

KELYNIAM GLOBAL, INC.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2020

LaQuerreAudi

certified public accountants

Independent Accountant's Compilation Report

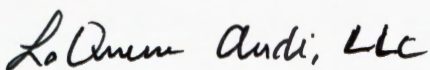
To the Board of Directors
Kelyniam Global, Inc.
Collinsville, CT

Management is responsible for the accompanying financial statements of Kelyniam Global, Inc., (a Corporation), which comprise the balance sheet as of June 30, 2020, and the related statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the six 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

August 18, 2020

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KELYNIAM GLOBAL, INC.
BALANCE SHEET
JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 71,038
Accounts receivable	322,781
Inventory	52,746
Investment securities available for sale	14,279
Prepaid taxes	<u>1,315</u>

TOTAL CURRENT ASSETS	<u>462,159</u>
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PROPERTY AND EQUIPMENT

Manufacturing equipment	555,007
Computer equipment	60,820
Furniture and fixtures	8,043
Leasehold improvements	<u>268,592</u>
	892,462

Less: Accumulated depreciation	<u>(480,888)</u>
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TOTAL PROPERTY AND EQUIPMENT	<u>411,574</u>
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OTHER ASSETS

Security deposit	8,000
Deferred income tax asset	<u>435,500</u>

TOTAL OTHER ASSETS	<u>443,500</u>
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TOTAL ASSETS	<u><u>\$ 1,317,233</u></u>
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KELYNIAM GLOBAL, INC.
BALANCE SHEET
JUNE 30, 2020

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 245,723
Accrued expenses	189,965
Customer deposits	10,000
Current portion of note payable	<u>142,757</u>

TOTAL CURRENT LIABILITIES	<u>588,445</u>
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LONG-TERM LIABILITIES

Officer loan	304,679
Note payable, less current portion	<u>216,424</u>

TOTAL LONG-TERM LIABILITIES	<u>521,103</u>
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TOTAL LIABILITIES	<u>1,109,548</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)	(2,291,005)
Accumulated other comprehensive income	610
Treasury stock, at cost (5,217,155 shares)	<u>(80,000)</u>

TOTAL STOCKHOLDERS' EQUITY	<u>207,685</u>
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TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u><u>\$ 1,317,233</u></u>
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KELYNIAM GLOBAL, INC.
STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED
JUNE 30, 2020

Sales	\$ 1,256,235
Cost of Sales	<u>634,269</u>
Gross Profit	621,966
General and Administrative Expenses	<u>534,988</u>
Income from operations	86,978
Other Income (Expenses)	
Interest expense	<u>(17,561)</u>
Income Before Provision for Income Taxes	69,417
Provision for Income Tax	<u>54,800</u>
Net Income	14,617
Other Comprehensive Income	
Unrealized Loss on Investment Securities	<u>(570)</u>
Total Comprehensive Income	<u><u>\$ 14,047</u></u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
JUNE 30, 2020

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 2020	\$ 25,727	\$ 2,552,353	\$ (2,305,622)	\$ 1,180	\$ -	273,638
Net income	-	-	14,617	-	-	14,617
Issuance of treasury stock (5,217,155 shares)	-	-	-	-	(80,000)	(80,000)
Unrealized loss on investment securities	-	-	-	(570)	-	(570)
Balance, June 30, 2020	<u>\$ 25,727</u>	<u>\$ 2,552,353</u>	<u>\$ (2,291,005)</u>	<u>\$ 610</u>	<u>\$ (80,000)</u>	<u>\$ 207,685</u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED
JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 14,617
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	7,156
(Increase) Decrease in operating assets	
(Increase) Decrease in accounts receivable	149,144
(Increase) Decrease in inventory	(5,751)
(Increase) Decrease in prepaid taxes	6,801
(Increase) Decrease in deferred income taxes	48,000
Increase (Decrease) in customer deposits	10,000
Increase (Decrease) in accounts payable	4,438
Increase (Decrease) in accrued expenses	(143,522)
Net Cash Provided By (Used In) Operating Activities	<u>90,883</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(11,548)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(11,548)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net repayments on line of credit	(192,789)
Principal payments on note payable	(8,350)
Borrowings on PPP loan payable	111,825
Net proceeds from officer loans	78,347
Cash paid to purchase treasury stock	<u>(80,000)</u>
Net Cash Provided by (Used In) Financing Activities	<u>(90,967)</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(11,632)
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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>\$ 71,038</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 SIX MONTHS ENDED
JUNE 30, 2020

Commission expense	\$ 368,936
Depreciation	232
Direct labor	72,223
Payroll taxes	8,424
Raw materials	154,231
Rent	11,790
Shipping, freight and delivery	13,399
Utilities	<u>5,034</u>
Total Cost of Sales	<u><u>\$ 634,269</u></u>

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KELYNIAM GLOBAL, INC.
SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE SIX MONTHS ENDED
JUNE 30, 2020

Advertising	\$ 13,646
Bank and credit card fees	14,062
Depreciation	6,924
Equipment rental	1,936
Insurance	134,397
Officer's compensation	75,261
Office expenses	3,767
Payroll service	1,070
Payroll taxes	17,869
Pension expense	4,682
Professional fees	49,317
Property and other taxes	1,799
Rent expense	11,790
Repairs and maintenance	41,012
Salaries and wages	94,940
Security	6,240
Seminars	414
Supplies	1,385
Telephone	2,340
Travel and entertainment expenses	8,994
Utilities	8,805
Web services	34,338
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Total General and Administrative Expenses	\$ 534,988
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