

SCRIPT, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2016 (Unaudited) and December 31, 2015 (Audited)

ASSETS

	Unaudited 2016	Audited 2015
Current assets		
Cash and cash equivalents	\$ 72,672	\$ 53,601
Accounts receivable - trade, net of allowance for doubtful accounts of \$3,076 and \$4,309, respectively	1,177,728	861,909
Inventory	65,163	76,226
Prepaid expenses	90,711	107,108
Interest income receivable	3,517	2,394
Total current assets	1,409,791	11,001,238
Noncurrent assets		
Related party notes receivable	308,556	308,556
Property and equipment, net of accumulated depreciation of \$1,149,769 and \$1,072,406, respectively	1,250,015	1,213,497
Prepaid expenses	43,096	45,076
Goodwill	2,274,837	1,380,632
Intangible Assets, net of accumulated amortization of \$483,304 and \$379,143, respectively	2,507,696	1,901,857
Total noncurrent assets	6,384,200	4,849,618
		\$
Total assets	\$ 7,793,991	\$ 5,950,856

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Current portion of notes payable, including \$233,100 to related parties	\$ 396,401	\$ 233,100
Related party advance	45,000	40,000
Current portion of capital lease obligation	78,761	78,761
Line of credit	237,600	237,600
Accounts payable - trade	328,193	277,102
Accrued payroll and payroll taxes	121,698	77,878
Deferred revenue	1,332,620	1,010,428
Accrued interest expense	39,847	22,505
Other accrued expenses	239,586	234,837
Total current liabilities	2,819,706	2,211,761
Noncurrent liabilities		
Long-term portion of notes payable	232,972	-
Capital lease obligation, net of current portion	87,782	107,471
Common stock issued under agreement to repurchase, at fair value	233,000	-
Total noncurrent liabilities	553,754	107,471
Total liabilities	\$ 3,373,460	\$ 2,319,232
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, 48,474,304 and 46,049,614 shares issued and outstanding, respectively	48,475	46,050
Additional paid-in capital	50,764,678	49,969,765
Accumulated deficit	(46,394,001)	(46,385,570)
Total shareholders' equity	4,420,531	3,631,624
Total liabilities and shareholders' equity	\$ 7,793,991	\$ 5,950,856

SCRIPT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2016 and 2015

	Unaudited 2016	Unaudited 2015
Revenues	\$ 2,472,840	\$ 1,898,681
Operating expenses		
Cost of revenues	762,095	583,755
Selling, general and administrative	1,693,139	1,318,023
Total operating expenses	<u>2,455,234</u>	<u>1,901,778</u>
Operating profit (loss)	17,606	(3,097)
Other income (expense)		
Loss on sale of assets	(929)	-
Interest expense, net	<u>(18,108)</u>	<u>(7,950)</u>
Net loss before income taxes	\$ (1,431)	\$ (11,047)
Income tax expense	<u>\$ 7,000</u>	<u>\$ 2,622</u>
Net loss attributable to common shareholders	<u>\$ (8,431)</u>	<u>\$ (13,669)</u>
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>46,875,607</u>	<u>46,049,614</u>

SCRIPT, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2016 (Unaudited) and Year Ended December 31, 2015 (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, 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	-	-	-	-	-	-	188,746	-	188,746
Net loss	-	-	-	-	-	-	-	(320,522)	(320,522)
Balance at December 31, 2015	<u>925,000</u>	<u>\$ 925</u>	<u>454,547</u>	<u>\$ 454</u>	<u>46,049,614</u>	<u>\$ 46,050</u>	<u>\$ 49,969,765</u>	<u>\$ (46,385,570)</u>	<u>\$ 3,631,624</u>
Compensation Expense Related to Stock Options	-	-	-	-	-	-	36,214	-	36,214
Issuance of common stock in connection with the acquisition of J&H Medsoft Limited Liability Company, DBA DocbookMD					2,424,690	2,425	758,699	-	761,124
Net profit	-	-	-	-	-	-	-	(8,431)	(8,431)
Balance at March 31, 2016	<u>925,000</u>	<u>\$ 925</u>	<u>454,547</u>	<u>\$ 454</u>	<u>48,474,304</u>	<u>\$ 48,475</u>	<u>\$ 50,764,678</u>	<u>\$ (46,394,001)</u>	<u>\$ 4,420,531</u>

SCRIPT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2016 and 2015

	Unaudited 2016	Unaudited 2015
Cash flows from operating activities		
Net loss	\$ (8,431)	\$ (13,669)
Adjustments to reconcile net loss to net cash provided in operating activities:		
Depreciation and amortization	194,091	150,047
Compensation expense related to stock options	36,214	79,958
Loss on sale of asset	929	-
Changes in operating assets and liabilities:		
Accounts receivable - trade	(288,597)	(324,797)
Prepaid expenses	20,164	(12,092)
Inventory	11,063	12,900
Interest receivable	(1,123)	(2,204)
Deferred revenue	191,134	69,608
Accounts payable - trade	6,712	20,782
Other liabilities	36,929	69,918
Cash flows provided by operating activities	<u>199,085</u>	<u>50,451</u>
Cash flows from investing activities		
Capital expenditures	-	(16,809)
Proceeds from sale of asset	1,800	-
Capitalized software development costs	(129,177)	(111,385)
Cash remitted in Axacore, Inc. merger	-	(33,444)
Cash assumed in DocbookMD Merger	12,052	-
Issuance of related party note receivable	(50,000)	-
Cash flows used in investing activities	<u>(165,325)</u>	<u>(161,638)</u>
Cash flows from financing activities		
Proceeds from issuance of note payable	-	50,000
Proceeds from related party advances	25,000	100,000
Payments on notes payable	-	(75,000)
Payment of related party advances	(20,000)	-
Payments on capital lease	(19,689)	(4,270)
Cash flows provided (used) by financing activities	<u>(14,689)</u>	<u>70,730</u>
Net increase (decrease) in cash and cash equivalents	19,071	(40,457)
Cash and cash equivalents, beginning of period	<u>53,601</u>	<u>152,389</u>
Cash and cash equivalents, end of period	<u>\$ 72,672</u>	<u>111,933</u>
Supplemental disclosures for cash flow information:		
Cash received for interest	<u>\$ 2,125</u>	<u>-</u>
Cash paid for interest	<u>\$ -</u>	<u>(6,307)</u>
Cash paid for income taxes	<u>\$ -</u>	<u>(872)</u>
Supplemental non-cash financing activity:		
Capital lease acquisition	<u>\$ -</u>	<u>51,235</u>