

Kelyniam Global, Inc.

97 River Road
Canton, Ct 06019

Telephone 1 (800) 280-8192
Kelyniam.com
info@Kelyniam.com

Annual Report

For the period ending December 31, 2023 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

29,923,145 as of 12/31/2023 *(Current Reporting Period Date or More Recent Date)*

28,993,145 as of 12/31/2022_ *(Most Recent Completed Fiscal Year End)*

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

⁴ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

The Company's name is Kelyniam Global, Inc.

From its inception in 2005 through October 2007, the corporation was named Ketner Global Investments, Inc.

Current State and Date of Incorporation or Registration: Nevada, 12/30/2005
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years: N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception: N/A

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: N/A

Address of the issuer's principal executive office:

97 River Road
Canton, Ct 06019

Address of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Transfer Online
Phone: (503) 227-2950
Email: www.transferonline.com
Address: 512 SE Salmon St.
Portland, OR 97214

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: KLYG
Exact title and class of securities outstanding: Common – Class A

CUSIP:	488359100		
Par or stated value:	.001		
Total shares authorized:	60,000,000	as of date:	12/31/2023
Total shares outstanding:	29,923,145	as of date:	12/31/2023
Total number of shareholders of record:	475	as of date:	12/31/2023

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol: N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The company has a single class of common stock. The common equity, as governed under Nevada law is entitled to vote and participate in dividends and liquidation rights in accordance with the pro rata share of each share issued and outstanding.

The Company does not have shares with super voting rights, preemptions or other rights than class A common. The Board of Kelyniam believes in transparent and participatory governance in its corporate actions and, as such, has continued to adhere to all corporate issuances of securities using only class A common shares.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Not applicable as the Company has not issued preferred stock

3. Describe any other material rights of common or preferred stockholders.

Not applicable as the Company has a single class of common stock with no enumerated or special voting rights privileges.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

There have been no material modifications to the rights of holders of the company's securities during this or any other reporting period.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
<u>Opening Balance</u> Date 12/31/2021 Common: 28,993,145 Preferred: -0-									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/31/2022</u>	<u>New Issuance</u>	<u>150,000</u>	<u>Class A</u>	<u>.09</u>	<u>No</u>	<u>Laura Reed</u>	<u>Sign on bonus</u>	<u>Restricted</u>	<u>144</u>
<u>5/31/2022</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.09</u>	<u>No</u>	<u>Desiree Webb</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>5/31/2022</u>	<u>New Issuance</u>	<u>600,000</u>	<u>Class A</u>	<u>.09</u>	<u>No</u>	<u>Terrance Kurtenbach</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>6/2/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Class A</u>	<u>.03</u>	<u>No</u>	<u>Mark Smith</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>6/2/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Class A</u>	<u>.03</u>	<u>No</u>	<u>Chris Breault</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>8/30/2022</u>	<u>New Issuance</u>	<u>480,000</u>	<u>Class A</u>	<u>.03</u>	<u>No</u>	<u>Mark V Smith</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>8/30/2022</u>	<u>New Issuance</u>	<u>450,000</u>	<u>Class A</u>	<u>.03</u>	<u>No</u>	<u>Chris Breault</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Desiree Webb</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Thomas McDonald</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>

<u>1/6/2023</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Terrance Kurtenbach</u>	<u>Board Svcs</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>20,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Deborah Chasse</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Faith DiFronzo</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Basiru Sumbundu</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>1/6/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Diane Bjella</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>3/16/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Jason Mayfield</u>	<u>Compensation</u>	<u>Restricted</u>	<u>144</u>
<u>9/12/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>LGL, LLC (Lisette Grunwell)</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>9/12/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Desiree Webb</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>9/12/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Mark V Smith</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>9/12/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Ross Bjella</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
<u>9/12/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Class A</u>	<u>.1</u>	<u>No</u>	<u>Terrance Kurtenbach</u>	<u>Board Svce</u>	<u>Restricted</u>	<u>144</u>
Shares Outstanding on Date of This Report:									
	<u>Ending</u>	<u>Balance</u>							
<u>Ending Balance:</u>									
Date 12/31/2023		Common: 29,923,145							

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes - N/A

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Kelyniam Global, Inc. is a custom design-to-build medical device manufacturing company specializing in the delivery of cranial implant technologies to neurologically dependent patients. The Company is engaged in the production of custom prosthetics utilizing computer-aided design and computer-aided manufacturing of medical-grade polymers. Its Engineering Division uses Bio-Computer Aided Design (CAD) Computer Aided Manufacturing (CAM) technology to provide replicated cranial implants to replace damaged bone structures.

Its product, PEEK-Optima, is engineered for biocompatibility. Derived from the patient's computed tomography (CT) data, the Company's 3D BIO-CAD/CAM software is used to transfer the details found on the edge of the defect directly to the implant edge. The Company's emergency plan, ke24, provides precision-replicated, patient-specific cranial implants in approximately 24 hours.

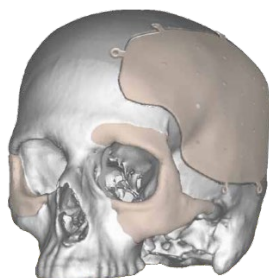
The Company distributes its products throughout the United States via independent distributors and sales representatives promoting the product directly to neurosurgeons who have discretionary authority to purchase the product with superior fit and medical qualities. The ultimate customer is the hospital where the surgery is executed, and the hospital remains the buyer of record. As such, the Company incurs very few bad debts and revenue, when recognized, is ultimately collected.

B. List any subsidiaries, parent company, or affiliated companies.

None

C. Describe the issuers' principal products or services.

Cranial implants manufactured using Bio-Computer Aided Design (CAD) Computer Aided Manufacturing (CAM) technology.



5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company leases 6,000 sq feet of facilities located in a US FDA inspected manufacturing facility in Canton, Ct. The plant is an end-to-end facility including the Cad-cam design capabilities and advanced additive manufacturing processes using 3-d printing. The end-to-end facility provides for control of the process resulting in superior capabilities for turn around times on delivery of implants to neurology departments at hospitals.

The real estate lease is in effect through December 31, 2027 with options to renew until 2032. Monthly lease payments are \$2,667 currently through December 31, 2023. Beginning 1/1/2024, lease payments will be \$2,800 monthly until December 31, 2027. Beginning 1/1/2028 lease payments will increase to \$2,830 monthly.

The Company also maintains secondary Executive Offices in Milwaukee, WI. The facilities are shared with other technology-oriented companies. The Company is not a party to a lease and the facilities are currently provided to the Company at no cost.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Ross Bjella*</u>	<u>CEO</u>	<u>Whitefish Bay, WI</u>	<u>2,082,500</u>	<u>Class A Common</u>	<u>7.24</u>	
<u>Lisette Grunwell</u>	<u>Director</u>	<u>Old Lyme, CT</u>	<u>75,000</u>	<u>Class A Common</u>	<u>0.25</u>	

<u>Mark Smith*</u>	<u>Director</u>	<u>Frankfort NY</u>	<u>2,857,500</u>	<u>Class A Common</u>	<u>9.96</u>	
<u>Stan Solomonson</u>	<u>5% Owner</u>	<u>Santa Rosa, CA</u>	<u>2,200,000</u>	<u>Class A Common</u>	<u>7.35</u>	
<u>Terrance Kurtenbach</u>	<u>CFO</u>	<u>Germantown, WI</u>	<u>2,075,000</u>	<u>Class A Common</u>	<u>7.18</u>	
<u>Patrick McMurphy</u>	<u>5% Owner</u>	<u>Tulsa, Ok</u>	<u>1,620,000</u>	<u>Class A Common</u>	<u>5.41</u>	
<u>Desiree Webb</u>	<u>Director</u>	<u>Boca Raton, FL</u>	<u>225,000</u>	<u>Class A Common</u>	<u>1.0</u>	

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	Kevin Timken
Firm:	Michael, Best & Friedrich
Address 1:	170 South Main St Suite 1000 Salt Lake City, UT 84101
Phone:	(801) 924.4124
Email:	KCTimken@MichaelBest.com

Accountant or Auditor

Name:	Ryan LaQuerre
Firm:	LaQuerre Audi
Address 1:	106 East St Plainville, CT 06062
Phone:	(860) 747.4559
Email:	info@laqcpa.com

Investor Relations – N/A

Other Service Providers N/A

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Terrance Kurtenbach
Title: Chief Financial Officer
Relationship to Issuer: Corporate Officer

B. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Terrance Kurtenbach
Title: CFO
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Licensed CPA (ret.) and former Big 4 partner for 26 years

Provide the following qualifying financial statements:

- ☐ Audit letter, if audited;
- ☐ Balance Sheet;
- ☐ Statement of Income;
- ☐ Statement of Cash Flows;
- ☐ Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- ☐ Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Ross Bjella, certify that:

1. I have reviewed this Disclosure Statement for Kelyniam Global, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

3/6/2024

Chief Executive Officer:



/s/ Ross Bjella, CEO

Principal Financial Officer:

I, Terrance Kurtenbach certify that:

1. I have reviewed this Disclosure Statement for Kelyniam Global, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

3/6/2024



/s/ Terrance Kurtenbach, CFO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

KELYNIAM GLOBAL, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, and the related statement of income, changes in stockholders' equity and cash flows for the years 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

February 26, 2024

KELYNIAM GLOBAL, INC.
BALANCE SHEET
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 9,066	\$ -
Accounts receivable, net of allowances	448,815	499,890
Inventory	46,227	56,701
Prepaid expenses	2,759	104,996
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	506,867	661,587
	<hr/>	<hr/>
<u>PROPERTY AND EQUIPMENT</u>		
Manufacturing equipment	569,049	569,049
Computer equipment	91,588	91,588
Furniture and fixtures	8,043	8,043
Leasehold improvements	323,162	323,162
	<hr/>	<hr/>
	991,842	991,842
	<hr/>	<hr/>
Less: Accumulated depreciation	(632,607)	(584,162)
	<hr/>	<hr/>
TOTAL PROPERTY AND EQUIPMENT	359,235	407,680
	<hr/>	<hr/>
<u>OTHER ASSETS</u>		
Operating lease - right-of-use asset	135,591	168,315
Intangible assets, net	12,101	-
Security deposit	8,000	8,000
Deferred income tax asset	610,900	461,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	766,592	637,315
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,632,694	\$ 1,706,582
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
BALANCE SHEET
DECEMBER 31, 2023 AND 2022

LIABILITIES & STOCKHOLDERS' EQUITY

	<u>2023</u>	<u>2022</u>
<u>CURRENT LIABILITIES</u>		
Line of credit	\$ 159,044	\$ 184,994
Accounts payable	250,596	251,620
Accrued expenses	130,349	97,727
Deferred revenue	-	36,101
Current portion of operating lease liabilities	33,711	32,724
Current portion of officer loan	106,650	84,260
Current portion of note payable	13,094	7,137
TOTAL CURRENT LIABILITIES	<u>693,444</u>	<u>694,563</u>
<u>LONG-TERM LIABILITIES</u>		
Operating lease liabilities, less current portion	101,880	135,591
Note payable, less current portion	217,611	115,169
TOTAL LONG-TERM LIABILITIES	<u>319,491</u>	<u>250,760</u>
TOTAL LIABILITIES	<u>1,012,935</u>	<u>945,323</u>
<u>STOCKHOLDERS' EQUITY</u>		
Common stock \$.001 par value, 60,000,000 shares authorized, 29,923,145 shares issued and outstanding in 2023;		
28,993,145 shares issued and outstanding in 2022	29,923	28,993
Additional paid in-capital	2,882,478	2,806,437
Retained earnings (accumulated deficit)	(2,278,837)	(2,060,366)
Treasury stock, at cost (237,583 shares in 2023 and 2022)	(13,805)	(13,805)
TOTAL STOCKHOLDERS' EQUITY	<u>619,759</u>	<u>761,259</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 1,632,694</u>	<u>\$ 1,706,582</u>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Sales	\$ 2,672,357	\$ 3,017,599
Cost of Sales	<u>599,723</u>	<u>626,236</u>
Gross Profit	2,072,634	2,391,363
General and Administrative Expenses	<u>2,311,800</u>	<u>2,322,041</u>
Income (Loss) from operations	<u>(239,166)</u>	<u>69,322</u>
Other Income (Expenses)		
Stock-based compensation expense	(76,971)	(165,750)
Interest income	3,000	-
Interest expense	<u>(52,643)</u>	<u>(28,129)</u>
	<u>(126,614)</u>	<u>(193,879)</u>
Loss Before Provision (Benefit) for Income Taxes	(365,780)	(124,557)
Provision (Benefit) for Income Tax	<u>(147,309)</u>	<u>(26,997)</u>
Net Loss	<u>\$ (218,471)</u>	<u>\$ (97,560)</u>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
DECEMBER 31, 2023 AND 2022

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 2022	\$ 25,738	\$ 2,643,942	\$ (1,962,806)	\$ (13,805)	\$ 693,069
Issuance of new shares	3,255	162,495	-	-	165,750
Net loss	-	-	(97,560)	-	(97,560)
Balance, December 31, 2022	\$ 28,993	\$ 2,806,437	\$ (2,060,366)	\$ (13,805)	\$ 761,259
Issuance of new shares	930	76,041	-	-	76,971
Net loss	-	-	(218,471)	-	(218,471)
Balance, December 31, 2023	<u>\$ 29,923</u>	<u>\$ 2,882,478</u>	<u>\$ (2,278,837)</u>	<u>\$ (13,805)</u>	<u>\$ 619,759</u>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (218,471)	\$ (97,560)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:		
Stock-based compensation expense	76,971	165,750
Depreciation	48,445	47,376
Amortization	963	-
(Increase) Decrease in operating assets		
(Increase) Decrease in accounts receivable	51,075	38,599
(Increase) Decrease in inventory	10,474	(12,412)
(Increase) Decrease in prepaid expenses	102,237	(101,780)
(Increase) Decrease in intangible assets	(13,064)	-
(Increase) Decrease in deferred income taxes	(149,900)	(27,200)
Increase (Decrease) in accounts payable	(1,024)	143,813
Increase (Decrease) in accrued expenses	32,622	(72,441)
Increase (Decrease) in deferred revenue	(36,101)	(115,899)
Net Cash Provided By (Used In) Operating Activities	<u>(95,773)</u>	<u>(31,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(51,704)</u>
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>(51,704)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on line of credit	(25,950)	75,651
Borrowings on note payable	117,974	124,652
Principal payments on note payable	(9,575)	(60,352)
Net repayments to officer	22,390	(56,493)
Net Cash Provided by (Used In) Financing Activities	<u>104,839</u>	<u>83,458</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,066	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,066</u>	<u>\$ -</u>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 YEARS ENDED DECEMBER 31, 2023 AND 2022

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 final outstanding amount related to this agreement was billed in full during the first quarter of 2023. As of December 31, 2022, the outstanding amount related to this agreement of \$36,101 is shown as deferred revenue on the "Balance Sheet" under Current Liabilities.

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 December 31, 2023 and 2022.

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 December 31, 2023 and 2022.

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 years ended December 31, 2023 and 2022 was \$48,445 and \$47,376, respectively.

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 YEARS ENDED DECEMBER 31, 2023 AND 2022

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 December 31, 2023 and 2022 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 years ended December 31, 2023 and 2022 was \$43,560 and \$28,834, respectively.

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 years ended December 31, 2023 and 2022 was \$41,937 and \$39,618, respectively.

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 YEARS ENDED DECEMBER 31, 2023 AND 2022

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 February 26, 2024, which represents the date the financial statements were available to be issued.

NOTE 2 – RELATED PARTY TRANSACTIONS

Officer Loan Payable

Officer loan payable represent amounts due to two officers. The outstanding balance of the oldest loan as of December 31, 2023 and 2022 was \$54,099 and \$84,260, respectively. The amount is subject to a specific repayment schedule at interest rates of 4.75%. A second loan initiated during the third quarter of 2023 for \$50,000. The outstanding balance of the second loan was \$52,551 as of December 31, 2023 (includes \$2,551 of accrued interest). This loan is senior to all obligations of the Company except the Westfield line of credit described in Note 5. The loan is not subject to a repayment schedule and accrues interest at 12.0%.

NOTE 3 – INVENTORY

Inventory consists of supplies on hand in the amount of \$46,227 and \$56,701 as of December 31, 2023 and 2022, respectively.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of the following as of December 31, 2023:

Loan origination costs	\$ 13,064
Less: Accumulated amortization	<u>(963)</u>
Net intangibles	\$ <u>12,101</u>

Amortization expense amounted to \$963 for the year ended December 31, 2023. There were no intangible assets as of December 31, 2022 and no amortization expense during the year ended December 31, 2022.

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – INTANGIBLE ASSETS (Continued)

Following is a schedule of future amortization expense:

<u>YEAR ENDING DECEMBER 31,</u>	
2024	\$ 1,139
2025	1,139
2026	1,139
2027	1,139
2028	1,139
Thereafter	<u>6,406</u>
	<u>\$ 12,101</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 December 31, 2023 was \$159,044 at the rate of interest of 9.50%. The balance on the line at December 31, 2022 was \$184,994 at the rate of interest of 8.50%.

NOTE 6 – LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
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.	\$ 77,514	\$ -
Note payable with a commercial non-bank lender, payable in monthly installments of \$595 beginning September 2023, including interest of 14.24%, through August 2033, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy.	37,390	-

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 – LONG-TERM DEBT (Continued)

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.

Less: Current maturities:

	<u>115,801</u>	<u>122,306</u>
	\$ 230,705	\$ 122,306
	<u>(13,094)</u>	<u>(7,137)</u>
	<u>\$ 217,611</u>	<u>\$ 115,169</u>

Future maturities of long-term debt are as follows:

<u>YEAR ENDING</u> <u>DECEMBER 31,</u>	<u>AMOUNT</u>
2024	\$ 13,094
2025	14,994
2026	17,169
2027	19,662
2028	22,517
Thereafter	<u>143,269</u>
	<u>\$ 230,705</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 December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Operating lease – right-of-use asset	<u>\$ 135,591</u>	<u>\$ 168,315</u>
Current portion of operating lease liabilities	33,711	32,724
Operating lease liabilities	<u>101,880</u>	<u>135,591</u>
Total operating lease liabilities	<u>\$ 135,591</u>	<u>\$ 168,315</u>

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 7 – DESCRIPTION OF LEASING ARRANGEMENTS (Continued)

The following summarizes the components of operating lease expenses that are included in the Statement of Income for the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Cost of Sales	\$ 22,435	\$ 26,514
General and Administrative Expenses	<u>23,551</u>	<u>27,896</u>
Operating lease cost	<u>\$ 45,986</u>	<u>\$ 54,410</u>

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 45,986	\$ 54,410
Lease assets obtained in exchange for lease liabilities:		
Operating leases	\$ 135,591	\$ 168,315

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

<u>PERIOD ENDING</u> <u>DECEMBER 31,</u>	
2024	\$ 33,711
2025	33,960
2026	33,960
2027	<u>33,960</u>
	<u>\$ 135,591</u>

NOTE 8 – STOCKHOLDERS' EQUITY

Common Stock

As of December 31, 2023, the authorized capital stock of the Company was 60,000,000 shares of common stock, \$0.001 par value per share; 29,923,145 shares are outstanding at December 31, 2023.

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 – STOCKHOLDERS’ EQUITY (Continued)

During 2023, the Company issued 930,000 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 \$76,971.

The Company awarded an employee 150,000 shares of stock which will vest over 3 years upon the anniversary of the employee's service at the Company. The first 50,000 shares award was provided in February 2024. The Company has chosen to use the cash or intrinsic method of accounting to account for this single award of shares in 2024.

As of September 30, 2022, the authorized capital stock of the Company was 60,000,000 shares of common stock, \$0.001 par value per share; 28,993,145 shares outstanding at September 20, 2023.

During 2022, the Company issued 3,255,000 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 \$165,750.

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 December 31, 2023:

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
Current Taxes	\$ -	\$ 2,591	\$ 2,591
Deferred Tax (Benefit)	<u>(108,100)</u>	<u>(41,800)</u>	<u>(149,900)</u>
Net	<u>\$ (108,100)</u>	<u>\$ (39,209)</u>	<u>\$ (147,309)</u>

The provisions for income taxes consist of the following at December 31, 2022:

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
Current Taxes	\$ -	\$ 203	\$ 203
Deferred Tax (Benefit)	<u>(19,600)</u>	<u>(7,600)</u>	<u>(27,200)</u>
Net	<u>\$ (19,600)</u>	<u>\$ (7,397)</u>	<u>\$ (26,997)</u>

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Deferred tax assets	\$ 610,900	\$ 461,000
Deferred tax liabilities	<u>-</u>	<u>-</u>
Net Deferred Tax Asset	<u>\$ 610,900</u>	<u>\$ 461,000</u>

Included in the accompanying balance sheet at December 31, 2023 and 2022, as follows:

	<u>2023</u>	<u>2022</u>
Long-term deferred tax asset	\$ 610,900	\$ 461,000

The Company has approximately \$2.2 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. The Company's matching contribution to its' 401(k) plan during the year ended December 31, 2023 was \$4,500. The Company contributed \$7,997 to its' 401(k) plan during the year ended December 31, 2022.

KELYNIAM GLOBAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 YEARS ENDED DECEMBER 31, 2023 AND 2022

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 December 31, 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 nine months ended December 31, 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>	<u>2022</u>
Interest paid	\$ 50,381	\$ 28,129

During 2023, the Company issued 930,000 shares of common stock, in the amount of \$76,971, in a noncash arrangement, as described in Note 8.

During 2022, the Company issued 3,255,000 shares of common stock, in the amount of \$165,750, in a noncash arrangement, as described in Note 8.

NOTE 13 – CONCENTRATIONS

One customer represented 18% of accounts receivable at December 31, 2023. One customer represented 12% of sales revenue for the year ended December 31, 2023.

Two customers represented 22% of accounts receivable at December 31, 2022. One customer represented 12% of sales revenue for the year ended December 31, 2022.

SUPPLEMENTARY INFORMATION

KELYNIAM GLOBAL, INC.
SCHEDULE I - COST OF SALES
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Depreciation	\$ 30,146	\$ 29,635
Direct labor	85,213	161,981
Payroll taxes	6,710	14,574
Raw materials	404,201	344,400
Rent	22,435	26,514
Shipping, freight and delivery	41,937	39,618
Utilities	<u>9,081</u>	<u>9,514</u>
Total Cost of Sales	<u><u>\$ 599,723</u></u>	<u><u>\$ 626,236</u></u>

See accompanying notes and independent accountant's compilation report

KELYNIAM GLOBAL, INC.
SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Advertising	\$ 43,560	\$ 28,834
Amortization expense	963	-
Bank and credit card fees	34,975	41,994
Commission expense	894,449	1,018,707
Depreciation	18,299	17,741
Donations	15,934	-
Equipment rental	894	697
Insurance	182,665	251,573
License and registration	7,654	14,562
Officer's compensation	79,160	75,836
Office expenses	35,314	26,904
Payroll service	2,183	2,842
Payroll taxes	41,784	35,968
Pension expenses	4,500	7,997
Professional fees	243,391	223,343
Property and other taxes	1,793	3,112
Regulatory fees	18,129	23,805
Rent	23,551	27,896
Repairs and maintenance	35,612	19,980
Salaries and wages	451,497	323,938
Seminars	600	7,570
Software support	35,649	17,978
Telephone	9,853	6,458
Travel and entertainment expenses	59,372	86,623
Utilities	10,434	10,061
Web services	59,585	47,622
Total General and Administrative Expenses	<u><u>\$ 2,311,800</u></u>	<u><u>\$ 2,322,041</u></u>

See accompanying notes and independent accountant's compilation report