

KELYNIAM GLOBAL, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2019

KELYNIAM GLOBAL, INC.
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LaQuerreAudi

certified public accountants

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, 2019, and the related statements of income and other comprehensive 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.

The accompanying supplementary information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide an assurance on such information.

Respectfully,



LaQuerre Audi, LLC
Certified Public Accountants
Plainville, CT 06062

May 12, 2020

KELYNIAM GLOBAL, INC.
BALANCE SHEET
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 82,670
Accounts receivable	471,925
Inventory	46,995
Investment securities available for sale	14,849
Prepaid taxes	8,116

TOTAL CURRENT ASSETS 624,555

PROPERTY AND EQUIPMENT

Manufacturing equipment	555,007
Computer equipment	60,820
Furniture and fixtures	8,043
Leasehold improvements	257,044

Less: Accumulated depreciation (473,732)

TOTAL PROPERTY AND EQUIPMENT 407,182

OTHER ASSETS

Security deposit	8,000
Deferred income tax asset	483,500

TOTAL OTHER ASSETS 491,500

TOTAL ASSETS \$ 1,523,237

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KELYNIAM GLOBAL, INC.
BALANCE SHEET
DECEMBER 31, 2019

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Line of credit	\$ 192,789
Accounts payable	241,285
Accrued expenses	333,487
Current portion of note payable	<u>113,969</u>

TOTAL CURRENT LIABILITIES 881,530

LONG-TERM LIABILITIES

Officer loan	226,332
Note payable, less current portion	<u>141,737</u>

TOTAL LONG-TERM LIABILITIES 368,069

TOTAL LIABILITIES 1,249,599

STOCKHOLDERS' EQUITY

Common stock \$.001 par value, 60,000,000 shares authorized, 25,726,800 shares issued and outstanding	25,727
Additional paid in-capital	2,552,353
Retained earnings (accumulated deficit)	(2,305,622)
Accumulated other comprehensive income	<u>1,180</u>

TOTAL STOCKHOLDERS' EQUITY 273,638

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$ 1,523,237

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KELYNIAM GLOBAL, INC.
STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
DECEMBER 31, 2019

Sales	\$ 2,183,125
Cost of Sales	<u>1,095,953</u>
Gross Profit	1,087,172
General and Administrative Expenses	<u>1,206,027</u>
Income (Loss) from operations	<u>(118,855)</u>
Other Income (Expenses)	
Legal & Settlement Costs	(264,848)
(Loss) on asset disposal	(18,587)
Realized Gain on investments	2,861
Interest (expense)	(36,474)
Dividend income	<u>1</u>
	<u>(317,047)</u>
Income (Loss) Before Provision for Income Taxes	(435,902)
Provision for Income Tax (Benefit)	<u>(77,949)</u>
Net Income (Loss)	(357,953)
Other Comprehensive Income	
Unrealized Gain (Loss) on Investment Securities	<u>(5,580)</u>
Total Comprehensive Income (Loss)	<u><u>\$ (363,533)</u></u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
DECEMBER 31, 2019

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, January 1, 2019	\$ 25,727	\$ 2,519,853	\$ (1,947,669)	\$ 6,760	604,671
Net income (loss)	-	-	(357,953)	-	(357,953)
Common stock to be issued	-	32,500	-	-	32,500
Unrealized investment holding gain (loss)	-	-	-	(5,580)	(5,580)
Balance, December 31, 2019	<u>\$ 25,727</u>	<u>\$ 2,552,353</u>	<u>\$ (2,305,622)</u>	<u>\$ 1,180</u>	<u>\$ 273,638</u>

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**KELYNIAM GLOBAL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income (loss)	\$ (357,953)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	14,434
Amortization	2,801
Loss on asset disposal	18,587
(Gain) from sale of investments	(2,861)
(Increase) Decrease in operating assets	
(Increase) Decrease in accounts receivable	(190,629)
(Increase) Decrease in inventory	3,428
(Increase) Decrease in prepaid taxes	1,500
(Increase) Decrease in deferred income taxes	(79,600)
Increase (Decrease) in accounts payable	80,286
Increase (Decrease) in accrued expenses	270,713
Net Cash Provided By (Used In) Operating Activities	(239,294)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(8,832)
Proceeds from the sale of investments	3,472
Net Cash Provided By (Used In) Investing Activities	(5,360)

CASH FLOWS FROM FINANCING ACTIVITIES

Net proceeds (repayment) on line of credit	56,031
Principal payments on note payable	(32,928)
Repayments to officer loans	(20,000)
Proceeds from officer loans	246,332
Proceeds from prospective issuance of common stock	32,500
Net Cash Provided by (Used In) Financing Activities	281,935

Net Increase (Decrease) in Cash and Cash Equivalents 37,281

Cash and Cash Equivalents at Beginning of Period 45,389

Cash and Cash Equivalents at End of Period \$ 82,670

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for Interest	\$ 18,674
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SUPPLEMENTARY INFORMATION

KELYNIAM GLOBAL, INC.
SCHEDULE I - COST OF SALES
FOR THE YEAR ENDED
DECEMBER 31, 2019

Amortization	\$ 2,801
Commission expense	661,761
Depreciation	994
Direct labor	158,455
Payroll taxes	11,082
Raw materials	182,639
Rent	22,752
Repairs and maintenance	4,608
Shipping, freight and delivery	27,169
Shop supplies	6,555
Subcontracting	7,860
Utilities	9,277
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Total Cost of Sales	<u><u>\$ 1,095,953</u></u>

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KELYNIAM GLOBAL, INC.
SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2019

Advertising	\$ 93,277
Bank and credit card fees	15,531
Consulting	28,917
Depreciation	13,440
Equipment rental	832
License and registration	350
Insurance	238,113
Officer's compensation	342,962
Office expenses	15,972
Payroll service	2,115
Payroll taxes	35,774
Pension expense	16,098
Professional fees	21,856
Property and other taxes	1,168
Regulatory fees	9,095
Rent expense	22,752
Repairs and maintenance	49,575
Salaries and wages	168,578
Seminars	21,193
Supplies	2,240
Telephone	7,862
Travel and entertainment expenses	51,333
Utilities	9,335
Web services	37,659
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Total General and Administrative Expenses	\$ 1,206,027

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