

KELYNIAM GLOBAL, INC.
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2020

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 March 31, 2020, and the related statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the three 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 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 any assurance on such information.

Respectfully,



LaQuerre Audi, LLC
Certified Public Accountants
Plainville, CT 06062

June 4, 2020

KELYNIAM GLOBAL, INC.
BALANCE SHEET
MARCH 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,443
Accounts receivable	358,279
Inventory	108,726
Investment securities available for sale	14,255
Prepaid taxes	4,716

TOTAL CURRENT ASSETS	487,419
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PROPERTY AND EQUIPMENT

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

Less: Accumulated depreciation	(477,286)
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TOTAL PROPERTY AND EQUIPMENT	403,628
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OTHER ASSETS

Security deposit	8,000
Deferred income tax asset	459,500

TOTAL OTHER ASSETS	467,500
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TOTAL ASSETS	\$ 1,358,547
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KELYNIAM GLOBAL, INC.
BALANCE SHEET
MARCH 31, 2020

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Customer deposits	\$ 15,264
Accounts payable	336,812
Accrued expenses	212,193
Current portion of note payable	<u>113,969</u>

TOTAL CURRENT LIABILITIES	<u>678,238</u>
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LONG-TERM LIABILITIES

Officer loan	232,963
Note payable, less current portion	<u>133,387</u>

TOTAL LONG-TERM LIABILITIES	<u>366,350</u>
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TOTAL LIABILITIES	<u>1,044,588</u>
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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)	(2,264,707)
Accumulated other comprehensive income	<u>586</u>

TOTAL STOCKHOLDERS' EQUITY	<u>313,959</u>
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TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u><u>\$ 1,358,547</u></u>
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KELYNIAM GLOBAL, INC.
STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED
MARCH 31, 2020

Sales	\$ 585,786
Cost of Sales	<u>252,414</u>
Gross Profit	333,372
General and Administrative Expenses	<u>254,386</u>
Income from operations	78,986
Other Income (Expenses)	
Interest expense	<u>(10,671)</u>
Income Before Provision for Income Taxes	68,315
Provision for Income Tax	<u>27,400</u>
Net Income	40,915
Other Comprehensive Income	
Unrealized Loss on Investment Securities	<u>(594)</u>
Total Comprehensive Income	<u><u>\$ 40,321</u></u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
MARCH 31, 2020

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, January 1, 2020	\$ 25,727	\$ 2,552,353	\$ (2,305,622)	\$ 1,180	273,638
Net income	-	-	40,915	-	40,915
Unrealized loss on investment securities	-	-	-	(594)	(594)
Balance, March 31, 2020	<u>\$ 25,727</u>	<u>\$ 2,552,353</u>	<u>\$ (2,264,707)</u>	<u>\$ 586</u>	<u>\$ 313,959</u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED
MARCH 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 40,915
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	3,554
(Increase) Decrease in operating assets	
(Increase) Decrease in accounts receivable	113,646
(Increase) Decrease in inventory	(61,731)
(Increase) Decrease in prepaid taxes	3,400
(Increase) Decrease in deferred income taxes	24,000
Increase (Decrease) in customer deposits	15,264
Increase (Decrease) in accounts payable	95,527
Increase (Decrease) in accrued expenses	(121,294)
Net Cash Provided By (Used In) Operating Activities	<u>113,281</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net repayments on line of credit	(192,789)
Principal payments on note payable	(8,350)
Proceeds from officer loans	<u>6,631</u>
Net Cash Provided by (Used In) Financing Activities	<u>(194,508)</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(81,227)
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Cash and Cash Equivalents at Beginning of Period	<u>82,670</u>
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Cash and Cash Equivalents at End of Period	<u><u>\$ 1,443</u></u>
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for	
Interest	<u><u>\$ 1,359</u></u>

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SUPPLEMENTARY INFORMATION

KELYNIAM GLOBAL, INC.
SCHEDULE I - COST OF SALES
FOR THE THREE MONTHS ENDED
MARCH 31, 2020

Commission expense	\$ 148,151
Depreciation	232
Direct labor	44,434
Payroll taxes	5,652
Raw materials	42,937
Rent	3,930
Shipping, freight and delivery	4,400
Utilities	<u>2,678</u>
Total Cost of Sales	<u><u>\$ 252,414</u></u>

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KELYNIAM GLOBAL, INC.
SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE THREE MONTHS ENDED
MARCH 31, 2020

Advertising	\$ 13,376
Bank and credit card fees	7,572
Depreciation	3,322
Legal fees	899
Insurance	60,070
Officer's compensation	58,105
Office expenses	1,617
Payroll service	539
Payroll taxes	7,964
Pension expense	2,421
Professional fees	35,236
Property and other taxes	987
Rent expense	3,930
Repairs and maintenance	24,047
Salaries and wages	4,509
Security	2,695
Seminars	350
Supplies	1,240
Telephone	1,436
Travel and entertainment expenses	5,908
Utilities	4,597
Web services	13,566
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Total General and Administrative Expenses	\$ 254,386
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