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

ASSETS

	2015	2014
Current assets		
Cash and cash equivalents	$ 111,933	$ 152,389
Accounts receivable - trade, net of allowance for doubtful accounts of $3,812	731,337	997,118
Receivable due from Axacore, Inc.	152,407	202,407
Inventory	80,153	93,053
Prepaid expenses	83,650	79,558
Accrued interest income	3,232	1,028
Total current assets	1,162,712	1,525,554
Noncurrent assets		
Related party note receivable	208,556	208,556
Property and equipment, net of accumulated depreciation of $1,538,554 and $1,049,437, respectively	820,802	611,164
Goodwill	1,380,632	1,380,632
Intangible Assets, net of accumulated amortization of $94,786 and $0, respectively	2,186,214	2,281,000
Total noncurrent assets	4,596,204	$ 4,481,352
Total assets	$ 5,758,917	$ 6,006,906

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Current portion of notes payable; including $130,000 and $122,500 to related parties, respectively	$ 371,200	$ 338,700
Payable due to Axacore, Inc.	206,393	634,927
Accounts payable - trade	280,006	410,012
Accrued payroll and payroll taxes	21,086	43,532
Deferred revenue	810,418	704,269
Accrued interest expense	11,613	9,756
Other accrued expenses	126,535	36,709
Total current liabilities	1,827,250	2,177,905
Net decrease in cash and cash equivalents		
Noncurrent liabilities		
Long-term portion of notes payable	8,100	65,600
Capital lease liability	39,850	-
Total noncurrent liabilities	47,950	65,600
Total liabilities	1,875,200	2,243,505
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 and 28,053,892 shares issued and outstanding, respectively	46,050	46,050
Additional paid-in capital	49,861,064	49,781,019
Accumulated deficit	(46,024,777)	(46,065,048)
Total shareholders' equity	3,883,716	3,763,400
Total liabilities and shareholders' equity	$ 5,758,917	$ 6,006,906

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2015 and 2014

		Unaudited 2015	Unaudited 2014
Revenues		$ 1,862,139	$ 614,579
Operating expenses			
Cost of revenues		503,170	340,742
Selling, general and administrative		1,306,109	534,072
Operating profit (loss)		52,860	(260,235)
Other income (expense)			
Interest expense, net		(7,950)	(2,113)
Other expense, net		-	(133,000)
Net profit (loss) before income taxes		$ 44,910	$ (395,348)
Income tax expense		$ 4,639	$ 425
Net profit (loss) attributable to common shareholders		$ 40,271	$ (395,773)
Net loss per common share - basic and diluted	0	$ 40,271.36	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		46,049,640	28,850,966

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 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	$ (1,030)	454,547	$ 454	28,053,866	$ 28,054	$ 44,593,475	$ (44,214,507)	$ 406,446
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 restricted stock awards	-	-	-	-	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 profit (loss)	-	-	-	-	-	-	-	(1,850,542)	(1,850,542)
Balance at December 31, 2014	925,000	$ (1,030)	454,547	$ 454	46,049,614	$ 46,050	$ 49,781,019	$ (46,065,048)	$ 3,761,445
Compensation expense related to stock options	-	-	-	-	-	-	80,044	-	80,044
Net profit	-	-	-	-	-	-	-	40,271	40,271
Balance at March 31, 2015	925,000	$ (1,030)	454,547	$ 454	46,049,614	$ 46,050	$ 49,861,064	$ (46,024,777)	$ 3,881,761

SCRYPT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2015 and 2014

	Unaudited **2015**	Unaudited **2014**
Cash flows from operating activities		
Net profit (loss)	$ 40,271	$ (395,771)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	147,462	39,027
Compensation expense related to stock options	80,044	4,386
Stock issuance expense resulting from cancellation of an agreement	-	133,000
Changes in operating assets and liabilities:		
Accounts receivable - trade	(324,797)	64,654
Prepaid expenses	(4,092)	2,054
Inventory	12,900	-
Deferred revenue	106,149	41,477
Accounts payable - trade	12,783	(9,745)
Other liabilities	69,732	(6,925)
Cash flows provided (used) by operating activities	140,451	(127,843)
Cash flows from investing activities		
Capital expenditures	(16,809)	(41,475)
Capitalized software development costs	(201,385)	(71,667)
Cash remitted to Axacore, Inc. as a result of the merger	(33,444)	-
Cash flows used in investing activities	(251,638)	(113,142)
Cash flows from financing activities		
Proceeds from common stock sale	-	240,000
Proceeds from issuance of note payable	50,000	-
Proceeds from related party advances	100,000	-
Payments on notes payable	(75,000)	(50,000)
Payments on capital lease	(4,270)	-
Cash flows provided by financing activities	70,730	190,000
Net decrease in cash and cash equivalents	(40,457)	(50,984)
Cash and cash equivalents, beginning of period	152,389	290,425
Cash and cash equivalents, end of period	$ 111,933	$ 239,441
Supplemental disclosures for cash flow information:		
Cash paid for interest	$ (6,307)	$ (4,131)
Cash paid for income taxes	$ (872)	$ -
Supplemental non-cash financing activity:		
Capital lease acquisition	$ 51,235	$ -