

SCRABBLE DIGITAL, INC.

Financial Statements

March 31, 2018



To the Board of Directors
SCRABBLE DIGITAL, INC.
Cypress, California

Management is responsible for the accompanying financial statements of SCRABBLE DIGITAL, INC. (a corporation), which comprise the balance sheet as of March 31, 2018 and the related statements of income for the three months and twelve months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

KSGA, CP

Artesia, California
May 7, 2018

SCRABBLE DIGITAL, INC.
BALANCE SHEET
March 31, 2018

Assets

Current Assets

Cash in Union Bank	\$ 23,775.93
Prepaid Taxes	<u>35,984.00</u>

Total Current Assets 59,759.93

Property and Equipment

Net Property and Equipment 0.00

Non Current Assets

Investment in Scrabble Ventures, LLC	<u>1,883,100.50</u>
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Total Non Current Assets 1,883,100.50

Total Assets \$ 1,942,860.43

SCRABBLE DIGITAL, INC.
BALANCE SHEET
March 31, 2018

Liabilities and Stockholder's Equity

Current Liabilities

Accounts Payable	\$	40,549.23
Accrued Income Taxes		17,863.00
Loan from Scrabble Entertainment DMCC		100,000.00
Loan from Scrable Ventures, LLC.		<u>45,701.25</u>

Total Current Liabilities 204,113.48

Long-Term Liabilities

Deferred Tax Liability	<u>263,619.76</u>
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Total Long-Term Liabilities 263,619.76

Total Liabilities 467,733.24

Stockholder's Equity

Capital Stock	550,000.00
Retained Earnings	<u>925,127.19</u>

Total Stockholder's Equity 1,475,127.19

Total Liabilities and Stockholder's Equity \$ 1,942,860.43

**SCRABBLE DIGITAL, INC.
STATEMENTS OF INCOME**

	Three Months Ended March 31, 2018	%	Twelve Months Ended March 31, 2018	%
Sales				
Total Sales	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00
Operating Expenses				
Bank Charges	98.53	0.00	481.86	0.00
Entertainment & Meals	44.62	0.00	44.62	0.00
Miscellaneous	0.00	0.00	439.00	0.00
Office Supplies & Postage	13.18	0.00	13.18	0.00
Professional Service	33,474.00	0.00	45,524.23	0.00
Penalty & Interest	409.00	0.00	409.00	0.00
Taxes & Licenses	0.00	0.00	41.00	0.00
Total Operating Expenses	34,039.33	0.00	46,952.89	0.00
Operating Loss	(34,039.33)	0.00	(46,952.89)	0.00
Other Income				
Income from Equity-Method Investee	78,460.50	0.00	350,214.00	0.00
Total Other Income	78,460.50	0.00	350,214.00	0.00
Net Income Before Taxes	44,421.17	0.00	303,261.11	0.00
Provision(Benefit) for Income Taxes	(199,995.00)	0.00	(31,644.77)	0.00
Net Income	<u>\$ 244,416.17</u>	<u>0.00%</u>	<u>\$ 334,905.88</u>	<u>0.00%</u>