

**KELYNIAM GLOBAL, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2025 AND 2024**

**KELYNIAM GLOBAL, INC.**  
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**SEPTEMBER 30, 2025 AND 2024**

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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, 2025 and 2024, 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

November 4, 2025

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2025 AND 2024**

**ASSETS**

	<b>2025</b>	<b>2024</b>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 135,274	\$ 126,110
Accounts receivable, net of allowances	307,951	423,323
Inventory	47,423	49,394
Prepaid expenses	473	2,363
	<b>491,121</b>	<b>601,190</b>
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Manufacturing equipment	270,954	564,976
Computer equipment	28,074	79,921
Furniture and fixtures	8,043	8,043
Leasehold improvements	323,162	323,162
	<b>630,233</b>	<b>976,102</b>
Less: Accumulated depreciation	<b>(415,754)</b>	<b>(659,359)</b>
	<b>214,479</b>	<b>316,743</b>
<b><u>OTHER ASSETS</u></b>		
Operating lease - right-of-use asset	76,410	110,370
Security deposit	8,000	8,000
Deferred income tax asset	820,500	570,400
	<b>904,910</b>	<b>688,770</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,610,510</b>	<b>\$ 1,606,703</b>

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

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2025 AND 2024**

**LIABILITIES & STOCKHOLDERS' EQUITY**

	<b>2025</b>	<b>2024</b>
<b><u>CURRENT LIABILITIES</u></b>		
Line of credit	\$ 204,829	\$ 122,840
Accounts payable	106,540	115,183
Accrued expenses	323,905	96,557
Current portion of operating lease liabilities	33,960	33,960
Current portion of officer loan	17,067	40,657
Current portion of note payable, net of unamortized debt issuance costs	11,499	13,356
<b>TOTAL CURRENT LIABILITIES</b>	<b>697,800</b>	<b>422,553</b>
<b><u>LONG-TERM LIABILITIES</u></b>		
Operating lease liabilities, less current portion	42,450	76,410
Note payable, net of current portion and unamortized debt issuance costs	192,711	196,449
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>235,161</b>	<b>272,859</b>
<b>TOTAL LIABILITIES</b>	<b>932,961</b>	<b>695,412</b>
<b><u>STOCKHOLDERS' EQUITY</u></b>		
Common stock \$.001 par value, 60,000,000 shares authorized, 50,543,430 shares issued and outstanding in 2025; 30,698,145 shares issued and outstanding in 2024;	50,543	30,698
Common stock to be issued	-	205,040
Additional paid in-capital	4,124,268	2,951,203
Retained earnings (accumulated deficit)	(3,473,377)	(2,261,845)
Treasury stock, at cost (307,583 shares in 2025 and 237,583 shares 2024)	(23,885)	(13,805)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>677,549</b>	<b>911,291</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 1,610,510</b>	<b>\$ 1,606,703</b>

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

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF INCOME**  
**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Sales</b>	\$ 2,186,491	\$ 2,492,607
<b>Cost of Sales</b>	490,995	535,893
Gross Profit	1,695,496	1,956,714
<b>General and Administrative Expenses</b>	1,857,869	1,683,466
Income (Loss) from operations	(162,373)	273,248
<b>Other Income (Expenses)</b>		
Stock-based compensation	(41,250)	(69,500)
Restructuring charges	-	(80,402)
Loss on sale of assets	-	(11,909)
Interest income	463	76
Interest expense	(48,324)	(39,002)
	(89,111)	(200,737)
Income (Loss) Before Provision (Benefit) for Income Taxes	(251,484)	72,511
<b>Provision (Benefit) for Income Tax</b>	22,850	55,519
Net Income (Loss)	\$ (274,334)	\$ 16,992

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

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**SEPTEMBER 30, 2025 AND 2024**

	Common Stock	Common Stock To Be Issued	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 2024	\$ 29,923	\$ -	\$ 2,882,478	\$ (2,278,837)	\$ (13,805)	\$ 619,759
Issuance of new shares	775	205,040	68,725	-	-	274,540
Net income	-	-	-	16,992	-	16,992
Balance, September 30, 2024	<u>\$ 30,698</u>	<u>\$ 205,040</u>	<u>\$ 2,951,203</u>	<u>\$ (2,261,845)</u>	<u>\$ (13,805)</u>	<u>\$ 911,291</u>
Balance, January 1, 2025	\$ 49,718	\$ -	\$ 4,047,543	\$ (3,199,043)	\$ (13,805)	\$ 884,413
Issuance of new shares	825	-	76,725	-	-	77,550
Repurchase of shares	-	-	-	-	(10,080)	(10,080)
Net loss	-	-	-	(274,334)	-	(274,334)
Balance, September 30, 2025	<u>\$ 50,543</u>	<u>\$ -</u>	<u>\$ 4,124,268</u>	<u>\$ (3,473,377)</u>	<u>\$ (23,885)</u>	<u>\$ 677,549</u>

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

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (274,334)	\$ 16,992
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:		
Stock-based compensation	77,550	69,500
Loss on sale of assets	-	11,909
Depreciation	9,287	35,995
Amortization of intangible assets	1,804	854
Amortization of operating lease right-of-use asset	25,470	25,221
(Increase) Decrease in operating assets		
(Increase) Decrease in accounts receivable	77,617	25,492
(Increase) Decrease in inventory	(12,635)	(3,167)
(Increase) Decrease in prepaid expenses	820	396
(Increase) Decrease in deferred income taxes	16,500	40,500
Increase (Decrease) in accounts payable	(29,056)	(135,413)
Increase (Decrease) in accrued expenses	(6,374)	(33,792)
Increase (Decrease) in operating lease liability	(25,470)	(25,221)
Net Cash Provided By (Used In) Operating Activities	(138,821)	29,266
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale of assets	-	1,150
Purchase of property and equipment	-	(6,562)
Net Cash Provided By (Used In) Investing Activities	-	(5,412)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings on line of credit	148,870	(36,204)
Principal payments on note payable	(8,723)	(9,653)
Proceeds from common stock to be issued	-	205,040
Repurchase of treasury shares	(10,080)	-
Net repayments to officer	(9,055)	(65,993)
Net Cash Provided by (Used In) Financing Activities	121,012	93,190
Net Increase (Decrease) in Cash and Cash Equivalents	(17,809)	117,044
Cash and Cash Equivalents at Beginning of Year	153,083	9,066
Cash and Cash Equivalents at End of Year	\$ 135,274	\$ 126,110

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

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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, 2025 and 2024.

**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, 2025 and 2024. 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. The opening balance of accounts receivable as of January 1, 2024 was \$448,815 and the closing balance as of September 30, 2024 was \$423,323.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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, 2025 and 2024 was \$9,287 and \$35,995, 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, 2025 and 2024 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 10).

**Advertising Costs**

The Company expenses advertising costs as they are incurred. Advertising expenses for the nine months ended September 30, 2025 and 2024 was \$20,156 and \$24,774, respectively.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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, 2025 and 2024 was \$24,754 and \$27,856, 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.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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 2025 or 2024. 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 is 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 November 4, 2025, which represents the date the financial statements were available to be issued.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTE 2 – RELATED PARTY TRANSACTIONS**

**Officer Loan Payable**

Loan payable represent amounts due to a former officer/director. The outstanding balance of the loan as of September 30, 2025 and 2024 was \$17,067 and \$40,657, 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 \$47,423 and \$49,394 as of September 30, 2025 and 2024, 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, 2025 was \$204,829 at the rate of interest of 8.25%. The balance on the line at September 30, 2024 was \$122,840 at the rate of interest of 9.50%.

**NOTE 5 – LONG-TERM DEBT**

	<u>2025</u>	<u>2024</u>
Note payable with a commercial non-bank lender, payable in monthly installments of \$1,162 beginning February 2023, including interest of 14.24%, through January 2035, secured by a personal guarantee of an officer of the Company and supported by a corporate owned life insurance policy.	\$ 71,782	\$ 75,230
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.	33,802	35,960

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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.

	<u>120,121</u>	<u>109,862</u>
	\$ 225,705	\$ 221,052
Less: Current maturities:	<u>(13,903)</u>	<u>(14,495)</u>
	<u>\$ 211,802</u>	<u>\$ 206,557</u>

The Company incurred loan origination costs of \$25,401 and \$13,064 and has a carrying value of \$21,495 and \$11,247 at September 30, 2025 and 2024, respectively. Amortization of the loan origination costs range from 9 to 12 years. Amortization expense for the nine months ended September 30, 2025 and 2024 was \$1,804 and \$854, respectively.

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

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

Reconciliation of long-term debt to long-term debt, net of debt issuance costs, is as follows as of September 30, 2024:

	<u>Principal</u>	<u>Net Debt Issuance Costs</u>	<u>Net Principal</u>
Current portion of long-term debt	\$ 14,495	\$ 1,139	\$ 13,356
Long-term debt	<u>206,557</u>	<u>10,108</u>	<u>196,449</u>
	<u>\$ 221,052</u>	<u>\$ 11,247</u>	<u>\$ 209,805</u>

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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

Future maturities of long-term debt are as follows:

<u>PERIOD ENDING</u> <u>SEPTEMBER 30,</u>	<u>AMOUNT</u>
2026	\$ 13,903
2027	15,933
2028	18,260
2029	20,927
2030	23,984
Thereafter	<u>132,698</u>
	<u>\$ 225,705</u>

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, 2025, \$7,145 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, 2025 and 2024, assets recorded under operating lease were \$208,320 and accumulated amortization associated with operating lease was \$131,910 and \$97,950, respectively.

Lease obligations, at September 30, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Operating lease in monthly installments ranging from \$2,667 to \$2,830, maturing December 2027	\$ 76,410	\$ 110,370

The following summarizes the line items in the balance sheet, which include amounts for operating leases as of September 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Operating lease – right-of-use asset	<u>\$ 76,410</u>	<u>\$ 110,370</u>
Current portion of operating lease liabilities	33,960	33,960
Operating lease liabilities	<u>42,450</u>	<u>76,410</u>
Total operating lease liabilities	<u>\$ 76,410</u>	<u>\$ 110,370</u>

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**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, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cost of Sales	\$ 19,246	\$ 18,954
General and Administrative Expenses	<u>19,246</u>	<u>18,954</u>
Operating lease cost	<u>\$ 38,492</u>	<u>\$ 37,908</u>

The following summarizes the cash flow information related to operating leases for the nine months ended September 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 38,492	\$ 37,908
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.

<u>PERIOD ENDING</u> <u>SEPTEMBER 30,</u>	
2026	\$ 33,960
2027	33,960
2028	<u>8,490</u>
	<u>\$ 76,410</u>

**NOTE 7 – STOCKHOLDERS' EQUITY**

*Common Stock*

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.

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTE 7 – STOCKHOLDERS’ EQUITY** *(Continued)*

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.

As of September 30, 2024, the authorized capital stock of the Company was 60,000,000 shares of common stock, \$0.001 par value per share; 30,698,145 shares outstanding at September 30, 2024.

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 workdate in July 2024 for a total amount of \$3,500. 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 2024, the Board awarded an outgoing Board member 300,000 shares of common stock in recognition of lengthy service to the Company.

During the third quarter of 2024, the Company issued 375,000 shares of common stock to current Board members for “2024-2025 Board Service in the amount of \$45,000.

*Common Stock to be Issued*

At the end of the third quarter of 2024, the Company was soliciting additional share investments via a Private offering of Public Equity (“PIPE”) at a fixed price certain which closed at the end of November 2024. Specific regulatory matters in recording the issuance of shares subscribed but not issued were pending as of September 30, 2024 and therefore the proceeds of those share subscriptions are reported in equity as “Common stock to be Issued.”

*Treasury Stock*

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

During the second quarter of 2025, the Company funded a 70,000 restricted share repurchase transaction. The transaction was executed at market price for restricted shares held by the Company’s transfer agent. The Company has no program or stated intent to undertake a share repurchase or buy back program with its’ public shares.

**KELYNIAM GLOBAL, INC.**  
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**NOTE 8 – INCOME TAXES**

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

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

The provisions for income taxes consist of the following at September 30, 2024:

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
Current Taxes	\$ 6,900	\$ 8,119	\$ 15,019
Deferred Tax (Benefit)	<u>29,100</u>	<u>11,400</u>	<u>40,500</u>
Net	<u>\$ 36,000</u>	<u>\$ 19,519</u>	<u>\$ 55,519</u>

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, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Deferred tax assets	\$ 820,500	\$ 570,400
Deferred tax liabilities	<u>-</u>	<u>-</u>
Net Deferred Tax Asset	<u>\$ 820,500</u>	<u>\$ 570,400</u>

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTE 8 – INCOME TAXES (Continued)**

Included in the accompanying balance sheet at September 30, 2025 and 2024, as follows:

	<u>2025</u>	<u>2024</u>
Long-term deferred tax asset	\$ 820,500	\$ 570,400

The Company has approximately \$3.1 million loss carryforwards for both federal and state that may be used to offset against future taxable income. If not used, the carryforwards will begin to expire in December, 2030.

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

**NOTE 9 – 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 accrued matching contribution to its' 401(k) plan during the nine months ended September 30, 2025 was \$10,558. The Company's accrued matching contribution to its' 401(k) plan during the nine months ended September 30, 2024 was \$5,435.

**NOTE 10 – 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:

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)**

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

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

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

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

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

The following table presents information about the Company’s respective assets and liabilities measured at fair value on a recurring basis at September 30, 2025 including the fair value measurements and the level of inputs used in determining those fair values:

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

**KELYNIAM GLOBAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTE 10 – FAIR VALUE MEASUREMENTS** *(Continued)*

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, 2025, 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 11 – SUPPLEMENTARY ANALYTICAL DATA**

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

	<u>2025</u>	<u>2024</u>
Interest paid	\$ 40,234	\$ 38,523

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.

During 2024, the Company issued 775,000 shares of common stock, in the amount of \$69,500, in a noncash arrangement, as described in Note 7.

**NOTE 12 – CONCENTRATIONS**

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, 2025 AND 2024**

	2025	2024
Depreciation	\$ 1,874	\$ 23,202
Direct labor	162,975	127,890
Payroll taxes	13,446	10,791
Raw materials	263,350	321,708
Rent	19,246	18,954
Shipping, freight and delivery	24,754	27,856
Utilities	5,350	5,492
<b>Total Cost of Sales</b>	<b>\$ 490,995</b>	<b>\$ 535,893</b>

**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, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
Advertising	\$ 20,156	\$ 24,774
Amortization	1,804	854
Bank and credit card fees	21,497	28,636
Commissions	745,367	842,782
Depreciation	7,413	12,793
Donations	11,000	-
Equipment rental	205	615
Insurance	120,421	93,122
License and registration	8,824	2,245
Officer's compensation	159,657	61,045
Office expenses	19,601	39,188
Payroll service	3,776	2,680
Payroll taxes	45,481	30,396
Pension	18,916	5,435
Professional fees	93,646	72,063
Property and other taxes	719	1,475
Regulatory fees	50,033	20,659
Rent	19,246	18,954
Repairs and maintenance	13,263	19,159
Salaries and wages	391,599	299,212
Seminars	789	1,789
Software support	-	396
Telephone	7,279	6,455
Travel and entertainment	63,017	60,852
Utilities	8,255	7,935
Web services	25,905	29,952
	<b>\$ 1,857,869</b>	<b>\$ 1,683,466</b>
<b>Total General and Administrative Expenses</b>	<b>\$ 1,857,869</b>	<b>\$ 1,683,466</b>

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