

**SCRABBLE DIGITAL, INC.**

**Financial Statements**

**March 31, 2020**



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, 2020, and the related statement 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. We do not express an opinion, a conclusion, nor provide any 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.

A handwritten signature in black ink that reads "KSGA, CP". The letters are stylized and cursive.

Artesia, California  
May 1, 2020

**SCRABBLE DIGITAL, INC.**  
**BALANCE SHEET**  
**March 31, 2020**

**Assets**

**Current Assets**

Cash in Union Bank #8033	\$	60,249.71
Prepaid Taxes - Federal		83,271.00
Prepaid Taxes - States		<u>28,011.79</u>

**Total Current Assets**

171,532.50

**Property and Equipment**

**Net Property and Equipment**

0.00

**Non Current Assets**

Deposit - Tugg Inc.	80,000.00
Investment in Scrabble Ventures, LLC	<u>808,038.78</u>

**Total Non Current Assets**

888,038.78

**Total Assets**

\$ 1,059,571.28

See accompanying accountants' compilation report.

**SCRABBLE DIGITAL, INC.**  
**BALANCE SHEET**  
**March 31, 2020**

**Liabilities and Stockholder's Equity**

<b>Current Liabilities</b>		
Accounts Payable	\$ 19,835.00	
Loan from Scrabble Entertainment DMCC	<u>100,000.00</u>	
<b>Total Current Liabilities</b>		<u>119,835.00</u>
<b>Long-Term Liabilities</b>		
Deferred Tax Liability	<u>25,223.21</u>	
<b>Total Long-Term Liabilities</b>		<u>25,223.21</u>
<b>Total Liabilities</b>		<u>145,058.21</u>
<b>Stockholder's Equity</b>		
Capital Stock	550,000.00	
Retained Earnings	<u>364,513.07</u>	
<b>Total Stockholder's Equity</b>		<u>914,513.07</u>
<b>Total Liabilities and Stockholder's Equity</b>		<u>\$ 1,059,571.28</u>

See accompanying accountants' compilation report.

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

	Three Months Ended March 31, 2020	%	Twelve Months Ended March 31, 2020	%
<b>Sales</b>				
<b>Total Sales</b>	0.00	0.00	0.00	0.00
<b>Gross Profit</b>	0.00	0.00	0.00	0.00
<b>Operating Expenses</b>				
Bank Charges	102.70	0.00	420.43	0.00
Meals	0.00	0.00	33.36	0.00
Office Supplies & Postage	0.00	0.00	6.41	0.00
Professional Service	19,835.00	0.00	55,648.00	0.00
<b>Total Operating Expenses</b>	19,937.70	0.00	56,108.20	0.00
<b>Operating Loss</b>	(19,937.70)	0.00	(56,108.20)	0.00
<b>Other Income(Loss)</b>				
Loss from Equity-Method Investee	(83,630.50)	0.00	(283,507.00)	0.00
Interest Income	62.00	0.00	62.00	0.00
<b>Total Other Income (Loss)</b>	(83,568.50)	0.00	(283,445.00)	0.00
<b>Net Loss Before Taxes</b>	(103,506.20)	0.00	(339,553.20)	0.00
Provision (Benefit) for Income Taxes	(20,060.00)	0.00	(75,220.00)	0.00
<b>Net Loss</b>	<u>\$ (83,446.20)</u>	<u>0.00%</u>	<u>\$ (264,333.20)</u>	<u>0.00%</u>

See accompanying accountants' compilation report.