

KELYNIAM GLOBAL, INC.
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 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 September 30, 2020, and the related statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the nine 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. 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

November 13, 2020

KELYNIAM GLOBAL, INC.
BALANCE SHEET
SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 11,617
Accounts receivable	354,041
Inventory	82,508
Investment securities available for sale	70,990
Prepaid taxes	<u>2,116</u>

TOTAL CURRENT ASSETS	<u>521,272</u>
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PROPERTY AND EQUIPMENT

Manufacturing equipment	555,007
Computer equipment	60,820
Furniture and fixtures	8,043
Leasehold improvements	<u>297,222</u>
	921,092

Less: Accumulated depreciation	<u>(484,410)</u>
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TOTAL PROPERTY AND EQUIPMENT	<u>436,682</u>
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OTHER ASSETS

Security deposit	8,000
Deferred income tax asset	<u>438,500</u>

TOTAL OTHER ASSETS	<u>446,500</u>
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TOTAL ASSETS	<u><u>\$ 1,404,454</u></u>
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KELYNIAM GLOBAL, INC.
BALANCE SHEET
SEPTEMBER 30, 2020

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Line of credit	\$ 12,156
Accounts payable	242,423
Accrued expenses	170,460
Customer deposits	10,000
Current portion of note payable	<u>169,657</u>

TOTAL CURRENT LIABILITIES	<u>604,696</u>
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LONG-TERM LIABILITIES

Officer loan	312,798
Note payable, less current portion	<u>175,671</u>

TOTAL LONG-TERM LIABILITIES	<u>488,469</u>
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TOTAL LIABILITIES	<u>1,093,165</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)	(2,244,112)
Accumulated other comprehensive income	57,321
Treasury stock, at cost (5,217,155 shares)	<u>(80,000)</u>

TOTAL STOCKHOLDERS' EQUITY	<u>311,289</u>
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TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u><u>\$ 1,404,454</u></u>
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KELYNIAM GLOBAL, INC.
STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

Sales	\$ 1,970,812
Cost of Sales	<u>1,014,639</u>
Gross Profit	956,173
General and Administrative Expenses	<u>822,857</u>
Income from operations	133,316
Other Income (Expenses)	
Interest expense	<u>(24,772)</u>
Income Before Provision for Income Taxes	108,544
Provision for Income Tax	<u>47,034</u>
Net Income	61,510
Other Comprehensive Income	
Unrealized Gain on Investment Securities	<u>56,141</u>
Total Comprehensive Income	<u><u>\$ 117,651</u></u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
SEPTEMBER 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	-	-	61,510	-	-	61,510
Issuance of treasury stock (5,217,155 shares)	-	-	-	-	(80,000)	(80,000)
Unrealized loss on investment securities	-	-	-	56,141	-	56,141
Balance, September 30, 2020	<u>\$ 25,727</u>	<u>\$ 2,552,353</u>	<u>\$ (2,244,112)</u>	<u>\$ 57,321</u>	<u>\$ (80,000)</u>	<u>\$ 311,289</u>

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KELYNIAM GLOBAL, INC.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 61,510
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	10,678
(Increase) Decrease in operating assets	
(Increase) Decrease in accounts receivable	117,884
(Increase) Decrease in inventory	(35,513)
(Increase) Decrease in prepaid taxes	6,000
(Increase) Decrease in deferred income taxes	45,000
Increase (Decrease) in customer deposits	10,000
Increase (Decrease) in cash overdraft	-
Increase (Decrease) in accounts payable	1,138
Increase (Decrease) in accrued expenses	(163,027)
Net Cash Provided By (Used In) Operating Activities	<u>53,670</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(40,178)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(40,178)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net repayments on line of credit	(180,633)
Principal payments on note payable	(22,203)
Borrowings on PPP loan payable	111,825
Net proceeds from officer loans	86,466
Cash due for repurchase of treasury stock	(64,000)
Cash paid to purchase treasury stock	(16,000)
Net Cash Provided by (Used In) Financing Activities	<u>(84,545)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (71,053)

Cash and Cash Equivalents at Beginning of Period 82,670

Cash and Cash Equivalents at End of Period \$ 11,617

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for Interest	<u>\$ 1,562</u>
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SUPPLEMENTARY INFORMATION

KELYNIAM GLOBAL, INC.
SCHEDULE I - COST OF SALES
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

Commission expense	\$ 634,126
Depreciation	695
Direct labor	122,027
Payroll taxes	12,040
Raw materials	200,218
Rent	15,720
Shipping, freight and delivery	21,670
Utilities	<u>8,143</u>
Total Cost of Sales	<u><u>\$ 1,014,639</u></u>

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

Advertising	\$ 20,309
Bank and credit card fees	20,202
Depreciation	9,983
Equipment rental	3,161
Insurance	187,696
Officer's compensation	123,061
Office expenses	15,291
Payroll service	1,561
Payroll taxes	29,754
Pension expense	7,181
Professional fees	71,962
Property and other taxes	1,799
Rent expense	15,883
Repairs and maintenance	52,040
Salaries and wages	178,505
Security	7,715
Seminars	414
Supplies	1,615
Telephone	4,540
Travel and entertainment expenses	16,886
Utilities	11,914
Web services	41,385
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Total General and Administrative Expenses	\$ 822,857
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