

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-53443**

COOL TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

75-3076597

(I.R.S. Employer Identification No.)

**8875 Hidden River Parkway, Suite 300
Tampa, Florida 33637**

(Address of principal executive office)

Registrant's telephone number, including area code: **(813) 975-7467**

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$0.001 par value

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large, accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting 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 ☐
Non-accelerated Filer ☐

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☐

If an emerging growth company, indicated 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 13(a) of the Exchange Act. ☐

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

The aggregate market value of the shares of voting and non-voting common stock held by non-affiliates of the Registrant as of June 30, 2022, the last business day of the Registrant's last completed second quarter, based upon the closing price of \$0.0187 per share as reported by the OTCQB Stock Market on such date was \$11,418,921. This computation is based on the number of issued and outstanding shares held by persons other than officers, directors and shareholders of 5% or more of the registrant's common stock.

As of April 10, 2023, 705,393,993 shares of common stock are issued, and outstanding excluding 1,000,000 shares held in escrow.

Documents incorporated by reference: None

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Forward-Looking Statements

This Report contains predictions, estimates and other forward-looking statements that relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this Annual Report. You should read this Report and the documents that we have filed as exhibits to this Report completely and with the understanding that our actual future results may be materially different from what we expect.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made, except as required by federal securities and any other applicable law.

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PART I

Item 1. Business

As used in this Annual Report on Form 10-K (this “Report”), references to the “Company,” the “registrant,” “we,” “our” or “us” refer to Cool Technologies, Inc. and our 95% owned subsidiary, Ultimate Power Truck, LLC (“UPT”), unless the context otherwise indicates.

Corporate History

We were incorporated on July 22, 2002, in the State of Nevada under the name Bibb Corporation.

On September 3, 2010, we changed our name to Z3 Enterprises, Inc. (“Z3”), and on April 5, 2012, to HPEV, Inc. (“HPEV”) and on August 19, 2015, our stockholders voted to approve a name change to Cool Technologies, Inc. Our 95% owned subsidiary, Ultimate Power Truck, LLC (“UPT”), was formed on April 17, 2014, in the State of Florida.

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On March 29, 2011, we entered into a share exchange agreement (which was amended on June 14, 2011) with HPEV, Inc., a Delaware corporation ("the Share Exchange Agreement") to acquire 100 shares, constituting all of the issued and outstanding shares of HPEV, Inc. in consideration for the issuance of 22,000,000 shares of common stock. Upon closing of the share exchange on April 15, 2011, HPEV, Inc. became our wholly owned subsidiary. There was a change of control of our company on April 15, 2011, as a result of the issuance of 21,880,000 shares of our common stock to the original shareholders of HPEV, Inc. pursuant to the terms of the Share Exchange Agreement. An additional 120,000 shares were issued during the fourth quarter of 2011 which completed the issuance of 22,000,000 shares of common stock under the terms of the amended Share Exchange Agreement.

We filed an amendment to our Articles of Incorporation with the Secretary of State of the State of Nevada increasing our authorized shares of common stock, from 140,000,000 shares to 350,000,000 shares, effective March 22, 2017. We filed a second amendment to our Articles of Incorporation with the Secretary of State of the State of Nevada increasing our authorized shares of common stock, from 350,000,000 shares to 500,000,000 shares, effective October 28, 2019. We filed a third amendment to our Articles of Incorporation with the Secretary of State of the State of Nevada increasing our authorized shares of common stock, from 500,000,000 shares to 1,000,000,000 shares, effective February 13, 2020.

As of December 31, 2022, we have seven US patents, two Canadian patents, one Mexican patent, one Brazilian patent and one pending US patent application covering integrated electrical power generation methods and systems.

The Company intends to sell a mobile electric power system to government, military and commercial vehicle and fleet owners. It intends to commercialize its patents by licensing its thermal technologies and applications to electric motor, pump and vehicle component manufacturers. It may license its mobile electric power system as well.

Business Description

Cool Technologies has spent years designing and developing its technologies. The core technologies are:

Thermal Dispersion - patented technologies (totally enclosed heat pipe cooled and radial vent) that deliver liquid-cooled results for rotating equipment, multi-plate clutches, brakes and rotors without the use of liquid. Liquid cooling is the best, most effective cooling system for electric motors, however, it is also the most expensive. Our technologies reduce the cost of rotating equipment by eliminating the active material and, otherwise, extra components that liquid cooling requires. Our technologies also reduce production costs by increasing the power densities of the rotating equipment which enables them to output the same power from a smaller package.

Mobile Power Generation - a patent pending in-chassis system that outputs electrical power in amounts equal to or greater than skid-mounted generators or tow-behind generators from a smaller, lighter, more efficient package.

The markets for products utilizing our technology include consumer, industrial and military markets, both in the U.S. and worldwide. Our initial target markets include those involved in moving materials and moving people, such as:

- Motors/Generators,
- Mobile auxiliary power,
- Water purification and desalination,
- Electric vehicle charging,
- Compressors,
- Turbines (Wind, Micro),
- Bearings,

- Electric Vehicles: rail, off-highway, mining, delivery, refuse,
- Brakes/rotors/calipers,
- Pumps/fans,
- Passenger vehicles: autos, RVs, buses, trains, aircraft,
- Commercial vehicles: SUV, light trucks, trams, bucket trucks,
- Military: boats, Humvees, trucks, aircrafts, and
- Marine: boats ranging in size from 30 feet to 120 feet and beyond.

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Our Technologies

Our technologies are divided into two distinct but complementary categories: heat dispersion technology and mobile power generation (eMGen).

Totally Enclosed Heat Pipe and Radial Vent Heat Pipe

The Company has developed, designed, prototyped and third party tested Totally Enclosed Heat Pipe Cooled (TEHPC) designs. It also owns the

patents on the designs. The designs apply to dry pit submersible motors and 650 kVA marine duty generators.

Our patent portfolio covers the application and integration of our heat pipes into various other cooling schemes for enhanced heat removal in motors (i.e., electric motorcycles, cars and trucks), generators (i.e. e-axles and the eMGen system) and numerous other industrial applications including multi-clutches for vehicles and brakes and rotors for vehicles marine, aviation and military. We believe that our technologies have the potential to deliver power output increases and cost reductions, depending on the machine type or motor/generator size, as follows:

1. Increase power density of current motor platforms by 20% to 40%,
2. Reduce total product cost by 12.5% to 25%,
3. Increase motor and generator efficiency by 1% to 2%, and
4. Increase motor and generator life.

We also believe that products produced with our technologies have the potential to deliver operational savings as well, including savings from:

- reduced maintenance costs,
- the standardization of multiple platforms down to a single platform,
- the standardization of drawings and data around existing platforms,
- the ability to use standard designs and standard insulation systems versus customization, and
- the ability to integrate and produce on existing production lines with no retooling and no additional, or minimal, capital investment.

Testing conducted by independent laboratories showed a 200% increase in horsepower capability for a dry pit submersible pump and a 25 to 35% increase in power density for a 650 kVA generator.

In 2019, a new Canadian patent covering a Heat Pipe Cooled Wet Rotating Disc Engagement System and a Radial Vent Composite Heat Pipe was added to the Company's existing patents. It's a utility patent which is more difficult to circumvent and, therefore, easier to defend. The designation 'utility patent' means that the patent covers the Company's cooling technologies when used in a wide variety of specific applications as opposed to simply covering the cooling method or technology itself. This is an extremely important distinction with regard to defending patents. These applications include electric vehicle motors, standard electric motors, generators, engine hot spots, pistons, ERG (Exhaust Gas Recirculation) coolers and more. Similar patents are pending in other countries as part of the Global PCT patent process.

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Our revenue model for the heat dispersion technology is to license the technology in exchange for royalties. Our design and manufacturing experience will be put to use by taking current product in the market, retrofitting with our TEHPC and radial vent heat pipes and handing back to the OEM a third party tested and validated, manufacturable product that increases performance and lowers cost.

The electric motorcycle industry which includes brands such as Harley Davidson, Zero and others, relies on both air-cooled and liquid-cooled motors. We believe our technology can result in the production of smaller, lighter weight motors as well as cooler motors, batteries and controls. We believe it will also address common performance issues such as overheating which shuts down the motor and forces the rider to stop and let the motor cool. Finally, we believe our wet rotating disc engagement system can cool motorcycle clutches and brakes.

Thermal Technology Target Markets: Generators

Large kilowatt:	prime power
Stationary:	emergency back-up, UPS systems
Commercial Mobile:	Electric vehicles and motor- cycles, e-axes, battery management systems
Consumer:	home standby, recreation
Rental:	mobile + light towers, pumps, compressors

Mobile Power Generation (eMGen)

The Company's mobile power generation system enables work trucks to power an in-chassis generator, eliminating the need for some commercial vehicles to tow a mobile generator to a work site. Management believes that there is an unmet demand for on-board, continuous generation of up to 800 kilowatts (kW) of power to remote jobsites, charge electric vehicles and generate emergency power in the event of an outage or disaster. Meetings with Mexican farmers, military personnel and electric vehicle companies along with feedback from international representatives and agents of the Company have confirmed the need for such applications. We offer an in-chassis generator installation kit as a stand-alone (Mobile Generator or eMGen) for third parties and have contracted with Craftsmen Industries to perform domestic installations. It's likely the Company will also contract with a facility overseas to handle the foreign orders.

Management, along with key directors, members of the Board of Advisors and the Company's outside contractors, utilized 2022 to refine specifications and design modifications to improve efficiency and simplify the parts lists. They conducted customer research, maintained existing business relationships with the Army Corps of Engineers, FEMA, state and local disaster preparedness agencies as well as federal and state firefighting agencies. They also expanded federal, state and local government relationships in Mexico and established new business relationships in the Middle East.

The Company has signed international joint ventures in Turkey (Belirti Teknoloji) and Australia (KeyOptions) as well as a strategic alliance with VerdeWatts and FirmGreen. Belirti Teknoloji will market and sell CoolTech's entire product platform in Southern Europe, the Middle East and

some North African nations. KeyOptions will market and sell CoolTech's entire product platform in Australia and neighboring countries in Southeast Asia.

The Company has also signed an independent agent agreement with H&K Ventures to generate investment funding and revenues from its business relationships in Eastern Europe, the Middle East, Africa and the US.

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As the Company is still pre-revenue, CoolTech has continued to pursue non-dilutive financing based upon the third-party valuation of the Company's intellectual property, however, there can be no assurance that financing will be obtained.

As a result of a cross marketing and license agreement the Company signed with FirmGreen (a producer of commercial water systems) and the interest we received from Mexican government officials, we are commercializing our water desalination and purification capability. The Company now offers eMGen 125 water purification and desalination systems capable of producing up to 14,000 gallons of potable water per

day as well as delivery if a rolling tank is hitched to the truck. The truck-mounted systems should cleanse contaminated, polluted and wastewater or remove saline from saltwater. The desalination unit should output either clean potable water for drinking and cooking or non-potable water for agricultural or mining use.

In July 2019, our CEO attended a meeting with senators, federal, local, and Oaxaca state deputies, as well as representatives of state and federal agencies in Villa Alta, Mexico to discuss ways to clean the water in the Atoyac River, which is considered to be one of the most polluted rivers in Mexico.

Since then, elected officials in the states of Jalisco, Hidalgo and Sonora, Chihuahua and Tlaxcala have also expressed interest in using the eMGen to treat water from their rivers. The need in Hidalgo is especially urgent. Over 100,000 people were infected with the coronavirus in 2020 due to the contamination of their drinking water. For most states, the primary contaminant is sewage. In Sonora, it's salt. Both impact drinking water and irrigation.

We expect the license agreement signed with VerdeWatts (a solar panel and energy storage manufacturer) will also act as a catalyst in the development of a no-idle option that will enable the eMGen system to operate solely through battery and solar power without the need to idle the truck's engine. An eMGen outfitted with a solar or battery-powered no idle system could output clean drinkable water for almost no cost.

Mexican interest extends beyond immediate applications. Federal Deputy Efraim Rocha Vega announced in 2020, the Mexican government will also support a Cool Technologies Center of Excellence to help integrate CoolTech's green energy platform into other areas of the Mexican economy. A Center of Excellence is a shared facility or entity that provides leadership, best practices, research, support and/or training for our eMGen power systems, our mobile water purification and desalination systems and possibly our solar-powered and no-idle technology.

The joint venture the Company signed with VerdeWatts and FirmGreen added a new application for the eMGen System: making it an integral part of mobile microgrids. VerdeWatts solar panels and battery storage systems would provide the sustainable energy. eMGen Systems would recharge or back-up the microgrids and simultaneously power FirmGreen water purification and desalination systems.

The mobile microgrids would interface with existing infrastructure for power, water, wireless communications and healthcare. They would provide or increase resilience during grid outages such as what occurred this past winter in Texas, using clean energy alternatives to mobile fossil fuel generators. The microgrids could also power, light and provide potable water and irrigation for farming villages throughout rural America and the developing world. VerdeWatts has publicly stated it has microgrid projects in Puerto Rico, Chile and Nigeria and that it intends to build mobile medical clinics and emergency command posts powered by eMGen systems.

An application that the Company has demonstrated publicly is truck mounted electric vehicle charging.

The Inflation Reduction Act of 2022 aims to stimulate domestic production of electric vehicles by providing tax credits to purchase new and used electric vehicles, among other incentives and requirements. To that end, the Biden administration set an ambitious national target to make EVs total half of all new car sales by 2030. Specifically, 50% of new passenger cars and light trucks sold should be battery-electric vehicles, plug-in hybrid electric vehicles or fuel-cell electric vehicles, which run on hydrogen.

European Union and California targets are even more far reaching. The EU has announced a ban on new sales of gasoline and diesel cars after 2035 while California's Air Resources Board ("CARB") voted to require all new vehicles sold in the state by 2035 to be either electric or plug-in electric hybrids. The CARB requirement, however, must still be approved by the Biden administration before it can take effect.

If the nation reaches the administration's sales target, the number of EVs should grow from less than three million today to approximately 48 million or about 15 percent of all vehicles on the road in the U.S.

One large obstacle in the way of achieving those targets is the lack of charging infrastructure. The U.S. Department of Transportation's Federal Highway Administration calculates there are about 41,000 publicly accessible, non-Tesla specific, charging stations in the US. The Biden administration wants to increase that to 500,000 by 2030.

To help address the shortage and promote sales of electric vehicles, the November 2021 Bipartisan Infrastructure Law allots \$7.5 billion to strategically deploy a national EV recharging network of publicly accessible charging stations compatible with all vehicles and technologies as well as to establish a network to facilitate data collection, access, and reliability. Funding is available for up to 80% of eligible project costs. The requirements and considerations include:

- Charging stations must provide DC fast chargers capable of simultaneously charging four EVs.
- The stations must be open and accessible 24 hours a day, 7 days a week, all year round.
- The stations must be located along a designated alternative fuel corridor.
- States must prioritize charging locations along the Interstate Highway System.
- Stations should be spaced a maximum of 50 miles apart and be located within 1 mile of the highway.
- States should target rural, underserved, and disadvantaged communities for EV charging infrastructure.

In September 2022, the Department of Transportation announced the release of \$5 billion in funding to build EV chargers across 35 states along 53,000 miles of highway over the next five years.

The private sector is also stepping up.

A quarter of GM's dealer network will install 40,000 US-built EV chargers in an effort to drive community adoption. GM said dealers will pick nearby sites such as entertainment venues, schools and other popular destinations to host the co-branded stations.

Ford is requiring dealers who want to sell the automaker's electric vehicles to invest \$500,000 to \$1.2 million in upgrades like offering at least one fast-charging DC port, with two plugs -- both open to the public by 2024. Jeep parent company Stellantis will also begin requiring its dealerships to offer EV charging by the beginning of 2024. Assuming every GM, Ford and Jeep dealer installs EV chargers that will total approximately 45,500 charging stations.

The addition of over half a million public chargers could still be insufficient. In a scenario in which 50% of 150-kW chargers, the cost of an upgrade (not including the charging equipment) could be more than \$150,000. All vehicles sold are zero-emission by 2030, McKinsey & Company calculates that the US would require 1.2 million public EV chargers and 28 million private EV chargers. All told, the country would need almost 20 times more chargers than it has now.

Furthermore, as the number of EVs on the road increases, McKinsey estimates that annual demand for electricity to charge them would surge from 11 billion now to 230 billion kilowatt-hours in 2030 or approximately 5 percent of current total electricity demand in the United States.

A particular concern is that grid constraints will occur locally, in neighborhoods and business districts (and near fleet depots) where EV

charging will be concentrated. Upgrading grids and/or the charging sites will be costly: for a single public direct-current fast-charging (DCFC) station consisting of four DC 150-kW chargers (<https://tinyurl.com/5n8kh2hn>).

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The higher the level and the faster the charge, the more expensive an EV charger is to install. Level 3 chargers cost \$120,000 to \$260,000 installed on average, according to AlixPartners. Others estimate the cost around \$50,000 for a single port for Level 3 stations. In the European Union, a typical 350-kilowatt (kW) charger can cost \$150,000, including hardware, installation, and planning.

Actual hardware costs usually total a bit more than 50% of total project costs. The other costs include bringing additional power or utility service to the site. Especially with DC fast chargers, a host site likely will not have enough power available and the local utility may have to upgrade the electrical grid to expand power capacity. Electrical conduit upgrades such as the cost of installing a dedicated 480 volt circuit can average \$12,000 to \$15,000 according to Future Energy. Plus, an electrical upgrade involves associated expenses including electrical panels, meters to monitor electricity use, or even an additional transformer.

Construction includes the underground preparation such as boring and trenching as well as concrete pads and cement work for power lines needed to support multiple DC fast chargers.

Soft costs (anything not including labor and materials) include everything from architectural and engineering fees to legal fees, easement processes, inspections, permits and taxes and insurance. In many locations, securing permits and approvals to build chargers, construct sites, and connect to the electric grid can require months, or even years, of planning.

One final consideration is that resources including skilled technicians and production capacity for fast charging hardware and high voltage electrical equipment are in short supply.

The eMGen's EV charging option helps quickly address those adoption concerns in a very cost-effective way. Mobile charging vehicles don't require permits or build out of infrastructure.

Our technology can provide Level 2, DC Fast Charging and even mega charging (up to and including 825 kVA on a medium duty Class 6 truck) and should deliver even more power in the future. Because the system is retrofittable, it can be uninstalled and reinstalled on a larger or newer model truck that generates more torque. More torque is an upgrade to the system as more torque produces more power.

Our revenue model for an in-chassis mobile electric power generation system is driven by the efforts of partner up-fitters and truck body builders along with regional sales teams and independent representatives as well as strategic alliances and joint ventures.

We believe that in head-to-head competition with tow behind generators, our mobile generation technology should prove very disruptive. Operators in such markets as the military, utilities and agriculture, to name a few, will be able to work in remote locations without having to tow or drop in a generator. We believe that the reduction in overall weight and size should also deliver significant operating efficiencies and savings to government and work truck fleets. Furthermore, we believe that our new applications will enhance adoption of the eMGen across an even wider range of industries, NGOs and government entities in both first and third world countries.

Competition

Heat Dispersion Technologies (Totally Enclosed Heat Pipe Cooled and Radial Vent Heat Pipe)

Cooling solutions to remove or control heat produced by industrial electric motors, generators and alternators are provided by the manufacturers. Their current best practices are based on technology that's over 50 years old. They either add a liquid cooling system to the motor or build an extra-large frame around the motor to provide additional surface area to help dissipate the heat. Both practices increase the cost and complexity of their products.

The Company is not aware of any new alternatives on the market.

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Mobile Electric Power (eMGen 30-eMGen 825.8)

The worldwide market for power generation off site spans a broad range. We believe the competitive factors in our markets include but are not limited to:

- technological innovation and adaptability;
- ease of transport and use;
- product quality and safety;
- kilowatts output and efficiency; and
- product price.

We believe our primary competition in the mobile generator market will be from well-established companies such as Cummins, Caterpillar Inc., Doosan Group, Wacker Neuson SE, Multi Quip Inc. and Generac Power Systems. All of them offer towable, trailer-mounted generators. Cummins Onan, Harrison Hydra-Gen and Smart Power Systems offer an onboard generator, specifically engineered for mobile emergency vehicle use.

Portable generators address a need for mobile electric power in the commercial, leisure and residential markets. As outputs tend to range from 1 to 17.5 kilowatts (kW), the competition they provide is only at the lowest end of our power output spectrum. Onan, Honda and Kohler are among the well-established brand names.

A standard option that can be ordered when purchasing a truck is a power take-off or PTO. PTOs are mounted to a truck's drivetrain and redirect engine power to operate onboard equipment. Integrated power systems use the PTO to run an alternating current generator. Cool Tech has the capability to power the generator directly from the drivetrain or from a PTO.

Real Power from Contour Hardening, Inc. offers alternating current (AC) power systems driven by a PTO. System voltages range from 15 to 180 kVA. Those under 60 kW retrofit under the beds of class 3 to 5 diesel trucks. Systems larger than 100 kW require Class 6 or 8 diesel trucks and a side mount. An important difference between the Real Power and the eMGen systems is that the eMGen can generate up to 125 kW on class 3 to 5 trucks and it can operate independently from the transmission.

Modular integrated systems offer varying combinations of air compressors, welders, hydraulics and generators. Vanair Manufacturing, Inc's Underdeck uses a PTO to power various combinations and output from 6.6 to 25 kilowatts. The company also offers an hydraulic driven generator that outputs up to 15 kilowatts of electric power.

HIPPO Multipower packages hydraulic, air, electric and welding into a single unit. Outputs range from 5.2 to 9 kW. The Enpak from Miller Electric Manufacturing Company offers the same package powered by a separate diesel engine that exports 7 kW of power.

Many electric vehicles ("EV") and plug-in hybrid electric vehicles ("PHEV") can use excess battery capacity to provide exportable power with no idling. Ford's 2022 hybrid F-150 pickup truck exports 2.4 to 9.6 kilowatts of power. Odyne Systems, LLC, manufactures hybrid systems for medium and heavy-duty work trucks over 14,000 pounds. The systems export 6 to 18 kW of AC power.

Another way EV and PHEV can power onboard equipment is through an ePTO or electric power take-off which is essentially a battery-powered version of a PTO. Terex's Corporation's hybrid-electric system uses an SmartPTO to export up to 12 (Volts) 3.8 kW of power. Cummins, Inc. Powerdrives (hybrid and electric powertrains) offer an exportable power option that provides up to 200 kW of grid-synchronized power.

Allison Transmission and a partner company combine a generator and transmission into a single casing to produce 30 to 125 kW of electric

power. The company's electrification portfolio also includes the Transmission Integral Generator which provides up to 120kW of electrical power to reduce reliance on traditional towable generators

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While both the eMGen and the Allison Transmission are retrofittable, there are important differences. The Allison is limited to new vehicles that incorporate its 3,000 and 4,000 Series transmissions. The eMGen can produce up to 125 kW on an 8,000 pound as opposed to a 40,000-pound vehicle. Also, the eMGen's power is produced independently from the transmission, consequently, the truck can still operate if the generator

stops working.

In January 2022, Oshkosh Defense, a wholly owned subsidiary of Oshkosh Corporation, demonstrated the first-ever silent drive hybrid-electric Joint Light Tactical Vehicle (JLTV), the JLTV provides export power capacity of up to 115kW.

Other companies use a vehicle's engine to charge on-board batteries, which then run the generator when the vehicle is stopped. Output tends to be less than 50 kW and lithium-ion batteries typically power the system. The batteries have limited runtimes and a shorter lifespan than acid batteries. In addition, they must be cooled to operate properly. As an example, Altec Inc's. Jobsite Energy Management System provides up to 4 kW of exportable power.

Aura Systems, Inc. and Mobile Electric Power Solutions, Inc. ("MEPS") use a vehicle engine's drive belt to turn a generator. MEPS provides up to 15 kW of AC power whereas Aura Systems generates up to 20 kW of direct current (DC) or AC power. Other MEPS engine or transmission-based electrical power take-off systems output small amounts in the range of 7 kW or 15 kW when two generators are aligned.

CoolTech's Mobile Generation system can also provide Level 2 and Level 3 DC Fast Charging (up to and including 350 kVA on a Class 7, 13 liter truck). 'Levels' indicate the charging power. The higher the level, the higher the power. More power equals shorter charging times. Level 2 is typically 240 volt AC (alternating current) power. Level 3 relies on 480 volt DC (direct current) power. Most Level 3 chargers provide an 80% charge in 30 minutes.

The Company expects to deliver even more power in the future. That is because the system is retrofittable. It can be uninstalled and reinstalled on a larger truck that generates more torque.

Real Power uses a PTO driven generator to output 70 kW of power for Level 3 DC fast charging. Lightning Mobile puts a rechargeable package into a trailer to deliver DC fast charging at up to 80 kW and, optionally, Level 2 AC charging at up to 19.2 kW. In China, vans operated by Nio store about 200 kilowatt hours (kWh) for vehicle charging. The Blink Mobile Emergency Charger outputs up to 9.6 kW which equates to about 1 mile of charge per minute.

It can also supply on-demand mobile EV charging, Energy as a Service (EAAS) having provided mobile and portable EC energy for rapid mobile electric vehicle charging.

NIO's Power Mobile t offers a 40-60kW mobile charging service. The vans operated by the company store about 200 kWh for vehicle charging and carry both AC and DC connections.

In China, NIO's mobile charging services are also provided by the Beijing Automotive Group's all-EV brand Beijing Electric Vehicle. According to two China-based websites, Chinese car-maker BYD had also launched its own mobile charging service which is similar to NIO's power replenishment car.

The Mobi EV Charger is essentially batteries on wheels with a joystick drive system. The Level 2 fast charger is equipped with an 80-kWh battery.

Evesco, a part of Power Sonic Corp, mobile DC power chargers EVMO S Series output 30 to 60 kW. The caster-mounted can be rolled to any DC-compatible electric vehicle on the market via CHAdeMO (preferred system of most Japanese manufacturers), Combined Charging System (preferred system of most American and European car manufacturers) or GB/T (a national standard used in China).

Heliox Energy provides a mobile 40 kW wheeled charger that plugs into any standard European AC wall-socket

SparkCharge's transportable fast-charging system incorporates a battery module that provides up to 20 kW of power. The SparkCharge service vehicle comes to the customer's location with a portable charge system which is essentially several batteries stacked together into a unit, that can provide DC (direct current) fast charging on the spot.

Currently uses SparkCharge's Roadie portable charging systems. Each charge delivers up to 100 miles. Currently will only charge your vehicle up to 80%. The built-in 56kWh battery pack provides 60kW DC power for EV charging. Service available in Los Angeles, San Francisco, San Jose and Dallas

SETEC Power, a Chinese company, offers a modular emergency mobile EV charging system that can be mounted inside a utility van. The built-in 56kWh battery pack provides 60 kW of DC power.

Companies that offer containerized systems for vehicle or trailer mounted charging installed in any vehicle or trailer that meets size and weight specifications

Lightning Mobile is charged from a standard Level 2 AC charger at up to 18kW and can deliver DC Fast Charging at up to 80kW and Level 2 AC charging at up to 19.2kW. Mobile Disaster Relief And Rescue Easily tow Lightning Mobile to where fast vehicle charging is needed, including,

The e-Boost GOAT from Pioneer Power Mobility offers 50-90 kW Level 3 DC fast charging from propane-fueled generators. The company also offers skid, pod and trailer-mounted propane charging units that provide 50-350 kW.

ZAPME from UK-based ZPN Energy offers battery-based EV charging systems in containerized, trailer-mounted, vehicle-mounted or hand movable units. Outputs range from 10 to 300 KWh. A 50 KWh vehicle-mounted unit deliver charge rates up to 150 kW.

Another variation on mobile charging relies on a self-contained unit that is dropped into place. EV Safe Charge offers a temporary Level 2 and DC fast charging systems delivered to locations on demand. Depending upon on-site capabilities, chargers are powered either through existing power at the location, solar panels, or self-contained generating systems. Ziggy is a robotic mobile EV charging platform that serves all parking spaces, not just a few. Ziggy then motors over to hold a reserved parking space where owners plug in and charge at up to a 19.2-kWh pace, roughly the peak of current Level 2 onboard capabilities. (The company plans to develop DC fast-charging capability at roughly 50 kilowatts, well below the 150-to-350-kWh peaks of the most powerful ultrafast chargers, but still a useful jolt).

The EV ARC from Beam Global uses a solar array to export up to 5.7 kW of power. It provides Level 2 charging to as many as 6 EVs at a time.

Both the battery-on-wheels and the delivery and drop-off systems aim to address the problems with permitting, construction and electrical infrastructure upgrades common to permanent charging installations.

We believe our proprietary technology is so powerful, innovative, versatile, easy to use and offers very attractive price points that we can compete in and even disrupt the remote power generation market in spite of the challenges posed by our competition.

Equipment

As a company that intends to commercialize or license its proprietary technology for others to install, manufacture and/or distribute, our equipment needs are project specific and temporary. We do not intend to purchase any production equipment to implement our business operations, but instead we will rent, lease or outsource as needed.

Manufacturing

We do not plan to manufacture in-house. The Company works with Craftsmen Industries utilizing its assets and system integrators to upfit our Mobile Generation technology. For our thermal technologies, the Company plans to rely on product development agreements with manufacturers who will then pay a license or royalty per unit. We anticipate that such agreements will delineate the respective intellectual property owned by both companies, describe the goal of the testing to verify the savings and value to a particular company, the equipment to be modified, the criteria that constitutes successful testing, how and where the tests will be conducted and the next steps to be taken in the event of successful testing.

Suppliers

For mobile power generation, the required software and its vehicle integration were supplied by a third party provider of engineering services along with partner truck up-fitter and others to be named later. Production level quantities of system components will be handled by at least three suppliers.

For the thermal technology applications in large electric motors, a single supplier will provide the heat pipes and mechanical structure, which combine to make the heat exchangers. We will coordinate with them to combine our thermal technology with their designs in the creation of heat exchangers.

For dry pit submersibles (a type of submersible pump which can also operate in a dry environment), we intend to purchase the wound stator and the rotor-shaft from one of the largest electric motor manufacturers in the world. We intend to purchase the fully-machined castings from an American company and rely on assembly and testing by another corporation based in the USA.

As of April 5, 2023, we have not signed formal agreements with any suppliers.

Intellectual Property

Our success depends in part on our ability to protect our technology and intellectual property. To accomplish this, we rely on a combination of patents, patent applications, trade secrets, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights. Currently, we have no licenses or contractual rights in place to protect our technology and intellectual property, only patents or patents pending.

As of December 31, 2022, we have seven US patents, two Canadian patents, one Mexican patent, one allowed Brazilian patent and one pending US patent application covering integrated electrical power generation methods and systems. In addition, we have applied for and received trademarks for an acronym for one of our technologies: "TEHPC" and "eMGen" which will function as the brand name for CoolTech's Mobile Power Generation System.

Our success will likely depend upon our ability to preserve our proprietary technologies and operate without infringing the proprietary rights of other parties. However, we may also rely on certain proprietary technologies and know-how that are not patentable.

We strive to protect such proprietary information, in part, by the use of confidentiality agreements with our employees, consultants and contractors. The Company has a policy of not disclosing its patent applications in order to protect the underlying technology.

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The following table sets forth the patents we own or license which we believe support our technology.

Patent Number	Country	Filing Date	Issue Date	Expiration Date	Title
8,283,818 B2	US	February 4, 2010	October 9, 2012	June 19, 2026	Electric Motor with Heat Pipes
8,134,260 B2	US	July 31, 2009	March 13, 2012	June 19, 2026	Electric Motor with Heat Pipes
8,148,858 B2	US	August 6, 2009	April 3, 2012	August 6 2028	Totally Enclosed Heat Pipe Cooled Motor
8,198,770 B2	US	April 3, 2009	June 12, 2012	April 4, 2028	Heat Pipe Bearing Cooler Systems and Methods
7,569,955 B2	US	June 19, 2007	August 4, 2009	June 19, 2026	Electric Motor with Heat Pipes
9,618,068	US	December 18, 2014	April 11, 2017	December 18, 2033	Heat Pipe Cooled Wet Brake
9,543,809	US	February 25, 2014	January 10, 2017	February 25, 2033	Radial Vent Composite Heat Pipe
2,971,404	Canada	June 16, 2017	October 15, 2019	December 16, 2034	Heat Pipe Cooled Wet Brake
2,902,329	Canada	August 24, 2015	May 2019	February 25, 2034	Radial Vent Composite Heat Pipe
346856	Mexico	August 25, 2015	April 2017	February 25, 2034	Radial Vent Composite Heat Pipe
BR 112015020362-0	Brazil	August 24, 2015	November 2021	February 25, 2034	Radial Vent Composite Heat Pipe

Government and Industry Regulation

We intend to conduct business worldwide and, therefore, we must comply with local, state, federal, and international regulations, both in operations and for our products.

As a company, we do not plan to manufacture any of our products. Therefore, the government regulations we will be subject to will be limited to storage and involve rotating the shafts of stored electric motors on a regular basis.

Applicable laws and regulations include those governing, among other things, the handling, storage and transportation of materials and products as well as noise and employee safety.

In addition, some of our products are subject to various laws and regulations relating to, among other things, emissions and fuel requirements.

Accordingly, we may be required or may voluntarily determine to obtain approval of our products from one or more of the organizations engaged in regulating product or environmental safety. These approvals could require significant time and resources from our technical staff and, if redesign were necessary, could result in a delay in the introduction of our products in various markets and applications.

Although we believe that our operations and products are in material compliance with current applicable regulations noted within this section, there can be no assurance that changes in such laws and regulations will not impose costly compliance requirements on us or otherwise subject us to future liabilities. New regulations could also require our licensees to redesign their products which could cause us to redesign our technologies which, consequently, could affect market growth for our products.

As our thermal technologies are incorporated in existing motors, generators and other manufactured products that are already subject to regulation. The regulatory burden will fall on the original equipment manufacturers that license our technology.

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The Company adds a mobile power generation system to Class 3-8 work trucks. In addition to an existing generator incorporating our thermal technology, the gearing system will incorporate our thermal technology as well. The vehicle and drive train operate normally in accordance with manufacturer's specifications. No regulations are violated or exceeded. Nonetheless, in some markets, the Company will have to certify that it meets federal, state or local noise and emission regulations.

Our designs comply with current EPA emission standards, and we believe they will comply with future requirements.

No original vehicle parts will be significantly modified in the retrofitting process. There will be some additional parts (generator, touchscreens, software, sensors and controls) added, but these parts will not change how the vehicle operates in any way. The drive train will operate according to the manufacturer's specifications. Therefore, we believe that the original warranty will remain in effect, and we do not believe that the conversion will violate the Magnuson-Moss Act.

The Magnuson-Moss Warranty Act is a federal law that protects consumers by barring a vehicle manufacturer from voiding the warranty on a vehicle due to an aftermarket part unless the manufacturer can prove that the aftermarket part caused or contributed to the failure in the vehicle. The Company will warranty the eMGen System with an industry standard warranty. All of our other components (generator, human machine interface, software, controller/sensors) will be warranted by their respective manufacturers.

The Department of Transportation, National Highway Traffic Safety Administration ("NHTSA") is charged with writing and enforcing safety and fuel economy standards for motor vehicles through their Federal Motor Vehicle Safety Standards. These standards require manufacturers to design their electrically powered vehicles so that, in the event of a crash, the electrical energy storage, conversion, and traction systems are either electrically isolated from the vehicle's chassis, or their voltage is below specified levels considered safe from electric shock hazards. Our planned no-idle version of our Mobile Generation system will be designed to meet or exceed these requirements.

Optional components such as solar panels, batteries, water purification or desalination systems will be supplied and warrantied by their manufacturers

In addition, the total weight of the additional components should remain within the vehicle's gross vehicle weight rating. As a result, we believe that our retrofits will comply with federal and state transportation regulations.

While we do not create and market our products around government subsidies and tax incentives, a class 3 to 5 eMGen truck equipped with a charger can provide a Level II charge to one or more electric vehicles. Our 200 kVA truck will provide Level III DC fast charging and a medium duty class 6 truck (Ford F-650) can power what is informally known as a mega-charger for vehicles like the Porsche Taycan or Tesla - all from the truck bed. Assuming the eMGen truck qualifies as a charging station, almost every state and a number of municipalities and utilities offer grants, rebates, tax credits, or other incentives for electric vehicle charging stations.

If we fulfill all elements of our business plan, we will have to prepare for, understand and ultimately meet emerging product environmental regulations around the world. Our products will have to comply with the new Euro VII emission standards that are expected to go into effect in the European Union in 2022, as well as the standards in other international markets, including Japan, Mexico, Australia, Brazil, Russia, India, and China that are becoming more stringent.

Employees

As of April 9, 2023, we had two full time employees and four part-time contractors. We hope to hire additional employees, on an as-needed basis, subject to sufficient funding, as products and services are developed.

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Research and Development

During the years 2022 and 2021, we incurred research and development costs of \$19,854 and \$19,853, respectively. All costs were borne by the Company.

Item 1A: Risk Factors

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our independent auditors have expressed their concern as to our ability to continue as a going concern.

As a result of our financial condition, we have received a report from our independent registered public accounting firm for our consolidated financial statements for the years ended December 31, 2022, and 2021 that includes an explanatory paragraph describing the uncertainty as to our ability to continue as a going concern. As of December 31, 2022, we have incurred net losses of \$61,120,707 since inception and have not yet commenced full operations, raising substantial doubt about our ability to continue as a going concern. As of December 31, 2022, we had \$142 in cash on hand. Our ability to continue as a going concern is dependent on our ability to generate revenue, achieve profitable operations and repay our obligations when they come due. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty. We are pursuing various financing alternatives to support the sales, component acquisition and assembly of our mobile power generation systems as well as the completion of the secondary elements of our business plan: to license its thermal technologies and applications, including submersible dry-pit applications. There can be no assurance, however, that we will obtain adequate funding or that we will be successful in accomplishing any of our objectives. The Company believes that if it does not obtain adequate working capital by the end of the second quarter 2023, it may need to cease or curtail operations.

We have approximately \$1,362,050 in principal amount of promissory notes and another \$1,078,500 in promissory notes currently in default.

We have approximately \$1,362,050 in principal amount of promissory notes and another \$1,078,500 in promissory notes currently in default. We do not have enough cash on hand to pay our obligations when due and may default on the rest of the notes. As a result, if we default on the notes the lender will be able to seek to enforce the obligations on the notes which will hurt our business operations and may cause us to curtail or cease operations.

Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of your investment.

We have a limited operating history on which investors can base an evaluation of our business, operating results and prospects. We have no operating history with respect to commercializing our heat pipe technology and licensing it to motor and generator manufacturers or selling mobile generators or translating our thermal technology from testing and one-off applications into mass market production. Consequently, it is difficult to predict our future revenues, if any, and appropriately budget for our expenses, and we have limited insight into trends that may emerge and affect our business.

We have only recently commercialized our mobile power generation system. Funds from the bridge financing financed a pilot run by Craftsmen Industries, which is our manufacturing partner. We also have reason to believe from current negotiations that funds will be available for the transition from pilot run to full production of the mobile generation system. If we are unable to obtain additional funding in a timely manner it will have a negative impact. Any additional equity financing may involve substantial dilution to our then existing stockholders. The inability to raise the additional capital will restrict our ability to develop and conduct business operations

We have a history of operating losses and can provide no assurance of our future operating results.

From incorporation in 2002 to December 31, 2022, we have incurred net losses of \$61,120,707. The losses may continue into the foreseeable future. There can be no assurance we will ever operate profitably or that we will have adequate working capital to meet our obligations as they become due. Investors must consider the risks and difficulties frequently encountered by early stage companies, particularly in rapidly evolving markets. We cannot be certain that our business strategy will be successful or that we will successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition, and results of operations could be materially and adversely affected.

The market for mobile power generation is changing.

Although tow-behind generators have been the standard for more than 60 years, the market is changing. A greater number of hybrid and electric vehicles are being sold and low power generation systems are being incorporated in internal combustion trucks. As the eMGen System produces power equal to tow behinds from a smaller, lighter package, it is reflective of that change. In addition, usage of electric vehicles continues to increase, however, in many countries, charging infrastructure is not likely to keep pace. As the eMGen Systems offer both slow and fast charging capabilities, this creates new opportunities for the Company. Nonetheless, significant increases in the electrical output of existing mobile power systems, rapid build-out of electric vehicle charging infrastructure, new government regulations or changes in consumer demand and behavior may slow the growth of our business and negatively impact our financial results.

Many of our potential competitors are better established and have significantly greater resources.

The market for the products we develop is highly competitive. Many of our potential competitors are well established with larger and better resources, longer relationships with customers and suppliers, greater name recognition and greater financial, technical and marketing resources than we have. Increased competition may result in price reductions, reduced gross margins, loss of market share and loss of licensees, any of which could materially and adversely affect our business, operating results and financial condition. We cannot ensure that prospective competitors will not adopt technologies or business plans similar to ours or develop products which may be superior to ours or which may prove to be more popular. It is possible that new competitors will emerge and rapidly acquire market share. We cannot ensure that we will be able to compete successfully against future competitors or that the competitive pressures will not materially and adversely affect our business, operating results and financial condition.

We may experience significant delays in the design and implementation of our thermal technology into the motors and/or generators of the companies with which we have research and development agreements which could harm our business and prospects.

Motor manufacturers often experience delays in the design, manufacture and commercial release of new product lines. Any delay in the financing, design, and implementation of our thermal technology into the motor and/or generator lines of companies with which we may have research and development agreements could materially damage our brand, business, prospects, financial condition and operating results.

If we are unable to adequately control the costs associated with operating our business, including our costs of sales and materials, our business, financial condition, operating results and prospects will suffer.

If we are unable to maintain a sufficiently low level of costs for designing, marketing, selling and distributing our conversion system and thermal technologies relative to their selling prices, our operating results, gross margins, business and prospects could be adversely impacted. We have made, and will be required to continue to make, significant investments for the design and sales of our system and technologies. There can be no assurances that our costs of producing and delivering our system and technologies will be less than the revenue, if any, we may generate from sales and/or licensing. We may be required to incur substantial marketing costs and expenses to promote our systems and technologies, even though our marketing expenses to date have been relatively limited. Many of the factors that impact our operating costs are beyond our control. For example, the costs of our components could increase due to disruptions to the supply chain or shortages if global demand for such components increases.

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We will be dependent on our suppliers. The inability or refusal of these suppliers to deliver components at prices and volumes acceptable to us would have an adverse effect on our business.

We have selected suppliers, issued purchase orders and received products for our mobile power generation system. We source globally from a number of suppliers, none of which are single source suppliers for these components.

Failure to obtain reliable sources of component supply that will enable us to meet quality, price, engineering, design and production standards, as well as the production volumes required to successfully market our conversion system could negatively affect our Company's revenues and business operations. Even if we are successful in developing a high-volume mobile power manufacturing platform and reliable sources of component supply, we do not know whether we will be able to do so in a manner that avoids significant delays and cost overruns.

If we experience significant increased demand, or need to replace our existing suppliers, there can be no assurance that additional supplies of component parts will be available when required on terms that are favorable to us, or that a supplier would allocate sufficient supplies to us in order to meet our requirements or fill our orders in a timely manner. The loss of any single or limited source supplier or the disruption in the supply of components from these suppliers could lead to delays to our customers, which could hurt our relationships with our customers, result in negative publicity, damage our brand and adversely affect our business, prospects and operating results.

Any significant disruption in our supplier relationships, particularly relationships with sole source suppliers, could harm our business. Furthermore, some of our suppliers may not be able to handle any commodity cost volatility and/or sharply changing volumes while still performing as we expect. To the extent our suppliers experience supply disruptions, there is a risk for delivery delays, production delays, production issues or delivery of non-conforming products by our suppliers. Even where these risks do not materialize, we may incur costs as we try to make contingency plans for such risks.

Our research and commercialization efforts may not be sufficient to adapt to technological changes.

As technologies change, we plan to upgrade or adapt our mobile power generation system in order to continue to provide vehicles with the latest technology. However, our installations or retrofits may not compete effectively with alternative vehicles if we are not able to source and integrate the latest technology into our mobile power generation system. We plan to offer a no-idle system, however, since we do not plan to manufacture battery cells and/or solar panels, we are dependent on suppliers of battery cell and/or solar panel technology for our no idle systems. To help mitigate the risk, we have signed a strategic alliance with a solar power and energy storage company (VerdeWatts). However, there can be no guarantee that such risk mitigation will be successful. Furthermore, any failure to keep up with advances in electric or hybrid vehicle technology would result in a decline in our competitive position which would adversely affect our business, prospects, operating results and financial condition.

An occurrence of an uncontrollable event such as the COVID-19 pandemic is likely to negatively affect our operations.

The occurrence of an uncontrollable event such as the COVID-19 pandemic and its subsequent variants is likely to negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this has limited access to our facilities, customers, management, support staff and professional advisors. These, in turn, will not only impact our operations, financial condition and demand for our products but our overall ability to react timely to mitigate the impact of this event. Also, it may substantially hamper our efforts to provide our investors with timely information and comply with our filing obligations with the Securities and Exchange Commission.

While the pandemic phase of COVID-19 has receded and the virus is now considered to be endemic in the US as of this filing, the evolution of an acute and more contagious variant is possible. In such a case, it may impact demand for our products and may again hamper our efforts to provide our investors with timely information and comply with our filing obligations with the Securities and Exchange Commission.

A prolonged economic downturn or economic uncertainty could adversely affect our business and cause us to require additional sources of financing, which may not be available.

Real GDP growth, inflation, employment levels, oil prices, interest rates, tax rates, availability of customer financing, foreign currency exchange

rate fluctuations, and other macroeconomic trends can adversely affect demand for the products that we offer. Geopolitical issues around the world (such as the war in Ukraine) and how our markets are positioned can also impact macroeconomic conditions and could have a material adverse impact on our financial results.

Economic cycles and any related fluctuation in the businesses of our potential fleet customers, electric motor manufacturers or income of the general public may have a material adverse effect on our financial condition, results of operations or cash flows. If global economic conditions deteriorate or economic uncertainty increases, our potential customers may experience lowered incomes or deterioration of their businesses, which may result in the delay or cancellation of plans to convert their vehicles, reduced license sales or reduced royalties from sales by licensees. As a consequence, our cash flow could be adversely impacted.

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Any changes in business credit availability or cost of borrowing could adversely affect our business.

Declines in the availability of business credit and increases in corporate borrowing costs could negatively impact the number of mobile generators installed and the number of electric motors and generators manufactured. Substantial declines in the number of installations or retrofits by our customers could have a material adverse effect on our business, results of operations and financial condition.

If we lose any of our key management personnel, we may not be able to successfully manage our business or achieve our objectives.

Our future success depends in large part upon the leadership and performance of our management and consultants. The Company's operations and business strategy are dependent upon the knowledge and business contacts of our executive officers and our consultants. We have employment agreements with our Chief Executive Officer and our Vice President and interim Chief Financial Officer. Although, we hope to retain the services of all of our officers, if an officer should choose to leave us for any reason before we have hired additional personnel, our operations may suffer. If we should lose their services before we are able to engage and retain qualified employees and consultants to execute our business plan, we may not be able to continue to develop our business as quickly or efficiently.

In addition, we and our production partners/affiliates must be able to attract, train, motivate and retain highly skilled and experienced technical employees in order to successfully develop our business. Qualified technical employees often are in great demand and may be unavailable in the time frame required to satisfy our business requirements. We may not be able to attract and retain sufficient numbers of highly skilled technical employees in the future. The loss of technical personnel or our inability to hire or retain sufficient technical personnel at competitive rates of compensation could impair our ability to successfully grow our business. If we lose the services of any of our consultants, we may not be able to replace them with similarly qualified personnel, which could harm our business.

We may incur material losses and costs as a result of product defects, warranty claims or product liability actions that may be brought against us.

We face an inherent business risk of exposure to product liability if our mobile power generation system or other products fail to perform as expected or failure of our products results in bodily injury or property damage.

If flaws in the design of our products were to occur, we could experience a rate of failure in our mobile power generation system or other products that could result in significant charges for product re-work or replacement costs. Although we plan to engage in extensive quality programs and processes, these may not be sufficient to avoid conversion or product failures, which could cause us to:

- lose net revenue;
- incur increased costs such as costs associated with customer support;
- experience delays, cancellations or rescheduling of retrofits or orders for our products;
- experience increased product returns or discounts; or
- damage our reputation;

All of the above could negatively affect our financial condition and results of operations.

If any of our mobile power generation systems or other products are or are alleged to be defective, we may be required to participate in a recall involving such installations, retrofits, or products. A recall claim brought against us, or a product liability claim brought against us in excess of our insurance, may have a material adverse effect on our business.

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Depending on the terms under which we supply products to a vehicle component or engine manufacturer, a manufacturer may attempt to hold us responsible for some or all of the repair or replacement costs of defective products under their warranties when the manufacturer asserts that the product supplied did not perform as warranted.

Developments or assertions by us or against us relating to intellectual property rights could materially impact our business.

We own significant intellectual property, including a number of patents, and intend to be involved in numerous licensing arrangements. Our intellectual property should play an important role in maintaining our competitive position in a number of the markets we intend to serve.

We will attempt to protect proprietary and intellectual property rights to our products and conversion system through available patent laws and licensing and distribution arrangements with reputable domestic and international companies. Despite these precautions, patent laws afford only limited practical protection in certain countries.

Litigation may also be necessary in the future to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others or to defend against claims of invalidity. Such litigation could result in substantial costs and the diversion of resources.

As we create or adopt new technology, we will also face an inherent risk of exposure to the claims of others that we have allegedly violated their intellectual property rights.

Our products could infringe on the intellectual property rights of others which may result in costly litigation and, if we do not prevail, could also cause us to pay substantial damages and prohibit us from selling or licensing our products.

Third parties may assert infringement or other intellectual property claims against us. We may have to pay substantial damages, including damages for past infringement if it is ultimately determined that our products or technology infringe a third party's proprietary rights. Further, we may be prohibited from selling or providing products before we obtain additional licenses, which, if available at all, may require us to pay substantial royalties or licensing fees. Even if claims are determined to be without merit, defending a lawsuit takes significant time, may be expensive and may divert management's attention from our other business concerns. Any public announcements related to litigation or interference proceedings initiated or threatened against us could cause our business to be negatively impacted and our stock price to decline.

We may incur losses, additional costs or even interruption of business operations as a result of fines or sanctions brought by government regulators.

Our business will be subject to various U.S. federal, state and local, and non-U.S. environmental, transportation and safety laws and regulations.

We cannot assure you that we will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these laws, regulations or certifications, we could be fined or otherwise sanctioned by regulators.

We may face risks from doing business internationally.

We have signed joint venture and/or sales representation agreements with companies in Turkey and Australia. It is likely that there will be further sales, licensing and distribution of products and technologies outside the United States, and that we will derive revenues from these sources. Consequently, our revenues and results of operations will be vulnerable to currency fluctuations. We will report our revenues and results of operations in United States dollars, but a significant portion of our revenues may be earned outside of the United States. We cannot accurately predict the impact of future exchange rate fluctuations on revenues and operating margins. Such fluctuations could have an adverse effect on our business, results of operations and financial condition.

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Our business will also be subject to other risks inherent in the international marketplace, many of which are beyond our control. These risks include:

- laws and policies affecting trade, investment and taxes, including economic sanctions as well as laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws;
- changes in local regulatory requirements, including restrictions on installations or retrofits;
- differing cultural tastes and attitudes;
- differing degrees of protection for intellectual property;
- the instability of foreign economies and governments;
- war and acts of terrorism.

Any of the foregoing could have an adverse effect on our business, financial condition and results of operations.

If we are unable to effectively implement or maintain a system of internal control over financial reporting, we may not be able to accurately or timely report our financial results and our stock price could be adversely affected.

Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations require us to evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year, and to include a management report assessing the effectiveness of our internal control over financial reporting in our Annual Report on Form 10-K for that fiscal year. Management determined that as of December 31, 2022, our disclosure controls and procedures and internal control over financial reporting were not effective to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Act Commission's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our internal controls are not effective for the following reasons, (1) we have limited entity-level controls because of the limited time and abilities of the three officers, (2) we have not implemented adequate system and manual controls, and (3) there is no separate audit committee.

Any failure to implement new or improved controls necessary to remedy the material weaknesses described above, or difficulties encountered in the implementation or operation of these controls, could harm our operations, decrease the reliability of our financial reporting, and cause us to fail to meet our financial reporting obligations, which could adversely affect our business and reduce our stock price.

We may be at risk to accurately report financial results or detect fraud if we fail to maintain an effective system of internal controls.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, the SEC adopted rules requiring public companies to include a report that contains an assessment by management on the Company's internal control over financial reporting in their annual and quarterly reports on Form 10-K and 10-Q. We cannot assure you that significant deficiencies or material weaknesses in our disclosure controls and internal control over financial reporting will not be identified in the future. Also, future changes in our accounting, financial reporting, and regulatory environment may create new areas of risk exposure. Failure to modify our existing control environment accordingly may impair our controls over financial reporting and cause our investors to lose confidence in the reliability of our financial reporting, which may adversely affect our stock price.

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RISKS ASSOCIATED WITH OUR COMMON STOCK

The issuance of shares upon conversion of our preferred stock and exercise of outstanding warrants and options will cause immediate and substantial dilution to our existing stockholders.

As of December 31, 2022, there are three shares of Series A preferred stock ("Series A Stock") issued and outstanding (each such share of Series A Stock has the voting right of 50,000 shares of common stock) convertible into an aggregate of 150,000 shares of common stock and 2,727,270 shares of Series B preferred stock ("Series B Stock") issued and outstanding. For so long as the Series B Stock is issued and outstanding, the holders of Series B Stock shall vote together as a single class with the holders of the common stock and the holders of any other class or series of shares entitled to vote with the common stock, with the holders of Series B Stock being entitled to 66 2/3% of the total votes on all such matters. There are also warrants to purchase an aggregate of 41,850,000 shares of common stock and options to purchase an aggregate of 4,000,000 shares of common stock outstanding. The issuance of shares upon conversion of preferred stock and exercise of warrants and options will result in substantial dilution to the interests of other stockholders.

The holders of the Series B Stock have 66 2/3% of the voting rights of the Company .

Because the holders of the Series B Stock have 66 2/3% of the voting rights of the Company if they act together, they will be able to influence the outcome of all corporate actions requiring approval of our stockholders, including the election of directors and approval of significant corporate transactions, which may result in corporate action with which other stockholders do not agree. If the Series B stockholders vote in favor of the foregoing action and have sufficient voting power to approve such actions through their ownership of Series B Stock, no other stockholder approvals will be required.

Our common stock is subject to the "penny stock" rules of the SEC and the trading market in our securities is limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

The SEC has adopted Rule 15c-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (i) that a broker or dealer approve a person's account for transactions in penny stocks; and (ii) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person's account for transactions in penny stocks, the broker or dealer must: (i) obtain financial information and investment experience objectives of the person; and (ii) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form: (i) sets forth the basis on which the broker or dealer made the suitability determination; and (ii) that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

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Because we do not intend to pay any cash dividends on our shares of common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them at a price higher than that which they initially paid for such shares.

The market price of our shares of common stock is subject to fluctuation.

The market prices of our shares may fluctuate significantly in response to factors, some of which are beyond our control, including:

- The announcement of new products by our competitors
- The release of new products by our competitors
- Developments in our industry or target markets
- General market conditions including factors unrelated to our operating performance

Recently, the stock market in general has experienced extreme price and volume fluctuations. Continued market fluctuations could result in extreme market volatility in the price of our shares of common stock which could cause a decline in the value of our shares.

There is a limited trading market for our securities.

There is currently only a limited trading market for our common stock. We cannot predict the extent investor interest will lead to development of an active trading market or how liquid that trading market might become. If an active trading market does not develop or is not sustained, it may be difficult for investors to sell shares of our common stock at a price that is attractive or at all. In such a case, you may find that you are unable to achieve any benefit from your investment or liquidate your shares.

Because we are not subject to compliance with rules requiring the adoption of certain corporate governance measures, our stockholders have limited protections against interested director transactions, conflicts of interest and similar matters.

The Sarbanes-Oxley Act of 2002, as well as rule changes proposed and enacted by the SEC, the New York Stock Exchange, the Amex Equities Exchanges and NASDAQ, as a result of Sarbanes-Oxley, require the implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities which are listed on those exchanges or the NASDAQ.

Although our shareholders appointed independent directors to the board, we do not currently have independent audit or compensation committees. Until then, the directors who are part of management have the ability, among other things, to determine their own level of compensation. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest and similar matters and investors may be reluctant to provide us with funds necessary to expand our operations.

Our Articles of Incorporation allow for our board of directors to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our common stock.

Our Board has the authority to fix and determine the relative rights and preferences of preferred stock. As a result, our Board could authorize the issuance of a series of preferred stock that would grant to such holders (i) the preferred right to our assets upon liquidation, (ii) the right to receive dividend payments before dividends are distributed to the holders of common stock and (iii) the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock. In addition, our Board could authorize the issuance of a series of preferred stock that has greater voting power than our common stock or that is convertible into our common stock, which could decrease the relative voting power of our common stock or result in dilution to our existing common stockholders.

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Any of the actions described in the preceding paragraph could significantly adversely affect the investment made by holders of our common stock. Holders of common stock could potentially not receive dividends that they might otherwise have received. In addition, holders of our common stock could receive less proceeds in connection with any future sale of the Company, whether in liquidation or on any other basis.

Our officers, directors and Series B preferred shareholders own a substantial amount of our common stock and exercise significant control over our corporate governance and affairs which may result in their taking actions with which other shareholders do not agree.

Our executive officers and directors control approximately 3.4% of our outstanding common stock. In addition, a former director owns Series B preferred shares with two other stockholders. Together, they control 66 and 2/3 of the voting rights of the Company. The officers, directors and Series B stockholders, if they act together, may be able to exercise substantial influence over the outcome of all corporate actions requiring approval of our stockholders, including the election of directors and approval of significant corporate transactions, which may result in corporate action with which other stockholders do not agree. This concentration of ownership may also have the effect of delaying or preventing a change in control which might be in other stockholders' best interest, but which might negatively affect the market price of our common stock.

We are in breach of our agreements with certain investors for failure to timely file a registration statement with the SEC registering shares offered and sold to such investors.

In connection with the offer and sale of shares and warrants to purchase shares of common stock, the Company agreed to file a registration statement with the SEC including these shares once the Company sold an aggregate of one million shares. The Company sold 1 million shares in July 2013. In addition, our placement agents also have "piggyback" registration rights for shares underlying warrants issued to them. If an investor or placement agent decides to bring an action against the Company before this registration statement is deemed effective, we may be faced with litigation and other costs and damages if unsuccessful in any such action.

We may, in the future, issue additional common shares, which would reduce investors' percent of ownership and may dilute our share value.

Our Articles of Incorporation authorizes the issuance of 1,000,000,000 shares of common stock, par value \$0.001 per share, of which as of April 10, 2023, 705,393,993 shares are issued, and outstanding excluding 1,000,000 shares held in escrow. On February 13, 2020, stockholders holding shares that entitled them to exercise at least a majority of the voting power, voted in favor of increasing the number of authorized shares of common stock, from 500,000,000 shares to 1,000,000,000 shares. The future issuance of common stock may result in substantial dilution in the percentage of our common stock held by our then existing stockholders. We may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors and may have an adverse effect on any trading market of our common stock.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market under Rule 144 or upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Item 1B. Unresolved Staff Comments

Not applicable.

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Item 2. Properties

The Company rents a virtual office, which it uses as its corporate headquarters for a monthly rent of \$300. The office is located at 8875 Hidden River Parkway, Suite 300, Tampa, Florida 33637. We believe this space is adequate for our current operations.

Item 3. Legal Proceedings

Securities and Exchange Commission Settlement

On September 20, 2018, the Securities and Exchange Commission (SEC) approved an offer to settle the enforcement proceedings against the Company pursuant to Section 21C of the Securities Exchange Act of 1934.

These proceedings arose out of the violation of the Regulation S-X requirement that interim financial statements filed as part of a Form 10-Q be reviewed by an independent public accounting firm prior to filing.

On three occasions, specifically, May 20, 2013, August 19, 2013, and August 22, 2016, Cool Technologies filed Form 10-Qs that contained financial statements that were not reviewed by an independent public accounting firm. In two cases, the Company properly disclosed that the 10Q's were "unaudited and unreviewed" as set forth by the guidance in the Division of Corporation Finance Financial Reporting Manual Section 4410.3. And in each case, the Company subsequently filed a restated and amended Form 10-Q/A that complied with the Interim Review Requirement. In no instance were the filings ever subjected to audit challenge.

Pursuant to the enforcement proceeding instituted by the SEC, the Company settled for a fine of \$75,000 and agreed to cease and desist from any future violations of Sections 13(a) of the Exchange Act and Rule 13a-13 thereunder, and Rule 8-03 of Regulation S-X.

PGC Investments, LLC Settlement

Cool Technologies' subsidiary Ultimate Power Truck, LLC ("UPT") was in pending litigation (*PGC Investments, LLC, et al. v. Ultimate Power Truck, LLC*, in the Circuit Court for the Sixth Judicial Circuit, Pinellas County, Florida). The litigation was a commercial landlord-tenant action wherein the Plaintiffs sought damages for nonpayment of rent arising out of a commercial lease agreement for which UPT was the tenant. The plaintiffs also named Cool Technologies as a defendant in the amended and second amended complaint. Cool Technologies moved to dismiss the second amended complaint for lack of personal jurisdiction and failure to state a cause of action. In July, the parties entered into a settlement agreement.

PGC Investments, LLC also initiated an AAA arbitration proceeding against Cool Technologies seeking damages in the amount of \$360,500 for breach of contract and breach of the implied covenant of good faith and fair dealing. The parties entered into a settlement agreement in conjunction with the Pinellas County litigation.

As per the settlement agreement, Cool Technologies must pay Dennis Campbell and PGC Investments \$25,000 within 5 business days of the effective date (July 7, 2022), another \$25,000 on or before September 30, 2022, and 50,000 unregistered shares of the Company's common stock on or before September 30, 2022.

Within two days of the issuance of the shares, the receipt of the final payment made and confirmation of clear funds, PGC was required to file a Notice of Voluntary Dismissal with Prejudice of the Litigation and a Notice of Voluntary Dismissal with Prejudice of the Arbitration.

Cool Technologies paid the initial \$25,000 on July 13, 2022 and the second \$25,000 on September 28, 2022. 50,000 restricted shares were issued to Dennis Campbell on September 28, 2022.

On October 21, 2022, PGC Investments, LLC and Dennis Campbell filed a Notice of Voluntary Dismissal with Prejudice in the Circuit Court of the Sixth Judicial Circuit for Pinellas County. On the same date, PGC Investments also filed a Notice of Voluntary Dismissal with Prejudice with the American Arbitration Association.

Because the Arbitration's final hearing was scheduled for September 22-23, 2022, the dismissal was filed after the final payment and stock issuance were made. This was in keeping with the Settlement Agreement which was conditioned upon PGC obtaining the arbitrator's approval of the terms and conditions of the settlement.

From time to time, the Company may be a party to other legal proceedings. Management currently believes that the ultimate resolution of these other matters, if any, and after consideration of amounts accrued, will not have a material adverse effect on our consolidated results of operations, financial position, or cash flow.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock was quoted on the OTC Bulletin Board from July 30, 2009, to March 26, 2010, under the symbol BIBB. Prior to September 2010, there was no active market for our common stock. Our common stock is currently quoted on the OTCQB under the trading symbol WARM.

The following table sets forth the high and low sales prices as reported on the OTCQB. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

Quarter Ended	High	Low
March 31, 2022	\$ 0.038	\$ 0.017
June 30, 2022	\$ 0.033	\$ 0.011
September 30, 2022	\$ 0.022	\$ 0.009
December 31, 2022	\$ 0.014	\$ 0.008
March 31, 2021	\$ 0.097	\$ 0.012
June 30, 2021	\$ 0.097	\$ 0.040
September 30, 2021	\$ 0.079	\$ 0.040
December 31, 2021	\$ 0.049	\$ 0.015

The last reported sales price of our common stock on the OTCQB on April 10, 2023, was \$0.0046.

As of April 10, 2023, there were 211 stockholders of record of our common stock.

Dividend Policy

The Company has never paid dividends on its common stock and does not anticipate that it will pay dividends in the foreseeable future. It intends to use any future earnings for the expansion of its business. Any future determination of applicable dividends will be made at the discretion of the board of directors and will depend on the results of operations, financial condition, capital requirements and other factors deemed relevant.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information regarding our equity compensation plans as of December 31, 2022:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	8,050,000(1)	\$ 0.98	--

- (1) Represents (i) options to purchase 1,000,000 shares of common stock at \$2.00 per share to Timothy Hassett; (ii) options to purchase 2,000,000 shares of common stock at \$2.00 per share to Judson Bibb; and (iii) warrants to purchase 5,050,000 shares of common stock as set forth in Part III, Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. of this Annual Report on Form 10-K.

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Recent Sales of Unregistered Securities

On February 24, 2022, the Company issued 2,500,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$50,000 on principal of \$135,000.

On February 25, 2022, the Company issued 1,750,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000 on

principal of \$135,000.

On February 28, 2022, the Company issued 980,392 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$20,000 on principal of \$135,000.

On March 4, 2022, the Company issued 1,208,791 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$22,000 on principal of \$135,000.

On March 7, 2022, the Company issued 790,361 shares of common stock to Power Up Lending Group, Ltd. upon final conversion of \$8,000 in principal and \$5,120 in interest on principal of \$135,000.

On March 22, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000 on principal of \$111,000.

On March 29, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000 on principal of \$111,000.

On April 18, 2022, the Company issued 3,798,319 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$41,000 on principal of \$111,000.

On May 31, 2022, the Company issued 1,652,893 shares of common stock to 1800 Diagonal Lending, LLC upon conversion of \$20,000 on principal of \$66,750.

On June 6, 2022, the Company issued 2,252,252 shares of common stock to 1800 Diagonal Lending, LLC upon conversion of \$25,000 on principal of \$66,750.

On June 15, 2022, the Company issued 2,333,654 shares of common stock to 1800 Diagonal Lending, LLC upon final conversion of \$21,750 on principal of \$66,750.

On August 8, 2022, the Company issued 2,752,294 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$30,000 on principal of \$56,000.

On August 11, 2022, the Company issued 2,323,967 shares of common stock to 1800 Diagonal Lending LLC upon final conversion of \$26,000 in principal and \$2,120 in interest on principal of \$56,000.

On August 22, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments, LLC upon conversion of \$121,410 on principal of \$825,000.

On September 8, 2022, the Company issued 2,100,840 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$25,000 on principal of \$61,500.

On September 12, 2022, the Company issued 3,273,950 shares of common stock to 1800 Diagonal Lending LLC upon final conversion of \$36,500 in principal and \$2,460 in interest on principal \$61,500.

On September 27, 2022, the Company issued 2,325,581 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$20,000 on principal of \$61,500.

On September 28, 2022, the Company issued 2,625,000 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$21,000 on principal of \$61,500.

On September 30, 2022, the Company issued 3,214,085 shares of common stock to 1800 Diagonal Lending LLC upon final conversion of \$20,500 in principal and \$2,320 in interest on principal of \$61,500.

On October 27, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments, LLC upon conversion of \$59,640 on principal of \$825,000.

On October 31, 2022, the Company issued 2,247,191 shares of common stock to 1800 Diagonal Lending, LLC upon conversion of \$20,000 on principal of \$61,500.

On November 4, 2022, the Company issued 2,777,778 shares of common stock to 1800 Diagonal Lending, LLC upon conversion of \$20,000 on principal of \$61,500.

On November 7, 2022, the Company issued 3,308,333 shares of common stock to 1800 Diagonal Lending, LLC upon final conversion of \$21,500 and interest of \$2,320 on principal of \$61,500.

On November 21, 2022, the Company issued 4,787,324 shares of common stock to LGH Investments, LLC upon final conversion of \$33,000 in principal and \$990 in interest on principal of \$33,000.

On November 25, 2022, the Company issued 3,521,127 shares of common stock to 1800 Diagonal Lending, LLC upon final conversion of \$25,000 on principal of \$35,000.

On November 30, 2022, the Company issued 1,594,366 shares of common stock to 1800 Diagonal Lending, LLC upon final conversion of \$10,000 in principal and \$1,320 in interest on principal of \$35,000.

On December 5, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments upon conversion of \$68,373 on principal of \$825,000.

On December 28, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments upon conversion of \$71,355 on principal of \$825,000.

None of the above issuances involved any underwriters, underwriting discounts or commissions, or any public offering and we believe were exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof and/or Regulation D promulgated thereunder.

Defaults Upon Senior Securities

On March 19, 2020, the Company defaulted on a note payable. A \$250,000 note was purchased on March 18, 2019. In return, the Company promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. As of the filing date, the Company has not received a notice of default for the note. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

On May 1, 2020, the Company defaulted on two notes payable. A \$250,000 note was purchased on September 11, 2018 and a \$125,000 note was purchased on September 25, 2018 by the same accredited investor. In return, the Company promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversaries. On March 16, 2020, the investor signed an amendment to the agreement extending the maturity dates until April 30, 2020. As of the filing date, the Company has not received a notice of default. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

On May 26, 2020, the Company defaulted on a Promissory Note Agreement. A \$250,000 note was purchased on October 26, 2018 by an accredited investor. It received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. On October 26, 2019, the investor signed an amendment to the agreement extending the maturity date for seven months. On November 20, 2020, they signed another amendment to the agreement in which they agreed that in the event there are any amounts outstanding under the Note on January 1, 2021, the investor shall be able to convert, any amounts outstanding under the Note into shares of common stock, at a conversion price of seventy one percent of the lowest Volume Weighted Average Price (VWAP) over the previous ten trading days prior to the delivery of a conversion notice. The investor subsequently converted all amounts outstanding in a series of three conversions on January 20 and 22, and February 3, 2021.

Item 6. Selected Financial Data

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes and pandemics; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the SEC.

Because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, the audited consolidated financial statements and related notes elsewhere in this Annual Report on Form 10-K.

Plan of Operation

Cool Technologies, Inc. and subsidiary, ("the Company" or "Cool Technologies" or "CoolTech") was incorporated in the State of Nevada in July 2002. In April 2014, CoolTech formed Ultimate Power Truck, LLC ("Ultimate Power Truck" or "UPT"), of which the Company owns 95% and a shareholder of Cool Technologies owns 5%. Cool Technologies was formerly known as Bibb Corporation, as Z3 Enterprises, and as HPEV, Inc. On August 20, 2015, the Company changed its name to Cool Technologies, Inc.

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The Company's technologies are divided into two distinct but complementary categories: mobile power generation and heat dispersion technology.

The Company has developed a mobile power generation system (eMGen) that enables work trucks to generate electric power by running an in-chassis generator. The eMGen system can be retrofit onto new and existing American trucks. CoolTech intends to sell the mobile electric power system to government, commercial and fleet vehicle owners. Sales are expected to occur through the direct efforts of the Company, its sales agents and its joint venture partners. CoolTech may also license the eMGen system as well.

The markets targeted include consumer, agricultural, industrial, military and emergency responders, both in the U.S. and worldwide.

CoolTech has also developed heat dispersion technologies based on proprietary composite heat structures and heat pipe architecture in various product platforms such as electric motors, pumps, turbines, bearings and vehicle components. In preparation, Cool Technologies filed for and received a trademark for Totally Enclosed Heat Pipe Cooled: TEHPC.

When a generator is enhanced by CoolTech's patented thermal technologies, it should be able to output more power than any other generator of its size on the market. That's because third party testing has demonstrated that the cooling provided by the thermal technologies can help increase the efficiency of electric motors.

Furthermore, management believes that the technologies will increase the lifespan as well as help meet regulatory emissions standards for electric motors and other heat producing equipment and components. The simplicity of the heat pipe architecture as well as the fact that it provides effective new applications for existing manufacturing processes should enhance the cost structure in several large industries including motor/generator and engine manufacturing.

As of December 31, 2022, we have seven US patents, two Canadian patents, one Mexican patent, one allowed Brazilian patent and one pending US patent application covering integrated electrical power generation methods and systems.

The Company intends to commercialize its patents by integrating the thermal technologies and applications with Original Equipment Manufacturer (OEM) partners and by licensing them to electric motor, generator, pump and vehicle component (brake, resistor, caliper) manufacturers.

We believe the benefits of our mobile power generation systems are quickly realized once potential customers see it in operation. Public demonstrations of the eMGen systems began in April 2017. An inspection and performance demonstration for Mexican government officials and business leaders occurred in May 2018. Feedback from initial viewers resulted in more government officials and fruit growers coming to see the eMGen power equipment and to learn about the water purification options in March 2019. Even more officials and growers followed -- flying to St. Louis for a review in May 2019.

Craftsmen Industries was selected to produce the first systems due to its engineering capabilities and extensive facilities. In January 2019, it began production on the initial vehicles and completed an initial production run vehicle two months later.

While the Company awaits funding to begin continuous production, it has continued to expand its contacts with potential clients -- meeting with government agencies, emergency responders and city officials as well as military engineers and procurement specialists. Specifications for custom applications have been noted and preliminary designs drawn up.

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We have not generated any revenues to date. Consequently, there can be no assurances that the Company will be able to generate new orders, fulfill the existing ones, nor address all the requirements of all the interested parties.

Management is pursuing various financing alternatives, based upon a third-party assessment of the historically demonstrated or contractually committed profit-earning capacities of our IP. We see this as the best path forward for non-dilutive funding.

If funding is received, it will be used to support completion of the initial phases of our business plan, which is to license our thermal technologies and applications; to license or sell a mobile electric power system; and to license our submersible motor dry pit technologies and/or to bring to market our technologies and applications through key distribution and joint venture partners.

While the pandemic phase of COVID-19 has receded and the virus is now considered to be endemic in the US as of this filing, the evolution of an acute and more contagious variant is possible. In such a case, it may impact demand for our products and may again hamper our efforts to provide our investors with timely information and comply with our filing obligations with the Securities and Exchange Commission.

Real GDP growth, inflation, employment levels, oil prices, interest rates, tax rates, availability of customer financing, foreign currency exchange rate fluctuations, and other macroeconomic trends can adversely affect demand for the products that we offer. Geopolitical issues around the world and how our markets are positioned can also impact macroeconomic conditions and could have a material adverse impact on our financial results.

Significant Developments

Amendment of Series B Preferred Stock

On October 31, 2016, the Company filed an amended and restated Series B Preferred Stock Certificate of Designation (which was originally filed with the Secretary of State of Nevada on April 19, 2016 and amended on August 12, 2016) to designate 3,636,360 shares as Series B Preferred Stock and to provide for supermajority 66 2/3% voting rights for the Series B Preferred Stock. The Series B Preferred Stock will not bear dividends, will not be entitled to receive any distributions in the event of any liquidation, dissolution or winding up of the Company, and will have no other preferences, rights, restrictions, or qualifications, except as otherwise provided by law or the articles of incorporation of the Company. The holders of Class B Stock shall have the right, at such holder's option, at any time to convert such shares into common stock, in a conversion ratio of one share of common stock for each share of Class B Stock. If the common stock trades or is quoted at a price per share in excess of \$2.25 for any twenty consecutive day trading period, (subject to appropriate adjustment for forward or reverse stock splits, recapitalizations, stock dividends and the like), the Series B Stock will automatically be convertible into the common stock in a conversion ratio of one share of common stock for each share of Series B Stock. The Series B Stock may not be sold, hypothecated, transferred, assigned or disposed without the prior written consent of the Company and the holders of the outstanding Series B Preferred Stock.

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Craftsmen Industries, Inc.

As a consequence of the first public demonstration of the eMGen 30 kilovolt amp ("kVA") system at the North America International Auto Show in Detroit in January 2017, the Company entered into an agreement in principle, dated February 21, 2017, with Craftsmen Industries, Inc. ("Craftsmen"), a company engaged in the design, engineering and production of mobile marketing vehicles, experiential marketing platforms and industrial mobile solutions.

On April 25, 2017, we delivered to Craftsmen Industries, a Class III Vehicle (Ford F-350 dually) up-fitted with a production-ready eMGen 30 kVA (single phase/three phase) system.

Subsequently, Craftsmen invited the Company to demonstrate its mobile generation technology and the potential benefits for Craftsmen products at Craftsmen's 35th Anniversary Party on April 27, 2017. Over one hundred current and prospective Craftsmen customers were in the audience for the demonstrations.

Craftsmen recently signed a manufacturing contract with Translux-Fair Play. Translux' Hazelwood, Missouri facility encompasses over 45,000 square feet of manufacturing space and offers extensive laser cutting and metal bending machinery. The contract significantly enhances Craftsmen's capabilities to produce boxes and control panels for the eMGen Systems and the vehicles they're upfitted to, but also all the eMGen's optional tasks and capabilities, including welding, water purification and solar power.

Not only will basic production be optimized and improved, but control panels and displays should be upgraded. CoolTech is expected to benefit from Translux' electronics expertise which has been refined through their years of manufacturing digital scoring panels for sporting arenas and ball parks.

Aon Risk Services Central, Inc and Lee and Hayes, PLLC

On January 18, 2018, the Company entered into an agreement with Aon Risk Services Central, Inc. and Lee and Hayes, PLLC, through its operating unit, 601West, which provides intellectual property ("IP") analytics, to assess the value of the Company's IP. As set forth in the agreement, the assessment will be founded on historically demonstrated or contractually committed profit-earning capacities of our IP and may be used to obtain financing, including but not limited to, non-dilutive financing. Since then, significant progress has been achieved, although at a pace much slower than anticipated.

Live eMGen 80 Demonstration in Fort Collins, Colorado

On May 4, 2018, nine representatives from Mexico's farming, banking, and government sectors flew to Fort Collins, Colorado for a live demonstration of CoolTech's generator-equipped truck. The demonstration showcased the capabilities and ease of operation of the system. The Company demonstrated how an operator is able to control the generator from the comfort and safety of the truck's cab using a Panasonic Toughpad. The Company also used the electricity from the truck to power a screw compressor, an industrial fan, and an industrial load bank. Additional capabilities, such as purifying water and using batteries and solar power to make operations more sustainable and environmentally friendly were discussed with the attendees.

A representative from one of the Mexican farming producers' unions approved the generator-equipped truck. CoolTech plans to put this into production as soon as final funding is secured.

Purchase and Delivery of Truck to Craftsman Industries

On July 15, 2018, the Company purchased a Ford F-450 Chassis Cab Truck. Subsequently, a metal flatbed was manufactured and installed. The truck was delivered to Craftsmen on September 15, 2018. It will be used for the installation and refinement of the eMGen 80 kVA system. A second F-450 will be used for the eMGen 125 kVA system.

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Order of Parts and Components

As of September 2021, the Company has acquired enough parts and components to build 5 eMGen 80s and 2 eMGen 125s. It is currently procuring two mobile water purification systems and components for mobile electric vehicle charging systems.

In addition, the Company has purchased another Ford F-450 and is seeking to acquire more F-450s and 550s for use in demonstrations of the capabilities noted above and for initial order fulfillment.

Unveiling of Initial Production Run Vehicle

On March 27, 2019, the Company unveiled the initial production run of its mobile power generation (eMGen) work trucks for inspection by an audience of agricultural and community leaders from Latin America at Craftsmen Industries.

The itinerary for the showcase event included a tour of the St. Louis manufacturing facility and inspection of the first production-run eMGen vehicle in operation as it powered a variety of equipment.

The purpose of the viewing was not only to show the truck's capabilities but to get feedback from the attendees.

Mexico's population is expected to grow from 129 million to nearly 150 million by 2050. As a result, energy and water demand should increase significantly.

Increased water demand for both human consumption and agricultural production, along with lagging water management practices have resulted in a rapid depletion of water reserves in Mexico, particularly in Northern Mexico. The forecast of high temperatures in the summer combined with a developing La Nina weather pattern could prolong an existing drought and spread water shortages.

According to an article in the NYTimes (<https://tinyurl.com/2n76rjy7>), Mexico's National Water Commission (CONAGUA) determined that in July 2022, eight of Mexico's 32 states were experiencing extreme to moderate drought, resulting in 1,546 of the country's 2,463 municipalities confronting water shortages. By mid-July, about 48 percent of Mexico's territory was suffering drought, according to the commission, compared with about 28 percent of the country's territory during the same period last year. In June of 2021, 77 of Mexico's 210 principal water reservoirs were below 25% capacity. For the region encompassing Western North America, this period is now the driest two decades in 1,200 years.

With reservoirs drying and groundwater levels declining, water is at a premium. In many locations, sewage water is reused for irrigation. Water treatment is scarce and pollution regulations are rarely enforced.

As long as investment in wastewater treatment lags behind population growth, large numbers of consumers eating raw produce face heightened threats to food safety from diseases such as salmonella, E Coli and roundworm. Add unchecked or minimally treated industrial pollution and unusually large numbers of cases of cancer and kidney problems have been documented in consumers living near polluted waterways.

While access to electricity is high across the nation, in rural areas, power can be sporadic or even non-existent. Many communities, particularly in regions populated by indigenous people, are still not connected to the grid. They rely on diesel generators to light homes and draw water from shrinking aquifers.

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Interest from Mexican authorities is high in the eMGen systems as they seek to mitigate the effects of drought and guarantee access to drinking water as well as provide a consistent source of electricity and mobile medical services for underserved populations.

Through the efforts of its representatives in the country, the Company has been in contact with and in some cases made presentations to the national water commission (CONAQUA) as well as cabinet secretaries, senators, representatives and deputies at the federal level; to governors, legislators, commissioners and municipal presidents at the state level and mayors and county and local politicians in cities and towns beset by energy and water problems. Private entities such as distilleries, fruit growers, cattle rancher's associations and mining companies have also requested information.

Conversations are ongoing and interested politicians are helping to promote, coordinate and refine the Company's approach to secure funding for pilot programs, full-blown projects and purchases of eMGen systems and vehicles.

Mexican Government

On May 13, 2019, government officials and fruit growers were at Craftsmen Industries in St. Louis for a review of a first-run eMGen 80 production vehicle and water purification/desalination options.

Among the politicians in attendance was Congressman Efraín Rocha Vega who is Secretary of the Commission of Development and Rural, Agricultural and Food Self-sufficiency Conservation, a member of the commission of Livestock and the commission of Environment, Sustainability, Climate Change and Natural Resources. Subsequent to the event, in an official Congressional Letter of Support, dated May 20, 2019, Congressman Rocha wrote: "The successful demonstration of these technologies further strengthens the Mexican Government's support of Mexican entities that desire to purchase CoolTech products, as well as affirms our position to provide financial assistance to such entities." The letter can be viewed in its entirety at: <http://www.cooltechnologiesinc.com/content/pdf/MexicanLegislationandFinancialAssistanceLetter.pdf>.

Introduction of new options

During the fourth quarter of 2019, the Company has introduced new options, which include an eMGen System that generates up to 200 kVA of electric power, water purification and desalination systems.

The Company's mobile electric generation system ("eMGen") offers optional 30 to 125 kVA water purification and desalination units capable of producing 2,800 to 14,000 gallons of potable water per day. Assuming the average person needs 2 liters per day, 10,000 gallons is enough for 26,498 people. If delivery is required, an eMGen truck can also tow a water tanker.

The truck-mounted units cleanse contaminated, polluted wastewater or remove saline from saltwater. Submerge the input pipe into any water

source. Chemicals, particulates, salts, heavy metals, bacteria, viruses and other impurities are removed. Six levels of water purification output a range of water qualities from clean potable water for drinking and cooking to to-potable water for agricultural or other commercial and emergency usage.

The eMGen systems as well as the purification and desalinization units feature fully automated controls and monitoring. A Panasonic Toughpad tablet provides a rugged touchscreen interface for operation from the truck cab or anywhere within a 300-foot radius. When outfitted with the optional telematics package, the systems can be remotely controlled and monitored from distant locations.

The next generation of eMGens will include a solar-powered generator system with a built-in water purification unit that makes seawater desalination sustainable. The system pumps and purifies up to 4,500 gallons of potable water per day. It can be set up and operated anywhere a four-wheel drive vehicle can go. Once the batteries are drained, the systems shift to fuel power for 24-hour operation. The solar panels collapse and fold, so the entire system fits easily in the bed of a work truck.

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Rugged, reliable and versatile, the eMGen trucks are designed to operate in extreme environments. A variety of capabilities handle a variety of needs including:

- agriculture,
- municipalities,
- mining,
- emergency response,
- and disaster relief.

The applications for hurricanes, floods, earthquakes and other natural disasters are obvious, others less so.

Here are a few common yet relatively unknown problems the system and units address:

- In poorly served or third-world countries, irregular power service prevents farmers from irrigating on a regular schedule which reduces the size of the harvest.
- In areas where water tables are dropping, powerful pumps are required to pull water up from deep underground. A mobile pump is far more cost-effective than permanent ones positioned out in the fields.
- Use of polluted irrigation water stunts crops and restricts sales which limits farmers' incomes.
- Over-pumping of aquifers enables saltwater intrusion to contaminate coastal water supplies. Water must either be pumped and transported from further away or very expensive desalination plants must be built to remove the salt. The plants can take years to build.

Consider the Texas Freeze in February of 2021. Power failures at water treatment plants necessitated boil water orders. Burst pipes and dripping faucets dropped water reserves to dangerously low levels.

More than 800 public water systems serving 162 of the state's 254 counties were disrupted. Over 13 million people were left without safe drinking water. The town of Kyle almost went dry.

Cities opened water distribution sites, water was trucked in to flush toilets, homeowners melted icicles and snow for drinking water, medical workers resorted to using bottled water for chemotherapy treatments.

KeyOptions

On May 30, 2019, the Company entered into a joint venture agreement ("JV") with KeyOptions Pty Ltd., a privately held technology and security provider based in Victoria, Australia.

KeyOptions develops and markets products for governments, defense contractors and other commercial applications to counter security and cyber threats. The Company will provide a license for the JV to market and sell CoolTech's entire product platform in Australia and neighboring countries in Southeast Asia.

New Strategic Alliance:

On December 16, 2019, the Company signed a cross-marketing and licensing agreement with VerdeWatts, LLC., an energy generation and storage company encompassing everything from mobile solar power generation systems to large-scale biogas turbine installations. Pursuant to the agreement VerdeWatts and the Company each granted the other a royalty-free non-exclusive license to certain patents which license is subject to certain future negotiation.

Like CoolTech's mobile power generation systems ("eMGen"), VerdeWatts' products are scalable and offer the ability to bring power nearly anywhere it is needed. Their proprietary Smart Solar Power Generation Units and energy storage systems combine to deliver sustainable power long after the sun has set.

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The agreement with VerdeWatts also included a cross-marketing and royalty-free non-exclusive licensing agreement with FirmGreen, Inc., a water treatment facilities developer that works closely with VerdeWatts to create a suite of synergistic products that address significant needs in the global marketplace. FirmGreen specializes in water purification and desalination technologies. Their mobile, solar and container applications feature 6 levels of water purification for unrivaled drinkability. Pursuant to the agreement FirmGreen and the Company each granted the other a royalty-free non-exclusive license to certain patents which license is subject to certain future negotiations.

CoolTech's eMGen platform makes the companies' product offerings complete with mobile power generation. It provides the capability to power everything from irrigation for farms and water purification for rural areas to electric vehicle charging and fast charging in the urban ones.

Consider the solar-powered generator system with a built-in water purification unit that makes seawater desalination sustainable. The system pumps and purifies up to 3,000 gallons per day and interfaces with CoolTech's eMGen system for 24-hour operation. The solar panels collapse and fold together, so the entire system fits easily in the bed of a work truck. It can be set up and operate anywhere a four-wheel drive vehicle can reach. All of these systems are patent-protected and cross-licensed to each of the three companies.

FirmGreen and VerdeWatts have a global presence with projects on three continents. The largest encompasses the installation of 14 natural gas generators to produce over 60 megawatts (MW) of power. The generators will be integrated with 50-megawatt hours of battery storage and another 6 MW of solar to ensure a consistent flow of power. VerdeWatts intend to replace most of the legacy on-site generators with CoolTech's eMGen systems, however, the Company has not received any orders and there cannot be any assurance that any orders will be placed.

Together the companies can create an energy or utility ecosystem that can enable less developed countries to leapfrog non-existent, inadequate or failing infrastructure to deliver reliable power and water quickly, sustainably and cost-effectively to their citizens, agriculture and other businesses. The scale and impact can reach from individual farms and villages to cities and regions.

In fact, by combining their respective technologies: energy generation, energy storage and load management controls into a single suite of products, the companies create what is called a "microgrid". Varying combinations of energy sources such as solar, wind, biogas and eMGen systems both backup and supplement one another to provide consistent, uninterrupted primary power even during severe weather or other emergencies.

The synergies between the companies extend beyond water purification and power generation. VerdeWatts' wind and gas turbines and generators which produce electric power can all be improved by CoolTech's thermal reduction technologies.

Request for Collaboration Sent to US Government Officials

On December 11, 2019, letters signed by thirteen government officials and Congressmen in Mexico were mailed to their counterparts in the US, specifically Governor Gavin Newsom, Secretary Rick Perry, Secretary Wilbur Ross, Senator Mitch McConnell and Speaker of the House Nancy Pelosi.

The letters were a request for collaborative support between the two countries to accelerate CoolTech's product deployment into Mexico to help solve urgent rural power and water purification problems that are hurting rural communities. Those problems include irregular and faulty power in rural areas which hinders crop irrigation and water pollution which affects crops farmed for sale to the US.

The letters also detail the Mexican officials' satisfaction with CoolTech's solutions and management team and that they have met with the Company on several occasions for product demonstrations as well as strategic and technical advice. They highlight the benefits of CoolTech products, how they could quickly and efficiently address the problems noted, and how they expect them to become a viable part of the country's infrastructure.

Export Import Bank of the United States

With the help of VerdeWatts and FirmGreen, CoolTech has initiated a relationship with the Export-Import Bank of the United States (EXIM), a U.S. government agency whose sole mission is to support U.S. exports. The bank fulfills its mission by offering very cost-effective financing for international customers and project developers to purchase U.S.-made services and purchase or lease U.S.-made goods.

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To that end, the two companies applied to finance the Mexican projects referenced above. CoolTech also sent product information for due diligence review by the technical team at EXIM bank. Subsequently, CoolTech has received a Letter of Interest from EXIM, however, there cannot be any assurance that EXIM will provide any funding to the Company.

New Sales Agent

In January 2021, the Company terminated its independent agent agreement with Gaia Energy of Gdansk, Poland.

On January 26, 2021, the Company signed an independent agent agreement with H&K Ventures, LLC of Morganhill, California. H&K will act as the Company's independent agent.

The principals of H&K were also part of Gaia Energy. Consequently, the agreement and the expertise provided by H&K are essentially the same.

H&K will concentrate on developing markets in Eastern Europe, the Middle East and Africa. The agreement describes the agent's duties as "generating revenue, and investment funding, for the Company from various organizations including investment funds, end-users, channel partners, integrators, and OEMs." To that end, H&K has requested quotes from the Company for eMGen 200 to 300 kVA systems with mobile water desalination capabilities of up to 900,000 gallons per day.

Team members of H&K Ventures include executives with more than twenty-five years experience with Panasonic, Ford Motor Company, Electronic Data Systems and the US Air Force in the fields of advanced technologies and an African diplomat with a thirty-year background working with and for diplomatic missions, non-governmental organizations and international disasters and aid management services.

The former has joined the Company's advisory board while the diplomat introduced CoolTech products at a recent African technical summit attended by representatives from 54 countries.

Order and Delivery of Water Units and Charger

Over the past six months, the Company has ordered two reverse osmosis water purification units and an electric vehicle charger.

In May of 2021, the Company ordered a reverse osmosis system capable of treating 4,500 gallons of brackish water per day. That was followed by a 100 kW, mode 4 DC, electric vehicle charger capable of simultaneous charging and dynamic load distribution. The Company ordered a second reverse osmosis system capable of treating 4,500 gallons of brackish water per day in July of 2021.

A reverse osmosis system and an electric vehicle charger were delivered to Craftsmen Industries for installation in the beds of the test vehicles referenced in Note 3. The Company is awaiting the delivery of the second reverse osmosis system.

Going Concern

As a result of our financial condition, we have received a report from our independent registered public accounting firm for our consolidated financial statements for the years ended December 31, 2022, and 2021 that includes an explanatory paragraph describing the uncertainty as to our ability to continue as a going concern. As of December 31, 2022, we have not commenced full operations, raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to generate revenue, achieve profitable operations and repay our obligations when they come due. As of December 31, 2022, we have \$142 in cash and we owe \$1,231,272 for convertible notes, \$1,362,050 for promissory notes and currently have another \$1,078,500 in promissory notes in default. We are pursuing various financing alternatives to address the payment of outstanding debt and to support the sales, component acquisition and assembly of our mobile power generation systems as well as the completion of the secondary elements of our business plan: to license its thermal technologies and applications, including submersible dry-pit applications. There can be no assurance, however, that we will obtain adequate funding or that we will be successful in accomplishing any of our objectives. Consequently, we may not be able to continue as an operating company.

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Results of Operations

The following table sets forth, for the periods indicated, consolidated statements of operations data. The table and the discussion below should be read in conjunction with the accompanying consolidated financial statements and the notes thereto, appearing elsewhere in this report.

	Year ended on December 31,			
	2022	2021	Change	%
Revenues	\$ --	\$ --	N/A	N/A
Cost of Revenues	--	--	N/A	N/A
Gross Profit	--	--	N/A	N/A
Operating expenses				
Payroll and related expenses	351,641	345,573	6,068	1.8%
Consulting	470,645	467,241	3,404	0.7%
Professional fees	204,430	254,793	(50,363)	(19.8)%
Research and development	19,854	19,853	1	0.0%
General and administrative	149,194	87,064	62,130	71.4%
Total operating expenses	1,195,764	1,174,524	21,240	1.8%
Interest expense, net	(726,028)	(1,675,726)	949,698	(56.7)%
Change in fair value of the derivative liability	(90,770)	(648,506)	557,736	(86.0)%
Gain on settlement of debt	168,771	52,963	115,808	218.7%
Net loss	(1,843,791)	(3,445,793)	1,602,002	(46.5)%
Less: Non-controlling interest	168	(745)	913	(122.6)%
Net loss to shareholders	<u>\$ (1,843,623)</u>	<u>\$ (3,445,048)</u>	<u>\$ 1,601,425</u>	(46.5)%

Revenues

During the years ended December 31, 2022, and 2021, and since inception, we have not generated any revenues. We generated our first Mobile Generation order during the quarter that ended June 30, 2014 and received a partial deposit in advance of completing the sale with companies controlled by the individual who is a 5% owner of UPT and a shareholder of our Company. The order is in the production queue.

Operating Expenses

Operating expenses increased during the year ended December 31, 2022, compared to the year ended December 31, 2021, due to increases in consulting costs, payroll and related expenses as well as general and administrative.

During the year ended December 31, 2022, payroll and related expenses increased by \$6,068 due to an increase in accrued payroll taxes.

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Consulting expenses increased from \$467,241 in 2021 to \$470,645 in 2022 which was in line with the increase in macroeconomic conditions.

Professional fees decreased from \$254,793 in 2021 to \$204,430 in 2022. The decrease reflects elimination of legal fees after the settlement of the Company's eviction complaint and arbitration proceeding in October.

Research and development expenses essentially remained the same in 2021 and 2022 as the Company maintained its focus on the commercialization of the eMGen System.

General and administrative expenses increased from \$87,064 in 2021 to \$149,194 in 2022 due to an inventory adjustment and the attendant adjustment in miscellaneous office expense, transfer agents fees associated with the substantial amount of debt converted (noted below), the purchases of new computer equipment and the completion of the first full year of health insurance provided by the company.

Other Income and Expense

Interest expense during the years ended December 31, 2022 and 2021 related primarily to our debt. The change in fair value of derivative liability reflects the change in fair value of the conversion features embedded in the convertible debt agreements entered into in July, August, September, October and December 2022.

Interest expense decreased during the year ended December 31 from \$1,675,726 in 2021 to \$726,028 in 2022 due to the substantial amount of debt converted in 2022.

Net Loss and Noncontrolling Interest

Since we have incurred losses since inception, we have not recorded any income tax expense or benefit. Accordingly, our net loss is driven by our operating and other expenses. Noncontrolling interest represents the 5% third-party ownership in UPT, which is subtracted to calculate net loss to shareholders.

Liquidity and Capital Resources

We have historically met our liquidity requirements primarily through the public sale and private placement of equity securities, debt financing, and exchanging common stock warrants and options for professional and consulting services. On December 31, 2022, we had cash and cash equivalents of \$142.

Working capital is the amount by which current assets exceed current liabilities. We had negative working capital of \$7,792,632 and \$7,370,524 on December 31, 2022, and 2021, respectively. The increase in negative working capital was due to increases in accounts payable, accrued interest payable, and accrued payroll. To that end, we owe approximately \$1,232,872 for convertible notes that mature in the next nine months and we owe another \$1,362,050 in notes payable and currently have another \$1,078,500 in promissory notes in default. Based on its current forecast and budget, management believes that its cash resources will not be sufficient to fund its operations through the end of the second quarter. Unless the Company can generate sufficient revenue from the execution of the Company's business plan, it will need to obtain additional capital to continue to fund the Company's operations. There is no assurance that capital in any form would be available to us, and if available, on terms and conditions that are acceptable. If we are unable to obtain sufficient funds, we may be forced to curtail and/or cease operations.

February Convertible Note -- On February 25, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued 2,000,000 inducement shares of restricted common stock and received \$150,000 after an original issue discount of \$15,000 in lieu of interest. The total amount of \$165,000 plus 3% interest or \$4,950 will be due on November 25, 2021. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.025 per share. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$100 will accrue until the default is remedied. On November 22, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. As of December 31, 2022, the remaining balance totaled \$169,950.

March Convertible Note -- On March 24, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued two sets of commitment shares: a block of 500,000 and a block of 2,500,000 shares of restricted common stock as well as warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.10 per share. In return, the Company received \$250,000 after an original issue discount of \$25,000 in lieu of interest. The total amount of \$275,000 plus 8% interest or \$22,000 will be due on December 24, 2021. After 60 days, if the note has not been paid in full, the investor will have the right to purchase up to 6 million additional warrant shares. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.055 per share. If the note is repaid by the maturity date, the investor will forfeit the block of 2,500,000 shares of restricted common stock and the shares will be returned to the Company's treasury. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$1,000 will accrue until the default is remedied. On December 21, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. As of December 31, 2022, the remaining balance totaled \$297,000.

March Convertible Note -- On March 24, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued two sets of commitment shares: a block of 500,000 and a block of 2,500,000 shares of restricted common stock as well as warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.10 per share. In return, the Company received \$750,000 after an original issue discount of \$75,000 in lieu of interest. The total amount of \$825,000 plus 8% interest or \$66,000 will be due on December 24, 2021. After 60 days, if the note has not been paid in full, the investor will have the right to purchase up to 2 million additional warrant shares. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.055 per share. If the note is repaid by the maturity date, the investor will forfeit the block of 2,500,000 shares of restricted common stock and the shares will be returned to the Company's treasury. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$1,000 will accrue until the default is remedied. On December 21, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 22, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments, LLC upon conversion of \$121,410. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On October 27, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments, LLC upon conversion of \$59,640. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. On December 5, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments, LLC upon conversion of \$68,373. On December 28, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments, LLC upon conversion of \$71,355. As of December 31, 2022, the remaining balance totaled \$570,222.

August Convertible Note – On August 16, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$125,000 after an original issue discount of \$7,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$135,000 will be due on August 16, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On February 24, 2022, the Company issued 2,500,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$50,000, leaving a principal balance remaining of \$85,000. On February 25, 2022, the Company issued 1,750,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$50,000. On February 28, 2022, the Company issued 980,392 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$20,000, leaving a principal balance remaining of \$30,000. On March 4, 2022, the Company issued 1,208,791 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$22,000, leaving a principal balance remaining of \$8,000. On March 7, 2022, the Company issued 790,361 shares of common stock to Power Up Lending Group, Ltd. upon final conversion of \$8,000 in principal and \$5,120 in accrued interest. The note was then retired.

September Convertible Note -- On September 21, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$102,000 after an original issue discount of \$6,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$111,000 will be due on September 21, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On March 22, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$76,000. On March 29, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$41,000. On April 18, 2022, the Company issued 3,798,319 shares of common stock to Power Up Lending Group, Ltd upon final conversion of \$41,000 in principal and \$4,200 in accrued interest. The note was then retired.

November Convertible Note -- On November 22, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$60,000 after an original issue discount of \$3,750 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$66,750 will be due on November 22, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On May 31, 2022, the Company issued 1,652,893 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$20,000, leaving a principal balance remaining of \$46,750. On June 6, 2022, the Company issued 2,252,252 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$25,000, leaving a principal balance remaining of \$21,750. On June 15, 2022, the Company issued 2,233,654 shares of common stock to Power Up Lending Group, Ltd upon final conversion of \$21,750 in principal and \$2,520 in accrued interest. The note was then retired.

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December Convertible Note -- On December 20, 2021, the Company entered into a convertible note agreement with an accredited investor. It received \$33,000 after an original issue discount of \$3,000 in lieu of interest. The total amount of \$33,000 plus 3% interest or \$990 will be due on September 20, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.02 per share. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$100 will accrue until the default is remedied. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 22, 2022, the Company issued 4,787,324 shares of common stock to LGH Investments LLC upon final conversion of \$33,000 in principal and \$990 in accrued interest. The note was then retired.

February Convertible Note -- On February 1, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$50,000 after an original issue discount of \$3,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$56,000 will be due on February 1, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On August 8, 2022, the Company issued 2,752,294 shares of common stock to Sixth Street Lending LLC upon conversion of \$30,000, leaving a principal balance remaining of \$26,000. On August 11, 2022, the Company issued 2,323,967 shares of common stock to Sixth Street Lending LLC upon final conversion of \$26,000 in principal and \$2,120 in accrued interest. The note was then retired.

March Convertible Note -- On March 4, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on March 4, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On September 8, 2022, the Company issued 2,100,840 shares of common stock to Sixth Street Lending LLC upon conversion of \$25,000, leaving a principal balance remaining of \$36,500. On September 12, 2022, the Company issued 3,273,950 shares of common stock to Sixth Street Lending LLC upon final conversion of \$36,500 in principal and \$2,460 in accrued interest. The note was then retired.

March Convertible Note -- On March 21, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on March 21, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On September 27, 2022, the Company issued 2,325,581 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$41,500. On September 28, 2022, the Company issued 2,625,000 shares of common stock to Sixth Street Lending LLC upon conversion of \$21,000, leaving a principal balance remaining of \$20,500. On September 30, 2022, the Company issued 3,214,085 shares of common stock to Sixth Street Lending LLC upon final conversion of \$20,500 in principal and \$2,320 in accrued interest. The note was then

retired.

April Convertible Note -- On April 25, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on April 25, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. . On October 31, 2022, the Company issued 2,247,191 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$41,500. On November 4, 2022, the Company issued 2,777,778 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$20,500. On November 7, 2022, the Company issued 3,308,333 shares of common stock to Sixth Street Lending LLC upon final conversion of \$21,500 in principal and \$2,320 in accrued interest. The note was then retired.

May Convertible Note -- On May 23, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$30,000 after an original issue discount of \$2,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$35,000 will be due on May 23, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On November 25, 2022, the Company issued 3,521,127 shares of common stock to Sixth Street Lending LLC upon conversion of \$25,000, leaving a principal balance remaining of \$10,000. On November 30, 2022, the Company issued 1,594,366 shares of common stock to Sixth Street Lending LLC upon final conversion of \$10,000 in principal and \$1,320 in accrued interest. The note was then retired.

July Convertible Note -- On July 22, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$30,000 after an original issue discount of \$3,200 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$56,200 will be due on July 22, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$56,200.

August Convertible Note -- On August 18, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$40,000 after an original issue discount of \$2,600 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$45,600 will be due on August 18, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$45,600.

September Convertible Note -- On September 21, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$60,000 after an original issue discount of \$3,750 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$66,750 will be due on September 21, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$66,750.

October Convertible Note -- On October 24, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$40,000 after an original issue discount of \$2,600 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$45,600 will be due on October 24, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$45,600.

October Convertible Note -- On October 31, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$20,000 after an original issue discount of \$2,000. The total amount of \$22,000 will be due on July 31, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 25% and a daily pen penalty of \$100 will accrue until the default is remedied. As of December 31, 2022, the remaining balance totaled \$22,000.

December Convertible Note -- On December 8, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$45,000 after an original issue discount of \$2,900 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$50,900 will be due on December 8, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$50,900.

Off Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

Cash Flows

Our cash flows from operating, investing and financing activities were as follows:

	Year ended December 31,	
	2022	2021
Net cash used in operating activities	\$ (620,594)	\$ (1,646,746)
Net cash used in investing activities	(34,015)	(27,896)
Net cash provided by financing activities	582,360	1,747,000

Net cash from operating activities increased due to increases in non-cash interest expense, in fair value of derivative liability and in accrued payroll taxes. Our investing activity increased due to an increase in expenditure for intangible assets, which relates to the development of patents. Net cash provided by financing activities increased due to an increase in proceeds of debt or debt borrowings.

The Company's capital requirements for the next 12 months will consist of \$3.8 million with anticipated expenses of \$1.8 million for salaries, public company filings, and consultants and professional fees. An additional \$2.0 million in working capital is expected to be needed for inventory and related costs for production of our mobile power generation systems as well as development and commercialization of our

thermal dispersion technology applications.

Management believes the Company's funds are insufficient to provide for its projected needs for operations for the next 12 months. The Company is currently negotiating additional non-dilutive funding to support product development or for other purposes. In the event that the negotiations fail, the Company may have to rely on equity or debt financing that may involve substantial dilution to our then existing stockholders. If it is unable to close additional equity financing, the Company may have to cease operations.

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Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of revenues and expenses. Critical accounting policies are those that require the application of management's most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain and that may change in subsequent periods. In applying these critical accounting policies, our management uses its judgment to

determine the appropriate assumptions to be used in making certain estimates. Actual results may differ from these estimates.

We define critical accounting policies as those that are reflective of significant judgments and uncertainties, and which may potentially result in materially different results under different assumptions and conditions. In applying these critical accounting policies, our management uses its judgment to determine the appropriate assumptions to be used in making certain estimates. These estimates are subject to an inherent degree of uncertainty.

Impairment of long-lived assets

When facts and circumstances indicate that the carrying value of long-lived assets may not be recoverable, management assesses the recoverability of the carrying value by preparing estimates of revenues and the resulting gross profit and cash flows. These estimated future cash flows are consistent with those we use in our internal planning. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount, we recognize an impairment loss. The impairment loss recognized, if any, is the amount by which the carrying amount of the asset (or asset group) exceeds the fair value. We may use a variety of methods to determine the fair value of these assets, including discounted cash flow models, which are consistent with the assumptions we believe hypothetical marketplace participants would use.

If actual results are not consistent with our assumptions and estimates, or our assumptions and estimates change due to new information, we may be exposed to an impairment charge in the future.

Derivative financial instruments

When we issue debt that contains a conversion feature, we first evaluate whether the conversion feature meets the requirements to be treated as a derivative: a) one or more underlying, typically the price of the Company's stock; b) one or more notional amounts or payment provisions or both, generally the number of shares upon conversion; c) no initial net investment, which typically excludes the amount borrowed; and d) net settlement provisions, which in the case of convertible debt generally means the stock received upon conversion can be readily sold for cash. There are certain scope exceptions from derivative treatment, but these typically exclude conversion features that provide for a variable number of shares.

When we issue warrants to purchase our common stock, we must evaluate whether they meet the requirements to be treated as a derivative. Generally, warrants would be treated as a derivative if the provisions of the warrant agreement create uncertainty as to a) the number of shares to be issued upon exercise; or b) whether shares may be issued upon exercise.

If the conversion feature within convertible debt or warrants meets the requirements to be treated as a derivative, we estimate the fair value of the derivative liability using the Black-Scholes Option Pricing Model upon the date of issuance. If the fair value of the derivative liability is higher than the face value of the convertible debt, the excess is immediately recognized as interest expense. Otherwise, the fair value of the derivative liability is recorded as a liability with an offsetting amount recorded as a debt discount, which offsets the carrying amount of the debt. The derivative liability is revalued at the end of each reporting period and any change in fair value is recorded as a change in fair value in the consolidated statement of operations. The debt discount is amortized through interest expense over the life of the debt. Derivative instrument liabilities and the host debt agreement are classified on the balance sheet as current or non-current based on whether settlement of the derivative instrument could be required within twelve months of the balance sheet date.

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The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. As a result of entering into warrant agreements, for which such instruments contained a variable conversion feature with no floor, the Company has adopted a sequencing policy in accordance with ASC 815-40-35-12 whereby all future instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors.

Contingent liabilities

We accrue a loss for contingencies if it is probable that an asset has been impaired or a liability has been incurred, and when the amount of loss can be reasonably estimable. When no accrual is made because one or both conditions do not exist, we disclose the contingency if there is at least a reasonable possibility that a loss may be incurred. We estimate contingent liabilities based on the best information we have available at the time. If we have a range of outcomes, we accrue the low end of the range.

Share-based Payments

All our share-based awards are classified as equity, as they may only be settled in shares of our common stock.

We recognize expense for fully-vested warrants at the time they are granted. For awards with service or performance conditions, we generally recognize expense when the service is complete; however, there may be circumstances in which we determine that the performance condition is probable before the actual performance condition is achieved. In such circumstances, the amount recognized as expense is the pro rata amount, depending on the estimated progress towards completion of the performance condition. Nonemployee share-based payments are measured at fair value, based on either the fair value of the equity instrument issued or on the fair value of the services received. Typically, it is not practical to value the services received, so we determine the fair value of common stock grants based on the price of the common stock on the measurement date, and the fair value of common stock warrants using the Black-Scholes option-pricing model ("Black-Scholes"). We use historical data to estimate the expected price volatility, the expected stock option life and expected forfeiture rate. The risk-free interest rate is based on the United States Treasury yield curve in effect at the time of grant for the estimated life of the stock option. For awards that are recognized when a performance condition is probable, the fair value is estimated at each reporting date. The cost recognized is the fair value of the equity award on the date the performance condition is achieved. Accordingly, the expense recognized may change between interim reporting dates and the date the performance condition is achieved.

We issue two types of common stock options to employees: 1) fully-vested at the time of grant and 2) market price-based vesting. We recognize expense for fully-vested stock options on the date of grant at the estimated fair value of the options using Black-Scholes. We recognize expense for market price-based options at the estimated fair value of the options using the lattice-based option valuation model ("Lattice Model") over the estimated life of the options used in the Lattice Model. We use historical data to estimate the expected price volatility, the expected stock option life and expected forfeiture rate. The risk-free interest rate is based on the United States Treasury yield curve in effect at the time of grant for the estimated life of the stock option. In the event, we modify the terms of a non-vested share-based payment award, we would incur additional expense for the excess of the fair value of the modified share-based payment award over the fair value of the original share-based payment award. The incremental expense would be recognized ratably over the remaining vesting period.

Income taxes

We recognize deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the income tax and financial reporting carrying amount of our assets and liabilities. We monitor our deferred tax assets and evaluate the need for a valuation allowance based on the estimate of the amount of such deferred tax assets that we believe do not meet the more-likely-than-not recognition criteria. We also evaluate whether we have any uncertain tax positions and would record a reserve if we believe it is more-likely-than-not our position would not prevail with the applicable tax authorities. We have significant net operating loss carryforwards, for which we have established a valuation allowance. If our estimate of the amount of such deferred tax assets change, we may recognize a benefit in the future. UPT is a limited liability company ("LLC"), which is treated as a partnership for income tax purposes, where all tax obligations flow through to the owners of the LLC during the period in which income taxes were incurred.

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Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

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Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cool Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cool Technologies, Inc. (the Company) as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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.

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. As discussed in Note 1, the Company has incurred net losses and negative cash flow from operations since inception. These factors, and the need for additional financing in order for the Company to meet its business plans raises substantial doubt about the Company's ability to continue as a going concern. Our opinion is not modified with respect to that matter.

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 the 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

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Derivatives

As described in Note 1 to the Company's consolidated financial statements, when the Company issues debt that contains a conversion feature and/or warrants to purchase common stock, it first evaluates whether the conversion feature meets the requirements to be treated as a derivative. If the conversion feature within convertible debt meets the requirements to be treated as a derivative, the Company estimates and records the fair value of the derivative liability using the Black-Scholes Option Pricing Model upon the date of issuance. The derivative liability is revalued at the end of each reporting period.

We identified the Company's application of the accounting for convertible notes and warrants as a critical audit matter. The principal considerations for our determination of this critical audit matter related to the high degree of subjectivity in the Company's judgments in determining the qualitative factors. Auditing these judgments and assumptions by the Company involves auditor judgment due to the nature and extent of audit evidence and effort required to address these matters.

The primary procedures we performed to address these critical audit matters included the following:

- We obtained debt and warrant related agreements and performed the following procedures:
 - Reviewed agreements for all relevant terms.
 - Tested management's identification and treatment of agreement terms.
 - Recalculated management's fair value of each conversion feature based on the terms in the agreements.
 - Assessed the terms and evaluated the appropriateness of management's application of their accounting policies, along with their use of estimates, in the determination of the amortization of the debt discount.
 - Used an auditor specialist to calculate the fair value of the derivative liability using the Monte Carlo method to determine whether the derivative liability recorded by the Company was reasonable.

Impairment of Long-Lived Assets

As described in Note 1 to the Company's consolidated financial statements, when facts and circumstances indicate that the carrying value of long-lived assets may not be recoverable, management assesses the recoverability of the carrying value by preparing estimates of revenues and the resulting gross profit and cash flows. If the sum of the expected future cash flows is less than the carrying amount, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds fair value.

We identified the Company's application of impairment of long-lived assets as a critical audit matter. The principal considerations for our determination of this critical audit matter related to the high degree of subjectivity in the Company's judgments in determining the qualitative factors. Auditing these judgments and assumptions by the Company involves auditor judgment due to the nature and extent of audit evidence and effort required to address these matters.

The primary procedures we performed to address these critical audit matters included the following:

- We obtained management's impairment analysis on the intangibles and performed the following procedures:
 - Reviewed the analysis.
 - Tested supporting documentation related to management's conclusion that the expected future cash flows is greater than the carrying value.
 - Assessed the assumptions used by management and evaluated the appropriateness of management's application of their accounting policies, along with their use of estimates, in the determination that no impairment exists.

Accell Audit & Compliance, PA

We have served as the Company's auditor since 2019.

Tampa, Florida
April 17, 2023

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Cool Technologies, Inc.
Consolidated Balance Sheets

	December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash	\$ 142	\$ 72,391
Inventory	385,352	421,003
Prepaid expenses	344,250	344,250
Total current assets	729,744	837,644
Intangibles	295,874	261,838
Equipment, net	17,504	37,358
Total assets	<u>\$ 1,043,122</u>	<u>\$ 1,136,840</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,673,773	\$ 1,347,551
Accrued Interest Payable	1,440,440	1,105,490

Accrued liabilities – related party	902,095	908,875
Customer deposits – related party	400,000	400,000
Accrued payroll	304,487	257,698
Debt, current portion, net	3,644,627	4,012,639
Derivative liability	156,954	175,915
Total current liabilities	8,522,376	8,208,168
Debt, long-term portion	9,075	30,693
Total liabilities	8,531,451	8,238,861
Commitments and contingencies (Note 6)		
Stockholders' deficit:		
Preferred stock Series A, \$0.001 par value; 410 shares authorized; 3 shares issued and outstanding.	-	-
Preferred stock Series B, \$0.001 par value; 3,636,360 shares authorized; 2,727,270 issued and outstanding.	2,727	2,727
Common stock, \$0.001 par value; 1,000,000,000 shares authorized; 683,450,744 and 587,887,192 shares issued and outstanding on December 31, 2022, and 2021, respectively.	683,451	587,887
Additional paid-in capital	52,935,453	51,573,534
Common stock issuable	58,670	58,670
Common stock held in escrow	8,441	8,441
Accumulated deficit	(61,120,707)	(59,276,748)
Non-controlling interest	(56,364)	(56,532)
Total stockholders' deficit	(7,488,329)	(7,102,021)
Total liabilities and stockholders' deficit	\$ 1,043,122	\$ 1,136,840

See accompanying notes to consolidated financial statements.

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Cool Technologies, Inc.
Consolidated Statements of Operations

	Year ended December 31,	
	2022	2021
Revenues	\$ -	\$ -
Cost of revenues	-	-
Gross profit	-	-
Operating expenses		
Payroll and related expenses	351,641	345,573
Consulting	470,645	467,241
Professional fees	204,430	254,793
Research and development	19,854	19,853
General and administrative	149,194	87,064
Total operating expenses	1,195,764	1,174,524
Operating loss	(1,195,764)	(1,174,524)
Other income and (expense)		
Interest expense, net	(726,028)	(1,675,726)
Change in fair value of derivative liability	(90,770)	(648,506)
Gain on settlement of debt	168,771	52,963
Net loss	(1,843,791)	(3,445,793)
Net loss attributable to non-controlling interest	168	(745)
Net loss attributable to Cool Technologies, Inc.	<u>\$ (1,843,623)</u>	<u>\$ (3,445,048)</u>

Net loss per common share:		
Basic and diluted	\$ (0.003)	\$ (0.01)
Weighted average common shares outstanding:		
Basic and diluted	<u>618,532,900</u>	<u>569,551,009</u>

See accompanying notes to consolidated financial statements

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Cool Technologies, Inc.
Consolidated Statements of Changes in Stockholders' Deficit
Years ended December 31, 2022, and 2021

Preferred Stock		Common Stock		Additional Paid-in Capital	Common Stock Issuable	Common Stock Held in Escrow	Accumulated Deficit	Non- Controlling Interest	Total
Shares	Amount	Shares	Amount						

Balance at December 31, 2020	2,727,273	\$ 2,727	508,674,682	\$508,675	\$48,520,062	\$ 58,670	\$ 8,441	\$ (55,830,210)	\$ (57,277)	\$ (6,788,912)
Sale of common shares	—	—	2,500,000	2,500	22,500	—	—	—	—	25,000
Stock issued with debt	—	—	10,000,000	10,000	487,000	—	—	—	—	497,000
Stock issued for services	—	—	45,471	45	1,905	—	—	—	—	1,950
Warrants issued with debt	—	—	—	—	70,133	—	—	—	—	70,133
Debt converted	—	—	64,471,917	64,472	2,469,373	—	—	—	—	2,533,845
Warrants exercised	—	—	2,195,122	2,195	(2,195)	—	—	—	—	—
Warrants issued for services	—	—	—	—	4,756	—	—	—	—	4,756
Net loss	—	—	—	—	—	—	—	(3,445,793)	—	(3,445,793)
Noncontrolling interest	—	—	—	—	—	—	—	(745)	745	—
Balance at December 31, 2021	2,727,273	\$ 2,727	587,887,192	\$587,887	\$51,573,534	\$ 58,670	\$ 8,441	\$ (59,276,748)	\$ (56,532)	\$ (7,102,021)
Stock issued with debt	—	—	1,550,000	1,550	24,355	—	—	—	—	25,905
Debt converted	—	—	94,013,552	94,014	1,337,564	—	—	—	—	1,431,578
Net Loss	—	—	—	—	—	—	—	(1,843,791)	—	(1,843,791)
Noncontrolling interest	—	—	—	—	—	—	—	(168)	168	—
Balance at December 31, 2022	<u>2,727,273</u>	<u>\$ 2,727</u>	<u>683,450,744</u>	<u>\$683,451</u>	<u>\$52,935,453</u>	<u>\$ 58,670</u>	<u>\$ 8,441</u>	<u>\$ (61,120,707)</u>	<u>\$ (56,364)</u>	<u>\$ (7,488,329)</u>

See accompanying notes to consolidated financial statements

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**Cool Technologies, Inc.
Consolidated Statements of Cash Flows**

	Year ended December 31,	
	2022	2021
Operating Activities:		
Net loss	\$ (1,843,791)	\$ (3,445,793)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	-	1,950
Warrants issued for services	-	4,756
(Gain) Loss on extinguishment of debt	-	-
Non-cash interest expense	-	534,766
Change in fair value of derivative liability	90,770	648,506
Amortization of debt discount	495,478	786,210
Gain on settlement	(168,771)	-
Forgiveness of PPP loan	-	(52,963)
Depreciation expense	19,854	19,853
Changes in operating assets and liabilities:		
Inventory	35,651	(75,737)
Prepaid expenses	-	(184,923)
Accounts payable	493,827	(125,962)
Accrued Interest Payable	216,379	325,995
Accrued liabilities – related party	(6,780)	(234,360)
Accrued payroll	46,789	150,956
Net cash used in operating activities	(620,594)	(1,646,746)
Investing Activities:		
Expenditure for Intangible assets	(34,015)	(27,896)
Net cash used in investing activities	(34,015)	(27,896)
Financing Activities:		
Proceeds from sale of common stock	-	25,000
Proceeds from debt	652,550	1,722,000
Payments on debt	(70,190)	-
Net cash provided by financing activities	582,360	1,747,000
Net change in cash	(72,249)	72,358

Cash, beginning of period	72,391	33
Cash, end of period	<u>\$ 142</u>	<u>\$ 72,391</u>
Cash paid for:		
Interest	\$ 39,811	\$ 13,550
Income taxes	-	-
Non-cash transactions:		
Derivative liability due to issuance of debt	\$ 356,449	\$ 646,352
Debt and interest settled for common stock	942,028	2,533,845
Stock and warrants issued with debt	25,050	567,133

See accompanying notes to consolidated financial statements.

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Cool Technologies, Inc.
Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies

Description of Business

Cool Technologies, Inc. and subsidiary, ("the Company" or "Cool Technologies" or "CoolTech") was incorporated in the State of Nevada in July 2002. In April 2014, CoolTech formed Ultimate Power Truck, LLC ("Ultimate Power Truck" or "UPT"), of which the Company owns 95% and a shareholder of Cool Technologies owns 5%. Cool Technologies was formerly known as Bibb Corporation, as Z3 Enterprises, and as HPEV, Inc. On August 20, 2015, the Company changed its name to Cool Technologies, Inc.

The Company's technologies can be divided into two distinct but complementary categories: a) mobile power generation and b) heat dispersion technology.

The Company has developed and is commercializing a mobile power generation system that enables work trucks retrofitted with the system to

generate electric power. The Company intends to sell the mobile power generator system to government, commercial and fleet vehicle owners. It may license its system as well.

CoolTech has also developed and intends to commercialize patented heat dispersion technologies by licensing them to electric motor, pump and vehicle component manufacturers.

In preparation, CoolTech has applied for trademarks for one of its technologies and its acronym. Cool Technologies currently owns one trademark: TEHPC (Totally Enclosed Heat Pipe Cooled).

The Company believes that its proprietary technologies, including the patent portfolio and trade secrets, can help increase the efficiency and positively effect manufacturing cost structure in several large industries beginning with motors/generators and fleet vehicles. The markets for products utilizing the technologies include consumer, industrial, agricultural and military markets, both in the U.S. and worldwide.

As of December 31, 2022, we have seven US patents, two Canadian patents, one Mexican patent, one allowed Brazilian patent and one pending US patent application covering integrated electrical power generation methods and systems.

The Company intends to commercialize its patents by licensing its thermal technologies and applications to electric motor, pump and vehicle component manufacturers and by licensing or selling a mobile electric power system to commercial vehicle and fleet owners. If and when, the company is awarded the integrated electrical power generation methods and systems patent, it may choose to exercise or defend its rights against violators or infringers of its patent and seek damages or licenses.

Basis of Presentation, Use of Estimates and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Cool Technologies, Inc. and Ultimate Power Truck, LLC. Intercompany accounts and transactions have been eliminated upon consolidation. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of the consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on management's knowledge of current events and actions the Company may undertake in the future, actual results may ultimately differ from these estimates and assumptions. Furthermore, when testing assets for impairment in future periods, if management uses different assumptions or if different conditions occur, impairment charges may result.

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Noncontrolling interest represents the 5% third-party interest in UPT. There are no restrictions on the transfer of funds or net assets from UPT to Cool Technologies.

Going Concern and Management's Plan

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. CoolTech has incurred net losses of \$61,120,707 since inception. As of December 31, 2022, we owe \$1,232,872 for convertible notes, \$1,362,050 for promissory notes and currently have another \$1,078,500 in promissory notes in default. The cash available totals \$142. CoolTech has not fully commenced operations, raising substantial doubt about its ability to continue as a going concern. Management believes that the Company's ability to continue as a going concern is dependent on its ability to generate revenue, achieve profitable operations and repay obligations when they come due. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.

As of the filing date of this Annual Report on Form 10-K, management is negotiating additional non-dilutive funding arrangements to support completion of the initial phases of the Company's business plan: to license its thermal technologies and applications, including submersible dry-pit applications and to license and sell mobile generation retrofit kits. There can be no assurance, however, that the Company will be successful in accomplishing these objectives. Consequently, it may have to curtail or cease operations if funding is not received by the end of the second quarter.

Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks, and investments that are highly liquid and have maturities of three months or less at the date of purchase.

Inventory

Inventory, consisting of mobile generation kit materials and parts, is stated at the lower of cost (first in, first out method) or net realizable value.

Intangible assets

The Company's intangible assets consist of patents on its technology, recorded at cost. Cost is based on third party expenditures for patent applications. CoolTech will begin amortizing the intangibles over their estimated remaining useful life when it begins revenue-producing activities. Cool Technologies will determine the useful lives of its intangible assets after considering the specific facts and circumstances related to each intangible asset. Factors that will be considered when determining useful lives include the contractual term of any agreement related to the asset, the historical performance of the asset, the long-term strategy for using the asset, any laws or other local regulations that could impact the useful life of the asset, and other economic factors, including competition and specific market conditions.

Equipment

Equipment consists of vehicles the Company uses for testing and demonstrating its technology to potential customers. Depreciation is recorded using the straight-line method over five years, the estimated useful life.

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Impairment of long-lived assets

When facts and circumstances indicate that the carrying value of long-lived assets may not be recoverable, management assesses the recoverability of the carrying value by preparing estimates of revenues and the resulting gross profit and cash flows. These estimated future cash flows are consistent with those CoolTech uses in its internal planning. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount, it recognizes an impairment loss. The impairment loss recognized, if any, is the amount by which the carrying amount of the asset (or asset group) exceeds the fair value. Cool Technologies may use a variety of methods to determine the fair value of these assets, including discounted cash flow models, which are consistent with the assumption's management believes hypothetical marketplace participants would use. The Company has not recorded any impairment expense on its long-lived assets as of December 31, 2022.

Debt - original issue discount

When the Company issues notes payable with a face value higher than the proceeds it receives, CoolTech records the difference as a debt

discount and amortizes it through interest expense over the life of the underlying note payable.

Derivative financial instruments

When the Company issues debt that contains a conversion feature, it first evaluates whether the conversion feature meets the requirements to be treated as a derivative: a) one or more underlying, typically the price of the Company's stock; b) one or more notional amounts or payment provisions or both, generally the number of shares upon conversion; c) no initial net investment, which typically excludes the amount borrowed; and d) net settlement provisions, which in the case of convertible debt generally means the stock received upon conversion can be readily sold for cash. There are certain scope exceptions from derivative treatment, but these typically exclude conversion features that provide for a variable number of shares.

When Cool Technologies issues warrants to purchase its common stock, the Company must evaluate whether they meet the requirements to be treated as a derivative. Generally, warrants would be treated as a derivative if the provisions of the warrant agreement create uncertainty as to a) the number of shares to be issued upon exercise; or b) whether shares may be issued upon exercise.

If the conversion feature within convertible debt or warrants meets the requirements to be treated as a derivative, CoolTech estimates the fair value of the derivative liability using the Black-Scholes Option Pricing Model upon the date of issuance. If the fair value of the derivative liability is higher than the face value of the convertible debt, the excess is immediately recognized as interest expense. Otherwise, the fair value of the derivative liability is recorded as a liability with an offsetting amount recorded as a debt discount, which offsets the carrying amount of the debt. The derivative liability is revalued at the end of each reporting period and any change in fair value is recorded as a change in fair value in the consolidated statements of operations. The debt discount is amortized through interest expense over the life of the debt. Derivative instrument liabilities and the host debt agreement are classified on the consolidated balance sheets as current or non-current based on whether settlement of the derivative instrument could be required within twelve months of the balance sheet date.

The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. As a result of entering into warrant agreements, for which such instruments contained a variable conversion feature with no floor, the Company has adopted a sequencing policy in accordance with Accounting Standards Codification or ASC 815-40-35-12 "*Derivatives and Hedging*" (which provides comprehensive guidance on derivative and hedging transactions) whereby all future instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors.

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Revenue

The Company recognizes revenue in accordance with the Financial Accounting Standards Board ("FASB") ASC Topic 606, "*Revenue from Contracts with Customers*" and all related amendments. The core principle of Topic 606 requires revenue recognition to depict the transfer of 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. Topic 606 requires identifying the contract, identifying the performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon delivery of product ("satisfaction of the performance obligations").

Research and development costs

Internal costs related to research and development efforts on existing or potential products are expensed as incurred. External costs incurred for intangible assets, such as attorney fees for patents, are capitalized.

Share-based payments

All the Company's share-based awards are classified as equity. CoolTech does not have any liability classified share-based awards. Each warrant or stock option is exercisable for one share of common stock.

Nonemployees – Cool Technologies may enter into agreements with nonemployees to make share-based payments in return for services. These payments may be made in the form of common stock or common stock warrants. The Company recognizes expense for fully vested warrants at the time they are granted. For awards with service or performance conditions, CoolTech generally recognizes expense over the service period or when the performance condition is met; however, there may be circumstances in which it determines that the performance condition is probable before the actual performance condition is achieved. In such circumstances, the amount recognized as expense is the pro rata amount, depending on the estimated progress towards completion of the performance condition. Nonemployee share-based payments are measured at fair value, based on either the fair value of the equity instrument issued or on the fair value of the services received. Typically, it is not practical to value the services received, so the Company determines the fair value of common stock grants based on the price of the common stock on the measurement date (which is the earlier of the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, if there are sufficient disincentives to ensure performance, or the date at which the counterparty's performance is complete), and the fair value of common stock warrants using the Black-Scholes option-pricing model ("Black-Scholes"). Cool Technologies uses historical data to estimate the expected price volatility, the expected stock option life and expected forfeiture rate. The risk-free interest rate is based on the United States Treasury yield curve in effect at the time of grant for the estimated life of the stock option. For awards that are recognized when a performance condition is probable, the fair value is estimated at each reporting date. The cost ultimately recognized is the fair value of the equity award on the date the performance condition is achieved. Accordingly, the expense recognized may

change between interim reporting dates and the date the performance condition is achieved.

Employees – Cool Technologies issues two types of common stock options to employees: 1) fully-vested at the time of grant and 2) market price-based vesting. The Company recognizes expense for fully vested stock options on the date of grant at the estimated fair value of the options using Black-Scholes. CoolTech recognizes expense for market price-based options at the estimated fair value of the options using the lattice-based option valuation model (“Lattice Model”) over the estimated life of the options used in the Lattice Model. The Company uses historical data to estimate the expected price volatility, the expected stock option life and expected forfeiture rate. The risk-free interest rate is based on the United States Treasury yield curve in effect at the time of grant for the estimated life of the stock option.

Modification of share-based payment awards – In the event Cool Technologies modifies the terms of a non-vested share-based payment award, it would incur additional expense for the excess of the fair value of the modified share-based payment award, measured at the date of modification, over the fair value of the original share-based payment award. The incremental expense would be recognized ratably over the remaining vesting period.

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Sale of common stock with warrants – When the Company sells common stock it may also issue common stock warrants. CoolTech treats the value of these warrants as equity issuance costs. Accordingly, the value of the common stock warrants is included as a component of additional paid-in capital upon recording the sale of common stock.

Cashless exercise – Most of the common stock warrants and stock options may be exercised on a cashless basis. The number of shares of common stock received upon exercising on a cashless basis is based on a) the volume weighted-average price of the common stock for three trading days immediately preceding the exercise date; b) the exercise price of the warrant or option; and c) the number of common shares issuable under the instrument.

Income taxes

Cool Technologies recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the income tax and financial reporting carrying amount of the Company's assets and liabilities. The Company monitors its deferred tax assets and evaluates the need for a valuation allowance based on the estimate of the amount of such deferred tax assets that it believes

does not meet the more-likely-than-not recognition criteria. CoolTech also evaluates whether it has any uncertain tax positions and would record a reserve if management believes it is more-likely-than-not their position would not prevail with the applicable tax authorities. The Company's assessment of tax positions as of December 31, 2022, and 2021, determined that there were no material uncertain tax positions.

UPT is a limited liability company ("LLC"), which is treated as a partnership for income tax purposes, where all tax obligations flow through to the owners of the LLC during the period in which income taxes were incurred.

Fair value of financial instruments

Cool Technologies financial instruments include cash and cash equivalents, accounts payable, accrued liabilities, and debt. The carrying value of these financial instruments is considered to be representative of their fair value due to the short maturity of these instruments. The carrying amount of the debt approximates fair value, because the interest rates on these instruments approximate the interest rate on debt with similar terms available to the Company. CoolTech's derivative liabilities were adjusted to fair market value at the end of each reporting period, using Level 3 inputs.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities.

Recently Issued Accounting Pronouncements

FASB or ASU 2016-02 "Leases (Topic 842)"- In February 2016, the FASB issued ASU 2016-02, which requires 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 is to 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 old model but updated to align with certain changes to the lessee model and the new revenue recognition standard. The Company adopted this ASU on January 1, 2019. As the Company does not have outstanding leases, adopting this standard did not have a material impact on the Company's consolidated financial statement or financial statement disclosure.

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Note 2 - Equipment

Equipment consists of the following:

	December 31,	
	2022	2021
Test vehicles	\$ 147,893	\$ 147,893
Other	5,000	5,000
	152,893	152,893
Less: accumulated depreciation	(135,389)	(115,535)
	<u>\$ 17,504</u>	<u>\$ 37,358</u>

Depreciation expense for the years ended December 31, 2022, and 2021, was \$19,854 and \$19,853, respectively.

Note 3 - Customer deposits - Related party

Customer deposits represent advance payments of \$400,000 received on orders that have not yet been fulfilled, with companies controlled by the individual who is the 5% owner of UPT and is a shareholder of Cool Technologies.

Note 4 - Debt

Debt consists of the following:

	December 31,	
	2022	2021
Notes payable	\$ 1,362,050	\$ 1,236,000
Notes payable in default	1,078,500	1,078,500
Convertible notes payable	1,232,872	1,610,750
Vehicle financing	25,158	44,927
Note payable - related party	56,462	42,462
Note payable - UPT minority owner	100,000	100,000
	3,855,042	4,112,639
Debt discount	(201,340)	(69,307)
	3,653,702	4,043,332
Less: current portion	3,644,627	4,012,639
Long-term portion	<u>\$ 9,075</u>	<u>\$ 30,693</u>

Notes Payable

From September 5 - 7, 2018, the Company entered into Promissory Note Agreements with two accredited investors. CoolTech received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and it issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years.

On September 11, 2018, the Company entered into Promissory Note Agreements with an accredited investor. CoolTech received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and it issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On March 16, 2020, the investor signed an amendment to the agreement extending the maturity date until April 30, 2020. As of the filing date, the Company has not received a notice of default. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

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On September 11, 2018, the Company entered into Promissory Note Agreements with an accredited investor. CoolTech received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and it issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On March 16, 2020, the investor signed an amendment to the agreement extending the maturity date until April 30, 2020. As of the filing date, the Company has not received a notice of default. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

From September 7 - 17, 2018, the Company entered into Promissory Note Agreements with three accredited investors. CoolTech received \$125,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and CoolTech issued cashless warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years.

On September 25, 2018, the Company entered into Promissory Note Agreements with an accredited investor. CoolTech received \$125,000 in

financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and CoolTech issued cashless warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On March 16, 2020, the investor signed an amendment to the agreement extending the maturity date until April 30, 2020. As of the filing date, the Company has not received a notice of default. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

On October 2, 2018, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and Cool Technologies issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years.

On October 26, 2018, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and Cool Technologies issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On October 26, 2019, the Company and the investor signed an amendment to the agreement extending the maturity date for seven months. On November 20, 2020, they signed another amendment to the agreement in which they agreed that in the event there are any amounts outstanding under the Note on January 1, 2021, the investor shall be able to convert, any amounts outstanding under the Note into shares of common stock, at a conversion price of seventy one percent of the lowest Volume Weighted Average Price (VWAP) over the previous ten trading days prior to the delivery of a conversion notice. The investor subsequently converted all amounts outstanding in a series of three conversions on January 20 and 22, and February 3, 2021.

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On December 19, 2018, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$50,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and Cool Technologies issued cashless warrants to purchase 400,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years.

On March 13, 2019, the Company and a vendor agreed to convert an overdue \$25,000 account payable into a Promissory Note Agreement. CoolTech promised to pay the principal amount together with simple interest of 15% per annum. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property as collateral and CoolTech issued cashless warrants to purchase 200,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years.

On March 18, 2019, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property and CoolTech issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On March 19, 2020, the Company defaulted on the note payable. As of the filing date, the Company has not received a notice of default for the note. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

On March 19, 2019, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$250,000 in financing and promised to pay the principal amount together with simple interest of 15% per annum on or before the one-year anniversary. Furthermore, the Company committed to pay the principal amount and accrued interest within 30 days of the receipt of funds from debt or surety bond financing. In exchange, the Company granted a security interest in all of the Company's intellectual property and CoolTech issued cashless warrants to purchase 2,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. On March 19, 2020, the investor signed an amendment to the agreement extending the maturity date for four months. As of the filing date, the Company has not

received a notice of default for the note. As per the terms of the note, interest will continue to accrue at 15% per annum until paid in full.

On January 31, 2020, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$36,000 in financing and promised to pay the principal amount together with simple interest of 3% per annum. Furthermore, the Company issued cashless warrants to purchase 4,000,000 shares of common stock at an exercise price of \$0.005. The warrants expire after five years.

On May 4, 2020, the Company received loan proceeds of \$52,612 (the "PPP Loan") under the Paycheck Protection Program ("PPP" under the Coronavirus Aid, Relief and Economic Security Act).

The PPP Loan is evidenced by a promissory note (the "Note"), between the Company and Small Business Administration (the "Lender"). The Note has a two-year term, bears interest at the rate of 1.00% per annum, and may be prepaid at any time without payment of any premium. No collateral or guarantees were provided in connection with the PPP Notes. No payments of principal or interest are due during the six-month period beginning on the date of the Note (the "Deferral Period").

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On August 21, 2021, the Company received a letter from Bank of America stating that the SBA (Small Business Administration) had forgiven the PPP Loan and the forgiven amount was recorded as a gain.

On June 29, 2020, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$85,000 in financing and promised to pay the principal amount together with interest of \$10,000 by July 29, 2020. As additional compensation, the investor received cashless warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.05. The warrants expire after five years. In the event of a default, the investor may, upon written notice to the Company, declare all unpaid principal and interest immediately due and payable. As of the filing date, the Company has not received a notice of default.

On July 3, 2020, the Company entered into a Promissory Note Agreement with an accredited investor. It received \$85,000 after an original issue discount of \$8,500 in lieu of interest. The total amount of \$93,500 was due on August 3, 2020. In the event of default, the outstanding balance will accrue interest of either 18% or the maximum rate permitted by law until the default is remedied. As of the filing date, the Company has not received a notice of default.

On June 9, 2022, the Company entered into a promissory note agreement with an accredited investor. It issued 1,500,000 commitment shares of restricted common stock and received \$150,000 after an original issue discount of \$26,471. The total amount due encompasses principal of \$176,471 plus guaranteed interest at 10% per annum for 12 months. Payments on principal and guaranteed interest begin on November 9, 2022 for seven equal installments of \$27,731 until paid in full no later than June 9, 2023, the maturity date. A portion or all of the principal amount and guaranteed interest may be pre-paid at any time without penalty or premium. In the event of default, the interest rate will increase to 18% or the maximum rate permitted by law and shall be applied to all unpaid principal and interest. At the note holder's election, the default amount shall be immediately due and payable in cash or converted into shares of the Company's common stock. The conversion price of this note is 90% of the lowest VWAP during the ten trading days before the conversion. Unlike convertible notes, the principal and guaranteed interest are only convertible following an event of default. As of December 31, 2022, the Company has paid two installments which total \$55,462.

Convertible notes payable

February Convertible Note -- On February 25, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued 2,000,000 inducement shares of restricted common stock and received \$150,000 after an original issue discount of \$15,000 in lieu of interest. The total amount of \$165,000 plus 3% interest or \$4,950 will be due on November 25, 2021. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.025 per share. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$100 will accrue until the default is remedied. On November 22, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. As of December 31, 2022, the remaining balance totaled \$169,950.

March Convertible Note -- On March 24, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued two sets of commitment shares: a block of 500,000 and a block of 2,500,000 shares of restricted common stock as well as warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.10 per share. In return, the Company received \$250,000 after an original issue discount of \$25,000 in lieu of interest. The total amount of \$275,000 plus 8% interest or \$22,000 will be due on December 24, 2021. After 60 days, if the note has not been paid in full, the investor will have the right to purchase up to 6 million additional warrant shares. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.055 per share. If the note is repaid by the maturity date, the investor will forfeit the block of 2,500,000 shares of restricted common stock and the shares will be returned to the Company's treasury. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$1,000 will accrue until the default is remedied. On December 21, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. As of December 31, 2022, the remaining balance totaled \$297,000.

March Convertible Note -- On March 24, 2021, the Company entered into a convertible note agreement with an accredited investor. It issued two sets of commitment shares: a block of 500,000 and a block of 2,500,000 shares of restricted common stock as well as warrants to purchase 1,000,000 shares of common stock at an exercise price of \$0.10 per share. In return, the Company received \$750,000 after an original issue discount of \$75,000 in lieu of interest. The total amount of \$825,000 plus 8% interest or \$66,000 will be due on December 24, 2021. After 60 days, if the note has not been paid in full, the investor will have the right to purchase up to 2 million additional warrant shares. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.055 per share. If the note is repaid by the maturity date, the investor will forfeit the block of 2,500,000 shares of restricted common stock and the shares will be returned to the Company's treasury. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$1,000 will accrue until the default is remedied. On December 21, 2021, the investor signed an amendment to the agreement extending the maturity date until March 31, 2022. On March 30, 2022, the investor signed an amendment to the agreement extending the maturity date until April 30, 2022. On April 29, 2022, the investor signed an amendment to the agreement extending the maturity date until May 30, 2022. On May 29, 2022, the investor signed an amendment to the agreement extending the maturity date until August 30, 2022. On August 22, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments, LLC upon conversion of \$121,410. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On October 27, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments, LLC upon conversion of \$59,640. On November 30, 2022, the investor signed an amendment to the agreement extending the maturity date until May 1, 2023. On December 5, 2022, the Company issued 10,000,000 shares of common stock to LGH Investments, LLC upon conversion of \$68,373. On December 28, 2022, the Company issued 7,500,000 shares of common stock to LGH Investments, LLC upon conversion of \$71,355. As of December 30, 2022, the remaining balance totaled \$570,222.

August Convertible Note - On August 16, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$125,000 after an original issue discount of \$7,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$135,000 will be due on August 16, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On February 24, 2022, the Company issued 2,500,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$50,000, leaving a principal balance remaining of \$85,000. On February 25, 2022, the Company issued 1,750,000 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$50,000. On February 28, 2022, the Company issued 980,392 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$20,000, leaving a principal balance remaining of \$30,000. On March 4, 2022, the Company issued 1,208,791 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$22,000, leaving a principal balance remaining of \$8,000. On March 7, 2022, the Company issued 790,361 shares of common stock to Power Up Lending Group, Ltd. upon final conversion of \$8,000 in principal and \$5,120 in accrued interest. The note was then retired.

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September Convertible Note -- On September 21, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$102,000 after an original issue discount of \$6,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$111,000 will be due on September 21, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On March 22, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$76,000. On March 29, 2022, the Company issued 2,447,552 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$35,000, leaving a principal balance remaining of \$41,000. On April 18, 2022, the Company issued 3,798,319 shares of common stock to Power Up Lending Group, Ltd upon final conversion of \$41,000 in principal and \$4,200 in accrued interest. The note was then retired.

November Convertible Note -- On November 22, 2021, the Company signed a promissory note agreement with an accredited investor. It received \$60,000 after an original issue discount of \$3,750 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$66,750 will be due on November 22, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On May 31, 2022, the Company issued 1,652,893 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$20,000, leaving a principal balance remaining of \$46,750. On June 6, 2022, the Company issued 2,252,252 shares of common stock to Power Up Lending Group, Ltd upon conversion of \$25,000, leaving a principal balance remaining of \$21,750. On June 15, 2022, the Company issued 2,233,654 shares of common stock to Power Up Lending Group, Ltd upon final conversion of \$21,750 in principal and \$2,520 in accrued interest. The note was then retired.

December Convertible Note -- On December 20, 2021, the Company entered into a convertible note agreement with an accredited investor. It received \$33,000 after an original issue discount of \$3,000 in lieu of interest. The total amount of \$30,000 plus 3% interest or \$990 will be due on September 20, 2022. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a fixed price of \$0.02 per share. In the event of default, the outstanding balance will increase by 25% and a daily penalty of \$100 will accrue until the default is remedied. On August 30, 2022 the investor signed an amendment to the agreement extending the maturity date until November 30, 2022. On November 22, 2022, the Company issued 4,787,324 shares of common stock to LGH Investments LLC upon final conversion of \$33,000 in principal and \$990 in accrued interest. The note was then retired.

February Convertible Note -- On February 1, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$50,000 after an original issue discount of \$3,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$56,000 will be due on February 1, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On August 8, 2022, the Company issued 2,752,294 shares of common stock to Sixth Street Lending LLC upon conversion of \$30,000, leaving a principal balance remaining of \$26,000. On August 11, 2022, the Company issued 2,323,967 shares of common stock to Sixth Street Lending LLC upon final conversion of \$26,000 in principal and \$2,120 in accrued interest. The note was then retired.

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March Convertible Note -- On March 4, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on March 4, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On September 8, 2022, the Company issued 2,100,840 shares of common stock to Sixth Street Lending LLC upon conversion of \$25,000, leaving a principal balance remaining of \$36,500. On September 12, 2022, the Company issued 3,273,950 shares of common stock to Sixth Street Lending LLC upon final conversion of \$36,500 in principal and \$2,460 in accrued interest. The note was then retired.

March Convertible Note -- On March 21, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on March 21, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On September 27, 2022, the Company issued 2,325,581 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$41,500. On September 28, 2022, the Company issued 2,625,000 shares of common stock to Sixth Street Lending LLC upon conversion of \$21,000, leaving a principal balance remaining of \$20,500. On December 31, 2022, the Company issued 3,214,085 shares of common stock to Sixth Street Lending LLC upon final conversion of \$20,500 in principal and \$2,320 in accrued interest. The note was then retired.

April Convertible Note -- On April 25, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$55,000 after an original issue discount of \$3,500 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$61,500 will be due on April 25, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On October 31, 2022, the Company issued 2,247,191 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$41,500. On November 4, 2022, the Company issued 2,777,778 shares of common stock to Sixth Street Lending LLC upon conversion of \$20,000, leaving a principal balance remaining of \$20,500. On November 7, 2022, the Company issued 3,308,333 shares of common stock to Sixth Street Lending LLC upon final conversion of \$21,500 in principal and \$2,320 in accrued interest. The note was then retired.

May Convertible Note -- On May 23, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$30,000 after an original issue discount of \$2,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$35,000 will be due on May 23, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. On November 25, 2022, the Company issued 3,521,127 shares of common stock to Sixth Street Lending LLC upon conversion of \$25,000, leaving a principal balance remaining of \$10,000. On November 30, 2022, the Company issued 1,594,366 shares of common stock to Sixth Street Lending LLC upon final conversion of \$10,000 in principal and \$1,320 in accrued interest. The note was then retired.

July Convertible Note -- On July 22, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$30,000 after an original issue discount of \$3,200 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$56,200 will be due on July 22, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$56,200.

August Convertible Note -- On August 18, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$40,000 after an original issue discount of \$2,600 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$45,600

will be due on August 18, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$45,600.

September Convertible Note -- On September 21, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$60,000 after an original issue discount of \$3,750 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$66,750 will be due on September 21, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$66,750.

October Convertible Note -- On October 24, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$40,600 after an original issue discount of \$2,000 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$45,600 will be due on October 24, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$45,600.

October Convertible Note -- On October 31, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$20,000 after an original issue discount of \$2,000. The total amount of \$22,000 will be due on July 31, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 25% and a daily pen penalty of \$100 will accrue until the default is remedied. As of December 31, 2022, the remaining balance totaled \$22,000.

December Convertible Note -- On December 8, 2022, the Company signed a promissory note agreement with an accredited investor. It received \$45,000 after an original issue discount of \$2,900 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$50,900 will be due on December 8, 2023. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied. As of December 31, 2022, the remaining balance totaled \$50,900.

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Test Vehicle Financing

In July 2018, CoolTech traded in one test vehicle and purchased another bearing an interest rate of 9.92% payable monthly over 6 years.

In June 2019, the Company traded in one test vehicle and purchased another with financing of approximately \$44,500, bearing an interest rate of 9.92% payable monthly over a 5-year period

Warrants Issued with Debt

When the Company issues notes payable, it may also be required to issue warrants.

	Number of Warrants	Weighted- average Exercise Price	Weighted- average Remaining Life (Years)	Aggregate Intrinsic Value
Outstanding December 31, 2020	23,467,717	\$ 0.04	3.1	\$ 36,800
Granted	2,000,000	0.10	-	-
Forfeited or expired	(67,717)	0.02	-	-
Exercised	-	-	-	-
Outstanding, December 31, 2021	25,400,000	0.05	2.3	170,400
Exercisable, December 31, 2021	25,400,000	0.05	2.3	170,400
Granted	-	-	-	-
Forfeited or expired	-	-	-	-
Exercised	-	-	-	-
Outstanding, December 31, 2022	25,400,000	0.05	1.3	25,600
Exercisable, December 31, 2022	25,400,000	\$ 0.05	1.3	\$ 25,600

Transactions with Related Parties

The note payable - related party, in the amount of \$56,462, is held by two of the Company's officers and relates to unreimbursed expenses.

The note payable - UPT minority owner, in the amount of \$100,000, is held by the 5% minority owner of UPT. The terms of the note have not been finalized.

Future contractual maturities of debt are as follows:

Year ending December 31,

2023	\$ 3,845,967
2024	9,075
2025	-
2026	-
2027	-
	<u>\$ 3,855,042</u>

Note 5 - Derivative Liability

Under the terms of the July 2022, August 2022, September 2022, October 2022 and December 2022 Convertible Notes, the Company identified derivative instruments arising from embedded conversion features.

The following summarizes the Black-Scholes assumptions used to estimate the fair value of the derivative liability at the dates of issuance and the revaluation dates:

	Year ended December 31,	
	2022	2021
Volatility	118%-120%	112%-136%
Risk-free interest rate	4.73%-4.76%	0.19%-0.39%
Expected life (years)	0.6 - 0.9	0.6 - 0.9
Dividend yield	--	--

Changes in the derivative liability were as follows:

	Level 1	Level 2	Level 3
Convertible debt and other derivative liabilities on December 31, 2020	\$ -	\$ -	\$ 396,143
Conversions of convertible debt	-	-	(1,515,086)
Issuance of convertible debt and other derivatives	-	-	646,352
Change in fair value	-	-	648,506
Convertible debt and other derivative liabilities on December 31, 2021	-	-	175,915
Conversions of convertible debt	-	-	(471,511)
Issuance of convertible debt and other derivatives	-	-	361,780
Change in fair value	-	-	90,770
Convertible debt and other derivative liabilities on December 31, 2022	\$ -	\$ -	\$ 156,954

Note 6 - Commitments and Contingencies

Securities and Exchange Commission Settlement

On September 20, 2018, the Securities and Exchange Commission (SEC) approved an offer to settle the enforcement proceedings against the Company pursuant to Section 21C of the Securities Exchange Act of 1934.

These proceedings arose out of the violation of the Regulation S-X requirement that interim financial statements filed as part of a Form 10-Q be reviewed by an independent public accounting firm prior to filing.

On three occasions, specifically, May 20, 2013, August 19, 2013, and August 22, 2016, Cool Technologies filed Form 10-Qs that contained financial statements that were not reviewed by an independent public accounting firm. In two cases, the Company properly disclosed that the 10Q's were "unaudited and unreviewed" as set forth by the guidance in the Division of Corporation Finance Financial Reporting Manual Section 4410.3 and in each case, the Company subsequently filed a restated and amended Form 10-Q/A that complied with the Interim Review Requirement. In no instance were the filings ever subjected to audit challenge.

Pursuant to the enforcement proceeding instituted by the SEC, the Company settled for a fine of \$75,000 and agreed to cease and desist from any future violations of Sections 13(a) of the Exchange Act and Rule 13a-13 thereunder, and Rule 8-03 of Regulation S-X. As of December 31, 2022, and 2021, \$50,000 is still due, which is included within accounts payable on the consolidated balance sheets.

From time to time, Cool Technologies may be a party to other legal proceedings. Management currently believes that the ultimate resolution of these matters, and after consideration of amounts accrued, will not have a material adverse effect on consolidated results of operations, financial position, or cash flow.

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Note 7 - Equity

Preferred Stock

Cool Technologies has 15,000,000 preferred shares authorized and 3 Series A and 2,727,270 Series B preferred shares issued and outstanding as of December 31, 2022.

On August 12, 2016, the Company entered into a Securities Purchase Agreement with four accredited investors pursuant to which it sold 3,636,360 shares of the Company's Series B Convertible Preferred Stock. Each share of the preferred stock is convertible into one share of the Company's common stock. The conversion price of the preferred stock is equal to the \$0.055.

In addition to the preferred stock, the Securities Purchase Agreement included warrants to purchase 3,636,360 shares of the Company's common stock at an exercise price of \$0.07 per share. The warrants cannot be exercised on a cashless basis. The aggregate purchase price of the preferred stock and warrants was \$200,000, of which \$150,000 was paid in cash and \$50,000 was paid in services.

In connection with the sale of the Preferred Stock, on October 20, 2016, the Company filed with the Secretary of the State of Nevada, an amended Certificate of Designations of the Rights, Preferences, Privileges and Restrictions, which have not been set forth in the Certificate of Designation of the Series B Convertible Preferred Stock nor the first Amendment to Certificate of Designation filed on August 12, 2016.

The preferred stock has the same rights as if each share of Series B Convertible Preferred Stock were converted into one share of common stock. For so long as the Series B Convertible Preferred Stock is issued and outstanding, the holders of such Series B Convertible Preferred Stock vote together as a single class with the holders of the common stock and the holders of any other class or series of shares entitled to vote with the common stock, with the holders of Series B Stock being entitled to 66 2/3% of the total votes on all such matters.

In the event of the death of a holder of the Class B Preferred Stock, or a liquidation, winding up or bankruptcy of a holder which is an entity, all voting rights of the Class B Preferred Stock shall cease.

The holder of any shares of Class B Preferred Stock have the right to convert their shares into common stock at any time, in a conversion ratio of one share of common stock for each share of Class B Preferred. If the Company's common stock trades or is quoted at a price per share in excess of \$2.25 for any twenty consecutive day trading period, the Class B Preferred Stock will automatically be convertible into the common stock of the Company in a conversion ratio of one share of common stock for each share of Class B Preferred.

The holders of Class B Preferred Stock are not entitled to receive any distributions in the event of any liquidation, dissolution or winding up of the Company.

The warrants cannot be exercised on a cashless basis.

On May 8, 2017, Inverom Corporation converted its 909,090 Series B preferred shares into 909,090 shares of common stock. This represented all of the shares of Series B stock held by Inverom Corporation.

Preferred stock issuable on the consolidated balance sheets represents preferred stock to be issued for either cash received, or services performed. As of December 31, 2022, and 2021, the number of shares of preferred stock to be issued was 0 and the number of shares of Series B preferred stock was 2,727,270.

KHIC, Inc., a related party holds the remaining 3 shares of Series A Preferred Stock. Each share of Series A Preferred Stock ("Preferred Stock") is convertible into 50,000 shares of common stock. Each share of preferred stock has voting rights as if they were converted into 50,000 shares of common stock. The holders of each share of preferred stock then outstanding shall be entitled to be paid out of the Available Funds and Assets (as defined in the "Certificate of Designation"), and prior and in preference to any payment or distribution (or any setting a part of any payment or distribution) of any Available Funds and Assets on any shares of common stock, an amount per preferred share equal to the Preferred Stock Liquidation Price (\$2,500 per share).

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Common stock

On September 13, 2019, stockholders holding shares that entitled them to exercise at least a majority of the voting power, voted in favor of increasing the number of authorized shares of common stock, from 350,000,000 shares to 500,000,000 shares.

On February 13, 2020, stockholders holding shares that entitled them to exercise at least a majority of the voting power, voted in favor of increasing the number of authorized shares of common stock, from 500,000,000 shares to 1,000,000,000 shares.

Common stock issuable on the consolidated balance sheets represents common stock to be issued for either cash received, or services performed. As of December 31, 2022, and 2021, the number of shares of common stock to be issued was the same: 494,697 shares.

Common stock warrants issued with the sale of CoolTech's common stock

When the Company sells shares of its common stock the buyer also typically receives fully vested common stock warrants with a maximum contractual term of 3-5 years. A summary of common stock warrants issued with the sale of common stock as of December 31, 2022, and 2021, and changes during the years then ended is presented below:

	Number of Warrants	Weighted-average Exercise Price	Weighted-average Remaining Life (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2020	33,131,539	\$ 0.08	1.0	\$ -
Granted	-	-		
Forfeited or expired	(15,517,254)	0.11		
Outstanding, December 31, 2021	17,614,285	0.06	0.5	113,250
Exercisable, December 31, 2021	17,614,285	0.06	0.5	113,250
Granted	-	-		
Exercised	-	-		
Forfeited or expired	(11,114,285)	0.07		
Outstanding, December 31, 2022	6,350,000	0.04	0.1	-
Exercisable, December 31, 2022	6,350,000	\$ 0.04	0.1	\$ -

Note 8 - Share-based payments

Amounts recognized as expense in the consolidated statements of operations related to share-based payments are as follows:

	Year ended December 31,	
	2022	2021
Nonemployee common stock	\$ 1,950	\$ 1,950
Nonemployee warrants - fully vested upon issuance	--	--
Total share-based expense charged against income	\$ 1,950	\$ 1,950
Impact on net loss per common share:		
Basic and diluted	\$ (0.00)	\$ (0.00)

Nonemployee common stock

Other

None were issued during the years ended December 31, 2022 and 2021.

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Nonemployee common stock warrants -- Fully-vested upon issuance

Cool Technologies may issue fully vested common stock warrants with a maximum contractual term of 5 years to non-employees in return for services or to satisfy liabilities, such as accrued interest. The following summarizes the activity for common stock warrants that were fully vested upon issuance:

	Number of Warrants	Weighted-average Exercise Price	Weighted-average Remaining Life (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2020	11,916,503	\$ 0.05	1.9	\$ 10,500
Granted	100,000	0.08		
Forfeited or expired	(1,316,503)	0.30		
Outstanding, December 31, 2021	10,700,000	0.02	1.7	\$ 259,580
Exercisable, December 31, 2021	10,700,000	0.02	1.7	\$ 259,580
Granted	-	0.08		
Exercised	-	-		
Forfeited or expired	(800,000)	0.03		
Outstanding, December 31, 2022	9,900,000	0.02	0.7	\$ 3,500
Exercisable, December 31, 2022	9,900,000	\$ 0.02	0.7	\$ 3,500

The following summarizes the Black-Scholes assumptions used to estimate the fair value of fully vested common stock warrants:

	Year ended December 31,	
	2022	2021
Volatility	88%-123%	123%-198%
Risk-free interest rate	4.12%-4.76%	0.39%-1.57%
Expected life (years)	0.01 -0.49	0.16 - 0.82
Dividend yield	--	--

No fully vested common stock warrants were exercised in 2022 and 2021.

Nonemployee common stock warrants -- Service and performance conditions

No common stock warrants that have service and performance conditions were issued and outstanding as of December 31, 2022 and 2021.

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Employee stock options - Fully-vested upon grant

Cool Technologies granted stock options to certain members of management in 2014 that were fully vested at the date of grant. There were no grants in 2022 or 2021. The following is a summary of fully vested stock option activity:

	Number of Shares	Weighted- average Exercise Price per Share	Weighted- average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, December 31, 2020	4,000,000	\$ 2.00	--	\$ --
Outstanding, December 31, 2021	4,000,000	2.00	--	--
Exercisable, December 31, 2021	4,000,000	2.00	--	--
Outstanding, December 31, 2022	4,000,000	2.00	--	--
Exercisable, December 31, 2022	4,000,000	\$ 2.00	--	\$ --

Note 9 - Income Taxes

The components of the Company's deferred tax asset are as follows:

	December 31,	
	2022	2021
Net operating loss carryforwards	\$ 8,721,783	\$ 8,333,564
Equity-based instruments	6,490,670	6,489,465
Accrued liabilities	227,032	126,902
Deferred Revenue	96,311	96,311
Pass-through losses	136,001	99,693
Valuation allowance	(15,671,797)	(15,145,935)
Deferred tax asset	\$ -	\$ -

Effective January 1, 2018, the Federal corporate income tax rate has been decreased from 34% to 21%. The NOLs that have been generated December 31, 2017 and prior are going to be 100% allowable against future income and will expire in 20 years. NOLs generated January 1, 2018, and forward will be subject to the 80% limitation and they will never expire.

A reconciliation of income taxes computed at the statutory rate to the income tax amount recorded is as follows:

	Year ended December 31,	
	2022	2021
Income tax benefit at statutory rate	\$ (387,196)	\$ (723,617)
State income tax, net of Federal benefit	(80,113)	(149,720)
Convertible debt	219,619	478,452
Other adjustments	(189)	(239)
Meals and entertainment	-	-
Increase in valuation allowance	247,879	395,124
Income tax benefit	\$ -	\$ -

Cool Technologies had no gross unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. It has not accrued any interest or penalties associated with income taxes. The Company files income tax returns in the United States federal jurisdiction. With few exceptions, it is no longer subject to U.S. federal, state or non-U.S. income tax examination by tax authorities on tax returns filed before January 31, 2012. No tax returns are currently under examination by any tax authorities.

Note 10 - Net Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the reporting period. Diluted net loss per share is computed similarly to basic loss per share, except that it includes the potential dilution that could occur if dilutive securities are exercised.

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The following table presents a reconciliation of the denominators used in the computation of net loss per share – basic and diluted:

	Year ended December 31,	
	2022	2021
Net loss available for stockholders	\$ (1,843,623)	\$ (3,445,048)
Weighted average outstanding shares of common stock	618,532,900	569,551,009
Dilutive effect of stock options and warrants	-	-
Common stock and equivalents	618,532,900	569,551,009
Net loss per share – Basic and diluted	\$ (0.003)	\$ (0.01)

Outstanding stock options and common stock warrants are considered anti-dilutive because the Company is in a net loss position. The following summarizes equity instruments that may, in the future, have a dilutive effect on earnings per share:

	December 31,	
	2022	2021
Stock options	4,000,000	4,000,000
Common stock warrants	46,850,000	53,964,285
Convertible notes	46,929,022	54,786,619
Convertible preferred stock	2,877,270	2,877,270
Total	100,656,292	115,628,174
Total exercisable on December 31	53,727,270	60,841,555

Note 11 - Subsequent Events

The Company has evaluated all the events or transactions that have occurred since December 31, 2022, and determined that the following should be disclosed:

January Promissory Note -- On January 11, 2023, the Company signed a promissory note agreement with an accredited investor for \$30,000. The note bears an interest rate of 0% and shall be paid in full by July 9, 2023. In the event of a default, the outstanding balance shall bear an interest rate of 18% or the maximum rate permitted by law.

January Convertible Note -- On January 12, 2023, the Company signed a promissory note agreement with an accredited investor. It received \$25,000 after an original issue discount of \$1,700 and reimbursement of \$3,000 to cover the investor's legal fees. The total amount of \$29,700 will be due on January 12, 2024. After 180 days, at the holder's option, a portion or all of the unpaid principal and interest may be converted into shares of common stock at a 29% discount to the lowest VWAP during the 10 trading days preceding the conversion date. In the event of default, the outstanding balance will increase by 50% and the interest rate will increase to 22% until the default is remedied.

On January 27, 2023, the Company issued 2,352,941 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$20,000 on principal of \$56,200.

On February 3, 2023, the Company issued 2,531,646 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$20,000 on principal of \$56,200.

On February 14, 2023, the Company issued 2,673,623 shares of common stock to 1800 Diagonal Lending LLC upon final conversion of \$18,448 on principal of \$56,200.

February Promissory Note -- On February 15, 2023, the Company signed a promissory note agreement with an accredited investor. It received \$28,000. The note bears an interest rate of 0% and shall be paid in full by September 1, 2023. In the event of a default, the outstanding balance shall bear an interest rate of 18% or the maximum rate permitted by law.

On February 24, 2023, the Company issued 3,225,806 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$20,000 on principal of \$45,600.

On March 2, 2023, the Company issued 4,570,667 shares of common stock to 1800 Diagonal Lending LLC upon final conversion of \$27,424 on principal of \$45,600.

March Promissory Note -- On March 6, 2023, the Company signed a promissory note agreement with an accredited investor. It received \$30,000. The note bears an interest rate of 0% and shall be paid in full by August 13, 2023. In the event of a default, the outstanding balance shall bear an interest rate of 18% or the maximum rate permitted by law.

On March 8, 2023, the Company issued 7,500,000 shares of common stock to LGH Investments LLC upon conversion of \$43,665 on principal of \$825,000.

On March 28, 2023, the Company issued 3,750,000 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$15,000 on principal of \$66,750.

On March 30, 2023, the Company issued 5,263,158 shares of common stock to 1800 Diagonal Lending LLC upon conversion of \$20,000 on principal of \$66,750.

On April 12, 2023, Richard Schul resigned from the Board of Directors of the Company.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosures

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management does not expect that its internal controls over financial reporting will prevent all error and all fraud. Control systems, no matter how well conceived and managed, can provide only reasonable assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake.

Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the principal executive officer and principal financial officer, Cool Technologies conducted an evaluation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of December 31, 2022. Based on this evaluation, the principal executive officer and principal financial officer have concluded that, based on the material weaknesses discussed below, the Company's disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Act Commission's rules and forms and that the Company's disclosure controls are not effectively designed to ensure that information required to be disclosed in the reports that Cool Technologies files or submits under the Securities Exchange Act is accumulated and communicated to management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

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(b) Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act.

Internal control over financial reporting is defined under the Exchange Act as a process designed by, or under the supervision of, the CEO and CFO, and effected by the board of directors, management and other personnel, 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 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 the Company's assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company assets that could have a material effect on the financial statements.

Because Cool Technologies has only three officers and limited personnel, the Company's internal controls are not effective for the following reasons, (1) there are limited entity-level controls because of the limited time and abilities of the three officers, (2) it has not implemented adequate system and manual controls, and (3) there is no separate audit committee. As a result, the Company's internal controls have inherent material weaknesses which may increase the risks of errors in financial reporting under current operations and, accordingly, are not effective as evaluated against the criteria set forth in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013. Based on this evaluation, management concluded that Cool Technologies' internal controls over financial reporting were not effective as of December 31, 2022.

Even though there are inherent weaknesses, management has taken steps to minimize the risk. The Company uses a third-party consultant to review transactions for appropriate technical accounting, reconcile accounts, review significant transactions and prepare financial statements. Any deviations or errors are reported to management.

(c) Remediation of Material Weaknesses

Cool Technologies can provide no assurance that its internal controls over financial reporting will be compliant in the near future. As revenues permit, the Company will enhance its internal controls through additional software and other means. If and when it becomes a listed company under SEC rules, the Company will create an audit committee comprised of independent directors.

(d) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the fourth quarter that have materially affected or are reasonably likely to materially affect CoolTech's internal control over financial reporting.

Item 9B. Other Information

Currently, the Company has/owns most of the parts needed to build 4 or 5 generator systems and one water unit. A second water unit, that has already been paid for, has not yet been shipped.

Over the past two years, the Company has achieved price reductions by comparing vendor quotes and by negotiating with a select few. Inflation will eliminate the quoted reductions. A 10% overall increase in the price of components will likely occur when the Company makes its next round of purchases. By working with fewer suppliers, using volume discounts and providing payment with orders, the Company believes it can hold prices within the expected 10% increase. That will ultimately depend on whether the Federal Reserve successfully manages to control inflation.

Other than acting as one of the catalysts for inflation, the Russo-Ukrainian War should have no impact on the Company. If the geo-political tensions spread beyond the region, it could impact some of the Company's customers who have existing purchase orders.

A more immediate concern appears to be easing a bit. Our primary supply chain issue involves the shortage of semiconductor chips needed for vehicle manufacturing. According to CNBC, Ford reported that part shortages had prevented 40 to 45,000 vehicles, primarily trucks and SUVs, from reaching dealers (<https://tinyurl.com/43ky9tny>). J.P. Morgan Research predicts that more chips will become available in the second half of 2022, however, the chips available may not be the right type to satisfy all demand (<https://tinyurl.com/yc9kmbpp>). McKinsey & Company research indicates that the auto industry's reliance on 90 nanometer chips will keep supply and demand out of balance for some time (<https://tinyurl.com/mvt4z4cf>).

We rely extensively on computer systems to manage our business. This includes valuable trade secrets and intellectual property, corporate strategic plans, marketing plans, supplier and customer information, and personally identifiable information, such as employee information. Processing and maintaining this data in a secure manner is critical to our business operations and strategy.

Information technology security threats -- from user error to cybersecurity attacks designed to gain unauthorized access to our individual computers, systems and data -- are increasing in frequency and sophistication. Most of our business is conducted in a virtual environment which increases the types and range of vulnerabilities that need to be protected as well as introduces new risks to the confidentiality, integrity and availability of critical company data and supporting systems. Moreover, the planned incorporation of vehicle telematics into our products could also increase our exposure to potential costs, expenses and reputational harm in the event of cyberattacks impacting these products or services.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth the names, ages and positions of our current board members and executive officers:

Name	Age	Position(s)
Timothy Hassett	62	Chairman and Chief Executive Officer and Director
Judson Bibb	66	Vice President, interim Chief Financial Officer, Secretary and Director
Christopher McKee	54	Director
Donald Bowman	54	Director
Steven Wilburn	74	Director

Our directors are elected for a term of one year and serve until such director's successor is duly elected and qualified. Each executive officer serves at the pleasure of the Board.

The Company has no nominating, audit or compensation committees at this time.

BACKGROUND INFORMATION

The following summarizes the occupational and business experience of our officers and directors.

Timothy Hassett is a co-founder of the Company and has been its Chairman since its inception and Chief Executive Officer since April 5, 2012. Mr. Hassett began his career as a marketing and business manager, for Rockwell Automation Incorporated's Motor Special Products division from 1990 to 1995, where he launched new product platforms and developed and implemented global distribution initiatives and channels. Mr. Hassett worked at General Electric from January 1996 to February 1998, as a general manager of Distribution Services in the Industrial Systems Division and from February 1998 to March 2000, in the Electric Motors Unit of the Industrial Systems Division where he restructured the unit, consolidated product lines and grew the business. From March 2000 to August 2003, he served as President of Hawk Motors and Rotors, a division of Hawk Corporation, a brake manufacturer, where he restructured the Company. From August 2003 to October 2005, Mr. Hassett served as Vice President and General Manager of WaveCrest Laboratories, a propulsion systems and controls start-up, where he led the development and launch of four new product platforms. From June 2006 to October 2010, Mr. Hassett served as President and Managing Director of LEMO USA, a Swiss-based connector company, where he restructured the Company, helped contain costs and improved operating margins and business. From December 2010 to October 2011, Mr. Hassett served as President of Cavometrix, a connector company serving the medical, energy and alternative energy industries. Mr. Hassett has a BS in Mechanical Engineering from Cleveland State University and a BS in Physics from Youngstown State University. Mr. Hassett's patents and patents pending and his extensive experience and professional contacts in the electric motor industry led to the decision to appoint him to the Board.

Judson W. Bibb has been a director of the Company since April 15, 2011. Mr. Bibb was appointed Secretary on November 11, 2011, Vice President on April 5, 2012 and Interim CFO on April 8, 2023. He has worked exclusively for the Company since 2013. Prior to that, Mr. Bibb was a self-employed freelance multi-media producer since 1983. His services included: producer, writer, director, cinematographer, videographer, still photographer, audio and video editor, voiceover talent, marketer, ad designer and Internet search engine optimizer. His client list included KPMG, T. Rowe Price, Briggs & Stratton, Caterpillar, Toyota, Georgia-Pacific, Alcoa Aluminum, Lowes, Office Depot, PepsiCo, Hewlett-Packard, Bayer, Caremark, and T-Mobile. Mr. Bibb graduated cum laude from the University of South Florida with a B.A. in mass communications-film. Mr. Bibb's broad background and wide variety of resources, including experience in marketing and public relations and business experience in automotive, trucking, electronics, retail, direct response and the Internet led to the decision to appoint him to the Board.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 400,000 shares of common stock at an exercise price of \$0.02 per share, to our Secretary and Vice President, Judson Bibb. The warrants may be exercised on a cashless basis.

Christopher McKee has been a director of the Company since August 19, 2015. Mr. McKee joined GTT Communications, Inc. ("GTT") (NYSE GTT) in 2008 and is GTT's President, Infrastructure. Mr. McKee is responsible for running the Infrastructure Division of GTT which is being sold to I Squared Capital for \$2.15 Billion. That transaction closed September 17, 2021. Mr. McKee has over 20 years of broad legal experience in the telecommunications industry. Prior to joining GTT, he served as General Counsel for StarVox Communications where he was responsible for the Company's legal department, mergers and acquisitions, employment law, litigation, and legal support for the sales teams. Mr. McKee also formerly served as Vice President and Assistant General Counsel for Covad Communications where he headed its Washington, DC office and directed its federal and state regulatory compliance and advocacy efforts. Mr. McKee previously worked for XO Communications, Net2000 Communications and was in private practice in Washington, DC as an associate at Dickstein Shapiro and Cooley LLP. Mr. McKee earned a law degree from Syracuse University and received his Bachelor of Arts from Colby College. Mr. McKee's background of supply chain, micro-cap and small cap as well as his M&A background and his knowledge and experience of regulatory compliance and company legal structure led to the decision to appoint Mr. McKee to the board.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 600,000 shares of common stock at an exercise price of \$0.02 per share, to a director, Chris McKee. The warrants may be exercised on a cashless basis.

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Donald L. Bowman has been a director of the Company since August 19, 2015. Mr. Bowman has been Chief Executive Officer of BVU Authority (formerly known as Bristol Virginia Utilities) since November 2013. BVU Authority is a utility system that provides electric, water, wastewater and fiber optic telecommunication and information services to the City of Bristol and the surrounding area. From 2011 to November 2013, Mr. Bowman provided consulting services to the legal industry and various California businesses. Mr. Bowman served as Operations and Business Development Manager and consultant to the General Manager of Lemo USA Inc., from 2006-2011. Prior thereto from 2004 to 2006, Mr. Bowman served as Vice President and General Counsel of WaveCrest Laboratories LLC, a technology company in Northern Virginia ("WaveCrest"). Prior to WaveCrest, Mr. Bowman served as Associate General Corporate Counsel of MeadWestvaco from 2001 to 2004. Mr. Bowman was an associate at the law firm of Dickstein Shapiro in Washington D.C. from 1999 to 2001. Mr. Bowman's has a Juris Doctorate from the University of Virginia School of Law (1998), a Master's in Engineering Management from the Florida Institute of Technology (1993), a Master's in Civil and Environmental Engineering from Old Dominion University (1992), and a Bachelor of Science in Civil Engineering with Highest Honors from Virginia Military Institute (1990). He is a licensed professional engineer in the state of Virginia. He has been a registered patent attorney with the U.S. Patent and Trademark Office for over fourteen years. Mr. Bowman served five years on active duty as an officer with the United States Navy and retired as Commander from the U.S. Naval Reserves in 2011. Mr. Bowman's business and legal background led to the decision to appoint Mr. Bowman to the board.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 450,000 shares of common stock at an exercise price of \$0.02 per share, to a director, Don Bowman. The warrants may be exercised on a cashless basis.

Steven Wilburn was elected to the Board on January 15, 2020. In 2004, Mr. Wilburn founded FirmGreen, Inc., an integrated energy company participating in virtually all aspects of the global green energy business. Since then, he has served as the Chairman and Chief Executive Officer of FirmGreen, Inc. In 2014, Mr. Wilburn founded VerdeWatts, LLC, an energy storage and management solutions company, and has served as the Managing Member of VerdeWatts since its founding. During 2013 and 2014, Steve served on the Advisory Board of the Export Import Bank of the United States. From 2016 until 2018, he served on the inaugural Trade and Finance Advisory Committee under the Obama and Trump administrations.

In 1977, Wilburn was selected to lead a joint venture team (Monsanto, Wheelabrator, McDonnell-Douglas) to find a new cost-effective and environmentally-sound method of producing pure hydrogen for NASA's Space Shuttle Program. The team built a pilot plant that gasified petroleum coke and coal to produce pure hydrogen fuel.

In 1976 Steve joined GWF Power Systems. His team invented a new process to generate clean power from petroleum coke, while producing a salable and environmentally stable soil amendment as a byproduct.

He was subsequently promoted to VP of Business Development at the newly merged Allied Signal Corporation, where he was responsible for the design, permitting, and construction of five power plants with a combined capital costs of \$300 million dollars in 1984 dollars. (\$750 million in 2019 dollars).

In 2001, Governor Gray Davis recruited him to fast-track natural gas fired power plants during California's energy crisis. Steve brought the plants on-line within 5 months of the signing the State's Letter of Commitment.

Subsequently, he helped a friend commercialize a patented biogas cleanup process which produced pipeline quality gas and food grade CO₂ from landfill gas and Anaerobic Digester Biogas. Steve and the team designed, built and operated a pilot plant at the Burlington County Landfill in New Jersey under a DOE grant.

In 1994, Steve started an alternative energy consulting business, Steve Wilburn and Associates.

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A combat wounded and disabled Marine who was awarded the Purple Heart, a chemical engineer with in-depth applications engineering experience and an executive with over 40 years of experience in alternative energy and water treatment, Steve Wilburn's depth of knowledge and vast industry experience in alternative energy, successful track record and political clout led to the decision to appoint Mr. Wilburn to the board.

On November 16, 2019, we issued for services to the Company thirty month warrants to purchase a total of 200,000 shares of common stock at an exercise price of \$0.032 per share, to a member of the board of advisors who subsequently became director two months later, Stephen Wilburn. The warrants may be exercised on a cashless basis.

Family relationships

There are no family relationships among any of our officers or directors.

Involvement in legal proceedings

Other than described above in "Legal Proceedings", there are no legal proceedings that have occurred within the past ten years concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's

participation in the securities or banking industries, or a finding of securities or commodities law violations,

Committees of the Board of Directors

The Company does not have an audit committee. We are not a “listed company” under SEC rules and are therefore not required to have an audit committee comprised of independent directors.

We do not currently have a “financial expert” within the meaning of the rules and regulations of the SEC.

The Company has no nominating or compensation committees at this time. The entire Board participates in the nomination and audit oversight processes and considers executive and director compensation. Given the size of the Company and its stage of development, the entire Board is involved in such decision-making processes. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executive officers or directors.

Resignations

Daniel C. Ustian resigned from the Board effective May 26, 2020.

Board of Advisors

The Company has a Board of Advisors which currently consists of eleven members. Scott Van Dorn (appointed March 18, 2014), currently engineering director at Navistar Corporation, has more than 20 years of experience in global engineering and management in vehicles, engines electronics and design. Richard Schul (appointed December 31, 2013) is a veteran of the motor/generator industry. The other members include: Bill Finley (appointed July 7, 2014), Chief Technology Officer of Siemens Industry Drive Technology; Dan Ustian (appointed September 10, 2014), a former chief executive officer of Navistar; Chris McKee (appointed June 1, 2014), executive vice president and general counsel of GTT; Gurminder Bedi (appointed January 1, 2016), managing partner at Compass Acquisitions, LLC; Mark Steele (appointed May 9, 2017), CEO, president and co-owner of Craftsmen Industries, Inc.; Steve Wilburn (appointed December 9, 2019) founder, Chairman and CEO for FirmGreen, Inc. and founder and managing member of VerdeWatts, LLC; Hakan Kostepen (appointed December 10, 2019) formerly Panasonic’s Executive Director of Product Strategy & Innovation who headed up their Silicon Valley Center; Raoul Wood (appointed December 17, 2019), an expert in sustainable energy and power generation who has developed more than twenty public sector solar power projects and over 2,000 solar electric vehicle charging installations; and Harvey Beverly (appointed December 17, 2019), who recently finished a 30-year career with the United States Army Corps of Engineers, the federal agency that oversees dams, canals and flood protection as well as public works projects worldwide.

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Upon the execution of an Advisory Board Agreement, the Company issues a non-qualified 30-month warrant to purchase 200,000 shares of the Company's common stock at an exercise price that has varied from \$0.03 to \$0.80 per share depending on the Company's current share price. The warrant is immediately exercisable.

Code of Ethics

The Company has adopted a Code of Ethics that establishes the standards of ethical conduct applicable to all directors, officers and employees of the Company, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A copy of our Code of Ethics is available on our website at www.cooltechnologiesinc.com. We will provide a copy of our Code of Ethics free of charge to any person who requests a copy. Requests should be directed to the Secretary at Cool Technologies, Inc., 8875 Hidden River Parkway, Suite 300, Tampa, Florida 33637, or by telephone at (813) 975-7467.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who beneficially own more than 10% percent of our equity securities ("Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Based solely on our review of copies of such reports and representations from the Reporting Persons, we believe that occurred during the fiscal year ended December 31, 2022:

- All reports were filed on a timely basis

Changes in Nominating Process

There are no material changes to the procedures by which security holders may recommend nominees to our Board.

Item 11. Executive Compensation

Summary Compensation Table

The following table provides certain information regarding compensation awarded to, earned by or paid to persons serving as our Chief Executive Officer during fiscal 2022 and 2021 and our two other most highly compensated officers who had total compensation exceeding \$100,000 for fiscal 2022 (each a "named executive officer").

Note: our former CFO, Quentin Ponder, worked under a consulting contract and, consequently, was not considered an employee. More information regarding his compensation can be found under "Consulting Agreements" below.

Name and Principal Position	Fiscal Year Ended 12/31	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Warrant Awards (\$)	Option Awards (\$)	All Other (\$)	Total (\$)
Timothy Hassett	2022	210,000(3)	--	--	--	--	--(1)	210,000
CEO and Chairman	2021	210,000(4)	--	--	--	--	--	210,000
Quentin Ponder	2022	144,000	--	--	3,530(2)	--	--	147,530
Former CFO	2021	144,000	--	--	--	--	--	147,530
Judson Bibb	2022	120,000(5)	--	--	3,530(2)	--	(1)	123,530
Vice President, Interim CFO, Secretary and Director	2021	120,000(6)	--	--	--	--	--	120,000

(1) Represents health care insurance premiums paid by the Company.

(2) Value of the warrants \$3,530 received in consideration of extraordinary efforts.

(3) Mr. Hassett was paid \$210,000.

(4) Mr. Hassett was paid \$152,927 with the balance of \$57,073 being earned and accrued.

(5) Mr. Bibb was paid \$120,000.

(6) Mr. Bibb was paid \$34,250 with the balance of \$85,750 being earned and accrued.

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Employment Agreements

We entered into an employment agreement, dated March 5, 2014, with Timothy Hassett to serve as our Chief Executive Officer for an initial annual salary of \$210,000, to be paid in equal monthly installments. If the Company is cash flow positive for three consecutive months, the monthly compensation will increase to \$25,000 per month. If the Company maintains profitability for four consecutive quarters, the monthly compensation will increase to \$30,000 per month. The Company also agreed to reimburse Mr. Hassett for his healthcare costs until the Company adopts a healthcare plan (As of June 21, 2021, the Company contracted with United Healthcare to provide a healthcare plan for its employees. Consequently, the Company is no longer reimbursing Mr. Hassett for his healthcare costs). If Mr. Hassett's employment is terminated without cause, he will be entitled to severance in the amount of two years' salary in effect at such time to be paid by the Company in one payment or in four equal installments at the end of each quarter following termination, at the Company's discretion. Such severance obligation shall accelerate and become immediately payable upon change of control of the Company. The Company will also pay any excise tax on Mr. Hassett's behalf that may be triggered under the Internal Revenue Code as a result. Mr. Hassett will not compete with the Company during the term of the agreement.

On August 9, 2016, we entered into an employment agreement with Judson Bibb to serve as our Vice President for an initial annual salary of \$120,000, to be paid in equal monthly installments. Mr. Bibb's annual salary shall be increased to \$150,000 upon the Company remaining cash flow positive for three consecutive months and to \$180,000 upon the Company maintaining profitability for four consecutive quarters. The Company also agreed to include Mr. Bibb on its healthcare plan (As of June 21, 2021, the Company contracted with United Healthcare to provide a healthcare plan for its employees.). If Mr. Bibb's employment is terminated without cause, he will be entitled to severance in the amount of two years' salary in effect at such time to be paid by the Company in one payment or in four equal installments at the end of each quarter following termination, at the Company's discretion. Such severance obligation shall accelerate and become immediately payable upon change of control of the Company. The Company will also pay any excise tax on Mr. Bibb's behalf that may be triggered under the Internal Revenue Code as a result. Mr. Bibb will not compete with the Company during the term of the agreement.

Consulting Agreements

We entered into a consulting agreement with Summit Management in April 2011 for services provided by Quentin Ponder to the Company for a consulting fee of \$5,000 per month which was increased to \$7,500 per month effective January 1, 2012. During 2012, Mr. Ponder agreed to

forgo four months' payment under the consulting agreement due to the financial condition of the Company. Mr. Ponder was paid \$7,500 per month from January 2013 through July 2013 and accrued \$2,500 during those months (except for the first month in which he accrued \$1,250); was paid \$10,000 per month from August 2013 through April 2014; and was paid \$12,000 per month from May 2014 through December 2016. On December 28, 2016, the Company entered into a new consulting agreement with Summit, effective January 1, 2017, to provide Mr. Ponder's services for so long as the Company needs them. On April 8, 2023, Mr. Ponder was removed as CFO, Treasurer and director.

We entered into a consulting agreement with Timothy Hassett in April 2011 pursuant to which he received \$5,000 per month. The consulting fee was increased to \$10,000 per month effective January 1, 2012. During 2012, Mr. Hassett agreed to forgo four months' payment on the agreement due to the financial condition of the Company. Mr. Hassett was paid \$10,000 per month from January 2013 through July 2013 and accrued \$3,500 during those months (except for the first month in which he accrued \$1,750) and was paid \$13,500 per month from August 2013 through October 2013. Such consulting agreement terminated on November 1, 2013; the date Mr. Hassett became a full-time, salaried employee of the Company.

On May 1, 2012, we entered into a consulting agreement with Bibb Productions & Consulting for Judson Bibb's services for a monthly consulting fee of \$6,000 conditional upon the financial ability of the Company. Mr. Bibb's monthly consulting fee under this agreement was accrued but unpaid from May 2012 through April 2013 and was paid to Mr. Bibb for the months of May, June, July and August 2013. Such consulting agreement terminated on January 1, 2014, the date Mr. Bibb became a full-time, salaried employee of the Company and was paid \$8,000 per month. Mr. Bibb's compensation increased to \$10,000 per month in May 2014.

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Outstanding Equity Awards

The table below reflects all outstanding equity awards made to any named executive officer that were outstanding on December 31, 2022.

OUTSTANDING EQUITY AWARDS ON DECEMBER 31, 2022

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards		
			Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Timothy Hassett	3/31/14	1,000,000	--	2.00	(1)
Judson Bibb	3/31/14	2,000,000	--	2.00	(1)
Mark Hodowanec	3/31/14	1,000,000	--	2.00	(1)

(1) No expiration dates.

Compensation of Officers

On January 13, 2014, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), and Section 14A of the Securities Exchange Act of 1934, as amended, our stockholders voted on an advisory basis, to approve the compensation of the management team. This proposal, commonly known as a “say-on-pay” proposal, gave the Company’s stockholders the opportunity to express their views on the compensation of the Chairman and Chief Executive Officer, Timothy Hassett, and the rest of the management team.

The compensation of the management team was approved by 77.46% of the shares voted.

On February 20, 2013, the Board approved the following compensation for its officers: (i) \$13,500 per month for Timothy Hassett, as Chief Executive Officer, (ii) \$10,000 per month for Quentin Ponder, as Chief Financial Officer and Treasurer, (iii) \$12,500 per month for Theodore Banzhaf, as President, (iv) \$14,500 per month for a still undesignated Chief Technical Officer and (v) \$8,000 per month for Judson Bibb, as Vice-President and Secretary. Such compensation accrued commencing January 15, 2013, until July 2013 when the Company raised \$1 million.

On February 20, 2013, the Board also approved increased compensation if and when the Company achieves certain milestones as follows: (1) generating \$1 million in additional funding, (2) generating \$100,000 in revenue or an additional \$1 million in funding, (3) achieving profitability (being cash flow positive for three consecutive months) and (4) maintaining profitability for four consecutive quarters. With the achievement of the first milestone, the compensation for the President will increase to \$17,500 per month. With the achievement of the second milestone, the compensation for the Chief Executive Officer shall increase to \$17,500 per month, the compensation for the Chief Financial Officer and Treasurer shall increase to \$12,000 per month, the compensation for the President shall increase to \$20,000 per month, and the compensation for the Vice President and Secretary shall increase to \$10,000 per month. With the achievement of the third milestone, the compensation for the Chief Executive Officer shall increase to \$25,000 per month, the compensation for the Chief Financial Officer and Treasurer shall increase to \$18,000 per month, the compensation for the President shall increase to \$24,000 per month, and the compensation for the Vice President and Secretary shall increase to \$12,000 per month. With the achievement of the fourth milestone, the compensation for the Chief Executive Officer shall increase to \$30,000 per month, the compensation for the Chief Financial Officer and Treasurer shall increase to \$24,000 per month, the compensation for the President shall increase to \$29,000 per month, and the compensation for the Vice President and Secretary shall increase to \$15,000 per month.

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In addition, the Board authorized the Chief Executive Officer to make quarterly bonuses of \$50,000 and/or 50,000 shares of, or options for Common Stock available for each officer in addition to performance payments from 5% of the Company's net income to be given for individual contributions, such as the awarding of patents or the signing of major customer contracts.

On March 31, 2014, the Board approved the grant of options to Judson Bibb to purchase 2,000,000 shares of common stock at an exercise price of \$2.00 per share and the grant of options to purchase 1,000,000 shares of common stock at \$2.00 per share to each of Messrs. Hassett and Hodowanec.

Compensation of Directors

The Company has not yet established a compensation plan for its directors, however on September 20, 2017, each of our directors were issued three-year warrants to purchase 200,000 shares of the Company's common stock at \$0.08536 per share for serving on the board of directors. The warrants could have been exercised on a cashless basis, however, they expired on September 19, 2020.

On September 20, 2017, Christopher McKee and former director Richard Schul were each granted three-year warrants to purchase 100,000 shares of the Company's common stock at \$0.08536 per share for assistance and services provided to the Company. The warrants could have been exercised on a cashless basis, however, they expired on September 19, 2020.

On September 20, 2017, former director Daniel Ustian was granted a three-year warrant to purchase 250,000 shares of the Company's common stock at \$0.08536 per share for assistance and services provided to the Company. The warrants could have been exercised on a cashless basis, however, they expired on September 19, 2020.

On September 20, 2017, Judson Bibb and former director Quentin Ponder were each granted three-year warrants to purchase 200,000 shares of the Company's common stock at \$0.08536 per share in recognition for their efforts to maintain and advance the Company since inception. The warrants could have been exercised on a cashless basis, however, they expired on September 19, 2020.

On October 16, 2020, Chris McKee, Don Bowman, Judson Bibb and former directors, Richard Schul and Quentin Ponder were each granted three-year warrants to purchase 200,000 shares of the Company's common stock at \$0.02 per share in recognition for their efforts to maintain and advance the Company since inception. The warrants may be exercised on a cashless basis.

On October 16, 2020, Christopher McKee and former director Richard Schul were each granted three-year warrants to purchase 100,000 shares

of the Company's common stock at \$0.02 per share for assistance and services provided to the Company. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued three-year warrants to purchase a total of 250,000 shares of common stock at an exercise price of \$0.02 per share to Don Bowman for services to the Company. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued three-year warrants to purchase a total of 750,000 shares of common stock at an exercise price of \$0.02 per share, to a former director, Daniel Ustian, for services to the Company. The warrants may be exercised on a cashless basis.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists, as of April 9, 2023, the number of shares of common stock beneficially owned by (i) each person, entity or group (as

that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) known to the Company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each of our named executive officers and (iii) all officers and directors as a group. Information relating to beneficial ownership of common stock by our principal stockholders and management is based upon information furnished by each person using “beneficial ownership” concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person directly or indirectly has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to dispose or direct the disposition of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary interest. Except as noted below, each person has sole voting and investment power with respect to the shares beneficially owned and each stockholder’s address is c/o Cool Technologies, Inc., 8875 Hidden River Parkway, Suite 300, Tampa, Florida 33637.

The percentages below are calculated based on 705,393,993 issued and outstanding shares of common stock and 3 issued and outstanding shares of Series A Stock (each such share of Series A Stock has the voting right of 50,000 shares of Common Stock) and 2,272,270 issued and outstanding shares of Series B Stock (collectively, the 3 holders of the shares are entitled to 66 2/3% of the total votes), as of April 10, 2023.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage
5% or Greater Stockholders		
Eric Paul Brown 1877 S. Wiesbrook Road Wheaton, Illinois 60189	2,542,422(1)	66.66%(2)
Christopher J. Jones 1314 E. Forest Avenue Wheaton, Illinois 60189	2,815,149(3)	66.66%(2)
Daniel C. Ustian 8 S. 270 Shires Court Naperville, IL 60504	5,190,402(4)	66.66%(2)
Directors and Executive Officers		
Timothy Hassett	7,477,214(5)	1.06%
Judson Bibb	7,020,400(6)	0.99%
Christopher McKee	822,222(7)	*
Donald Bowman	450,000(8)	*
Steven Wilburn	--	*
All executive officers and directors as a group (7 persons)	15,769,836	2.23%

* less than 1%

- (1) Includes (i) 909,090 shares of Series B Stock which are convertible by the Series B stockholder into Common Stock on a one-to-one basis and automatically convert into Common Stock on a one-to-one basis if the Common Stock trades in excess of \$2.25 for any consecutive 20-day period, (ii) a warrant to purchase 1,000,000 shares of Common Stock at \$0.05 per share.
- (2) The Series B Stock votes together as a single class with the holders of the Common Stock, with the holders of Series B Stock being entitled to 66 2/3% of the total votes.
- (3) Includes (i) 909,090 shares of Series B Stock which are convertible by the Series B stockholder into Common Stock on a one-to-one basis and automatically convert into Common Stock on a one-to-one basis if the Common Stock trades in excess of \$2.25 for any consecutive 20-day period, (ii) a warrant to purchase 1,000,000 shares of common stock at \$0.05 per share.
- (4) Includes (i) 909,090 shares of Series B Stock which are convertible by Mr. Ustian into Common Stock on a one-to-one basis and automatically convert into Common Stock on a one-to-one basis if the Company’s common stock trades in excess of \$2.25 for any consecutive 20-day period, (ii) currently exercisable warrants to purchase 750,000 shares of Common Stock at \$0.02 per share, and (iii) a currently exercisable warrant to purchase 2,000,000 shares of Common Stock at \$0.05 per share.

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- (5) Includes an option to purchase 1,000,000 shares of Common Stock at \$2.00 per share. Does not include an aggregate of 136,500 shares held by Mr. Hassett's minor children.
- (6) Includes (i) options to purchase 2,000,000 shares of Common Stock at \$2.00 per share, and (ii) currently exercisable warrants to purchase 400,000 shares of Common Stock at \$0.02 per share, and (iii) a currently exercisable warrant to purchase 1,000,000 shares of Common Stock at \$0.0714 per share.
- (7) Represents currently exercisable warrants to purchase 600,000 shares of Common Stock at \$0.02 per share.
- (8) Represents currently exercisable warrants to purchase 450,000 shares of Common Stock at \$0.02 per share.

Change-in-Control Agreements

The Company does not have any change-in-control agreements with any of its executive officers, except that severance payments, if any, to which Messrs. Hassett and Bibb may be entitled under their employment agreements as described above in "Employment Agreements", accelerate in the event of a change of control. The complete agreements for Mr. Hassett and Mr. Bibb are filed as exhibits 10.12 and 10.4 as noted in Item 15 below.

Item 13. Certain Relationships and Related Transactions and Director Independence

Certain Relationships and Related Transactions

On November 16, 2019, we issued for services to the Company thirty month warrants to purchase a total of 200,000 shares of common stock at an exercise price of \$0.032 per share, to a member of the board of advisors who subsequently became director two months later, Stephen Wilburn. The warrants may be exercised on a cashless basis.

On May 26, 2022, the warrants expired.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 600,000 shares of common stock at an exercise price of \$0.02 per share, to a director, Chris McKee. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 600,000 shares of common stock at an exercise price of \$0.02 per share, to a former director, Richard Schul. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 450,000 shares of common stock at an exercise price of \$0.02 per share, to a director, Don Bowman. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 750,000 shares of common stock at an exercise price of \$0.02 per share, to a former director, Daniel Ustian. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 400,000 shares of common stock at an exercise price of \$0.02 per share, to our Secretary, Vice President and Interim CFO, Judson Bibb. The warrants may be exercised on a cashless basis.

On October 16, 2020, we issued for services to the Company three-year warrants to purchase a total of 400,000 shares of common stock at an exercise price of \$0.02 per share, to our former Chief Financial Officer and Treasurer, Quentin Ponder. The warrants may be exercised on a cashless basis.

Insider Transactions Policies and Procedures

The Company does not currently have an insider transaction policy.

Director Independence

We currently do not have any independent directors as the term "independent" is defined by the rules of the American Stock Exchange.

While directors do not receive on-going consideration from the Company for their service as directors or officers, on October 16, 2020, of the directors were awarded a warrant to purchase 200,000 shares of common stock and outside directors have received consideration for their service on the Company's Board of Advisors. As the entire Board of Directors has yet to affirm that the respective individual directors do not have relationships that would interfere with the exercise of independent judgement in carrying out their directors' responsibilities, none of our directors can be defined as "independent".

Item 14. Principal Accounting Fees and Services

Audit Fees

We incurred no non-audit related fees, tax fees or other fees for professional services rendered by our principal accountant for the years ended December 31, 2022, and 2021.

Audit fees consist of fees for professional services rendered for the audit of the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K and the review of financial statements included in the Company's Quarterly Reports on Form 10-Q. The aggregate fees billed for professional services rendered by our accountant, Accell Audit and Compliance for audit and review services for the fiscal year ended December 31, 2022, were \$85,500.

Administration of the Engagement; Pre-Approval of Audit and Permissible Non-Audit Services

We have not yet established an audit committee. Until then, there are no formal pre-approval policies and procedures. Nonetheless, the auditors engaged for these services are required to provide and uphold estimates for the cost of services to be rendered. The percentage of hours expended on Accel Audit and Compliance, PA, respective engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

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PART IV

Item 15. Exhibits, Financial Statement Schedules

Exhibit Number	Description of Exhibit
3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Form SB-2 filed with the SEC on August 9, 2007)
3.2	Certificate of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed with the SEC on November 9, 2010)
3.3	Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Form SB-2 filed with the SEC on August 9, 2007)
3.4	Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 11, 2012)
3.5	Certificate of Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.3 to the Company's Form 10-Q filed with the SEC on May 15, 2012)
3.6	Bylaws, dated February 20, 2013 (incorporated by reference to Exhibit 3.6 to the Company's Form 10-K filed with the SEC on April 15, 2013)
3.6.1	Amendment to Article VII of the Bylaws (incorporated by reference to Exhibit 3.6.1 to the Company's Form 8-K filed with the SEC on June 27, 2013)
3.7	Amendment to Article II, Section 2 of the Bylaws (incorporated by reference to Exhibit 3.7 to the Company's Form 8-K filed with the SEC on January 17, 2014)
3.8	Certificate of Designation of the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 20, 2012)

<u>3.9</u>	<u>Amendment to the Certificate of Designation of the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1.1 to the Company's Current Report on Form 8-K filed with the SEC on June 27, 2013)</u>
<u>3.11</u>	<u>Amendment to Articles of Incorporation, dated March 20, 2017 (incorporated by reference to Exhibit 3.11 to the Company's Current Report on Form 8-K filed with the SEC on March 24, 2017)</u>
<u>4.5</u>	<u>\$220,000 Convertible Promissory Note, dated January 26, 2018, issued to Lucas Hoppel (incorporated by reference to Exhibit 10.81 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.6</u>	<u>\$385,000 Convertible Promissory Note, dated February 19, 2018, issued to Lucas Hoppel (incorporated by reference to Exhibit 10.82 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.7</u>	<u>Amendment to \$180,000 Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.83 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.8</u>	<u>Amendment to \$165,000 Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.84 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.9</u>	<u>\$140,800 Convertible Promissory Note, dated April 25, 2018, issued to PowerUp Lending Group (incorporated by reference to Exhibit 10.87 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.10</u>	<u>\$110,000 Convertible Promissory Note, dated May 22, 2018, issued to Lucas Hoppel (incorporated by reference to Exhibit 10.88 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.11</u>	<u>Amendment to \$220,000 Convertible Promissory Note, dated January 26, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.89 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.12</u>	<u>Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.90 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.13</u>	<u>Scott Fergus Promissory Note July 5, 2018 (incorporated by reference to Exhibit 10.91 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>
<u>4.14</u>	<u>Amendment to \$220,000 Convertible Promissory Note, dated January 26, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.92 on the Company's Form 10-K filed with the SEC on April 16, 2019)</u>

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4.15	Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.93 on the Company's Form 10-K filed with the SEC on April 16, 2019)
4.16	Amendment to \$110,000 Convertible Promissory Note, dated May 22, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.94 on the Company's Form 10-K filed with the SEC on April 16, 2019)
4.17	\$152,000 Convertible Promissory Note, dated December 10, 2018, issued to PowerUp Lending Group (incorporated by reference to Exhibit 10.95 on the Company's Form 10-K filed with the SEC on April 16, 2019)
4.18	Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.96 on the Company's Form 10-K filed with the SEC on April 16, 2019)
4.19	Amendment to Senior Convertible Note dated August 24, 2018, between the Company and KHIC, LLC (incorporated by reference to Exhibit 10.90 on the Company's Form 10-Q filed with the SEC on October 17, 2018)
4.20	\$140,000 Convertible Promissory Note dated February 11, 2019, issued to Power Up Lending Group, Ltd. (incorporated by reference to Exhibit 10.97 on the Company's Form 10-Q filed with the SEC on May 20, 2019)
4.21	\$140,000 Convertible Promissory Note dated March 13, 2019, issued to JSJ Investments Inc. (incorporated by reference to Exhibit 10.98 on the Company's Form 10-Q filed with the SEC on May 20, 2019)
4.22	Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 10.99 on the Company's Form 10-Q filed with the SEC on May 20, 2019)
4.23	\$165,000 Convertible Promissory Note dated May 13, 2019, issued to LGH Investments, LLC (incorporated by reference to Exhibit 4.23 on the Company's Form 10-K filed with the SEC on May 29, 2020)
4.24	\$143,000 Convertible Promissory Note dated June 6, 2019, issued to Eagle Equities, LLC (incorporated by reference to Exhibit 4.24 on the Company's Form 10-K filed with the SEC on October 17, 2018)
4.25	\$168,300 Convertible Promissory Note dated June 28, 2019, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.25 on the Company's Form 10-K filed with the SEC on May 29, 2020)
4.26	Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 4.26 on the Company's Form 10-K filed with the SEC on May 29, 2020)
4.27	\$126,500 Convertible Promissory Note dated August 28, 2019, issued to Eagle Equities, LLC (incorporated by reference to Exhibit 4.27 on the Company's Form 10-K filed with the SEC on May 29, 2020)

<u>4.28</u>	<u>\$126,500 Convertible Promissory Note dated October 2, 2019, issued to Eagle Equities, LLC (incorporated by reference to Exhibit 4.28 on the Company's Form 10-K filed with the SEC on May 29, 2020)</u>
<u>4.29</u>	<u>Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 4.29 on the Company's Form 10-K filed with the SEC on May 29, 2020)</u>
<u>4.30</u>	<u>\$141,000 Convertible Promissory Note dated November 6, 2019, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.30 on the Company's Form 10-K filed with the SEC on May 29, 2020)</u>
<u>4.31</u>	<u>\$109,000 Convertible Promissory Note dated December 5, 2019, issued to JSI Investments, Inc. (incorporated by reference to Exhibit 4.31 on the Company's Form 10-K filed with the SEC on May 29, 2020)</u>
<u>4.32</u>	<u>Amendment to \$385,000 Convertible Promissory Note, dated February 19, 2018, between the Company and Lucas Hoppel (incorporated by reference to Exhibit 4.32 on the Company's Form 10-K filed with the SEC on May 29, 2020)</u>
<u>4.33</u>	<u>\$40,000 Convertible Promissory Note dated January 30, 2020, issued to LGH Investments, LLC (incorporated by reference to Exhibit 10.90 on the Company's Form 10-Q filed with the SEC on August 25, 2020)</u>
<u>4.34</u>	<u>\$85,000 Convertible Promissory Note dated June 29, 2020, issued to Steve Schaner (incorporated by reference to Exhibit 4.34 on the Company's Form 10-Q filed with the SEC on October 5, 2020)</u>

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4.35	\$85,000 Promissory Note dated July 3, 2020, issued to 3&1 Capital Partners, LLC. (incorporated by reference to Exhibit 4.35 on the Company's Form 10-Q filed with the SEC on October 5, 2020)
4.36	\$60,000 Convertible Promissory Note and Stock Purchase Agreement dated September 15, 2020, issued to LGH Investments, LLC (incorporated by reference to Exhibit 4.36 on the Company's Form 10-Q filed with the SEC on October 5, 2020)
4.37	\$66,000 Convertible Promissory Note dated October 8, 2020, issued to JSJ Investments Inc. (incorporated by reference to Exhibit 4.37 on the Company's Form 10-Q filed with the SEC on November 11, 2020)
4.38	\$50,000 Convertible Promissory Note and Stock Purchase Agreement dated October 30, 2020, issued to LGH Investments, LLC. (incorporated by reference to Exhibit 4.38 on the Company's Form 10-Q filed with the SEC on November 11, 2020)
4.39	\$137,000 Convertible Promissory Note and Securities Purchase Agreement dated November 18, 2020, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.39 on the Company's Form 10-K filed with the SEC on April 15, 2021)
4.40	\$132,000 Convertible Promissory Note and Securities Purchase Agreement dated January 18, 2021, issued to LGH Investments, LLC. (incorporated by reference to Exhibit 4.40 on the Company's Form 10-Q filed with the SEC on April 15, 2021)
4.41	\$77,000 Convertible Promissory Note and Securities Purchase Agreement dated February 4, 2021, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.41 on the Company's Form 10-Q filed with the SEC on April 15, 2021)

<u>4.42</u>	<u>\$165,000 Convertible Promissory Note dated February 25, 2021, issued to Lucas Ventures, LLC (incorporated by reference to Exhibit 4.42 on the Company's Form 10-K filed with the SEC on April 15, 2021)</u>
<u>4.43</u>	<u>\$71,700 Convertible Promissory Note and Stock Purchase Agreement dated March 12, 2021 issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.43 on the Company's Form 10-Q filed with the SEC on April 15, 2021)</u>
<u>4.44</u>	<u>\$825,000 Convertible Promissory Note and Stock Purchase Agreement dated March 24, 2021, issued to LGH Investments, LLC (incorporated by reference to Exhibit 4.44 on the Company's Form 10-Q filed with the SEC on April 15, 2021)</u>
<u>4.45</u>	<u>\$275,000 Convertible Promissory Note and Stock Purchase Agreement dated March 24, 2021, issued to Lucas Ventures, LLC (incorporated by reference to Exhibit 4.45 on the Company's Form 10-Q filed with the SEC on April 15, 2021)</u>
<u>4.46</u>	<u>\$135,000 Convertible Promissory Note and Stock Purchase Agreement dated August 16, 2021, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on November 22, 2021)</u>
<u>4.47</u>	<u>\$111,000 Convertible Promissory Note and Stock Purchase Agreement dated September 21, 2021, issued to PowerUp Lending Group, Ltd. (incorporated by reference to Exhibit 4.47 on the Company's Form 10-Q filed with the SEC on November 22, 2021)</u>
<u>4.48</u>	<u>\$66,750 Convertible Promissory Note and Stock Purchase Agreement dated November 22, 2021, issued to Sixth Street Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-K filed with the SEC on April 18, 2022)</u>
<u>4.49</u>	<u>\$33,000 Convertible Promissory Note and Stock Purchase Agreement dated December 20, 2021, issued to LGH Investments, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-K filed with the SEC on April 18, 2022)</u>
<u>4.50</u>	<u>\$56,000 Convertible Promissory Note and Stock Purchase Agreement dated February 1, 2022, issued to Sixth Street Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-K filed with the SEC on April 18, 2022)</u>
<u>4.51</u>	<u>\$61,500 Convertible Promissory Note and Stock Purchase Agreement dated March 4, 2022, issued to Sixth Street Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-K filed with the SEC on April 18, 2022)</u>
<u>4.52</u>	<u>\$61,500 Convertible Promissory Note and Stock Purchase Agreement dated March 21, 2022 issued to Sixth Street Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-K filed with the SEC on April 18, 2022)</u>
<u>4.53</u>	<u>\$61,500 Convertible Promissory Note and Stock Purchase Agreement dated April 25, 2022 issued to Sixth Street Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on May 23, 2022)</u>
<u>4.54</u>	<u>\$35,000 Convertible Promissory Note and Stock Purchase Agreement dated May 25, 2022 issued to 1800 Diagonal Lending, LLC (incorporated by reference to Exhibit 4.54 on the Company's Form 10-Q filed with the SEC on August 19, 2022)</u>
<u>4.55</u>	<u>\$176,471 10% Promissory Note and Stock Purchase Agreement dated June 9, 2022 issued to Coventry Enterprises, LLC (incorporated by reference to Exhibit 4.55 on the Company's Form 10-Q filed with the SEC on August 19, 2022)</u>
<u>4.56</u>	<u>\$56,200 Convertible Promissory Note and Stock Purchase Agreement dated July 22, 2022 issued to 1800 Diagonal Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on August 19, 2022)</u>
<u>4.57</u>	<u>\$45,600 Convertible Promissory Note and Stock Purchase Agreement dated August 18, 2022 issued to 1800 Diagonal Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on November 21, 2022)</u>
<u>4.58</u>	<u>\$66,750 Convertible Promissory Note and Stock Purchase Agreement dated September 21, 2022 issued to 1800 Diagonal Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on November 21, 2022)</u>
<u>4.59</u>	<u>\$45,600 Convertible Promissory Note and Stock Purchase Agreement dated October 24, 2022 issued to 1800 Diagonal Lending, LLC (incorporated by reference to Exhibit 4.46 on the Company's Form 10-Q filed with the SEC on November 21, 2022)</u>
<u>4.60*</u>	<u>\$22,000 Convertible Promissory Note and Stock Purchase Agreement dated October 31, 2022, issued to LGH Investments, LLC</u>
<u>4.61*</u>	<u>\$50,900 Convertible Promissory Note and Stock Purchase Agreement dated December 8, 2022 issued to 1800 Diagonal Lending, LLC</u>
<u>4.62*</u>	<u>\$30,000 Promissory Note dated January 11, 2023 issued to an accredited individual investor.</u>
<u>4.63*</u>	<u>\$29,700 Convertible Promissory Note and Stock Purchase Agreement dated January 12, 2023 issued to 1800 Diagonal Lending, LLC</u>
<u>4.64*</u>	<u>\$28,000 Promissory Note dated February 15, 2023 issued to an accredited individual investor</u>
<u>4.65*</u>	<u>\$30,000 Promissory Note dated March 6, 2023 issued to an accredited individual investor.</u>
<u>10.1</u>	<u>Form of Subscription Agreement and Warrant Agreement (incorporated by reference to Exhibit 10.38 to the Company's Current Report on Form 8-K filed with the SEC on February 10, 2014)</u>
<u>10.2</u>	<u>Form of Subscription Agreement for Series B Stock (incorporated by reference to Exhibit 10.58 to the Company's Current Report on Form 8K filed with the SEC on November 11, 2016)</u>
<u>10.3</u>	<u>Form of Warrant for Series B Stock purchasers (incorporated by reference to Exhibit 10.59 to the Company's Current Report on Form 8K filed with the SEC on November 11, 2016)</u>

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10.4	Employment Agreement, dated July 13, 2016, between the Company and Judson Bibb (incorporated by reference to Exhibit 10.59 to the Company's Registration Statement on Form S-1 filed with the SEC on December 22, 2016)
10.5	Form of Advisory Board Agreement (incorporated by reference to Exhibit 10.60 to the Company's Registration Statement on Form S-1 filed with the SEC on December 22, 2016)
10.6	Agreement of Principal Terms, dated February 21, 2017, between Craftsmen Industries, Inc. and the Company (incorporated by reference to Exhibit 10.64 on the Company's Form 10-K filed with the SEC on April 17, 2017)
10.7	Agreement dated February 21, 2017, between the Company and Craftsman Industries, Inc. (incorporated by reference to Exhibit 10.69 to the Company's Registration Statement on Form S-1 filed with the SEC on May 9, 2017)
10.9	Consulting Agreement with Summit Management Inc. dated December 28, 2016 (incorporated by reference to Exhibit 10.72 on the Company's Registration Statement on Form S-1A with the SEC on October 25, 2017)
10.10	Agreement of Principal Terms, dated November 7, 2017, between the Company and Jatropa, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 7, 2017)
10.11	Judson Bibb representation and acknowledgement, March 7, 2018 (incorporated by reference to Exhibit 10.85 on the Company's Form 10-K filed with the SEC on April 16, 2019)
10.12	Timothy Hassett Employment Agreement dated March 3, 2014 (incorporated by reference to Exhibit 10.86 on the Company's Form 10-K filed with the SEC on April 16, 2019)
10.13	Amendment to Agreement in Principal Terms dated November 7, 2017, between the Company and Jatropa, Inc. (incorporated by reference to Exhibit 10.13 on the Company's Form 10-K filed with the SEC on May 29, 2020)
10.14	Joint Venture Agreement dated May 7, 2019, between the Company and Belirti Teknoloji, A.S. (incorporated by reference to Exhibit 10.14 on the Company's Form 10-K filed with the SEC on May 29, 2020)
10.15	Joint Venture Agreement dated May 20, 2019, between the Company and Key Options Pty. Ltd. (incorporated by reference to Exhibit 10.15 on the Company's Form 10-K filed with the SEC on May 29, 2020)
10.16	Strategic Alliance Agreement dated December 16, 2019, between the Company and a consortium of VerdeWatts, LLC and FirmGreen, Inc. (incorporated by reference to Exhibit 10.17 on the Company's Form 10-K filed with the SEC on May 29, 2020)
10.17	Independent Agent Agreement dated January 26, 2021, between the Company and H&K Ventures, LLC (incorporated by reference to Exhibit 10.18 on the Company's Form 10-K filed with the SEC on April 15, 2021)
16.1	Anton and Chia LLP Letter to the Securities and Exchange Commission dated January 7, 2018 (incorporated by reference to Exhibit 16.1 on the Company's Current Report on Form 8-K filed with the SEC on March 31, 2015)
21.1	Subsidiaries (incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2015)
31.1*	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certifications of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certifications of Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

Item 16. Form 10-K Summary.

Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cool Technologies, Inc.

Date: April 17, 2023

By: /s/ Timothy Hassett
Timothy Hassett
Chairman and Chief Executive Officer,
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Timothy Hassett</u> Timothy Hassett	Chairman and Chief Executive Officer (Principal Executive Officer)	April 17, 2023
<u>/s/ Judson Bibb</u> Judson Bibb	Vice-President, Secretary, Interim Chief Financial Officer, and director (Principal Financial and Accounting Officer)	April 17, 2023
<u>/s/ Donald Bowman</u> Donald Bowman	Director	April 17, 2023
<u>/s/ Christopher McKee</u> Christopher McKee	Director	April 17, 2023
<u>/s/ Steven Wilburn</u> Steven Wilburn	Director	April 17, 2023