

# SEYCHELLE ENVIRONMENTAL TECHNOLOGIES INC /CA

## FORM 10-K (Annual Report)

Filed 05/28/20 for the Period Ending 02/29/20

Address	22 JOURNEY ALISO VIEJO, CA, 92656
Telephone	949-234-1999
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Industry	Environmental Services & Equipment
Sector	Industrials
Fiscal Year	02/28

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-K**

☒ (X) ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 29, 2020

☐ ( ) TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-29373



**Seychelle Environmental Technologies, Inc.**

(Exact Name of registrant as specified in its charter)

Nevada

(State or other jurisdiction  
Of incorporation)

33-0836954

(IRS Employer File Number)

22 Journey

Aliso Viejo, California

(Address of principal executive offices)

92656

(zip code)

(949) 234-1999

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Exchange Act: None

Securities Registered Pursuant to Section 12(g) of the Exchange Act:

Common Stock, \$0.001 per share par value

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒ [X]

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒ [X]

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ [X] No ☐ [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ [X] No ☐ [ ]

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) : Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, as of May 20, 2020 was 26,640,313.

The aggregate market value of the voting stock of the Registrant held by non-affiliates as of August 31, 2019 was approximately \$1,886,303.

References in this document to "Seychelle", "us," "we," or "Company" refer to Seychelle Environmental Technologies, Inc., a Nevada corporation and our wholly-owned subsidiaries, Seychelle Water Technologies, Inc. and Fill 2 Pure International, Inc., also Nevada corporations.

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## FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We have based these statements on our beliefs and assumptions, based on information currently available to us. These forward-looking statements are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations, our total market opportunity and our business plans and objectives set forth under the sections entitled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company is not materially affected by COVID 19.

Forward-looking statements are not guarantees of performance. Our future results and requirements may differ materially from those described in the forward-looking statements. Many of the factors that will determine these results and requirements are beyond our control. In addition to the risks and uncertainties discussed in "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," investors should consider those discussed under "Risk Factors."

These forward-looking statements speak only as of the date of this report. We do not intend to update or revise any forward-looking statements to reflect changes in our business, anticipated results of our operations, strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.

## PART I

### ITEM 1. BUSINESS

#### History of Seychelle

We are a Nevada corporation. Our principal corporate office address is 22 Journey, Aliso Viejo, California 92656. Our telephone number at this address is 949-234-1999.

We were incorporated under the laws of the State of Nevada on January 23, 1998 as a change of domicile to Royal Net, Inc., a Utah corporation that was originally incorporated on January 24, 1986. Royal Net, Inc. changed its state of domicile to Nevada and its name to Seychelle Environmental Technologies, Inc. effective in January 1998.

On January 30, 1998, we entered into an Exchange Agreement with Seychelle Water Technologies, Inc., a Nevada corporation (SWT), whereby we exchanged our issued and outstanding capital shares with the shareholders of SWT on a one share for one share basis. We became the parent company and SWT became a wholly owned subsidiary. SWT had been formed in 1997 to market water filtration systems of Aqua Vision International.

#### **Organization**

Our Company is presently comprised of Seychelle Environmental Technologies, Inc., a Nevada corporation, with two wholly-owned subsidiaries, Seychelle Water Technologies, Inc. and Fill 2 Pure International, Inc., also Nevada corporations (collectively, the Company or Seychelle). We use the trade name "Seychelle Water Filtration Products, Inc." in our commercial operations.

## **Business of Seychelle**

### **General**

Seychelle designs, assembles and distributes unique, state-of-the-art ionic absorption micron filters specifically for portable filter devices that remove up to 99.99% of all pollutants and contaminants found in any fresh water source as well as increase the alkalinity of the water up to a pH level of 9.5. Seychelle water filtration products address a worldwide problem of access to clean drinking water and makes available low-cost, effective filtration products that will meet the need for safe, great tasting, and high quality drinking water.

Seychelle markets its portable water filtration bottles throughout the world to customers such as individuals, dealers, distributors, non-governmental organizations and emergency relief organizations such as the Jimmy Bakker Ministry. In addition, the Company has donated thousands of portable bottles to church groups and missionaries worldwide during the life of the Company.

In developing countries, many people in rural areas boil their water for drinking and cooking to kill bacteria, but this process does not remove the pyrogens, chemicals, toxins, volatile organic compounds, heavy metals or other pathogens that remain in the water. The World Health Organization estimates that approximately 2.2 million people, mostly children in developing nations, die annually from water-related diseases.

### **Business Plan**

The management of Seychelle has substantial experience in developing improvements and innovations in the field of bottled water, reverse osmosis, ultra filtration and filter technology. As a result, our products can deliver up to 2 micron absolute filtration for pennies per gallon, with pressure as low as 2 pounds per square inch (PSI). Further, our point of difference filtration systems remove up to 99.99% of pollutants and contaminants most commonly found in fresh drinking water supplies in the five major areas of concern as follows:

AESTHETICS: Taste, chlorine, sand, sediment and odor problems.

BIOLOGICS: Pathogens such as Cryptosporidium, Giardia and E.Coli Bacteria.

CHEMICALS: Pesticides, detergents, toxic chemicals and industrial waste.

DISSOLVED SOLIDS: Heavy metals such as aluminum, asbestos, copper, lead, mercury and chromium 6.

RADIOLOGICAL: Cesium 134 & 137, Radon, Radium, Uranium, Radioactive Iodine, etc.

Seychelle filters have been tested by independent and government laboratories. Selected results from the United States are displayed on our Website at [www.seychelle.com](http://www.seychelle.com), but such information included on our website is not incorporated into this filing. The benefit of such filtration can save lives worldwide as more people become aware of the benefits of using products utilizing Seychelle's proprietary portable water filtration technology.

### **Principal Products or Services and Their Markets**

#### **Current Products**

Seychelle has a varied line of portable filter bottles for people on the go. The current products include: Flip-Top and Pull Top bottles, Canteens, Water Pitchers, Pure Water Pump, Stainless Steel bottles, In-Line Filter, Pure Water Bag, Pump N' Pure, Pure Water Pouch and Pure Water Straws. They include regular, standard or advanced filters (for virus and bacteria control up to 99.99% reduction). Sizes are from 20 ounces to 42 ounces, and provide up to 150 gallons of pure drinking water from any fresh water source; running or stagnant (such as rivers, lakes, ponds and streams).

## **New Products**

Product design is a constant focus and all products are reviewed annually.

## **Manufacturing**

The Company has determined that the production and assembly of some of our product components in China and Mexico through the use of third-party contract manufacturers at a lower cost than in the United States of America (“U.S.”) will still maintain equivalent quality standards. However, our proprietary filter will continue to be manufactured in the U.S. The assembly of all our products is completed at our facility in Aliso Viejo, California.

## **Sales Channels**

Sales channels pursued include: retail, missionaries, multi-level marketing, international, OEM and joint ventures. Several distributors sell the Company's portable water filtration products to customers in specific distribution channels; including: retail, multi-national corporations, foundations and sports.

## **Raw Materials**

Seychelle's filters include powdered, activated coconut and other media as components in the porous plastic ionic filter. To date, we believe there is an adequate availability of material for all of our products and the Company is not materially affected by COVID 19. We do not expect this situation to change in the near future.

## **Customers and Competition**

Seychelle products compete against companies offering water filtration and bottled water including (1) bottled water, (2) portable water filtration systems and (3) home water treatment systems provided by suppliers (such as independent dealers, distributors, catalogs, internet sellers, etc.) in the form of reverse osmosis systems, distillation, and filtration systems. Therefore, Seychelle's portable and home filtration products compete in a limited segment of the drinking water market as an alternative to other sources of filtered or purified drinking water.

Seychelle has a negligible share of the world's filtered or purified water market. Our products sell in a niche category of the market - portable filtration bottles that use powder-activated carbon filters that compete with our powder-activated coconut filters with various media called ionic adsorption micron filtration technology (IAMF) which remove many organic and inorganic contaminants that simple activated carbon filters cannot. Most powder activated carbon filters on the market remove Chlorine, sediment and dirt thus improving taste and odor, as well as a handful of other contaminants such as Lead, Mercury, Zinc and Copper. This would include leading brands such as Brita, PUR, General Electric and Culligan, who collectively dominate the home market. In the portable segment of the market, there are hundreds of small companies selling a variety of specialized filters, with no one company having a majority share and no industry data available. We believe that our current share of this market is negligible.

Seychelle sells its products in two ways. First, it sells its own brand to individuals, dealers, distributors, multilevel marketing companies and missionaries on a direct basis. Second, the Company offers specially designed products to the same customers as a private label supplier if purchasers buy in significant volume. In some instances, we may supply only filters for their bottles or hydration backpacks as opposed to complete products. 55% of the Company's revenue is for private label and 45% is direct sales.

Currently, the majority of our sales are to customers in the U.S. For the year ended February 29, 2020, we had two U.S. based customers that accounted for 55% of our total sales. For the year ended February 28, 2019, we had two U.S. based customers that accounted for 58% of our total sales.

### **Backlog**

As of February 29, 2020 and February 28, 2019, we had a backlog of approximately \$775,000 and \$240,000, respectively, in unshipped orders.

### **Employees**

As of February 29, 2020, we had a President with five (5) administrative employees supporting that effort. In assembly, operations and warehousing we had nine (9) full-time employees.

As of February 28, 2019, we had a President with five (5) administrative employees supporting that effort. In assembly, operations and warehousing we had fourteen (14) full-time employees and one (1) part-time employee.

### **Proprietary Information and Technology**

We previously held two patents, both of which have expired.

We have filed and received approval for five trademarks with the United States Patent and Trademark Office which were granted: Seychelle®, which has been used in commerce since 1997, along with Pres 2 Pure, Fill 2 Pure, pH20 Plus and Aq-RO-matic.

We have a trade name, "Seychelle Water Filtration Products, Inc.," which we use in our commercial operations.

### **Government Regulation**

We are not, as a company, subject to any material governmental regulation or approvals. However, our products are subject to inspection and evaluation by regulatory authorities that have jurisdiction over water quality standards. Such authorities are on the federal, state, and local level, both in the United States and overseas, where we market our products. Most of our products have already been inspected and evaluated by all applicable governmental authorities in the areas in which we operate or plan to operate in the near future. With respect to our current focus of operations, we do not know if governmental regulation will have a material impact on us in the future.

### **Research and Development**

We did not spend a material amount for research and development activities during the fiscal years ended February 29, 2020 and February 28, 2019.

### **Environmental Compliance**

At the present time, Seychelle is not subject to any material costs for compliance with any environmental laws. With respect to our current focus of operations, we do not know if environmental compliance will have a material impact on us in the future.



## ITEM 1A. RISK FACTORS

THE OWNERSHIP AND INVESTMENT IN OUR SECURITIES INVOLVES SUBSTANTIAL RISKS. OUR COMMON SHARES SHOULD BE PURCHASED ONLY BY PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THESE RISKS RELATING TO OUR COMPANY.

**We Have Been Profitable for Four of Our Eight Most Recent Fiscal Years. However, We Cannot Guarantee That We Will Continue to Conduct Profitable Operations. We Were Not Profitable for Our Most Recent or Prior Fiscal Year.**

We recorded a net loss from operations for the most recent fiscal year ending February 29, 2020. We had the following (loss) income for the years ending:

	Net (Loss) Income
29-Feb-20	\$ (118,999)
28-Feb-19	\$ (240,127)
28-Feb-18	\$ 660,907
28-Feb-17	\$ (2,147,224)
29-Feb-16	\$ 1,032,941
28-Feb-15	\$ (1,405,909)
28-Feb-14	\$ 506,797
28-Feb-13	\$ 635,883

While we believe that we have had a successful operating history, we cannot guarantee that we will ever achieve sustained profitability. If we do not continue to be profitable, we may go out of business, and an investor could lose their entire investment.

**We Have a Significant Dependence on a Few Customers.**

During the fiscal year ended February 29, 2020, the Company had two customers who accounted for approximately 35%, and 20% (or 55%) of total sales. During the fiscal year ended February 28, 2019, the Company had two customers who accounted for approximately 30%, and 28% (or 58%) of total sales. One of those customers accounted for approximately 68% and 80% of net accounts receivable as of February 29, 2020 and February 28, 2019, respectively. Management believes that if future revenues from its significant customers decline, those revenues can be replaced through the sales to other customers. However, there can be no assurance that this will occur, which could result in an adverse effect on the Company's consolidated financial condition or results of operations in the future. The Company is not materially affected by COVID 19.

**The Water Filtration Business is Subject to Intense Competition and Subject to Numerous Risks. Many of Our Competitors Have Substantially Greater Capabilities and Resources and May be Able to Develop and Commercialize Products Before We Do.**

The water filtration business is highly competitive with many companies having access to the same market. Technological competition from larger and more established companies is significant and expected to increase. Most of the companies with which we compete and expect to compete have far greater capital resources and significant research and development staffs, marketing and distribution programs and facilities, and many of them have substantially greater experience in the production and marketing of products. Our ability to compete effectively may be adversely affected by the ability of these competitors to devote greater resources to the sale and marketing of their products than we can. In addition, one or more of our competitors may succeed or may already have succeeded in developing technologies and products that are more effective than any of those we currently offer or are developing. In addition, there can be no guarantee that we will be able to protect our technology from being copied or infringed upon. There can be no assurance that we will have the necessary resources to be competitive. Therefore, investors should consider an investment in us to be an extremely risky venture.

**As an Organization, We are Dependent Upon Technology for the Development of Our Products.**

We are operating in a business that requires continuing research, development and testing efforts. There can be no assurance that new products will not render our products obsolete or non-competitive at some time in the future.

**Our Success as an Organization Depends, in Large Part, Upon Our Ability to Protect Our Intellectual Property Rights. While We Have Several Items of Intellectual Property, Our Two Patents Have Expired.**

We hold trademarks and a tradename, but our two patents have expired. While the impact of the expiration of these patents to Seychelle has not been adversely material to date, we cannot guarantee that there will not be an adverse impact in the future. In general, vigorous protection and pursuit of intellectual property rights or positions characterize our industry, which has resulted in significant and often protracted and expensive litigation. Therefore, our competitors may assert that our technologies or products infringe on their patents or proprietary rights. Problems with patents or other rights could increase the cost of our products or delay or preclude new product development and commercialization by us. If infringement claims against us are deemed valid, we may not be able to obtain appropriate licenses on acceptable terms or at all. Litigation could be costly and time-consuming but may be necessary to protect our technology license positions or to defend against infringement claims.

**Our Success is Dependent Upon the Decision Making of Our Directors and Executive Officers.**

Our directors and executive officers have made a full commitment to our business. The loss of any or all of these individuals could have a materially adverse impact on our operations because we have no succession plan for any of them. We will depend on our senior executive officers as well as other key personnel. If any key employee decides to terminate his employment with us, this termination could delay the commercialization of our products or prevent us from sustaining our profitability. Competition for qualified employees is intense among companies in our industry and the loss of qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required for the expansion of our activities, could hinder our ability to successfully develop and maintain marketable products.

**Our Board of Directors and the Majority of the Shares of the Company are Under the Complete Control of Mrs. Cari Beck, our CEO and CFO, and her family.**

The Board of Directors is completely under the control of Mrs. Cari Beck and her family. The current Board of Directors consists of Mrs. Cari Beck, her husband, Mr. John Beck, her father, and Mr. Carl Palmer. Although Mr. Carl Palmer was the founder and principal officer of Seychelle for many years, Mrs. Beck is now President, CEO, CFO, Treasurer and HR Manager, as well as the trustee for the TAM Irrevocable Trust, which controls the largest block of common shares of Seychelle. It must be assumed that all final decisions of the Company will ultimately be made solely by Mrs. Beck and this group. The amount of outside input and advice which they will utilize can be expected to be entirely within their sole discretion.

**The Acquisition of Other Technologies Could Result In Operating Difficulties, Dilution and Other Harmful Consequences.**

We may selectively pursue strategic acquisitions, any of which could be material to our business, operating results and financial condition. Future acquisitions could divert management's time and focus from operating our business. In addition, integrating an acquired technology is risky and may result in unforeseen operating difficulties and expenditures.

The anticipated benefits of future acquisitions, if consummated, may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, including our common stock, the incurrence of debt, contingent liabilities, or write-offs of intellectual properties any of which could harm our financial condition. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all.

**We Face Risks Associated With Currency Exchange Rate Fluctuations.**

Although we currently transact business in U.S. dollars, a large portion of our revenues and related cost of goods sold may be determined in foreign currencies if we continue to expand our international operations. Conducting business in currencies other than U.S. dollars subjects the Company to fluctuations in currency exchange rates that could have a negative impact on our reported operating results. Fluctuations in the value of the U.S. dollar relative to other currencies may impact our revenue, cost of goods sold and operating gross margin, and result in foreign currency translation gains and losses. Historically, we have not engaged in exchange rate hedging activities.

**Changes to Financial Accounting or Other Standards May Affect Our Operating Results and Cause Us To Change Our Business Practices.**

We prepare our consolidated financial statements in accordance with generally accepted accounting principles, or GAAP, in the United States. These accounting principles are issued by the Financial Accounting Standards Board (FASB). The Securities and Exchange Commission also provides interpretation, guidance and principles in the preparation of financial statements. A change in those policies could have a significant effect on our reported results and may affect our reporting of transactions completed before a change is announced.

**If We Fail in Maintaining Effective Internal Control Over Financial Reporting, The Price of Our Common Stock May be Adversely Affected.**

We are required to establish and maintain appropriate internal control over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact our public disclosure regarding our business, financial condition or results of operations. In addition, our future assessments of internal control over financial reporting may identify additional weaknesses and conditions that need to be addressed in our internal control over financial reporting or other matters that may raise concerns for investors. Any material weaknesses that needs to be addressed in management's assessment of our internal control over financial reporting or in the report on the effectiveness of our internal controls by our independent registered public accounting firm, when, and if, applicable, may have an adverse impact of our common stock.

**The Company has identified material weaknesses in its internal control over financial reporting.**

The Company has identified material weaknesses in its internal control over financial reporting. The Company's internal control over financial reporting has been designed to provide management and the Board of Directors with reasonable assurance regarding the preparation and fair presentation of the Company's consolidated financial statements. As a small company, we are not able to segregate duties to the extent we could if we had more people, and we have not sufficiently designed controls that support an effective assessment of our internal controls relating to the prevention of fraud and possible management override of controls. Further, the Company does not have an internal audit department, and has not engaged an outside firm to complete the documentation of its internal control assessment to the level required by the applicable criteria.

We believe that our overall internal control environment is sufficient for a company of our size. However, the existence of material weaknesses means that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. If we are not able to correct material weaknesses or deficiencies in internal controls in a timely way, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the SEC's rules and forms will be adversely affected. Such a result could negatively impact the market price and trading liquidity of our stock, weaken investor confidence in our reported financial information, subject us to civil and criminal investigations and penalties, and generally materially and adversely affect our business and financial condition. For more information regarding the material weaknesses, the mitigating controls we use, and certain remedial steps we have taken or considered, please see Part II. Item 9A Controls and Procedures.

**Our Articles of Incorporation and Bylaws Could Discourage Acquisition Proposals, Delay a Change in Control, or Prevent Other Transactions.**

Provisions of our articles of incorporation and bylaws, as well as provisions of the Nevada Business Corporation Act, may discourage, delay or prevent a change in control of our Company that you as a stockholder may consider favorable and may be in your best interest. Our certificate of incorporation and bylaws contain provisions that:

- Authorize the issuance of "blank check" preferred stock that could be issued by our Board of Directors to increase the number of outstanding shares and discourage a takeover attempt;
- Limit who may call special meetings of stockholders.

## **Our Stock Price Can Be Volatile.**

The future market price of our common stock could fluctuate widely because of:

- future announcements about our Company or our competitors, including the results of testing, technological innovations or new commercial products;
- negative regulatory actions with respect to our potential products or regulatory approvals with respect to our competitors' products;
- changes in government regulations;
- developments in our relationships with our partners including customers, vendors and distributors;
- developments affecting our partners; including customers, vendors and distributors;
- our failure to acquire or maintain proprietary rights to the products we develop;
- litigation; and
- public concern as to the safety of our products.

The stock market has experienced price and volume fluctuations that have particularly affected the market price for many emerging companies. These fluctuations have often been unrelated to the operating performance of these companies. These broad market fluctuations may cause the market price of our common stock to be lower or more volatile than otherwise expected.

## **Buying Penny Stocks is Very Risky and Speculative. The Applicability of the "Penny Stock Rules" to Broker-dealer Sales of Our Common Stock Will Have a Negative Effect on the Liquidity and Market Price of Our Common Stock.**

Trading in our shares is subject to the "penny stock rules" adopted pursuant to Rule 15c-9 of the Securities and Exchange Act of 1934, as amended, which apply to companies that are not listed on an exchange and whose common stock trades at less than \$5.00 per share or which have a tangible net worth of less than \$5,000,000 or \$2,000,000 if we have been operating for three or more years. The penny stock rules impose additional sales practice requirements on broker-dealers which sell such securities to persons other than established customers and institutional accredited investors. For transactions covered by this rule, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. Consequently, the penny stock rules will affect the ability of broker-dealers to sell shares of our common stock and may affect the ability of shareholders to sell their shares in the secondary market, as compliance with such rules may delay and/or preclude certain trading transactions. The rules could also have an adverse effect on the market price of our common stock.

These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for our common stock. Many brokers may be unwilling to engage in transactions in our common stock because of the added disclosure requirements, thereby making it more difficult for stockholders to dispose of their shares. You will also find it difficult to obtain accurate information about, and/or quotations as to the price of our common stock.

We have added a stock broker to create or maintain a market in our common stock, which could favorably impact the price and liquidity of our securities.

## **We Do Not Expect to Pay Dividends on Our Common Stock.**

We have not paid any cash dividends with respect to our common stock, and it is unlikely that we will pay any dividends on our common stock in the foreseeable future, as we are a growth company.

## **Our results could be impacted by changes in trade agreements or treaties and the imposition of tariffs on our goods exported to other countries.**

The Trump administration has indicated its intent to alter the U.S. government's international trade policies and in some cases to renegotiate or terminate existing trade agreements and treaties with various foreign countries. The North America Free Trade Agreement has been replaced by the US Mexico Canada Agreement (USMCA). In addition, certain foreign countries, including the People's Republic of China, have imposed or are considering imposing tariffs on various U.S. goods exported to those countries. It is currently unclear what will happen regarding many of these trade agreements, treaties and tariffs in the long term, but an escalating trade war or other governmental action with respect to any of them could adversely impact foreign demand for our products or our operating cost.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

A smaller reporting company is not required to provide the information in this Item.

## ITEM 2. PROPERTIES

The Company has a lease agreement for its corporate offices, inventory and production facility at 22 Journey in Aliso Viejo, Ca. The lease has a term of 5 years at a monthly rental of approximately \$26,000.

We hold trademarks and a tradename. We previously held two patents which are now expired. We currently hold no patents.

## ITEM 3. LEGAL PROCEEDINGS

The Company may be, from time to time, involved in legal proceedings in the normal course of business. The Company is involved in the following legal proceedings as of February 29, 2020, which would be deemed material:

There is a pending legal action named Rolling Tides, LLC vs. Carl Palmer, Seychelle Environmental Technologies, Inc., and other defendants. The case was brought in the Superior Court of the State of California, County of Orange. The action alleges certain fraudulent transfers occurred from Seychelle to the various defendants. The plaintiffs have refused to identify any such transfers by date or amount. Trial in the matter is set for September 28, 2020. All the defendants have denied the allegations of the complaint and are vigorously defending the matter. It is not likely that the case will be settled without trial. The Company believes that the case has no merit.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

### Principal Market or Markets

Our Common Stock began trading in 1997 on the OTC Bulletin Board (OTCBB). Since the consummation of trading our common stock, market makers and other dealers have provided bid and ask quotations of our Common Stock under the symbol "SYEV." We were de-listed from the OTCBB in 2002 and were traded on the "Pink Sheets" from December 2002 to March 11, 2008, when we were re-listed on the OTCBB. The table below represents the range of high and low bid quotations of our common stock as reported during the reporting period herein. The following bid price market quotations represent prices between dealers and do not include retail markup, markdown, or commissions; hence, they may not represent factual transactions. As of May 14, 2020, the common stock had a closing bid price of \$0.08 per share.

Fiscal Year 2020	High Bid		Low Bid	
Quarter Ended:				
First Quarter May 2019	\$	0.08	\$	0.08
Second Quarter August 2019	\$	0.07	\$	0.07
Third Quarter November 2019	\$	0.08	\$	0.08
Fourth Quarter February 2020	\$	0.08	\$	0.08

**Fiscal Year 2019**

	High Bid	Low Bid
Quarter Ended:		
First Quarter May 2018	\$ 0.20	\$ 0.19
Second Quarter August 2018	\$ 0.16	\$ 0.16
Third Quarter November 2018	\$ 0.13	\$ 0.13
Fourth Quarter February 2019	\$ 0.09	\$ 0.09

**Approximate Number of Holders of Common Stock**

As of February 29, 2020, there were approximately 353 shareholders on record of our common stock.

**Dividends**

Holders of our common stock are entitled to receive such dividends as may be declared by our Board of Directors. We paid no dividends on our common stock during the periods reported herein nor do we anticipate paying such dividends in the foreseeable future.

**ITEM 6. SELECTED FINANCIAL DATA**

A smaller reporting company is not required to provide the information in this Item.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This discussion summarizes the significant factors affecting the operating results, financial condition, liquidity and cash flows of the Company and its subsidiaries as of and for the fiscal years ended February 29, 2020 and February 28, 2019. The discussion and analysis that follows should be read together with the consolidated financial statements of Seychelle Environmental Technologies, Inc. and the notes to the consolidated financial statements included elsewhere in this annual report on Form 10-K. Except for historical information, the matters discussed in this section are forward looking statements that involve risks and uncertainties and are based upon judgments concerning various factors that are beyond the Company's control.

**Application of Critical Accounting Policies and Estimates**

Our consolidated financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are affected by management's application of accounting policies. Ultimate results could vary from amounts presently estimated.

Critical accounting policies for us include our accounting for inventory reserves, allowance for doubtful accounts receivable and sales returns reserves and determination of the valuation allowance for deferred tax assets.

**Inventory Reserves**

At each balance sheet date, the Company evaluates its ending inventory for excess quantities and obsolescence. This evaluation includes an analysis of sales levels by product type. Among other factors, the Company considers current product configurations, historical and forecasted demand, market conditions and product life cycles when determining the market value of the inventory. This requires significant judgments including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, and the period over which cash flows will occur. Provisions are made to reduce excess or obsolete inventories to their estimated net realizable values. Once established, write-downs are considered permanent adjustments to the cost basis of the excess or obsolete inventory.

## Allowance for Doubtful Accounts

The Company analyzes its current account receivable portfolio and make estimates for potential uncollectible amount based on a variety of factors, including the age of the receivable, historical payment patterns, and actual return experience of specific products or similar products. The Company also reviews its estimates for product returns based on expected return data communicated to us by customers and historical experience. Management is able to make reasonable and reliable estimates of its allowance for doubtful accounts and product returns based on our history in this business.

## Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred income tax assets to the amounts expected to be realized. The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examinations by the tax authorities, based on the technical merits of the position.

## Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updated ("ASU") 2014-09, Revenue from Contracts with Customers, issued as a new Topic, ASC Topic 606 ("ASU 2014-09"). The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The premise of the standard is that a Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted ASU 2014-09 beginning fiscal year 2019 using the modified retrospective approach. The impact of adopting the standard on our consolidated financial statements and related disclosures was not material.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*," which required lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. Lessor accounting is similar to the current model, but updated to align with certain changes to the lessee model and the new revenue recognition standard. We adopted the standard effective March 1, 2019. Consequently, financial information will not be updated and disclosures required under the new standard will not be provided for periods presented before March 1, 2019 as these prior periods conform to the Accounting Standards Codification 840. We elected the package of practical expedients permitted under the transition guidance within the new standard. By adopting these practical expedients, we were not required to reassess (1) whether an existing contract meets the definition of a lease; (2) the lease classification for existing leases; or (3) costs previously capitalized s initial direct costs. We evaluated all leases within this scope under existing standards and under the ASU lease standard recognized approximately \$580,000 of operating right-of-use assets and lease liabilities at the date of adoption.

Management does not believe any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the Company's present or future consolidated financial statements.

## Results of Operations

Our summary historical financial data is presented in the following table to aid you in your analysis. You should read this data in conjunction with this section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, our consolidated financial statements and the related notes to the consolidated financial statements included elsewhere in this annual report. The selected financial data below for the fiscal years ended February 29, 2020 and February 28, 2019 are derived from our consolidated financial statements included elsewhere in this annual report.

**Fiscal year ended February 29, 2020 compared to the corresponding period in fiscal year ended February 28, 2019.**

## Selected Financial Data

	Years Ended		Difference	Percentage Change
	February 29, 2020	February 28, 2019		
Sales	\$ 3,086,408	\$ 3,153,429	\$ (67,021)	(2%)
Cost of sales	1,701,671	1,633,430	68,241	4%
Gross profit	1,384,737	1,519,999	(135,262)	(9%)
Gross profit percentage	45%	48%		
Selling, general and administrative	1,325,080	1,563,498	(238,418)	(15%)
Legal expenses	123,565	140,098	(16,533)	(12%)
Depreciation and amortization	51,505	55,040	(3,535)	(6%)
Loss from operations	(115,413)	(238,637)	123,224	(52%)
Interest expense	(1,368)	(1,919)	551	(29%)
Other (expense) income	(618)	429	(1,047)	(244%)
Loss before income taxes	(117,399)	(240,127)	(122,728)	(51%)
Loss before income taxes percentage	(4%)	(8%)		
Provision for income taxes	(1,600)	—	(1,600)	100%
Net loss	(118,999)	(240,127)	121,128	(50%)
Net loss percentage	(4%)	(8%)		
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.01)		
Net cash provided by operating activities	262,800	45,310		
Net cash used in investing activities	(12,842)	(37,655)		
Net cash used in financing activities	(5,939)	(5,366)		

**Sales.** Sales decreased to \$3,086,408 during the fiscal year ended February 29, 2020 from \$3,153,429 during the year ended February 28, 2019. The decrease of 2% is primarily due to decreasing sales of our pitcher and bottle products.

**Cost of sales and gross profit percentage.** As a percentage of sales, the gross profit margin during the fiscal year ended February 29, 2020 decreased to 45% from 48% due to product mix and timing of significant sales. The Company believes that the average gross margin percentages overall can decrease to a range around approximately 40% in the foreseeable future.

**Legal expenses.** The decrease in legal expenses of \$16,533 is due to fees for employment matters settled during year-end February 29, 2020.

**Selling, general and administrative.** The selling, general and administrative decreased \$238,418, or (15%), from prior year. The decrease was a direct result of the Company reducing and managing its costs and expenses, including reducing the number of personnel.

**Interest expense.** Interest expense was relatively consistent from year to year.

**Provision for income taxes.** The Company recorded an income tax expense due to its pretax loss of \$1,600.

**Net loss.** The net loss for the year ended February 29, 2020 is \$118,999 compared to the net loss for the year ended February 28, 2019 of \$240,127 due to increase in sales in pitchers and bottles and reduced expenses.



## CONTRACTUAL OBLIGATIONS, COMMITMENTS AND OFF BALANCE SHEET ARRANGEMENTS

The Company has various contractual obligations, which are recorded as liabilities in the consolidated financial statements. Other items, are not recognized as liabilities in our consolidated financial statements but are required to be disclosed.

The following table summarizes our significant contractual obligations on an undiscounted basis as of February 29, 2020 and the future periods in which such obligations are expected to be settled in cash or converted into the Company's common stock. In addition, the table reflects the timing of principal payments on outstanding borrowings. Additional details regarding these obligations are provided in footnotes, as referenced below:

	Total	Less Than 1 Year	1- 3 Years	3-5 Years	More Than 5 Years
Accounts payable and accrued expenses	\$ 357,570	\$ 357,570	\$ —	\$ —	\$ —
Customer deposits	143,651	143,651	—	—	—
Capital lease	3,181	3,181	—	—	—
Other contractual commitments <sup>(1)</sup>	353,893	245,586	108,307	—	—
Total contractual obligations	<u>\$ 858,295</u>	<u>\$ 749,988</u>	<u>\$ 108,307</u>	<u>\$ —</u>	<u>\$ —</u>

<sup>(1)</sup> Office and facility lease commitments expiring July 2021.

### Liquidity and capital resources.

**Net cash provided by operating activities.** During the fiscal year ended February 29, 2020, the Company had cash provided by operating activities of \$262,800 compared to cash provided by operating activities of \$45,310 in the comparable prior period. The increase was primarily due to better collection efforts. During the year ended February 29, 2020, the Company had a net loss of \$118,999 compared to year ended February 28, 2019 the Company had a net loss of \$240,127 due primarily to reduction in selling, general and administrative.

**Net cash used in investing activities.** The Company spent approximately \$13,000 on capital expenditures compared to approximately \$38,000 in the prior period. Cash used in investment during the fiscal year ended February 29, 2020 was for the purchase of additional tooling and molding to increase production capacity and also for shop equipment.

**Net cash used in financing activities.** In fiscal 2020 and 2019, the Company repaid \$5,939 and \$5,366, respectively in capital leases payable.

As of February 29, 2020, the Company has unrestricted cash and cash equivalents of approximately \$2,322,000 and a backlog of approximately \$775,000 in orders to fill.

### Capital expenditures.

We do not expect any major capital expenditures in fiscal 2021. However, minor purchases of additional molds or tooling may be needed to expand our product line. We will be able to fund these purchases from cash on hand and we will not require outside financing.

### Any seasonal aspects

We have not experienced seasonal spikes in our sales as a result of our very limited retail store distribution and our sales are not subject to material seasonal fluctuation.

### Off-Balance Sheet Arrangements

None

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

A smaller reporting company is not required to provide the information in this Item.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of Seychelle Environmental Technologies, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Seychelle Environmental Technologies, Inc. and its subsidiaries (the Company) as of February 29, 2020 and February 28, 2019, the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 29, 2020 and February 28, 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**/s/ Squar Milner LLP**

We have served as the Company's auditor since 2016.

Irvine, California

May 28, 2020

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
Consolidated Balance Sheets

ASSETS

	February 29, 2020	February 28, 2019
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,322,142	\$ 2,078,122
Accounts receivable, net of allowance for doubtful accounts of \$2,207 and \$4,614, respectively	266,695	352,818
Related party receivable	25,401	31,472
Inventory, net of reserves	1,020,626	972,497
Prepaid expenses and other current assets	63,708	129,049
Total current assets	<u>3,698,572</u>	<u>3,563,958</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>79,491</u>	<u>118,154</u>
<b>OTHER ASSETS</b>		
Other assets	66,670	66,670
Right-of-use lease asset-operating	<u>336,017</u>	<u>—</u>
Total assets	<u><u>\$ 4,180,750</u></u>	<u><u>\$ 3,748,782</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 357,570	\$ 267,641
Customer deposits	143,651	30,567
Lease liability, current portion	<u>248,767</u>	<u>5,938</u>
Total current liabilities	749,988	304,146
<b>LONG-TERM LIABILITIES</b>		
Lease liability, net of current portion	<u>108,307</u>	<u>3,182</u>
Total long-term liabilities	108,307	3,182
Total liabilities	<u>858,295</u>	<u>307,328</u>
Commitments and contingencies (Note 9)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, 6,000,000 shares authorized, none issued or outstanding	—	—
Common stock \$0.001 par value, 50,000,000 shares authorized, 26,640,313 shares issued and outstanding	26,641	26,641
Additional paid-in capital	8,944,368	8,944,368
Accumulated deficit	(5,618,874)	(5,499,875)
Less treasury stock at cost, 66,000 shares	<u>(29,680)</u>	<u>(29,680)</u>
Total stockholders' equity	<u>3,322,455</u>	<u>3,441,454</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 4,180,750</u></u>	<u><u>\$ 3,748,782</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
Consolidated Statements of Operations

	For the Year Ended	
	February 29, 2020	February 28, 2019
SALES	\$ 3,086,408	\$ 3,153,429
COST OF SALES	1,701,671	1,633,430
GROSS PROFIT	1,384,737	1,519,999
Selling, general and administrative	1,325,080	1,563,498
Legal expenses	123,565	140,098
Depreciation and amortization	51,505	55,040
Total operating expenses	1,500,150	1,758,636
LOSS FROM OPERATIONS	(115,413)	(238,637)
Interest expense	(1,368)	(1,919)
Other (expense) income	(618)	429
Total other expense, net	(1,986)	(1,490)
LOSS BEFORE PROVISION FOR INCOME TAXES	(117,399)	(240,127)
Provision for income taxes	(1,600)	—
NET LOSS	\$ (118,999)	\$ (240,127)
NET LOSS PER SHARE		
Basic	\$ (0.00)	\$ (0.01)
Diluted	\$ (0.00)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		
Basic	26,574,313	26,574,313
Diluted	26,574,313	26,574,313

The accompanying notes are an integral part of these consolidated financial statements.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Consolidated Statements of Stockholders' Equity**  
**For the Years Ended February 29, 2020 and February 28, 2019**

	<u>Common Stock</u>		<u>Treasury Stock</u>		Additional Paid-In Capital	Accumulated Deficit	Total
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at February 28, 2018	26,640,313	\$ 26,641	66,000	\$ (29,680)	\$ 8,944,368	\$ (5,259,748)	\$ 3,681,581
Net income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(240,127)</u>	<u>(240,127)</u>
Balance at February 28, 2019	26,640,313	26,641	66,000	(29,680)	8,944,368	(5,499,875)	3,441,454
Net loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(118,999)</u>	<u>(118,999)</u>
Balance at February 29, 2020	<u>26,640,313</u>	<u>\$ 26,641</u>	<u>66,000</u>	<u>\$ (29,680)</u>	<u>\$ 8,944,368</u>	<u>\$ (5,618,874)</u>	<u>\$ 3,322,455</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
Consolidated Statements of Cash Flows

	For the Year Ended	
	February 29, 2020	February 28, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (118,999)	\$ (240,127)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	51,505	55,040
Provision for doubtful accounts	(2,407)	19,233
Accretion of right of use asset	(4,123)	—
Changes in operating assets and liabilities:		
Accounts receivable	88,530	457,739
Related party receivable	6,071	3,535
Inventory	(48,129)	25,800
Prepaid expenses, deposits and other current assets	65,341	30,931
Accounts payable and accrued expenses	111,928	(174,224)
Customer deposits	113,084	(132,617)
Net Cash Provided by Operating Activities	<u>262,801</u>	<u>45,310</u>
<b>CASH FROM INVESTING ACTIVITIES:</b>		
Additions to property and equipment	(12,842)	(37,655)
Net Cash Used in Investing Activities	<u>(12,842)</u>	<u>(37,655)</u>
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Repayment of capital lease obligations	(5,939)	(5,366)
Net Cash Used in Financing Activities	<u>(5,939)</u>	<u>(5,366)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>244,020</b>	<b>2,289</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>2,078,122</u></b>	<b><u>2,075,833</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,322,142</u></b>	<b><u>\$ 2,078,122</u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Initial recognition of lease asset	<u>\$ 555,296</u>	<u>\$ —</u>
<b>CASH PAID DURING THE YEAR FOR:</b>		
Interest	<u>\$ 1,337</u>	<u>\$ 1,919</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 1: ORGANIZATION AND DESCRIPTION OF BUSINESS**

Organization

Seychelle Environmental Technologies, Inc. was incorporated under the laws of the State of Nevada on January 23, 1998 as a change in domicile to Royal Net, Inc., a Utah corporation that was originally incorporated on January 24, 1986. Royal Net, Inc. changed its state of domicile to Nevada and its name to Seychelle Environmental Technologies, Inc. effective in January 1998. Seychelle Water Technologies, Inc., and Fill 2 Pure International, Inc., both wholly owned subsidiaries, were formed as corporations in February 1997 and April 2013, respectively, under the laws of the state of Nevada for the purpose of marketing. Seychelle Environmental Technologies, Inc. and its subsidiaries are collectively herein referred to as “Seychelle” or the “Company”

Description of Business

The Company designs, assembles and distributes water filtration systems. These systems include portable water bottles, canteens, pumps, home-use pitchers, and related water filtration products that can be filled from nearly any available source of fresh water.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the consolidated financial statements herein as of and for the years ended February 29, 2020 and February 28, 2019.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The Company is presently comprised of Seychelle Environmental Technologies, Inc., a Nevada corporation, with two wholly-owned subsidiaries, Seychelle Water Technologies, Inc., and Fill 2 Pure International, Inc., also Nevada corporations. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made in preparing the consolidated financial statements include inventory provisions, the allowance for doubtful accounts receivable and the deferred income tax valuation allowance. Actual results could differ from those estimates.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents in bank deposit accounts which at times may exceed federally insured limits of \$250,000. The Company has not experienced any losses related to this concentration of risk. Deposits exceeded insured limits by approximately \$2,072,000 as of February 29, 2020.

Accounts Receivable

The Company performs periodic credit evaluations of its customers' financial condition and does not require collateral. Trade receivables generally are due in 30 days. An allowance for doubtful accounts for approximately \$2,200 and \$4,600 as of February 29, 2020 and February 28, 2019 respectively is recorded when it is probable that all or a portion of a trade receivable balance will not be collected.

Revenue Recognition

We derive our revenue primarily from product sales. We determine revenue recognition through the following steps: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; (5) recognition of revenue when, or as, we satisfy a performance obligation.

The Company's performance obligations consist solely of product shipped to customers. Revenue from product sales is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for these products. Revenue is recognized net of returns and any taxes collected from customers. We offer standard contractual terms in our purchase orders. In addition, we use the practical expedient related to commissions paid since they would be amortized in less than one year.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Inventory is comprised of raw materials and finished goods. Raw materials consist of fittings, caps and other components necessary to assemble the Company's finished goods. Finished goods consist of water bottles and other filtration systems that are available for shipment to customers. Finished goods and work in process include the costs of materials, labor and an allocation of overhead. Total overhead allocated to inventory as of February 29, 2020 and February 28, 2019 amounted to approximately \$204,000 and \$200,000, respectively.

At each balance sheet date, the Company evaluates its ending inventory for excess quantities and obsolescence. This evaluation includes an analysis of sales levels by product type. Among other factors, the Company considers current product configurations, historical and forecasted demand, market conditions and product life cycles when determining the net realizable value of the inventory. Provisions are made to reduce excess or obsolete inventories to their estimated net realizable values. Once established, write-downs are considered permanent adjustments to the cost basis of the excess or obsolete inventory. The Company's inventory is reduced by excess and obsolete inventory provision, which amounted to approximately \$143,000 and \$126,000 as of February 29, 2020 and February 28, 2019, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives used in determining depreciation are three to five years for tooling, five years for computers and vehicles, and five to seven years for furniture and equipment. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the respective asset. Management evaluates useful lives regularly in order to determine recoverability.

Maintenance and repairs are charged to expense as incurred; additions and betterments are capitalized. Upon retirement or sale, the cost and related accumulated depreciation of the disposed assets are removed, and any resulting gain or loss is recorded. Fully depreciated assets are not removed from the accounts until physical disposition.



**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Long-Lived Assets

The carrying value of long-lived assets, such as property and equipment, are evaluated when indicators of impairment are present. Impairment is assessed when the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. No indicators of impairment existed during fiscal years ended February 29, 2020 and February 28, 2019.

Customer Deposits

Customer deposits represent advance payments received for products and are recognized as a liability.

Fair Value of Financial Instruments

For certain financial instruments, including accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their relatively short maturities.

Cost of Sales

Cost of sales is comprised primarily of the cost of purchased product, as well as labor, inbound freight costs, allocated overhead costs and other material costs required to complete products, including inventory markdowns due to excess and obsolete inventory.

Shipping and Handling

All amounts billed to customers relating to shipping and handling are reported as a component of sales. Costs incurred by the Company for shipping and handling, including transportation costs paid to third party shippers, are reported as a component of cost of sales.

Sales Tax

The Company collects sales tax in various jurisdictions. Upon collection from customers, it records the amount as a payable to the related jurisdiction. On a periodic basis, it files a sales tax return with the jurisdictions and remits the amount indicated on the return.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses amounted to approximately \$10,000 and \$135,000 for the fiscal years ended February 29, 2020 and February 28, 2019, respectively, and recorded as selling, general and administrative expenses in the accompanying consolidated statements of operations.

Research and Development

Research and development costs are expensed as incurred and amounted to approximately \$2,900 and \$4,600 for the fiscal years ended February 29, 2020 and February 28, 2019, respectively. These costs are not significant and have been included in selling, general and administrative in the accompanying consolidated statements of operations.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Stock-Based Compensation

The Company follows FASB ASC Topic 718, *Compensation – Stock Compensation*, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services, primarily focusing on accounting for transactions where an entity obtains services in share based payment transactions. ASC 718 requires entities to measure the cost of services received in exchange for equity instruments, including restricted stock, based on the grant date fair value of the award and to recognize it as compensation expense over the period services are to be provided, usually the vesting period.

The fair value of options and warrants is calculated using the Black-Scholes option-pricing model. This model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions. As such, the values derived from using that model can differ significantly from other methods of valuing the Company's stock based compensation arrangements. The Black-Scholes model also requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values. These factors could change in the future, affecting the determination of stock based compensation expense in future periods.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. The asset and liability method require that the current or deferred tax consequences of all events recognized in the consolidated financial statements be measured by applying the provisions of enacted tax laws to determine the amount of taxes payable or refundable currently or in future years. Deferred tax assets are reviewed for recoverability and the Company records a valuation allowance to reduce its deferred tax assets when it is more likely than not that all or some portion of the deferred tax assets will not be recovered.

The Company also follows ASC 740-10-25, which provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with ASC 740, "*Accounting for Income Taxes*". ASC 740-10-25 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Loss Per Common Share

Basic net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of outstanding common shares during each of the periods presented. Diluted net income per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, assuming the conversion, exercise, or issuance of all potential common stock equivalents unless the effect per share is antidilutive. If the inclusion of common stock equivalents in the weighted average number of common shares outstanding would be anti-dilutive these items would be omitted from the calculation of net (loss) income per common share. The dilutive effect of outstanding stock options and warrants is reflected in diluted earnings per share by application of the treasury stock method.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

	For the year ended	
	February 29, 2020	February 28, 2019
Numerator:		
Net loss available to common shareholders	\$ (118,999)	\$ (240,127)
Weighted average shares – basic	26,574,313	26,574,313
Net loss per share – basic	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Dilutive effect of common stock equivalents:		
Warrants	—	—
Weighted average shares – diluted	26,574,313	26,574,313
Net loss per share – diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>

For the year ended February 29, 2020 and February 28, 2019, 6,407,221 potential common shares issuable upon the exercise of outstanding warrants have been excluded from the computation of diluted earnings per share because their inclusion would be anti-dilutive.

Concentrations

The Company utilizes the services of two individuals, one of which is a related party and one of which is a third-party in China to source materials and the manufacturing of component parts with third-party vendors in China. As of February 29, 2020 and February 28, 2019, the Company had deposits for inventory purchases in China of approximately \$24,000 and \$66,000, respectively.

For the year ended February 29, 2020, we had two customers that accounted for 35% and 20% (or 55%) of our total sales. As of February 28, 2019, we had two customers that accounted for 30% and 28% (or 58%) of our total sales. One of these customers accounted for 68% and 80% of net accounts receivable as of February 29, 2020 and February 28, 2019, respectively.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issues Accounting Standards Updated ("ASU") 2014-09. Revenue from Contracts with Customers, issued as a new Topic, ASC Topic 606 ("ASU 2014-09"). The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The premise of the standard is that a Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted ASU 2014-09 beginning of March 1, 2018 using the modified retrospective approach. The impact of adopting the standard on our consolidated financial statements and related disclosures was not material.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*," which required lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. Lessor accounting is similar to the current model, but updated to align with certain changes to the lessee model and the new revenue recognition standard. We adopted the standard effective March 1, 2019. Consequently financial information will not be updated and disclosures required under the new standard will not be provided for the periods presented before March 1, 2019 as these prior periods conform to the Accounting Standards Codification 840. We elected the package of practical expedients permitted under the transition guidance within the new standard. By adopting these practical expedients, we were not required to reassess (1) whether an existing contract meets the definition of a lease; (2) the lease classification for existing leases; or (3) costs previously capitalized as initial direct costs. We evaluated all leases within this scope under existing accounting standards and under the new ASU lease standard recognized an operating right-of-use assets and lease liabilities as at the date of adoption (see Note 5).

Management does not believe any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the Company's present or future consolidated financial statements.

**NOTE 3: INVENTORY**

The Company's inventory consisted of the following:

	February 29, 2020	February, 28 2019
Raw materials	\$ 700,517	\$ 382,658
Finished goods	320,109	589,839
Net inventory	\$ 1,020,626	\$ 972,497

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 4: PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment:

	February 29, 2020	February 28, 2019
Tooling	\$ 437,421	\$ 424,578
Equipment	84,647	84,647
Computer equipment	63,519	63,520
	585,587	572,745
Less: accumulated depreciation and amortization	(506,096)	(454,591)
Total	\$ 79,491	\$ 118,154

Fixed assets outside the United States included \$379,965 and \$367,123 in tooling and equipment, at cost, located in various third party locations which manufacture the Company's component parts at February 29, 2020 and February 28, 2019, respectively. Depreciation expense included in operating expenses were \$51,505 and \$55,040 for the fiscal years ended February 29, 2020 and February 28, 2019, respectively.

**NOTE 5: RIGHT OF USE LEASED ASSET AND LEASE OBLIGATION**

In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, which allows for an additional optional transition method where comparative periods presented in the financial statements in the period of adoption will not be restated and instead those periods will be presented under existing guidance in accordance with ASC 840, Leases Management used this optional transition method at March 1, 2019, the adoption date. Accordingly, management recorded a right of use lease asset and a lease liability of approximately \$555,000 and \$577,000.

At February 29, 2020, the right of use asset is as follows:

Right of Use Leased Asset- Gross	\$ 555,296
Less Accumulated Amortization	219,279
Right of Use Lease Asset- Net	\$ 336,017

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 5: RIGHT OF USE LEASED ASSET AND LEASE OBLIGATION (CONTINUED)**

Future minimum payments on the operating lease liability are as follows:

Fiscal Year Ending February 28,	Amount
2021	\$ 259,456
2022	109,435
Total	<u>\$ 368,891</u>

The lease, which relates to the Company's headquarters, is a five year lease with an effective rate of 6.25%

**NOTE 6: RELATED PARTY TRANSACTIONS**

During the fiscal year ended February 29, 2020, TAM Trust purchased, on behalf of the Company, approximately \$4,500 of raw materials from a vendor with which it already had a business relationship. During fiscal year ended February 28, 2019, TAM Trust did not make any purchases in behalf of the Company.

During the fiscal year ended February 29, 2020, the Company paid Carl Palmer, approximately \$143,200 as a Consulting Fees. During fiscal year ended February 28, 2019, Carl Palmer was an employee of the Company as such, no consulting fees were paid.

The Company paid commission to a related party for sourcing raw materials with third-party vendors in China. The Company paid approximately \$34,000 and \$47,000 in direct commissions to the related party during the fiscal years ended February 29, 2020 and February 28, 2019, respectively.

The Company had advanced amounts to employees of approximately \$25,000 and \$26,000 as of February 29, 2020 and February 28, 2019, respectively. These amounts are being repaid through direct payroll withdrawals.

The Company had receivables from stockholders of approximately \$0 and \$5,000 as of February 29, 2020 and February 28, 2019, respectively.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 7: EQUITY TRANSACTIONS**

Restricted Stock Grants

None

Warrants

A summary of warrant activity for the fiscal years ended February 29, 2020 and February 28, 2019 is shown below.

	Warrants Outstanding	Weighted- Average Exercise Price
Outstanding at March 1, 2018	6,407,221	0.21
Granted	—	—
Exercised	—	—
Outstanding at February 28, 2019	6,407,221	0.21
Granted	—	—
Exercised	—	—
Outstanding at February 29, 2020	6,407,221	0.21
Vested at February 29, 2020	6,407,221	0.21
Exercisable at February 29, 2020	6,407,221	0.21

The following table summarizes significant ranges of outstanding warrants as of February 29, 2020:

Warrants Outstanding				Warrants Exercisable	
Exercise Price	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
\$0.21	6,407,221	0.54	\$0.21	6,407,221	\$0.21

As of February 29, 2020 and February 28, 2019 the total outstanding warrants had an intrinsic value of \$0.

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 8: INCOME TAXES**

Income tax expense consists of the following:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Year ended February 29, 2020:			
U.S. federal	\$ —	—	—
State	1,600	—	1,600
Total income tax expense	<u>\$ 1,600</u>	<u>—</u>	<u>1,600</u>
Year ended February 28 2019:			
U.S. federal	\$ —	—	—
State	—	—	—
Total income tax expense	<u>\$ —</u>	<u>—</u>	<u>—</u>

The income tax expense differs from the expected amount of income tax expense determined by applying a combined U.S. federal and state income tax rate of 27% to pretax loss for the years ended February 29, 2020 and February 28, 2019 as follows:

	2020	2019
Expected tax (benefit) provision	\$ (24,990)	\$ (50,427)
State Income tax (benefit) provision	(1,600)	(13,082)
Other	1,695	(838)
Change in tax rate	—	—
Permanent differences	883	930
Change in valuation allowance	25,612	63,417
Income tax provision	<u>\$ 1,600</u>	<u>\$ —</u>

Deferred tax assets are as follows:

	February 29, 2020	February 28, 2019
Deferred tax assets:		
NOL carryforwards	\$ 242,797	\$ 231,649
Depreciation	(4,952)	(15,715)
Reserves and accrued expenses	47,016	48,674
Lease Accounting	4,797	—
Other	410,878	410,316
Valuation allowance	(700,536)	(674,924)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>



**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 8: INCOME TAXES (CONTINUED)**

Tax Cuts and Jobs Act

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"). The TCJA makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the U.S. statutory corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. U.S. GAAP requires that deferred income tax assets and liabilities be remeasured at the income tax rate expected to apply when those temporary differences reverse, and that the effects of any change to such income tax rate be recognized in the period when the change was enacted.

In connection with the Company's initial analysis of the impact of the TCJA, the Company recorded a discrete net tax expense of \$282,408 in the year ended February 28, 2018. This net expense is primarily due to the remeasurement of the Company's existing deferred tax assets and liabilities. Due to the Company having a full valuation allowance related to their deferred taxes, the \$282,408 discrete tax expense associated with the remeasurement was equally offset by the valuation allowance causing an overall net zero impact on the Company's current tax rate.

The valuation allowance for deferred tax assets as of February 29, 2020 and February 28, 2019, \$700,536 and 674,924, respectively. The net change in the total valuation allowance was an increase of \$25,612 and \$63,417 for the years ended February 29, 2020 and February 28, 2019, respectively. In assessing the realization of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. It was determined that it was more likely than not that a full valuation allowance was necessary as of February 29, 2020.

At February 29, 2020, the Company had unused net operating loss carryovers of approximately \$811,000 and \$1,244,000 for federal and state tax purposes, respectively, which expire beginning in 2038. Note that any federal net operating loss carryovers from 2018 have an indefinite carryforward period. This was part of the legislation passed as part of the TCJA.

The Company includes interest and penalties, if any, arising from the underpayment of income taxes in the consolidated statements of operations in the provision for income taxes. As of February 29, 2020 the Company had no accrued interest or penalties related to uncertain tax positions. The tax years that remain subject to examination by major taxing jurisdictions are fiscal years 2016 through 2019 for federal purposes and fiscal years 2015 through 2019 for state purposes.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

The Company entered into a lease agreement on one facility for its corporate offices, inventory and production at 22 Journey in Aliso Viejo, CA for a term of 5 years at a monthly rental of approximately \$19,000, and such amounts are included in the table below.

Future minimum base lease payments are as follows:

Fiscal Year Ending February 28,	Amount
2021	\$ 259,000
2022	109,000
Total	\$ 368,000

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 9: COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Legal Proceedings

The Company may be subject to various claims and actions, which arise, in the ordinary course of business. The Company recognizes a liability for contingencies, if any, when a loss is probable and the amount can be reasonably estimated. Estimation requires significant judgment regarding each case and the varying process of proceedings. Accordingly, the Company's estimate may change from time to time and actual losses, if any, may vary from current estimates. At February 29, 2020 a pending legal action named Rolling Tides, LLC vs. Carl Palmer, Seychelle Environmental Technologies, Inc., and other defendants. The case was brought in the Superior Court of the State of California, County of Orange in Fiscal 2019. The action alleges certain fraudulent transfers occurred from Seychelle to the various defendants. The plaintiffs have refused to identify any such transfers by date or amount. Trial is set for September 28, 2020. All the defendants have denied the allegations of the complaint, and are vigorously defending the matter. The Company believes that the case has no merit and expects its final resolution will not result in a material adverse effect to the Company's financial position and results of operation.

Licenses

The Company has historically entered into licensing agreements with third-parties for product proprietary rights, patent and trademark ownership, and use of product name. In return, the Company agrees to pay licensing fees and/or royalties on sales of those products. During the fiscal years ended February 29, 2020 and February 28, 2019, the Company paid \$12,305 and \$13,296, respectively, in royalties and licensing fees under these agreements.

**NOTE 10: GEOGRAPHIC AREAS**

The Company sells its products throughout the United States and internationally. Geographic sales information for the fiscal years ended February 29, 2020 and February 28, 2019 as follows:

	2020	2019
United States	\$ 2,997,536	\$ 3,129,556
Asia	36,390	—
United Kingdom	—	20,806
Canada	7,522	2,467
Other countries	44,960	600
Total	<u>\$ 3,086,408</u>	<u>\$ 3,153,429</u>

(1) Sales are based on the country of residence of the customer.

Long lived assets at February 29, 2020 are in the following geographic areas:

	United States	China	Total
Property and equipment, net	\$ 33,746	\$ 45,745	\$ 79,491
Other assets	66,670	—	66,670
Total	<u>\$ 100,416</u>	<u>\$ 45,745</u>	<u>\$ 146,161</u>

**SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.**  
**Notes to the Consolidated Financial Statements**

**NOTE 10: GEOGRAPHIC AREAS (CONTINUED)**

Long lived assets at February 28, 2019 are in the following geographic areas:

	United States	China	Total
Property and equipment, net	\$ 57,167	\$ 60,987	\$ 118,154
Other assets	66,670	—	66,670
Total	\$ 123,837	\$ 60,987	\$ 184,824

**NOTE 11: SUBSEQUENT EVENTS**

The Company plans to file a Form 15 under the Securities Exchange Act of 1934, as amended. Otherwise, no material events were identified that require adjustment to the consolidated financial statements.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

We did not have any disagreements on accounting and financial disclosures with our present independent registered public accounting firm during the reporting periods.

### ITEM 9A. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file with the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate, to allow for timely decisions regarding required disclosure. As required by Rule 15d-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on the foregoing, our principal executive and principal financial officer concluded that our disclosure controls and procedures are not effective to ensure the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed and reported within the time periods specified in the SEC's rules and forms.

#### Management's Annual Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Principal Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (US GAAP) and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that the transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements;

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the framework set forth in the report entitled *Internal Control-Integrated Framework* (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that our internal control over financial reporting was not effective as of February 29, 2020.

A material weakness is a deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, management identified the following control deficiencies that represent material weaknesses as of February 29, 2020:

- (1) lack of a functioning audit committee and lack of any outside directors on the Company's Board of Directors capable to oversee the audit function;
- (2) inadequate segregation of duties due to limited number of personnel, which makes the reporting process susceptible to management override;
- (3) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements;
- (4) ineffective controls over period end financial disclosure and reporting processes;

Management believes that the material weaknesses set forth in items (1) through (4) above did not have an effect on the Company's financial reporting during the year ended February 29, 2020.

We are committed to improving our financial organization. As part of this commitment, we plan to prepare and implement sufficient written policies and checklists which will set forth procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements.

We will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this annual report.

#### **Changes in Internal Control over Financial Reporting**

There was no change in internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during our fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### **ITEM 9B. OTHER INFORMATION**

NONE

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE**

Our Directors and Executive Officers as of May 27, 2020, their ages and positions held in the Company are as follows:

Cari Beck	59	President, CEO, CFO, Treasurer, HR Manager and Director
John Beck	61	Director
Carl Palmer	86	Director
Lena Smith	48	Secretary

Our Directors have served and will serve in such capacity until the next annual meeting of our shareholders and until their successors have been elected and qualified. The officers serve at the discretion of our Directors. The Board of Directors as a whole serve as the audit committee. The Board of Directors has determined that each of its members is able to read and understand fundamental financial statements and has substantial business experience that results in that member's financial sophistication. Accordingly, our Board of Directors believes that each of its members has sufficient knowledge and experience necessary to fulfill the duties and obligations that an audit committee would have. Mr. Carl Palmer is the father and father-in-law of Mrs. Cari Beck and Mr. John Beck, respectively. Mrs. Cari Beck and Mr. John Beck are wife and husband. None of the Directors have been involved in the types of litigation specified in Item 401d of Regulation S-B.

## Biographies of Our Executive Officers and Directors

Cari Beck. Effective March 8, 2019, Mrs. Beck became the President, CEO, CFO, Treasurer, HR Manager. Mrs. Beck became a Director in April 2016. From 1992-2002, Mrs. Beck worked as the production coordinator for Krystal Enterprises, one of the largest limousine manufacturers in the world. During her time at Krystal Enterprises, Mrs. Beck worked collaboratively with major US auto manufacturers to purchase chassis for limousine production. She was responsible for coordinating all aspects of production and accounts receivable to ensure timely delivery and satisfaction to the customer. She was instrumental in coordinating the preparation, organization and set up for all quarterly trade shows. Mrs. Beck worked directly with the Executive Vice President handling the company's national accounts and maintaining inventory levels on all finished products. During her tenure, Krystal Enterprises grew from a company producing 20 vehicles to 150 monthly. For the past seven years Mrs. Beck has consulted for Seychelle (in her role as the trustee of the TAM Trust), with a focus on manufacturing, assembly and process control.

John Beck. Mr. Beck became a Director in May 2016. He currently holds the position of Vice President of Operations at Grech Motors, a private company. He has a history of being a part of a team working to help companies grow. From 1976-1986, Mr. Beck worked for Quality Bowling Corporation where he started as the sixth employee hired and finished his time there as a purchasing agent in a company that had grown to over 40 employees. In 1983, Mr. Beck purchased his first limousine and started a part-time limousine venture that led to a 30-year career with Krystal Enterprises, a private company. His responsibilities included sales, marketing, and substantial input on design and production. Over his 30 years at Krystal Enterprises, sales grew from \$150,000 a month during the early 1980's to approximately \$10 million a month in sales during the late 1990's. After Krystal Enterprises was sold in 2011, Mr. Beck retired. Not long after retiring he began consulting and then was hired on as the Vice President of Operations for Grech Motors.

Carl Palmer. Mr. Palmer was the President, Chief Executive Officer (CEO), Chief Financial Officer (CFO) from 1998 until March 8, 2019, but remains a Director of the Company. He was the founder of our Company in 1998, innovator of the complete line of Seychelle water filtration products and primary spokesperson worldwide. He is an internationally recognized expert in the field for over 40 years and pioneered the development of the reverse osmosis (RO) home and office pure water business in the U.S. in the late 1970's. That company, Aq-Ro-Matic, was later sold to Coca-Cola in 1973. He developed the cellulose triacetate membrane, a breakthrough technological development in the industry and subsequently, created and sold pure water companies to Coca Cola Los Angeles as noted previously, AMF/Cuno in 1985 and Shaklee in 1989. Also, in the late 1980's Mr. Palmer developed the Best Water reverse osmosis business for Shaklee and sold over \$53 million in above-the-counter systems. Carl's 30 years of direct sales experience has led to many significant business relationships, many of which continue today. He is the inventor of thirteen patented products related to water purification. Mr. Palmer received a Bachelor's Degree from Whittier College.

Lena Smith. Effective March 8, 2019, Ms. Smith became the Secretary of Seychelle. She is currently the Administrative Assistant to the President and CEO of Seychelle. Ms. Smith has been with Seychelle since March 2013, where she began her employment as a Customer Service Representative and attained her current position two years later. Before joining Seychelle, Ms. Smith spent 23 years in the hospitality field and food service industry where she assumed various management positions. She is a Southern California native and a 1989 graduate of Capistrano Valley High School. She attended Saddleback College. From 2000 to 2007, she has held positions as a volunteer, member, chairperson or board member to organizations such as AYSO, Capistrano Unified School District PTA and School Site Council, Newhart Jr. High, George White and Castille Elementary as well as other local community associations.

## Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's outstanding equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. No Section 16(a) forms were filed during the fiscal year ended February 29, 2020.

## Code of Ethics for Chief Executive Officer and Senior Financial Officers

On May 20, 2006, the Board of Directors of the Company adopted the Code of Ethics for the Chief Executive Officer and Senior Financial Officers. The Code is designed to deter wrong-doing and promote honest and ethical behavior, full, fair, timely, accurate and understandable disclosure and compliance with applicable governmental laws, rules and regulations. It is also designed to encourage prompt internal reporting of violations of the Code to an appropriate person and provides for accountability for adherence to the Code. We will provide to any person without charge, upon written request to our principal executive offices, a copy of our Code. Any waiver of the Code pertaining to one of our executive officers will be disclosed in a report on Form 8-K filed with the SEC.

## Indemnification of Directors and Officers.

The Company's Bylaws provide that it will indemnify its officers and directors to the full extent permitted by Nevada state law. The Company's bylaws likewise provide that it will indemnify and hold harmless its officers and directors for any liability including reasonable costs of defense arising out of any act or omission taken on behalf of the Company, to the full extent allowed by Nevada law, if the officer or director acted in good faith and in a manner the officer or director reasonably believed to be in, or not opposed to, the best interests of the corporation.

In so far as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

## Item 11. EXECUTIVE COMPENSATION

The following table sets forth the Summary Compensation Table for the President and the executive officers at the end of the last three completed fiscal years. Compensation does not include minor business-related and other expenses paid by us.

**SUMMARY COMPENSATION TABLE**

(a) Name and Principle Position	(b) Fiscal Year	Annual Compensation			Long Term Compensation			(i) All Other Compensation (\$)
		(c) Salary (\$)	(d) Bonus (\$)	(e) Other Annual Compensation (\$)	(f) Restricted Stock Award(s) (\$)	(g) Securities Underlying Option/SARs (#)	(h) Payouts LTIP Payouts (\$)	
Carl Palmer	2020	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00	\$ 0.00	\$ 143,211
Director	2019	140,000	24,452	0.00	0.00	0.00	0.00	0.00
	2018	120,875	0.00	0.00	0.00	0.00	0.00	0.00
Cari Beck	2020	51,146	0.00	0.00	0.00	0.00	0.00	0.00
President, CEO, CFO, Treasurer, HR Manager	2019	48,507	0.00	0.00	0.00	0.00	0.00	0.00
Director	2018	43,781	0.00	0.00	0.00	0.00	0.00	0.00

OPTION/SAR GRANTS IN LAST FISCAL YEAR. The Company granted no options during the fiscal year ended February 29, 2020. The Company had no options outstanding as of the fiscal year ended February 29, 2020 and February 28, 2019.

AGGREGATED OPTIONS/SARS EXERCISED IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES. There were no outstanding options as of the fiscal year ended February 29, 2020.

DIRECTOR COMPENSATION. Total Director compensation was \$51,146 for FY2020, \$212,959 for FY 2019, and \$164,656 for FY 2018.

The Board of Directors as a whole act as a compensation committee. We have no retirement, pension, sharing, stock option, insurance or other similar programs.

We do not have a separately designated audit, compensation or nominating committee of our Board of Directors. We are not a "listed company" under SEC rules and are therefore not required to have separate committees comprised of independent directors.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following sets forth the number of shares and warrants of our \$0.001 par value common stock beneficially owned by (i) each person who, as of May 14, 2020, was known by us to own beneficially more than five percent (5%) of its common stock; (ii) our individual Directors and (iii) our Officers and Directors as a group. As of May 14, 2020 there were a total of 26,640,313 common shares issued and outstanding and 6,407,221 outstanding warrants for a total of 33,047,534 common shares and warrants.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF COMMON SHARE BENEFICIAL OWNERSHIP <sup>(1)(2)(4)</sup>	PERCENT OF CLASS
The TAM Irrevocable Trust 4012 S. Rainbow #K111 Las Vegas, NV 80103-2012	10,450,578 shares <sup>(3)</sup>	39.23%
Carl Palmer 251 Jeanell Dr., Ste 3 Carson City, NV 89703	(1)	-0-
Cari Beck 4435 Pepperdine Pl Yorba Linda, CA 92886	10,659,578 shares <sup>(3)</sup>	40.01%
John Beck 4435 Pepperdine Pl Yorba Linda, CA 92886	10,659,578 shares <sup>(3)</sup>	40.01%
Lena Smith 22 Journey Aliso Viejo, CA 92656	-0-	-0-
All officers and directors as a Group (four persons)	10,659,578 shares	40.01%

- (1) All ownership is beneficial and of record, unless indicated otherwise. Does not include 83,333 common shares owned by Mr. Palmer's wife, for which he disclaims beneficial ownership.
- (2) Beneficial owners listed above have sole voting and investment power with respect to the shares shown, unless otherwise indicated.
- (3) The TAM Irrevocable Trust is an irrevocable trust for the benefit of certain family members of Mrs. Cari Beck. Mr. Carl Palmer disclaims any beneficial ownership or interest in this Trust. Mrs. Cari Beck is the Trustee of the Trust and has total beneficiary rights, including all voting rights and investment power as the Trustee. The Trust is held in her name (50%) as well as that of Lindsay Helvey (25%) and Casey Helvey (25%), both granddaughters. Mrs. Beck also owns 209,000 common shares of record. In addition to the common shares shown in the foregoing table, the Trust holds a total of 4,857,221 warrants.
- (4) There are no other financial instruments, including stock warrants, etc. that are issuable within sixty days from the filing of this document.



### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

During the fiscal year ended February 29, 2020, TAM Trust purchased, on behalf of the Company, \$4,500 of raw materials from a vendor with which it already had a business relationship. During the fiscal year ended February 28, 2019, TAM Trust did not make any purchases in behalf of the Company.

During the fiscal year ended February 29, 2020, the Company paid Carl Palmer, approximately \$143,200 in Consulting Fees. During fiscal year ended February 28, 2019, Carl Palmer was an employee of the Company as such, no consulting fees were paid.

The Company had advanced amounts to employees of approximately \$25,000 and \$26,000 as of February 29, 2020 and February 28, 2019, respectively. These amounts are being repaid through direct payroll withdrawals

The Company paid commission to Mr. Carl Palmer's brother-in-law for sourcing raw materials with third-party vendors in China. The Company paid approximately \$34,000 and \$47,000 in direct commissions to the related party during the fiscal years ended February 29, 2020 and February 28, 2019, respectively.

The Company utilizes the services of two individuals, one of which is a related party and one of which is third-party, in China to source materials and the manufacturing of component parts with third-party vendors in China. As of February 29, 2020 and February 28, 2019, the Company had deposits for inventory purchases in China of approximately \$24,000 and \$66,000, respectively.

The Company had receivable from shareholders of \$5,472 as of February 28, 2019.

### ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our Board of Directors does not have an audit committee. The functions customarily delegated to an audit committee are performed by our full Board of Directors. Our Board of Directors approves in advance, all services performed by Squar Milner, LLP. Our Board of Directors considers whether the provision of non-audit services is compatible with maintaining the principal accountant's independence.

The following table sets forth fees billed by Squar Milner, LLP during the last two fiscal years for services rendered for the audit of our annual consolidated financial statements and the review of our quarterly financial statements, services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our consolidated financial statements and that are not reported as audit fees, services rendered in connection with tax compliance, tax advice and tax planning, and all other fees for services rendered.

	February 29, 2020	February 28, 2019
Audit fees	\$ 75,000	\$ 69,900
Audit related fees	—	—
Tax fees	8,000	10,000
All other fees	\$ —	\$ —

**Audit fees.** The audit fees in fiscal 2020 and 2019 \$75,000 and \$69,900, respectively, related to the audit of our consolidated financial statements, and quarterly reviews.

**Tax fees.** The tax fee in fiscal 2020 and 2019 \$8,000 and \$10,000, respectively related to professional services rendered for tax compliance, tax advice and tax planning.

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES****Exhibits**

Exhibit No.	Description
2A*	<a href="#">Plan of Exchange between Seychelle Environmental Technologies, Inc. and Seychelle Water Technologies, Inc. dated January 30, 1998 as filed with Form 10-SB 12 G on February 8, 2000.</a>
3A*	<a href="#">Articles of Incorporation dated January 23, 1998 as filed with Form 10-SB 12 G on February 8, 2000.</a>
3B*	<a href="#">Articles of Merger of Royal Net, Inc. into Seychelle Environmental Technologies, Inc as filed with Form 10-SB 12 G on February 8, 2000.</a>
3C*	<a href="#">Amendment to Articles of Incorporation re: Series "A" Preferred Stock as of January 31, 1998 as filed with Form 10-SB 12 G on February 8, 2000.</a>
3D*	<a href="#">Amendment to Articles of Incorporation re: Series "AA" Preferred Stock as of June 5, 1998 as filed with Form 10-SB 12 G on February 8, 2000.</a>
3E*	Amendment to Articles of Incorporation re: Series "AAA" Preferred Stock as of February 18, 1999 as filed with Form 10-SB 12 G on February 8, 2000.
3F*	<a href="#">Bylaws as filed with Form 10-SB 12 G on February 8, 2000.</a>
10A*	<a href="#">Purchase Agreement with Aqua Vision as filed with Form 10-SB 12 G on February 8, 2000.</a>
10B*	Amended Purchase Agreement with Aqua Vision as filed with Form 10-SB 12 G on February 8, 2000.
10C*	<a href="#">2000 Stock Compensation Plan I, dated July 1, 2000 as filed with Registration Statement on Form S-8 on August 31, 2000.</a>
10D*	2002 Stock Compensation Plan I, dated February 12, 2002 as filed with Registration Statement on Form S-8 on February 27, 2002.
10E*	Purchase Agreement with Aqua Gear as filed with Annual Report on Form 10-K on June 14, 2002.
10F*	Employment Contract with Carl Palmer as filed with Annual Report on Form 10-K on June 14, 2002.
10G*	<a href="#">Management Consulting Contract with Richard Parsons</a>
10H*	<a href="#">Management Consulting Contract with James Place</a>
10I*	<a href="#">Joint Venture Agreement with Huanghua Plastic Co. Ltd. dated September 1, 2005</a>
10J*	<a href="#">ABMS Health Care Pvt. Ltd. Distribution Rights Agreement dated April 1, 2006</a>
10K*	<a href="#">Confident, Inc. Exclusive Distribution Rights Agreement dated January 1, 2006</a>

Exhibit No.	Description
10L*	<a href="#">Continental Technologies, Inc., Purchase Agreement dated April 26, 2006</a>
10M*	<a href="#">Promissory Note to TAM Irrevocable Trust dated May 1, 2001</a>
10N*	<a href="#">Promissory Note to TAM Irrevocable Trust dated February 28, 2002</a>
10O*	<a href="#">Promissory Note to TAM Irrevocable Trust dated February 28, 2003</a>
10P*	<a href="#">Promissory Note to TAM Irrevocable Trust dated November 1, 2003</a>
10Q*	<a href="#">Promissory Note to TAM Irrevocable Trust dated February 28, 2004</a>
10R*	<a href="#">Food For Health Purchase Agreement</a>
10S*	<a href="#">Food For Health Distribution Agreement</a>
10T*	<a href="#">Seychelle Environmental Technologies, Inc. License Agreement with Mr. Gary Hess</a>
10U*	<a href="#">Employment Agreement with Mr. Carl Palmer</a>
10V*	<a href="#">Employment Agreement with Mr. James Place</a>
21*	<a href="#">Subsidiaries</a>
31.1**	<a href="#">Certification of the Chief Executive/Financial Officer pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes Oxley Act of 2002)</a>
32.1**	<a href="#">Certification of the Chief Executive/Financial Officer pursuant to 18 U.S.C.ss.1350 (Section 906 of the Sarbanes-Oxley Act of 2002)</a>
99*	<a href="#">Code of Ethics for Chief Executive Officer and Senior Financial Officers</a>

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\* Previously filed with the Securities and Exchange Commission as indicated and incorporated by reference herein

\*\* Attached hereto

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.

Date: May 28, 2020

By: /s/ Cari Beck

\_\_\_\_\_  
Cari Beck  
Chief Executive Officer  
and Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Carl Palmer

\_\_\_\_\_  
Carl Palmer, Director

May 28, 2020

/s/ Cari Beck

\_\_\_\_\_  
Cari Beck, Director

May 28, 2020

/s/ John Beck

\_\_\_\_\_  
John Beck, Director

May 28, 2020



**Certification Pursuant to Section 302  
of the Sarbanes-Oxley Act of 2002**

I, Cari Beck, certify that:

1. I have reviewed this annual report on Form 10-K of Seychelle Environmental Technologies, Inc. (the "Registrant");
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-a5(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-a5(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure the material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or person performing the equivalent functions);
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: May 28, 2020

By: /s/ Cari Beck

\_\_\_\_\_  
Cari Beck  
Chief Executive Officer  
and Chief Financial Officer

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**Certification Pursuant to  
Section 906 of The Sarbanes-Oxley Act of 2002**

In connection with the annual report of Seychelle Environmental Technologies, Inc. (the "Company") on Form 10-K as filed with the Securities and Exchange Commission (the "Report"), I, Carl Palmer, Chief Executive Officer/Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 28, 2020

By: /s/ Cari Beck

\_\_\_\_\_  
Cari Beck  
Chief Executive Officer  
and Chief Financial Officer