

KALI, INC.  
CONSOLIDATED FINANCIALS  
UNAUDITED  
09/30/18

**BALANCE SHEET**

**ASSETS**

<b>Current Assets:</b>	
Cash	1,911
Loans to Officers	40,982
<b>TOTAL ASSETS</b>	<u>42,893</u>

**LIABILITIES**

<b>Current Liabilities</b>	
Note Payable - BP	133,200
Note Payable - OI	19,295
Due to Shareholder	32,563
<b>TOTAL LIABILITIES</b>	<u>185,058</u>

**STOCKHOLDERS' EQUITY**

<b>SHARE CAPITAL</b>	
As of Sep 30, 2018 common shares, 1,500,000,000 authorized, par value \$0.0001 - issued and outstanding Sep 30, 2018 - 846,240,706	846,241
Preferred shares issued 10,000,000	10,000
Accumulated Deficit	<u>(998,406)</u>
Shareholders net gain (loss)	<u>(142,165)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	42,893

KALI, INC.  
CONSOLIDATED FINANCIALS  
UNAUDITED  
09/30/18

**STATEMENT OF OPERATIONS**

REVENUE	
Sales	19,566
Cost of Sales	(16,557)
	3,009
EXPENSES	
General and administrative expenses	(1,098)
Total Operating Expenses	<u>(1,098)</u>
NET GAIN (LOSS)	1,911
Number of Common Shares Outstanding	846,240,706
Profit per Share	0.000002

KALI, INC.  
CONSOLIDATED FINANCIALS  
UNAUDITED  
09/30/18

**STATEMENT OF CASH FLOWS**

Net Gain (loss)	1,911
Increase in Accounts Receivable	19,566

NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash at Beginning of year	2,496
Cash and Cash Equivalents - end of quarter	4,407
Net Change In Cash	1,911

**KALI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 (UNAUDITED)**

**NOTE 1: GENERAL ORGANIZATION AND BUSINESS**

**History of Company**

Kali, Inc., formerly VLOV Inc., incorporated on October 30, 2006, as a marketing and development company. The Company focused on small to medium size market capitalization companies involved in the trading and brokering of heavy fuel oils. On December 01, 2016 the Company entered into a share exchange agreement with Integrity Yacht & Marine whereby the Company acquired 100% of the issued and outstanding common stock of Integrity Yacht & Marine in exchange for 2,000,000 shares of the Company's common stock.

On June 29, 2016, the Company acquired 100% of the common stock of Wave Marine & Yacht Services, a Florida corporation, in exchange for 200,000,000 common shares. Wave Marine & Yacht Services is a full-service yacht maintenance company which provides solutions for all aspects of the recreational boating lifestyle.

On July 28, 2016, the Company completed its acquisition of Florida Marine Power Company, a marine mechanical repair, maintenance and engine installation company <http://www.floridamarinepower.com>

Under the terms of the Acquisition Agreement dated July 28, 2016, Kali acquired all of the outstanding stock of Florida Marine Power in exchange for 4,000,000 shares of Kali's common stock. The transaction also created a performance incentive program for Florida Marine Power to earn additional shares of stock for the next two years if the Company achieves quarter over quarter revenue increases.

Florida Marine Power is a well-known brand in the Florida marine industry and has become one of Sarasota and Manatee County's most recognized yacht service providers. It has a strong customer centric reputation and has built an extensive network of vendors and suppliers with long-standing contracts in place.

Pursuant to an August 3, 2016 Written Consent, JR Bott was appointed President and CEO of the Company's subsidiary, Wave Marine & Yacht Services, Inc. ("Wave Marine").

On August 12, 2016, the Company effectively dissolved Kali Merger Corp., a Nevada corporation and a wholly-owned subsidiary of the Company ("Merger Sub") by filing Articles of Merger in the State of Nevada on August 12, 2016. This filing represented the last step in the completion of the Merger with Ricochet Trading, Inc., which closed on March 8, 2016. The merger of Kali Merger Corp. and the Company is an administrative formality designed to dissolve Kali Merger Corp. in order to eliminate the need for maintaining multiple Nevada entities, and has no effect on the share structure of the Company.

Pursuant to a Written Consent dated August 30, 2016, the Company's Board approved the vending out of its wholly owned subsidiary Ricochet Trading, Inc., since it could not adequately fund the operations of Ricochet while focusing on its business model of acquisitions in the marine industry. Under the terms of the Share Transfer Agreement effective August 30, 2016, the Company assigned 100% of the stock in Ricochet Trading, Inc. to its President, Warren Wheeler, in exchange for Mr. Wheeler's release of claims against the Company. Also effective on August 30, 2016, Mr. Wheeler assigned his 15,859,000 shares of the Company's common stock to Ricochet Trading, Inc.

### **Current Business Operation**

Kali, Inc. is a marine management business that provides services to the \$5 billion marine market. Through the subsidiary companies, the Company offers a comprehensive suite of services to the underserved and fragmented marine industry. Wave Marine & Yacht Services is a full-service yacht maintenance company which provides solutions for all aspects of the recreational boating lifestyle. Florida Marine Power Company is a marine mechanical repair, maintenance and engine installation company

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Management's Use of Estimates* - These financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equipment - The Company records its equipment at historical cost. The Company expenses maintenance and repairs as incurred. Upon disposition of equipment, the gross cost and accumulated depreciation are written off and the difference between the proceeds and the net book value is recorded as a gain or loss on sale of assets. The Company provides for a five-year useful life for depreciation of its equipment, and depreciation begins upon the Company's placing the fixed assets into service.

Net Loss Per Share - Earnings per share is calculated in accordance with the ASC 260- 10, "Earnings Per Share." Basic earnings per share is based upon the weighted average number of common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

For the quarter ended September 30, 2018, potentially dilutive shares, respectively, were excluded from the shares used to calculate basic earnings per share.

### **NOTE 3 – GOING CONCERN**

The Company has suffered recurring losses from operations and has a working capital deficit and stockholders' deficit, and in all likelihood will be required to make significant future expenditures in connection with continuing business development efforts along with general administrative expenses. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company's activities have been primarily supported by loans from various parties. The Company has sustained losses in previous reporting periods, but had a gain of \$1,911 for the quarter ended September 30, 2018. Management continues to seek funding from its shareholders and other qualified investors to pursue its business plan. The Company continues to seek funding for all of the projects and operational requirements for the continuing fiscal year.

### **NOTE 4 - NOTE PAYABLE OI**

On December 30, 2016 the Company issued an 8% convertible note in the amount of \$19,215.00 to Oxford Industrial. The holder may convert the principal plus accrued interest into shares of the Company's common stock. All unpaid principal, together with the accrued but unpaid interest are due and payable on December 30, 2017. The note is currently in default.

### **NOTE 5 - NOTE PAYABLE BP**

On December 1, 2016, the Company acquired Integrity Yacht and Marine, Inc. (Integrity). Integrity had entered into three 9% Convertible notes with Bermuda Partners on August 1, 2015, October 1, 2015 and November 1, 2015 in the amounts of \$150,000, \$120,000 and \$75,000 respectively for a total of \$345,000. A total of \$211,800 has been removed from this liability in exchange for the Company's common stock.

### **NOTE 6 - STOCKHOLDER'S EQUITY**

The total number of shares of capital stock, which the Company shall have authority to issue, is 1,500,000,000 shares common shares par value \$0.0001. Holders of shares of common stock are entitled to cast one vote for each share held at all stockholders' meetings for all purposes, including the election of directors. The common stock does not have cumulative voting rights.

### **NOTE 7 – DUE TO SHAREHOLDER**

Advances by a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

### **NOTE 8 - SUBSEQUENT EVENTS**

On November 15, 2018, Kali, Inc. announced the acquisition of NCM Biotech which is the developer and owner of a patented cannabis extraction process - U.S. Patent No.

9,199,960 entitled “METHOD AND APPARATUS FOR PROCESSING HERBACEOUS PLANT MATERIALS INCLUDING THE CANNABIS PLANT.” With the patented intellectual property (IP), to include the existing and ongoing research and development acquired from NCM Biotech, Kali now focuses on the development of pharmaceuticals to treat various illnesses, diseases and chronic pain as a symptom of various diagnoses. Kali also concentrates on the development of health and wellness therapies.

On December 18, 2018 the Board of Directors appointed Frederick Ferri as CEO of Kali, Inc. Charles Yawn will remain as Chairman of the Board of Directors. Mr. Ferri is the inventor of a patented cannabis extraction process. On November 15th, 2018, Kali, Inc. acquired Mr. Ferri's company NCM Biotech to include the patented cannabis extraction process he invented.

## **CERTIFICATION**

I, Frederick Ferri CEO of Kali, Inc., certify that: The consolidated financial statements and the attached notes filed herewith are in conformity with consistently applied accounting principles generally accepted in the United States, and fairly present, in all material respects, the financial position and results of operations for the period ended September 30, 2018.

/S/ Frederick Ferri  
CEO