SCRYPT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2015 and December 31, 2014

ASSETS

	Unaudited 2015	Audited 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	46,082	45,112
Accrued interest income	3,232	1,028
Total current assets	1,125,144	1,491,107
Noncurrent assets		
Related party notes receivable	208,556	208,556
Property and equipment, net of accumulated depreciation of $1,111,812 and $1,049,437, respectively	728,217	611,164
Prepaid expenses	45,568	34,447
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	4,549,187	$ 4,515,799
Total assets	$ 5,674,331	$ 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
Capital lease liability	17,078	-
Payable due to Axacore, Inc.	206,393	634,927
Accounts payable - trade	288,006	410,012
Accrued payroll and payroll taxes	21,086	43,532
Deferred revenue	773,876	704,269
Accrued interest expense	11,613	9,756
Other accrued expenses	124,518	36,710
Total current liabilities	1,813,770	2,177,906
Noncurrent liabilities		
Long-term portion of notes payable; including $0 and $7,500 to a related party, respectively	8,100	65,600
Capital lease liability	22,771	-
Total noncurrent liabilities	30,871	65,600
Total liabilities	$ 1,844,641	$ 2,243,506
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock - $0.001 par value; 15,000,000 shares authorized:	925	925
Series A convertible preferred stock - 925,000 shares issued and outstanding (liquidation preference of $925,000)		
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	49,860,978	49,781,020
Accumulated deficit	(46,078,717)	(46,065,047)
Total shareholders' equity	3,829,690	3,763,400
Total liabilities and shareholders' equity	$ 5,674,331	$ 6,006,906

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

	Unaudited 2015	Unaudited 2014
Revenues	$ 1,898,681	$ 614,579
Operating expenses		
Cost of revenues	583,755	340,742
Selling, general and administrative	1,318,023	534,072
Operating loss	(3,097)	(260,235)
Other income (expense)		
Interest expense, net	(7,950)	(2,113)
Other expense, net	-	(133,000)
Net loss before income taxes	$ (11,047)	$ (395,348)
Income tax expense	$ 2,622	$ 425
Net loss attributable to common shareholders	$ (13,669)	$ (395,773)
Net loss per common share - basic and diluted	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	46,049,614	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	$ 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	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	$ 49,781,020	$ (46,065,047)	$ 3,763,400
Compensation expense related to stock options	-	-	-	-	-	-	79,958	-	79,958
Net loss	-	-	-	-	-	-	-	(13,669)	(13,669)
Balance at March 31, 2015	925,000	$ 925	454,547	$ 454	46,049,614	$ 46,050	$ 49,860,978	$ (46,078,717)	$ 3,829,690

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 loss	$ (13,669)	$ (395,773)
Adjustments to reconcile net loss to net cash provided (used) in operating activities:		
Depreciation and amortization	150,047	39,027
Compensation expense related to stock options	79,958	4,386
Stock issuance expense resulting from cancellation of an agreement	-	133,000
Changes in operating assets and liabilities:		
Accounts receivable - trade	265,781	124,775
Receivable due from Axacore	50,000	-
Prepaid expenses	(12,092)	2,054
Inventory	12,900	-
Interest receivable	(2,204)	-
Deferred revenue	69,608	41,477
Accounts payable - trade	(122,007)	(9,745)
Payable due to Axacore	(428,534)	-
Other liabilities	67,220	(6,925)
Cash flows provided (used) by operating activities	117,008	(67,724)
Cash flows from investing activities		
Capital expenditures	(16,809)	(41,475)
Capitalized software development costs	(111,385)	(71,667)
Cash flows used in investing activities	(128,194)	(113,142)
Cash flows from financing activities		
Proceeds from common stock sale	-	240,000
Proceeds from issuance of note payable	50,000	-
Payments on notes payable	(75,000)	(50,000)
Payments on capital lease	(4,270)	-
Cash flows provided by financing activities	(29,270)	190,000
Net increase (decrease) in cash and cash equivalents	(40,456)	9,134
Cash and cash equivalents, beginning of period	152,389	290,424
Cash and cash equivalents, end of period	$ 111,933	299,560
Supplemental disclosures for cash flow information:		
Cash received for interest	$ -	-
Cash paid for interest	$ (6,307)	(4,131)
Cash paid for income taxes	$ (872)	-
Supplemental non-cash financing activity:		
Capital lease acquisition	$ 51,235	-