period	$ 194,238	$ 217,250
Supplemental disclosures for cash flow information:		
Cash received for interest	$ 4,432	$ -
Cash paid for interest	$ (13,044)	$ (4,131)
Cash paid for income taxes	$ (3,882)	$ (1,700)
Supplemental non-cash financing activity:		
Capital lease acquisition	$ 144,695	$ -