# KELYNIAM GLOBAL, INC.

# FINANCIAL STATEMENTS

# FOR THE NINE MONTHS ENDED

# SEPTEMBER 30, 2026 AND 2025

**KELYNIAM GLOBAL, INC.**
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**SEPTEMBER 30, 2026 AND 2025**


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LaQuerreAudi
certified public accountants

Independent Accountant's Compilation Report

To the Board of Directors

Kelyniam Global, Inc.

Collinsville, CT

Management is responsible for the accompanying financial statements of Kelyniam Global, Inc., (a Corporation), which comprise the balance sheet as of September 30, 2026 and 2025, and the related statement of income, changes in stockholders' equity and cash flows for the nine months then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements in Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The supplementary information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

Respectfully,

LaQuerre Audi, LLC

LaQuerre Audi, LLC

Certified Public Accountants

Plainville, CT 06062

October 29, 2026

**KELYNIAM GLOBAL, INC.**
**BALANCE SHEET**
**SEPTEMBER 30, 2026 AND 2025**

## ASSETS

| | 2026 | 2025 |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ 17,986 | $ 135,274 |
| Accounts receivable, net of allowances | 526,115 | 307,951 |
| Employee receivable | 25,000 | - |
| Inventory | 71,479 | 47,423 |
| Prepaid expenses | - | 473 |
| **TOTAL CURRENT ASSETS** | 640,580 | 491,121 |
| **PROPERTY AND EQUIPMENT** | | |
| Manufacturing equipment | 281,369 | 270,954 |
| Computer equipment | 5,867 | 28,074 |
| Furniture and fixtures | 8,043 | 8,043 |
| Leasehold improvements | 323,162 | 323,162 |
| | 618,441 | 630,233 |
| Less: Accumulated depreciation | (407,131) | (415,754) |
| **TOTAL PROPERTY AND EQUIPMENT** | 211,310 | 214,479 |
| **OTHER ASSETS** | | |
| Operating lease - right-of-use asset | 42,450 | 76,410 |
| Security deposit | 8,000 | 8,000 |
| Deferred income tax asset | 901,900 | 820,500 |
| **TOTAL OTHER ASSETS** | 952,350 | 904,910 |
| **TOTAL ASSETS** | $ 1,804,240 | $ 1,610,510 |

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

**KELYNIAM GLOBAL, INC.**
**BALANCE SHEET**
**SEPTEMBER 30, 2026 AND 2025**

## LIABILITIES & STOCKHOLDERS' EQUITY

| | 2026 | 2025 |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Line of credit | $ 215,749 | $ 204,829 |
| Accounts payable | 447,146 | 106,540 |
| Accrued expenses | 131,430 | 323,905 |
| Deferred revenue | 29,667 | - |
| Former officer/employee loan payable | 17,855 | 17,067 |
| Current portion of operating lease liabilities | 33,960 | 33,960 |
| Current portion of note payable, net of unamortized debt issuance costs | 13,529 | 11,499 |
| **TOTAL CURRENT LIABILITIES** | 889,336 | 697,800 |
| **LONG-TERM LIABILITIES** | | |
| Operating lease liabilities, less current portion | 8,490 | 42,450 |
| Note payable, net of current portion and unamortized debt issuance costs | 179,183 | 192,711 |
| **TOTAL LONG-TERM LIABILITIES** | 187,673 | 235,161 |
| **TOTAL LIABILITIES** | 1,077,009 | 932,961 |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock $.001 par value, 60,000,000 shares authorized, 50,923,430 shares issued and outstanding in 2026; 50,543,430 shares issued and outstanding in 2025; | 50,923 | 50,543 |
| Additional paid-in-capital | 4,189,503 | 4,124,268 |
| Retained earnings (accumulated deficit) | (3,513,195) | (3,497,262) |
| **TOTAL STOCKHOLDERS' EQUITY** | 727,231 | 677,549 |
| **TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** | $ 1,804,240 | $ 1,610,510 |

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

**KELYNIAM GLOBAL, INC.**
**STATEMENT OF INCOME**
**FOR THE NINE MONTHS ENDED**
**SEPTEMBER 30, 2026 AND 2025**

| | 2026 | 2025 |
|---|---|---|
| **Sales** | $ 2,954,087 | $ 2,186,491 |
| **Cost of Sales** | 570,455 | 490,995 |
| Gross Profit | 2,383,632 | 1,695,496 |
| **General and Administrative Expenses** | 2,139,123 | 1,857,869 |
| Income (Loss) from operations | 244,509 | (162,373) |
| **Other Income (Expenses)** | | |
| Stock-based compensation | (47,750) | (41,250) |
| Restructuring charges | (322,002) | - |
| Loss on disposal of assets | (334) | - |
| Interest income | 339 | 463 |
| Interest expense | (45,724) | (48,324) |
| | (415,471) | (89,111) |
| Loss Before Provision (Benefit) for Income Taxes | (170,962) | (251,484) |
| **Provision (Benefit) for Income Tax** | 4,635 | 22,850 |
| Net Loss | $ (175,597) | $ (274,334) |

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

**KELYNIAM GLOBAL, INC.**
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**
**SEPTEMBER 30, 2026 AND 2025**

| | Common Stock | Additional Paid-in Capital | Retained Earnings | Total Stockholders' Equity |
|---|---|---|---|---|
| Balance, January 1, 2025 | $ 49,718 | $ 4,047,543 | $ (3,222,928) | $ 874,333 |
| Issuance of new shares | 825 | 76,725 | - | 77,550 |
| Net loss | - | - | (274,334) | (274,334) |
| Balance, September 30, 2025 | $ 50,543 | $ 4,124,268 | $ (3,497,262) | $ 677,549 |
| Balance, January 1, 2026 | $ 50,073 | $ 4,100,853 | $ (3,337,598) | $ 813,328 |
| Issuance of new shares | 850 | 88,650 | - | 89,500 |
| Net loss | - | - | (175,597) | (175,597) |
| Balance, September 30, 2026 | $ 50,923 | $ 4,189,503 | $ (3,513,195) | $ 727,231 |

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

**KELYNIAM GLOBAL, INC.**
**STATEMENT OF CASH FLOWS**
**FOR THE NINE MONTHS ENDED**
**SEPTEMBER 30, 2026 AND 2025**

| | 2026 | 2025 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net loss | $ (175,597) | $ (274,334) |
| Adjustments needed to reconcile net loss to | | |
| net cash provided by (used in) operating activities: | | |
| Stock-based compensation | 47,750 | 77,550 |
| Loss on sale of assets | 334 | - |
| Depreciation | 9,855 | 9,287 |
| Amortization of intangible assets | 1,804 | 1,804 |
| Amortization of operating lease right-of-use asset | 8,490 | 25,470 |
| (Increase) Decrease in operating assets | | |
| (Increase) Decrease in accounts receivable | (111,240) | 77,617 |
| (Increase) Decrease in inventory | (26,656) | (12,635) |
| (Increase) Decrease in prepaid expenses | 399 | 820 |
| (Increase) Decrease in deferred income taxes | (1,800) | 16,500 |
| Increase (Decrease) in accounts payable | 307,716 | (29,056) |
| Increase (Decrease) in accrued expenses | (167,252) | (6,374) |
| Increase (Decrease) in deferred revenue | 29,667 | - |
| Increase (Decrease) in operating lease liability | (8,490) | (25,470) |
| Net Cash Provided By (Used In) Operating Activities | (85,020) | (138,821) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from the sale of assets | 300 | - |
| Purchase of property and equipment | (10,416) | - |
| Net Cash Provided By (Used In) Investing Activities | (10,116) | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net borrowings on line of credit | (6,368) | 148,870 |
| Principal payments on note payable | (10,603) | (8,723) |
| Proceeds from the issuance of common stock | 25,000 | - |
| Repurchase of treasury shares | - | (10,080) |
| Net repayments to former officer/employee | 585 | (9,055) |
| Net Cash Provided by (Used In) Financing Activities | 8,614 | 121,012 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (86,522) | (17,809) |
| Cash and Cash Equivalents at Beginning of Year | 104,508 | 153,083 |
| Cash and Cash Equivalents at End of Year | $ 17,986 | $ 135,274 |

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

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

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

### Basis of Accounting

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

### Reclassification

Certain prior year amounts have been reclassified to conform to the current period presentation.

### Revenue Recognition

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

*Significant judgments – contracts with multiple performance obligations*

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

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

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

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

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

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

### Use of Estimates

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

### Cash and Cash Equivalents and Credit Risk

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

The Company maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company did not exceed the insured limit as of September 30, 2026 and 2025.

### Accounts Receivable

Accounts receivable are recorded at fair value and are recorded as current assets. Uncollectible account balances are written-off when management determines the probability to collection is remote. The Company does not require collateral in providing credit. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written-off to the allowance for doubtful accounts. No allowance for doubtful accounts was deemed necessary at September 30, 2026 and 2025. The opening balance of accounts receivable as of January 1, 2026 was $414,875 and the closing balance as of September 30, 2026 was $526,115. The opening balance of accounts receivable as of January 1, 2025 was $385,568 and the closing balance as of September 30, 2025 was $307,951.

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

### Inventory

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

### Property and Equipment

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

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

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

Expenditures for major renewals or improvements that extend the useful lives of equipment and furniture are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation expense for the nine months ended September 30, 2026 and 2025 was $9,855 and $9,287, respectively.

### Fair Value of Financial Instruments

The Company has a number of financial instruments and none are held for trading purposes. The Company estimates that the fair value of all financial instruments as of September 30, 2026 and 2025 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets. The Company used available market information and appropriate valuation methodologies to determine the estimated fair value amounts. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange (See Note 12).

### Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expenses for the nine months ended September 30, 2026 and 2025 was $59,786 and $20,156, respectively.

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

### Shipping and Handling Costs

All shipping and handling costs billed to customers are recognized in sales. Shipping and handling costs are charged to expense as incurred and included in cost of sales on the accompanying statement of income. Shipping and handling costs incurred for the nine months ended September 30, 2026 and 2025 was $31,466 and $24,754, respectively.

### Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to differences between financial statement and taxable income arising primarily from future benefits for net operating loss carryovers for tax purposes.

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

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

### Lease Accounting

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance *(Accounting Standards Codification [ASU] 842, Leases)* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) asset and lease liabilities on the balance sheet. Most prominent amount the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are request to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available.

Available practical expedients were elected to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

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

In addition, the hindsight practical expedient was elected to determine the lease term for existing leases. The election of the hindsight practical expedient did not result in a change of lease terms for existing leases or a change in the useful lives of corresponding right-of-use assets. In the application of the hindsight practical expedient, the Company concluded that renewal options would not be reasonably certain in determining the expected lease terms.

The Company leases building space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities shown on the Balance Sheet. Annual rentals pertaining to the real estate lease, which convey merely the right to use property, are charged to current operations. The Company's monthly installments range from $2,667 to $2,830, maturing December 2027.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. The Company calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

There were no short-term leases in 2026 or 2025. Should there be in future years the short-term exemption will be applied.

**Adoption of New Accounting Standards**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the current methodology required to measure and disclose incurred loss impairments under GAAP with one that reflects expected credit losses and that requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13, and related ASUs that amend or clarify certain provisions therein, are effective for fiscal years beginning after December 15, 2022. Early adoption was permitted. Management adopted the standard in 2023 which had an immaterial effect on the financial statements.

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through October 29, 2026, which represents the date the financial statements were available to be issued.

## NOTE 2 – RELATED PARTY TRANSACTIONS

### Former Officer/Employee Loan Payable

Loan payable represents amounts due to a former officer/employee. The outstanding balance of the loan as of September 30, 2026 and 2025 was $17,855 and $17,067, respectively. The amount is not subject to a specific repayment schedule. The note pays interest at 4.75%.

## NOTE 3 – INVENTORY

Inventory consists of supplies on hand in the amount of $71,479 and $47,423 as of September 30, 2026 and 2025, respectively.

## NOTE 4 – LINE OF CREDIT

The Company has a $230,000 revolving line of credit with Westfield Bank, secured by the assets of the Company. The balance on the line at September 30, 2026 was $215,749 at the rate of interest of 8.0%. The balance on the line at September 30, 2025 was $204,829 at the rate of interest of 8.25%.

## NOTE 5 – LONG-TERM DEBT

| | 2026 | 2025 |
|---|---|---|
| Note payable with a commercial non-bank lender, payable in monthly installments of $1,162 beginning February 2023, including interest of 14.24%, through January 2035, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy. | $ 67,810 | $ 71,782 |
| Note payable with a commercial non-bank lender, payable in monthly installments of $595 beginning September 2023, including interest of 14.24%, through August 2033, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy. | 31,315 | 33,802 |

**NOTE 5 – LONG-TERM DEBT *(Continued)***

| | | |
|---|---|---|
| Note payable with a commercial non-bank lender, payable in monthly installments of $1,909 beginning October 2022, including interest of 13.24%, through September 2034, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy. | 112,677 | 120,121 |
| | $ 211,802 | $ 225,705 |
| Less: Current maturities: | (15,933) | (13,903) |
| | $ 195,869 | $ 211,802 |

The Company incurred loan origination costs of $25,401 at September 30, 2026 and 2025 and has a carrying value of $19,090 and $21,495 at September 30, 2026 and 2025, respectively. Amortization of the loan origination costs range from 9 to 12 years. Amortization expense for the nine months ended September 30, 2026 and 2025 was $1,804.

Reconciliation of long-term debt to long-term debt, net of debt issuance costs, is as follows as of September 30, 2026:

| | Principal | Net Debt Issuance Costs | Net Principal |
|---|---|---|---|
| Current portion of long-term debt | $ 15,933 | $ 2,404 | $ 13,529 |
| Long-term debt | 195,869 | 16,686 | 179,183 |
| | $ 211,802 | $ 19,090 | $ 192,712 |

Reconciliation of long-term debt to long-term debt, net of debt issuance costs, is as follows as of September 30, 2025:

| | Principal | Net Debt Issuance Costs | Net Principal |
|---|---|---|---|
| Current portion of long-term debt | $ 13,903 | $ 2,404 | $ 11,499 |
| Long-term debt | 211,802 | 19,091 | 192,711 |
| | $ 225,705 | $ 21,495 | $ 204,210 |

**NOTE 5 – LONG-TERM DEBT *(Continued)***

Future maturities of long-term debt are as follows:

| PERIOD ENDING SEPTEMBER 30, | AMOUNT |
|---|---|
| 2027 | $ 15,933 |
| 2028 | 18,260 |
| 2029 | 20,927 |
| 2030 | 23,984 |
| 2031 | 27,489 |
| Thereafter | 105,209 |
| | $ 211,802 |

In recognition of the origination and guarantee of the above notes, the Company entered into an agreement in 2024 and beyond whereby a guarantee fee of 4.25% will be paid on the average of the beginning and ending balances of the above three loans. For the nine months ended September 30, 2026, $6,923 was recorded as interest expense.

**NOTE 6 – DESCRIPTION OF LEASING ARRANGEMENTS**

The Company has an operating lease for real estate maturing December 2027. As of September 30, 2026 and 2025, assets recorded under operating lease were $208,320 and accumulated amortization associated with operating lease was $165,870 and $131,910, respectively.

Lease obligations, at September 30, 2026 and 2025, consisted of the following:

| | 2026 | 2025 |
|---|---|---|
| Operating lease in monthly installments ranging from $2,667 to $2,830, maturing December 2027 | $ 42,450 | $ 76,410 |

The following summarizes the line items in the balance sheet, which include amounts for operating leases as of September 30, 2026 and 2025.

| | 2026 | 2025 |
|---|---|---|
| Operating lease – right-of-use asset | $ 42,450 | $ 76,410 |
| Current portion of operating lease liabilities | 33,960 | 33,960 |
| Operating lease liabilities | 8,490 | 42,450 |
| Total operating lease liabilities | $ 42,450 | $ 76,410 |

## NOTE 6 – DESCRIPTION OF LEASING ARRANGEMENTS *(Continued)*

The following summarizes the components of operating lease expenses that are included in the Statement of Income for the nine months ended September 30, 2026 and 2025.

| | 2026 | 2025 |
|---|---|---|
| Cost of Sales | $ 19,395 | $ 19,246 |
| General and Administrative Expenses | 19,395 | 19,246 |
| Operating lease cost | $ 38,790 | $ 38,492 |

The following summarizes the cash flow information related to operating leases for the nine months ended September 30, 2026 and 2025.

| | 2026 | 2025 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows for operating leases | $ 38,790 | $ 38,492 |
| Lease assets obtained in exchange for lease liabilities: | | |
| Operating leases | $ - | $ - |

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

| PERIOD ENDING SEPTEMBER 30, | |
|---|---|
| 2027 | $ 33,960 |
| 2028 | 8,490 |
| | $ 42,450 |

## NOTE 7 – DEFERRED REVENUE

During the first quarter of 2026, the Company entered into a Master Service Agreement with a customer to license its FDA 510(k) clearances and provide related regulatory consulting services. Deferred revenue represents prepayments received for services not yet performed, recorded as a liability. As of September 30, 2026, the total amount of revenue deferred associated with this project was $29,667.

## NOTE 8 – STOCKHOLDERS' EQUITY

*Common Stock*

As of September 30, 2026, the authorized capital stock of the Company was 60,000,000 shares of common stock, $0.001 par value per share; 50,923,430 shares are outstanding at September 30, 2026.

The Company awarded an employee 150,000 shares of stock which will vest over 3 years upon the anniversary of the employee's service at the Company during the first quarter. The first 50,000 shares award was provided in February 2024 at $0.06 per share for a total amount of $3,000. A second tranche was awarded to the employee on the anniversary of their work date in July 2024 for a total amount of $3,500. The final 50,000 shares were issued in the first quarter of 2026 at $0.13 per share for a total amount of $6,500. The Company has chosen to use the cash or intrinsic method of accounting to account for the award of shares in 2024.

During the second quarter of June 30, 2026, the Company issued 250,000 shares of common stock to a senior executive officer at $0.10 per share for total consideration of $25,000. The officer has agreed to pay the purchase price from future bonus payments and is recorded as an employee receivable on the Balance Sheet. In addition, the Company also issued 250,000 shares of common stock to a new Board member at $0.10 per share for $25,000.

During the third quarter of 2026, the Company issued 300,000 shares of common stock to four Board members for 2026-2027 Board service at $0.11 per share for a total amount of $33,000. The 75,000 shares due to the fifth Board member valued at $8,250, has not yet been issued and is included in accrued expenses as of September 30, 2026.

As of September 30, 2025, the authorized capital stock of the Company was 60,000,000 shares of common stock, $0.001 par value per share; 50,543,430 shares are outstanding at September 30, 2025.

During the third quarter of 2025, the Company issued 825,000 shares of common stock at various issuance prices primarily to current Board members and employees in the amount of $77,550.

## NOTE 9 – INCOME TAXES

The provisions for income taxes consist of the following at September 30, 2026:

| | FEDERAL | STATE | TOTAL |
|---|---|---|---|
| Current Taxes | $ 3,300 | $ 3,135 | $ 6,435 |
| Deferred Tax (Benefit) | (1,350) | (450) | (1,800) |
| Net | $ 1,950 | $ 2,685 | $ 4,635 |

**NOTE 9 – INCOME TAXES *(Continued)***

The provisions for income taxes consist of the following at September 30, 2025:

| | FEDERAL | STATE | TOTAL |
|---|---|---|---|
| Current Taxes | $ 3,300 | $ 3,050 | $ 6,350 |
| Deferred Tax (Benefit) | 12,000 | 4,500 | 16,500 |
| Net | $ 15,300 | $ 7,550 | $ 22,850 |

The deferred taxes result from the following:

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

The Company's deferred tax assets and deferred tax liabilities at September 30, 2026 and 2025 consist of the following:

| | 2026 | 2025 |
|---|---|---|
| Deferred tax assets | $ 901,900 | $ 820,500 |
| Deferred tax liabilities | - | - |
| Net Deferred Tax Asset | $ 901,900 | $ 820,500 |

Included in the accompanying balance sheet at September 30, 2026 and 2025, as follows:

| | 2026 | 2025 |
|---|---|---|
| Long-term deferred tax asset | $ 901,900 | $ 820,500 |

The Company has approximately $3.3 million loss carryforwards for both federal and state that may be used to offset against future taxable income. If not used, the carryforwards will begin to expire in December, 2030.

The Company files tax returns in U.S. federal jurisdiction, as well as in the State of Connecticut. The Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for the years before 2023.

## NOTE 10 – RETIREMENT PLAN

The Company maintains a 401(k) plan for full-time employees defined as an employee whose schedule services exceed 1,000 hours during a calendar year. Newly hired employees are eligible to participate in the plan after six months of service. The Company's matching contribution to its' 401(k) plan during the nine months ended September 30, 2026 was $13,882. The Company's matching contribution to its' 401(k) plan during the nine months ended September 30, 2025 was $18,916.

## NOTE 11 – RESTRUCTURING CHARGES

During the first quarter of 2026, the Company recorded a negotiated restructuring charge representing a settlement amount owed to a supplier resulting from the Company's inability to meet 2024 minimum purchase commitments under its distribution agreement. The total settlement amounted to $407,000, of which $85,000 was previously recorded in 2024, and the remaining amount of $322,000 was recorded as restructuring charges for the nine months ended September 30, 2026. The settlement will be paid in monthly installments through December 2027.

## NOTE 12 – FAIR VALUE MEASUREMENTS

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

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

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

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

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

**NOTE 12 – FAIR VALUE MEASUREMENTS *(Continued)***

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

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

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

The following table presents information about the Company's respective assets and liabilities measured at fair value on a recurring basis at September 30, 2026 including the fair value measurements and the level of inputs used in determining those fair values:

| Description | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Equity Securities | $ - | $ - | $ - | $ - |
| Fixed Income | - | - | - | - |
| Total | $ - | $ - | $ - | $ - |

Transfers between Level 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Levels 2 and 3 generally relate to whether, for various reasons, significant inputs become observable or unobservable. During the nine months ended September 30, 2026, there were no significant transfers into and out of each level of the fair value hierarchy for assets and liabilities measured at fair value.

## NOTE 13 – SUPPLEMENTARY ANALYTICAL DATA

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

| | 2026 | 2025 |
|---|---|---|
| Interest paid | $ 45,139 | $ 40,234 |

During 2026, the Company issued 600,000 shares of common stock, in the amount of $64,500, in a noncash arrangement, as described in Note 7.

During 2025, the Company issued 825,000 shares of common stock, in the amount of $77,550, in a noncash arrangement, as described in Note 7.

## NOTE 14 – CONCENTRATIONS

Three customers represented 47% of accounts receivable at September 30, 2026 and one customer represented 16% of sales revenue for the nine months ended September 30, 2026.

Four customers represented 60% of accounts receivable at September 30, 2025.

## SUPPLEMENTARY INFORMATION

**KELYNIAM GLOBAL, INC.**
**SCHEDULE I - COST OF SALES**
**FOR THE NINE MONTHS ENDED**
**SEPTEMBER 30, 2026 AND 2025**

| | 2026 | 2025 |
|---|---|---|
| Depreciation | $ 2,442 | $ 1,874 |
| Direct labor | 167,256 | 162,975 |
| Payroll taxes | 16,477 | 13,446 |
| Raw materials | 328,179 | 263,350 |
| Rent | 19,395 | 19,246 |
| Shipping, freight and delivery | 31,466 | 24,754 |
| Utilities | 5,240 | 5,350 |
| **Total Cost of Sales** | $ 570,455 | $ 490,995 |

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

**KELYNIAM GLOBAL, INC.**
**SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES**
**FOR THE NINE MONTHS ENDED**
**SEPTEMBER 30, 2026 AND 2025**

| | 2026 | 2025 |
|---|---|---|
| Advertising | $ 59,786 | $ 20,156 |
| Amortization | 1,804 | 1,804 |
| Bank and credit card fees | 20,360 | 21,497 |
| Commissions | 878,462 | 745,367 |
| Depreciation | 7,413 | 7,413 |
| Donations | 1,500 | 11,000 |
| Equipment rental | 205 | 205 |
| Insurance | 118,841 | 120,421 |
| License and registration | 4,941 | 8,824 |
| Officer's compensation | 239,025 | 159,657 |
| Office expenses | 43,209 | 19,601 |
| Payroll service | 3,698 | 3,776 |
| Payroll taxes | 48,984 | 45,481 |
| Pension | 13,882 | 18,916 |
| Professional fees | 189,859 | 93,646 |
| Property and other taxes | 6,319 | 719 |
| Regulatory fees | 35,646 | 50,033 |
| Rent | 19,395 | 19,246 |
| Repairs and maintenance | 15,122 | 13,263 |
| Salaries and wages | 258,203 | 391,599 |
| Seminars | 50,798 | 789 |
| Telephone | 6,799 | 7,279 |
| Travel and entertainment | 59,200 | 63,017 |
| Utilities | 8,559 | 8,255 |
| Web services | 47,113 | 25,905 |
| **Total General and Administrative Expenses** | $ 2,139,123 | $ 1,857,869 |

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