

**KELYNIAM GLOBAL, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2023**

**KELYNIAM GLOBAL, INC.**  
**TABLE OF CONTENTS**  
**JUNE 30, 2023**

	<u>Page</u>
ACCOUNTANT'S COMPLIATION REPORT	1
FINANCIAL STATEMENTS:	
BALANCE SHEET	2 - 3
STATEMENT OF INCOME	4
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 17
SUPPLEMENTARY INFORMATION:	18
SCHEDULE I - COST OF SALES	19
SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES	20

# 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, 2023, and the related statement of income, changes in stockholders' equity and cash flows for the six months then ended, and the related notes to the financial statements 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.

The 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*

LaQuerre Audi, LLC  
Certified Public Accountants  
Plainville, CT 06062

August 7, 2023

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Accounts receivable	\$ 281,042
Inventory	42,767
Prepaid expenses	<u>48,828</u>

**TOTAL CURRENT ASSETS** 372,637

**PROPERTY AND EQUIPMENT**

Manufacturing equipment	569,049
Computer equipment	91,588
Furniture and fixtures	8,043
Leasehold improvements	<u>323,162</u>
	991,842

Less: Accumulated depreciation (608,398)

**TOTAL PROPERTY AND EQUIPMENT** 383,444

**OTHER ASSETS**

Operating lease - right-of-use asset	152,073
Intangible assets, net	9,622
Security deposit	8,000
Deferred income tax asset	<u>481,000</u>

**TOTAL OTHER ASSETS** 650,695

**TOTAL ASSETS** \$ 1,406,776

**See accompanying notes and independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2023**

**LIABILITIES & STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Line of credit	\$ 197,152
Accounts payable	144,583
Accrued expenses	103,077
Current portion of operating lease liabilities	33,213
Current portion of officer loan	79,889
Current portion of note payable	10,428

**TOTAL CURRENT LIABILITIES** 568,342

**LONG-TERM LIABILITIES**

Operating lease liabilities, less current portion	118,860
Note payable, less current portion	187,925

**TOTAL LONG-TERM LIABILITIES** 306,785

**TOTAL LIABILITIES** 875,127

**STOCKHOLDERS' EQUITY**

Common stock \$.001 par value, 60,000,000 shares authorized, 29,548,145 shares issued and outstanding	29,548
Additional paid in-capital	2,852,853
Retained earnings (accumulated deficit)	(2,336,947)
Treasury stock, at cost (237,583 shares)	(13,805)

**TOTAL STOCKHOLDERS' EQUITY** 531,649

**TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** \$ 1,406,776

**See accompanying notes and independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF INCOME**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2023**

<b>Sales</b>	\$ 1,147,045
<b>Cost of Sales</b>	<u>275,535</u>
Gross Profit	871,510
<b>General and Administrative Expenses</b>	<u>1,100,855</u>
Loss from operations	<u>(229,345)</u>
<b>Other Income (Expenses)</b>	
Stock-based compensation expense	(46,971)
Interest income	3,000
Interest expense	<u>(21,074)</u>
	<u>(65,045)</u>
Loss Before Provision (Benefit) for Income Taxes	(294,390)
<b>Provision (Benefit) for Income Tax</b>	<u>(17,809)</u>
Net Loss	<u><u>\$ (276,581)</u></u>

**See accompanying notes and independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**JUNE 30, 2023**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 2023	\$ 28,993	\$ 2,806,437	\$ (2,060,366)	\$ (13,805)	\$ 761,259
Issuance of new shares	555	46,416	-	-	46,971
Net loss	-	-	(276,581)	-	(276,581)
Balance, June 30, 2023	<u>\$ 29,548</u>	<u>\$ 2,852,853</u>	<u>\$ (2,336,947)</u>	<u>\$ (13,805)</u>	<u>\$ 531,649</u>

**See accompanying notes and independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (276,581)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Stock-based compensation expense	46,971
Depreciation	24,236
Amortization	418
(Increase) Decrease in operating assets	
(Increase) Decrease in accounts receivable	218,848
(Increase) Decrease in inventory	13,934
(Increase) Decrease in prepaid expenses	56,168
(Increase) Decrease in intangible assets	(10,040)
(Increase) Decrease in deferred income taxes	(20,000)
Increase (Decrease) in accounts payable	(107,037)
Increase (Decrease) in accrued expenses	5,350
Increase (Decrease) in deferred revenue	(36,101)
Net Cash Provided By (Used In) Operating Activities	(83,834)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net borrowings on line of credit	12,158
Borrowings on note payable	79,995
Principal payments on note payable	(3,948)
Net repayments to officer	(4,371)
Net Cash Provided by (Used In) Financing Activities	83,834

Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	\$ -

**See accompanying notes and independent accountant's compilation report**



**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Kelyniam Global, Inc. (“the Company”), organized under the laws of the State of Nevada, specializes in the rapid production of custom prosthetic cranial implants utilizing computer-aided design and computer aided manufacturing of advanced medical grade polymers. The Company develops, manufactures, and distributes custom cranial and maxilla-facial implants for patients requiring the reconstruction of cranial and certain facial structures. The Company works directly with surgeons, health systems and payors to improve clinical and cost-of-care outcomes. The Company has additional products and categories in various stages of development and commercialization.

The Company’s business operations consist solely of regulatory approvals, manufacturing operations and distribution to customers and markets entirely in the United States.

**Basis of Accounting**

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**Revenue Recognition**

Revenue from the sale of implantable products is generally recognized at an amount that reflects the expected consideration at the point-in-time the hospital customer obtains control of the product, which is defined as when the product is delivered and accepted, or upon shipment to a third-party distribution customer assuming control of the products.

*Significant judgments – contracts with multiple performance obligations*

Generally, each customer order represents a separate contract. Customer orders may include promises to transfer multiple performance obligations. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Generally, each specific product or service ordered is considered distinct and therefore, considered a separate performance obligation.

The Company allocates the transaction price to each performance obligation on a relative standalone selling price (“SSP”) basis. The SSP is the price at which the Company would sell a promised product or service separately to a customer. Judgement is required to determine the SSP for each distinct performance obligation.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*Continued*)

The Company determines SSP by considering its overall pricing objectives and market conditions on a customer basis. Significant pricing practices taken into consideration include the Company's discounting practices, price lists, historical sales and contract prices. As the Company's go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes to SSP. In certain cases, the Company is able to establish SSP based on observable prices of products or services sold separately in comparable circumstances to similar customers. The Company uses a single amount to estimate SSP when it has observable prices.

The transaction price for each contract with a customer is generally fixed. Amounts that have been invoiced are recorded in accounts receivable and revenue, when control to customers has occurred.

The Company has determined that it qualifies for the practical expedient to expense incremental costs of obtaining a contract as incurred in the period that the goods or services are transferred to the customer as this treatment is consistent with the incremental costs incurred.

*Deferred Revenue*

During 2022, the Company and a customer entered into a fixed agreement to provide specific products to the customer in support of a minimum purchase agreement contract where the customer's purchases had not been sufficient to meet minimum purchase requirements for 2021. The agreement measured revenue by the future provision of products during the year of 2022. The outstanding amount related to this agreement was billed in full during the first quarter of 2023.

**Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents and Credit Risk**

The Company considers all investments with the original maturities of three months or less to be cash equivalents.

The Company maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company did not exceed the insured limit as of June 30, 2023.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable**

Accounts receivable are recorded at fair value and are recorded as current assets. Uncollectible account balances are written-off when management determines the probability to collection is remote. The Company does not require collateral in providing credit. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. No allowance for doubtful accounts was deemed necessary at June 30, 2023.

**Inventory**

Inventory, consisting primarily of supplies, is stated at the lower of cost (first-in, first-out basis) or market value (net realizable value).

**Property and Equipment**

Property, plant, and equipment are recorded at cost. Depreciation is provided using straight-line methods for financial reporting purposes. Estimated useful lives of the assets are as follows:

Manufacturing equipment	7 years
Computer equipment	3 years
Furniture and fixtures	5 – 7 years
Leasehold improvements	15 – 39 years

The cost and related accumulated depreciation of equipment and furniture sold, retired or otherwise disposed of are removed from the related asset accounts, and any resulting gain or loss is recorded in operations for the period in which the transaction occurred.

Expenditures for major renewals or improvements that extend the useful lives of equipment and furniture are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation expense for the six months ended June 30, 2023 was \$24,236.

**Leases**

The Company calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*Continued*)

**Fair Value of Financial Instruments**

The Company has a number of financial instruments and none are held for trading purposes. The Company estimates that the fair value of all financial instruments as of June 30, 2023 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets. The Company used available market information and appropriate valuation methodologies to determine the estimated fair value amounts. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange (See Note 11).

**Advertising Costs**

The Company expenses advertising costs as they are incurred. Advertising expenses for the six months ended June 30, 2023 was \$27,016.

**Shipping and Handling Costs**

All shipping and handling costs billed to customers are recognized in sales. Shipping and handling costs are charged to expense as incurred and included in cost of sales on the accompanying statement of income. Shipping and handling costs incurred for the six months ended June 30, 2023 was \$16,481.

**Income Taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to differences between financial statement and taxable income arising primarily from depreciation expense for tax purposes using accelerated methods and for financial statements using the straight line method, in addition to future benefits for net operating loss carryovers for tax purposes.

The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

There are no uncertain positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties and income tax would be reported as income tax expense. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of or changes in tax laws, regulations and interpretations therefore as well as other factors.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*Continued*)

**Lease Arrangements**

Annual rentals pertaining to the real estate lease, which convey merely the right to use property, are charged to current operations.

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through August 7, 2023, which represents the date the financial statements were available to be issued.

**NOTE 2 – RELATED PARTY TRANSACTIONS**

**Officer Loan Payable**

Officer loan payable represents amounts due to officers. The outstanding balance as of June 30, 2022 was \$79,889. The amount is subject to a specific repayment schedule and will be paid in full by December 31, 2023.

**NOTE 3 – INVENTORY**

Inventory consists of supplies on hand in the amount of \$42,767 as of June 30, 2023.

**NOTE 4 – INTANGIBLE ASSETS**

Intangible assets consist of the following:

Loan origination costs	\$ 10,040
Less: Accumulated amortization	<u>(418)</u>
Net intangibles	<u>\$ 9,622</u>

Amortization expense amounted to \$418 for the six months ended June 30, 2023.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 4 – INTANGIBLE ASSETS (Continued)**

Following is a schedule of future amortization expense:

PERIOD ENDING <u>JUNE 30,</u>	
2024	\$ 669
2025	669
2026	669
2027	669
2028	669
Thereafter	<u>6,277</u>
	<u>\$ 9,622</u>

**NOTE 5 – LINE OF CREDIT**

The Company has a \$230,000 revolving line of credit with Westfield Bank, secured by the assets of the Company. The balance on the line at June 30, 2023 was \$197,152 at the rate of interest of 9.25%.

**NOTE 6 – LONG-TERM DEBT**

Note payable with a commercial non-bank lender, payable in monthly installments of \$1,162 beginning February 2023, including interest of 14.24%, through January 2035, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy. \$ 78,907

Note payable with a commercial non-bank lender, payable in monthly installments of \$1,909 beginning October 2022, including interest of 13.24%, through September 2034, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy. 119,446

Less: Current maturities:

\$ 198,353  
(10,428)  
\$ 187,925

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 6 – LONG-TERM DEBT (Continued)**

Future maturities of long-term debt are as follows:

<u>PERIOD ENDING</u> <u>JUNE 30,</u>	<u>AMOUNT</u>
2024	\$ 10,428
2025	11,928
2026	13,645
2027	15,608
2028	17,855
Thereafter	<u>128,889</u>
	<u>\$ 198,353</u>

**NOTE 7 – DESCRIPTION OF LEASING ARRANGEMENTS**

The following summarizes the line items in the balance sheet, which include amounts for operating leases as of June 30, 2023.

Operating lease – right-of-use asset	<u>\$ 152,073</u>
Current portion of operating lease liabilities	33,213
Operating lease liabilities	<u>118,860</u>
Total operating lease liabilities	<u>\$ 152,073</u>

The following summarizes the components of operating lease expenses that are included in the Statement of Income for the six months ended June 30, 2023.

Cost of Sales	\$ 10,198
General and Administrative Expenses	<u>10,782</u>
Operating lease cost	<u>\$ 20,980</u>

The following summarizes the cash flow information related to operating leases for the six months ended June 30, 2023.

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 20,980
Lease assets obtained in exchange for lease liabilities:	
Operating leases	\$ 152,073

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 7 – DESCRIPTION OF LEASING ARRANGEMENTS (Continued)**

The following is a schedule of future minimum lease payments required under the lease agreement.

<u>PERIOD ENDING</u> <u>JUNE 30,</u>	
2024	\$ 33,213
2025	33,960
2026	33,960
2027	33,960
2028	<u>16,980</u>
	<u>\$ 152,073</u>

**NOTE 8 – STOCKHOLDERS’ EQUITY**

*Common Stock*

As of June 30, 2023, the authorized capital stock of the Company was 60,000,000 shares of common stock, \$0.001 par value per share; 29,548,145 shares are outstanding at June 30, 2023.

During the year, the Company issued 555,000 shares of common stock at various issuance prices primarily to current Board members, employees and a success award for a distributor in the amount of \$46,971.

*Treasury Stock*

The Company is authorized to repurchase shares of its common stock in the open market or through negotiated transactions, at such times and at such prices as management may decide.

**NOTE 9 – INCOME TAXES**

The provisions for income taxes consist of the following at June 30, 2023:

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
Current Taxes	\$ -	\$ 2,191	\$ 2,191
Deferred Tax (Benefit)	<u>(14,500)</u>	<u>(5,500)</u>	<u>(20,000)</u>
Net	<u>\$ (14,500)</u>	<u>\$ (3,309)</u>	<u>\$ (17,809)</u>



**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 9 – INCOME TAXES (Continued)**

The deferred taxes result from the following:

- 1) The use of the accrual basis of accounting for financial purposes versus the cash basis of accounting for tax purposes.
- 2) Net operating losses that are available to offset future taxable income.
- 3) The use of straight-line depreciation methods for financial reporting purposes versus accelerated depreciation methods for tax purposes.

The Company's deferred tax assets and deferred tax liabilities at June 30, 2023 consist of the following:

Deferred tax assets	\$ 481,000
Deferred tax liabilities	<u>          -</u>
Net Deferred Tax Asset	<u>\$ 481,000</u>

Included in the accompanying balance sheet at June 30, 2023, as follows:

Long-term deferred tax asset	\$ 481,000
------------------------------	------------

The Company has approximately \$1.9 million loss carryforwards for both federal and state that may be used to offset against future taxable income. If not used, the carryforwards will begin to expire in December, 2030.

The Company files tax returns in U.S. federal jurisdiction, as well as in the State of Connecticut. The Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for the years before 2017.

**NOTE 10 – RETIREMENT PLAN**

The Company maintains a 401(k) plan for full-time employees defined as an employee whose schedule services exceed 1,000 hours during a calendar year. Newly hired employees are eligible to participate in the plan after six months of service. There was no matching contribution to the Company's 401(k) plan during the six months ended June 30, 2023.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 11 – FAIR VALUE MEASUREMENTS**

FASB 820, Fair Value Measurements and Disclosures (FASB ASC 820) established a framework for identifying and measuring fair value. FASB ASC 820 provides a fair value hierarchy, giving the highest priority to quoted prices in active markets, and is expected to be applied to fair value measurements of derivative contracts that are subject to mark to market accounting and other assets and liabilities reported at fair value.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity specific measurement, and establishes a fair value hierarchy that distinguishes between assumptions based on market data obtained from independent sources and those based on the entity's own assumptions. The hierarchy prioritizes the inputs to fair value measurements into three levels:

Level 1- measurements utilize unadjusted quoted prices in active markets for identical assets and liabilities that the entity had the ability to access. These consist primarily of listed equity securities, exchange traded fixed income, derivatives and certain U.S. government treasury securities.

Level 2- measurements include quoted prices for similar assets and liabilities in active markets, quoted prices identical or similar assets or liabilities in markets that are not active, and other observable inputs such as interest rates and yield curves that are observable at commonly quoted intervals. These consist primarily of non-exchange traded derivatives such as swaps, forward contracts of options and most fixed income securities.

Level 3- measurements use unobservable inputs for assets and liabilities, are based on the best information available and might include the entity's own data. In some valuations, the inputs used may fall into different levels of hierarchy. In these cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These consist mainly of assets and liabilities valued through an internal modeling process.

The following section describes the valuation methodologies used by the Company to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes the details of the valuation models, the key inputs to those models, and significant assumptions.

Available-for-sale and Held-to-maturity securities- The Company uses quoted market prices to determine fair value for these classes of securities. These financial assets consist of exchange traded fixed income and equity securities, and are classified in Level 1 of the financial hierarchy.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023**

**NOTE 11 – FAIR VALUE MEASUREMENTS (Continued)**

The following table presents information about the Company’s respective assets and liabilities measured at fair value on a recurring basis at June 30, 2023 including the fair value measurements and the level of inputs used in determining those fair values:

Description	Level 1	Level 2	Level 3	Total
Assets:				
Equity				
Securities	\$ -	\$ -	\$ -	\$ -
Fixed Income	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Transfers between Level 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Levels 2 and 3 generally relate to whether, for various reasons, significant inputs become observable or unobservable. During the six months ended June 30, 2023, there were no significant transfers into and out of each level of the fair value hierarchy for assets and liabilities measured at fair value.

**NOTE 12 – SUPPLEMENTARY ANALYTICAL DATA**

The Company uses the indirect method when presenting its cash flows from operating activities in the Statements of Cash Flows, therefore, the Company is required to disclose the following supplementary information:

	<u>2023</u>
Interest paid	\$ 21,074

The Company issued 555,000 shares of common stock, in the amount of \$46,971, in a noncash arrangement, as described in Note 8.

**NOTE 13 – CONCENTRATIONS**

Three customers represented 56% of accounts receivable at June 30, 2023. One customer represented 15% of sales revenue for the six months ended June 30, 2023.

**SUPPLEMENTARY INFORMATION**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE I - COST OF SALES**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2023**

Depreciation	\$ 15,073
Direct labor	49,828
Payroll taxes	4,203
Raw materials	174,341
Rent	10,198
Shipping, freight and delivery	16,481
Utilities	5,411
	<hr/>
<b>Total Cost of Sales</b>	<b>\$ 275,535</b>
	<hr/> <hr/>

**See accompanying notes and independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2023**

Advertising	\$ 27,016
Amortization expense	418
Bank and credit card fees	18,845
Commission expense	406,437
Depreciation	9,163
Donations	13,934
Equipment rental	445
Insurance	79,027
License and registration	2,575
Officer's compensation	39,500
Office expenses	13,500
Payroll service	1,068
Payroll taxes	21,016
Professional fees	129,179
Property and other taxes	1,040
Regulatory fees	5,876
Rent	10,782
Repairs and maintenance	7,774
Salaries and wages	209,653
Seminars	410
Software support	33,287
Telephone	5,727
Travel and entertainment expenses	31,946
Utilities	5,411
Web services	26,826
	<hr/>
<b>Total General and Administrative Expenses</b>	<b>\$ 1,100,855</b>
	<hr/> <hr/>

**See accompanying notes and independent accountant's compilation report**