

**KELYNIAM GLOBAL, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2017**

Independent Accountant's Compilation Report

To the Board of Directors  
Kelyniam Global, Inc.  
Collinsville, CT

Management is responsible for the accompanying financial statements of Kelyniam Global, Inc., (a Corporation), which comprise the balance sheet as of December 31, 2017, and the related statements of income, changes in stockholders' equity and cash flows for the year 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 in 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 required by accounting principles generally accepted in the United States of America. If the omitted disclosures 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.

Sincerely Yours,



LaQuerre, Michaud & Co., LLC  
Certified Public Accountants

May 14, 2018

**KELYNIAM GLOBAL, INC.**  
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**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2017**

**ASSETS**

	<b><u>2017</u></b>
<b><u>CURRENT ASSETS</u></b>	
Cash and cash equivalents	\$ 145,280
Accounts receivable	363,246
Inventory	34,224
Investment securities available for sale	<u>53,625</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>596,375</u></b>
<b><u>PROPERTY AND EQUIPMENT</u></b>	
Manufacturing equipment	359,006
Computer equipment	46,913
Furniture and fixtures	8,043
Leasehold improvements	<u>189,455</u>
	603,417
Less: Accumulated depreciation	<u>(447,283)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b><u>156,134</u></b>
<b><u>OTHER ASSETS</u></b>	
License, net of accumulated amortization	24,444
Security deposit	8,000
Deferred income tax asset	<u>383,100</u>
<b>TOTAL OTHER ASSETS</b>	<b><u>415,544</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,168,053</u></b>

**See accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2017**

**LIABILITIES & STOCKHOLDERS' EQUITY**

	<u>2017</u>
<b><u>CURRENT LIABILITIES</u></b>	
Line of credit	\$ 162,623
Accounts payable	24,531
Accrued expenses	215,129
Income tax payable	4,214
Current portion of note payable	<u>31,852</u>
<b>TOTAL CURRENT LIABILITIES</b>	438,349
<b><u>LONG-TERM LIABILITIES</u></b>	
Note payable, less current portion	<u>119,403</u>
<b>TOTAL LIABILITIES</b>	<u>557,752</u>
<b><u>STOCKHOLDERS' EQUITY</u></b>	
Common stock \$.001 par value, 60,000,000 shares authorized, 20,376,800 shares issued and outstanding	19,867
Additional paid in-capital	2,525,713
Retained earnings (accumulated deficit)	(1,932,365)
Accumulated other comprehensive income (loss)	<u>(2,914)</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>610,301</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u><u>\$ 1,168,053</u></u>

**See accountant's compilation report**

**KELYNIAM GLOBAL, INC.  
STATEMENT OF INCOME  
FOR THE YEAR ENDED  
DECEMBER 31, 2017**

	<u>2017</u>
<b>Sales</b>	\$ 1,848,104
<b>Cost of Sales</b>	<u>747,078</u>
Gross Profit	1,101,026
<b>General and Administrative Expenses</b>	<u>997,698</u>
Income from operations	<u>103,328</u>
<b>Other Income (Expenses)</b>	
Loss on asset disposal	(319)
Interest income	46
Interest expense	(9,581)
Dividend income	3,361
Other income	116,581
	<u>110,088</u>
Income Before Provision for Income Taxes	213,416
<b>Provision for Income Tax Expense</b>	<u>(285,954)</u>
Net Income (Loss)	(72,538)
<b>Other Comprehensive Income</b>	
Unrealized Loss on Investment Securities	<u>(2,914)</u>
Total Comprehensive Income (Loss)	<u><u>\$ (75,452)</u></u>

**See accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**DECEMBER 31, 2017**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance, January 1	20,376,800	\$ 19,867	\$ 2,525,713	\$ (1,859,827)	\$ -	685,753
Net income (loss)	-	-	-	(72,538)	-	(72,538)
Unrealized investment holding loss	-	-	-	-	(2,914)	(2,914)
Balance, December 31	<u>20,376,800</u>	<u>\$ 19,867</u>	<u>\$ 2,525,713</u>	<u>\$ (1,932,365)</u>	<u>\$ (2,914)</u>	<u>\$ 610,301</u>

**See accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**

	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income (loss)	\$ (72,538)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation and amortization	40,496
Loss on asset disposal	319
(Increase) Decrease in accounts receivable	(64,563)
(Increase) Decrease in inventory	(17,354)
(Increase) Decrease in deferred income taxes	277,632
Increase (Decrease) in accounts payable	(125,304)
Increase (Decrease) in accrued expenses	215,129
Increase (Decrease) in medical device payable	(116,581)
Increase (Decrease) in income tax payable	4,214
Net Cash Provided By (Used In) Operating Activities	141,450
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(21,138)
Net Cash Provided By (Used In) Investing Activities	(21,138)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on note payable	(34,324)
Net Cash Provided by (Used In) Financing Activities	(34,324)
 Net Increase (Decrease) in Cash and Cash Equivalents	85,988
 Cash and Cash equivalents at Beginning of Year	59,292
 Cash and Cash Equivalents at End of Year	\$ 145,280
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash paid during the year for	
Interest	\$ 9,581

**See accountant's compilation report**



**SUPPLEMENTARY INFORMATION**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE I - COST OF SALES**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**

	<u>2017</u>
Raw materials	\$ 126,753
Direct labor	127,814
Commission expense	399,017
Depreciation	27,164
Amortization	3,056
Payroll taxes	12,086
Rent	22,960
Shipping, freight and delivery	12,023
Shop supplies	7,533
Utilities	<u>8,672</u>
<b>Total Cost of Sales</b>	<b><u><u>\$ 747,078</u></u></b>

**See accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**

	<u>2017</u>
Officer's compensation	\$ 151,208
Salaries and wages	151,092
Advertising	1,171
Bank and credit card fees	4,119
Consulting	132,617
Depreciation	10,276
Insurance	79,110
Lab testing	20,000
Licenses and permits	13,857
Office expenses	5,549
Other taxes	363
Payroll taxes	28,202
Payroll service	1,830
Pension expense	4,862
Professional fees	289,143
Rent expense	22,960
Repairs and maintenance	7,442
Seminars	149
Telephone	6,735
Transfer agent fees	20,611
Travel and entertainment expenses	15,612
Utilities	9,556
Web services	21,234
<b>Total General and Administrative Expenses</b>	<b>\$ 997,698</b>

**See accountant's compilation report**