



ANNUAL REPORT & DISCLOSURES

June 30th, 2022

2501 Garfield Avenue, Parkersburg, West Virginia 26101
1(800) Safe-Air www.KronosATI.co SIC: 3564

OTC: KNOS

Alternative Reporting Standard: Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines (“Guidelines”).¹ These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,² however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.³

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our [Privacy Policy](#).

Pink Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) may qualify for the Current Information Tier.

Qualification Process:

1. Subscribe to the OTC Disclosure & News Service by submitting an [OTCIQ Order Form](#) (available on www.otciq.com).
2. Upload the following documents through OTCIQ:
 - **Quarterly Reports** for Current Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below
 - **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form starting on Page 4).
 - **Financial Statements:** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited. Required financial statements include:
 - Balance Sheet
 - Statement of Income
 - Statement of Cash Flows

¹ This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements.

² Publication of information pursuant to these Guidelines does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

³ OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier.

- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
 - Notes to Financial Statements
 - Audit Letter, if audited
3. If financial statements are not audited by a PCAOB registered firm, provide the following:
- **Attorney Letter Agreement:** Submit a signed Attorney Letter Agreement according to the [instructions](http://www.otcmarkets.com) on www.otcmarkets.com.
 - **Attorney Letter:** After following the appropriate procedures with a qualified attorney, upload an "Attorney Letter With Respect to Current Information" in accordance with the [Attorney Letter Guidelines](#) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.
4. **Verified Profile:** Verify the Company Profile through OTCIQ. Profile information includes, but is not limited to, a complete list of officers, directors and service providers, outstanding shares, a business description and contact information.
5. Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments.
6. Companies will only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
7. To qualify for Current Information on an ongoing basis, companies must:
- Upload reports through OTCIQ on the following schedule:
 - Quarterly Report within **45 days** of the quarter end
 - Annual Report within **90 days** of the fiscal year end
 - Attorney Letter within **120 days** of the fiscal year end.
 - Maintain a Verified Profile. At least once every six months, review and verify the Company's profile information through OTCIQ.

Pink Limited Information Tier

Companies that make the information described below publicly available through OTCIQ may qualify for the Limited Information Tier.

8. **Annual Financial Statements:** Companies must upload the below financial statements for a completed Fiscal Year within the past 16 months. Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
- Balance Sheet
 - Statement of Income
 - Statement of Cash Flows
 - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
 - Notes to Financial Statements
 - Audit Letter, if audited
9. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors and service providers; outstanding shares; a business description and contact information.

10. To Qualify for Limited Information on an ongoing basis, companies must:

- Upload reports through OTCIQ on the following schedule:
 - **Annual Report** (including the required financial statements outlined in Item 8) within 120 days of the fiscal year end
- Maintain a Verified Profile. At least once every six months, review and verify their the Company's profile information through OTCIQ.

Current Reporting of Material Corporate Events

Companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.⁴

Material corporate events include:

- Entry into or termination of a material definitive agreement
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities
- Material impairments
- Sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Amendments to articles of incorporation or bylaws; change in fiscal year
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure regarding stock promotion campaigns deemed material by the issuer
- Changes to the company's shell status
- Other events the issuer considers to be of importance

⁴ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcm Markets.com/corporate-services/products/disclosure-and-news-service>

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Kronos Advanced Technologies, Inc.

2501 Garfield Avenue, Parkersburg, WV 26101

(323) 680-4772

www.kronosati.co

info@kronosati.co

SIC #2834 AND 6199

Annual Report For the Period Ending: June 30, 2022 (the "Reporting Period")

As of current reporting period June 30, 2022, the number of shares outstanding of our Common Stock was:

659,323,911

As of prior quarter period ending March 31, 2022, the number of shares outstanding of our Common Stock was:

659,323,911

As of most recent completed fiscal year end June 30, 2021, the number of shares outstanding of our Common Stock was:

659,323,911

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Kronos Advanced Technologies, Inc. ("Kronos") is a Nevada corporation (the "Company"). The Company's shares began trading on the over-the-counter bulletin board exchange on August 28, 1996, under the symbol "TSET." Effective January 12, 2002, the Company began doing business as Kronos Advanced Technologies, Inc. and, as of January 18, 2002, it changed the Company ticker symbol to "KNOS" and is trading on the OTC Markets.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

Not Applicable

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

1. The Company assigned its ownership of 600,000,000 Dogecoin Cash into its wholly owned subsidiary, DogeSPAC LLC which it spun off to its shareholders 1 for 1 based on the record date of June 15, 2021.
2. On June 30, 2021 the Company acquired electronic manufacturing facility including real estate, manufacturing equipment and intellectual property from GX7 partnership in exchange for 91,000,000 shares of common stock.

The address(es) of the issuer's principal executive office:

2501 Garfield Avenue, Parkersburg, WV 26101

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

2501 Garfield Avenue, Parkersburg, WV 26101

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

Not Applicable

2) Security Information

Trading symbol: KNOS
Exact title and class of securities outstanding: Common Shares
CUSIP: 50105X10 6
Par or stated value: \$0.001

Total shares authorized: 2,000,000,000 as of date: 06/30/2022
Total shares outstanding: 659,323,911 as of date: 06/30/2022
Number of shares in the Public Float⁶: 268,420,185 as of date: 06/30/2022
Total number of shareholders of record: 400 as of date: 06/30/2022

All additional class(es) of publicly traded securities (if any):

Trading symbol: N/A
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: Worldwide Stock Transfer, LLC
Phone: (201) 820-2008
Email: info@wwstr.com
Address: 1 University Plaza, STE 505, Hackensack, NJ 07601

Is the Transfer Agent registered under the Exchange Act?⁷ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

⁶ "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

⁷ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>June 30, 2020</u> Common: <u>499,689,291</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
08/06/2020	New Issuance	400,000	Common	\$0.087	Yes	Julius Toth	Consulting	Restricted	N/A
08/06/2020	New Issuance	450,000	Common	\$0.087	Yes	MichaelRubinov	Consulting	Restricted	N/A
08/06/2020	New Issuance	225,000	Common	\$0.087	Yes	Vyacheslav Abramov	Consulting	Restricted	N/A
08/06/2020	New Issuance	100,000	Common	\$0.087	Yes	Joseph Florence	Consulting	Restricted	N/A
08/06/2020	New Issuance	114,500	Common	\$0.087	Yes	Vladimir Gorobets	Consulting	Restricted	N/A
08/06/2020	New Issuance	50,000	Common	\$0.087	Yes	Mary Taylor	Consulting	Restricted	N/A
08/06/2020	New Issuance	13,100,000	Common	\$0.087	Yes	Marc Kloner	Retirement Shares	Restricted	N/A
08/06/2020	New Issuance	5,000,000	Common	\$0.087	Yes	KBHS, LLC (Control person is Kevin Harrington)	Consulting	Restricted	N/A
08/06/2020	New Issuance	3,283,713	Common	\$0.10	Yes	Nina Levy	Conversion of note payable	Restricted	N/A
08/06/2020	New Issuance	2,813,022	Common	\$0.10	Yes	Julius Toth	Conversion of note payable	Restricted	N/A
08/06/2020	New Issuance	1,136,364	Common	\$0.10	Yes	Intellicam Inc (Control person is Moreen Rubin)	Conversion of note payable	Restricted	N/A

08/06/2020	New Issuance	765,306	Common	\$0.10	Yes	Mark Grossman	Conversion of note payable	Restricted	N/A
05/27/2021	New Issuance	13,000,000	Common	\$0.077	Yes	FBC LLC (Control person is Simon Rubin)	Conversion of note payable	Restricted	N/A
06/30/2021	New Issuance	23,550,100	Common	\$0.042	Yes	ANI Holdings Pty Ltd. (Control person is Ariel Cohen)	Conversion of note payable	Restricted	N/A
06/30/2021	New Issuance	91,000,000	Common	\$0.035	Yes	GX7 Limited Partnership (Control Person is Joseph Florence)	Acquisition	Restricted	N/A
06/30/2021	New Issuance	1,124,325	Common	\$0.0785	Yes	Michael Rubinov	Consulting	Restricted	N/A
06/30/2021	New Issuance	624,000	Common	\$0.0685	Yes	Vyacheslav Abramov	Consulting	Restricted	N/A
06/30/2021	New Issuance	1,569,821	Common	\$0.0763	Yes	Joseph Florence	Consulting	Restricted	N/A
06/30/2021	New Issuance	1,099,098	Common	\$0.0769	Yes	Dana Rubin	Consulting	Restricted	N/A
06/30/2021	New Issuance	179,371	Common	\$0.0669	Yes	Vladimir Gorobets	Consulting	Restricted	N/A
06/30/2021	New Issuance	50,000	Common	\$0.3000	Yes	Mary Taylor	Consulting	Restricted	N/A
09/30/2021	New Issuance	90,000,000	Common	\$0.0000	No	Held in escrow by Issuer	Held in escrow - Pending Acquisition	Restricted	N/A
03/11/2022	Cancellation	(90,000,000)	Common	\$0.0000	N/A	Returned to authorized capital	Cancelled Acquisition	Restricted	N/A
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date June 30, 2022									
Common: 659,323,911									
Preferred: 0									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>10/01/2019</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$34,375</u>	<u>10/01/2024</u>	<u>Variable Conversion with 20% discount to market</u>	<u>ANI Holdings Pty Ltd. (Control person is Ariel Cohen)</u>	<u>Loan</u>
<u>07/21/2020</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$ 9,707</u>	<u>07/21/2021</u>	<u>Variable Conversion with 20% discount to market</u>	<u>Intellicalm Inc (Control person is Moreen Rubin)</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

Not Applicable

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁸:

Name: Eric Kilinsky
Title: Accountant
Relationship to Issuer: Paid Preparer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;

⁸ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Kronos Advanced Technologies, Inc. is a product development and production Company that develops and patents technology that, among other things, fundamentally changed the way air is moved, filtered and sterilized. Historically, Kronos has focused on developing, marketing, and selling the Company's proprietary air movement and purification technology. Serving the Indoor Air Quality (IAQ) market, Kronos technology uses state-of-the-art high voltage processes without the use of traditional HEPA filters. Kronos-based products move air silently, filter and purify the air, and dramatically reduce energy consumption to half of a 60-watt light bulb. Kronos devices can be variable in shape or size, and, therefore, have the potential to be scaled down for air purification in cars or scaled up in size for industrial and hazardous gas destruction. The technology is currently being implemented in standalone products to move and filter air replacing HEPA and other filtration systems. There are broad ranges of additional markets for standalone and embedded Kronos CORE technology-based devices. Examples of immediately addressable markets include health care facilities, operating rooms, manufacturing clean rooms, and cabins of automobiles and commercial aircraft.

Currently, the Company is planning to file additional patents to improve its existing technology as well as enter into new market segments but will continue to market air purifiers and other consumer products. Recently the Company became the exclusive distributor and licensee of the latest generation of air purifiers manufactured based on the Company's CORE technologies. Company's products are marketed under AIRDOG® and KRONOS® brands.

B. Please list any subsidiaries, parents, or affiliated companies.

See footnotes to the accompanying financial statements

C. Describe the issuers' principal products or services.

Consumer electronics mainly air purifiers and other related health and wellness novelties

Company owns and operates toll free vanity telephone number **1-800-SAFE-AIR** and utilizes this vanity number to market the Company products and services. This telephone number, that spells out words that correspond to what our business does, we believe that this is a very effective marketing tool. It positions our company as one of the experts in the field, and most certainly a toll-free number with two words that are self-explanatory looks be very memorable in any form of advertising, TV, radio, print and online.

A combination of the domain name (**www.1800SafeAir.com**) and telephone number **1-800-SAFE-AIR** also helps prospective customers and shareholders remember our business and what it does. A customer or shareholder is more likely to call a number that they can recall easily, and it will always be easier to memorize a word than a string of random numbers. In addition, 1-800-SAFE-AIR phone number makes our business immediately memorable to new customers and returning customers needing help with our products.

Mountain Marketing Group conducts surveys and research to rate the success of various types of advertising and marketing. In their latest study, they found:

90% of Americans have used toll-free numbers to contact a company after watching an advertisement.

Of these 90%, a productive ad using an 800-vanity number generated a response rate of 30% or more.

As much as 84 percent of these prospects were able to recall the phone number because of visual aids and the use of letters rather than numbers.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Kronos Advanced Technologies West Virginia corporate headquarters include offices as well as its main manufacturing facilities containing 62,400 square feet of infrastructure in place to engage in electronics manufacturing, product design and R&D. Two other buildings on the property are an auxiliary building having 15,900 square feet and the

warehouse containing 7,500 square feet. These facilities are located on the same property including 10 acres of paved parking space that allows to park 300 employee vehicles.

We acquired the property in a transaction on June 30, 2021 in an exchange transaction with GX7 Limited, a West Virginia limited partnership, 50% of which is owned by current Chief Operating Officer, Joseph Florence. The property includes a 62,400 square foot manufacturing facility, a 15,900 square foot warehouse, and a 7,500 square foot auxiliary building respectively. A 10-acre paved parking lot is also included. The total purchase price of the property is \$5,800,000. The Company and GX7 agreed to payment terms as follows: the issuance of 91 million shares of common stock to GX7, and the payment of \$2,610,000 in cash. The Company intends to pay GX7 from the proceeds of the loans offered by the West Virginia Economic Development Authority ("WVEDA"). On April 7, 2022, we completed all conditions precedent, and the loans closed by virtue of our purchase of fixed equipment, providing proofs of hazard and flood insurance, title insurance and liability insurance. We also installed all equipment and completed all renovations at the facility, which resulted in the transfer of title of the real estate to the Company from a "contract of sale" to recorded ownership.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Michael Rubinov	Director, President, Secretary, CFO, CEO	1461 Kadima, Zoran, Israel 6092000	1,574,325	<u>Common</u>	0.239%	_____
Joseph Florence	COO	2501 Garfield Ave Parkersburg, WV 26101	1,669,821	Common	0.253%	
Mary Taylor	Director	3431 Parfour Blvd, Green, OH 44685	50,000	Common	0.007%	

Professional Background of our Officers and Directors

Michael Rubinov -Director, President, Secretary, CEO, CFO

EXECUTIVE MANAGEMENT

Mr. Rubinov has been an executive in the hi-tech industry for the last 20 years and served in various business roles with global companies Intel, Boeing, NICE Systems as well as with start-up companies in fintech, cyber and telecom markets. Mr. Rubinov holds BSEE (from NYIT), MsCS (Stevens Institute of Technology) and MBA from UK Bradford School of Management.

Joseph Florence – Chief Operating Officer (COO) & Chief Transformation Officer (CTO)

Prior to joining Kronos, Florence worked more than 30 years in custom electronics manufacturing, as an owner/founder, as well as running several manufacturing and supply chain solution companies. He was awarded Ernst and Young's WV Entrepreneur of the Year. Most recently, he directed a 200-person domestic manufacturing technology company directed toward the supply chain globalization of America while improving market share and profitability. President / CEO / Chairman of the Board

Twenty-five years of experience in entrepreneurial middle-market businesses. Complete understanding of all levels of business processes and operations. Successfully lead companies as Chairman of the Board, ensuring the clear communication of strategic plans and any associated company risks to all stakeholders. Gifted at executive recruitment and retention.

Market Development

Experienced, Sales Focused Company President having a complete understanding of all-encompassing requirements to ensure continued sales growth without compromising company ethics, profits, product quality, or customer satisfaction. Twenty-five years of Presidential experience having the sole responsibility of approving company sales strategies and executions, resulting in a lifetime of company revenues exceeding \$200 million. Skilled at motivating and controlling the unique personalities associated with both domestic and international sales forces.

Financial Management

Experienced middle-market Company Chief Financial Officer (CFO) and Treasurer. Successfully funded and provided ongoing financing through both private equity offerings and debt obligations for six companies. Skilled at financial management and cash management with a complete understanding of debt financing of middle-market companies. Expert at developing financial projections. Twenty-five years of Profit and Loss (P&L) responsibility.

Product Development

Co-Developed new internal engineering design methodologies for Fortune 100 defense contractor, focused on embedding manufacturing involvement into the design process. Achieved 40%-unit production cost savings. Twenty-five years of experience applying these methodologies to custom processes and products.

Successfully conceptualized, designed, manufactured in China, and licensed patents for several consumer products.

Supply Chain Expert

Complete understanding of the Supply Chain process, including quoting, negotiating with vendors, and development of Lean, effective internal controls. Developed new processes, including MRP share, with key suppliers resulting in a 60% reduction in personnel.

Mary Taylor -Independent Director

Mary Taylor is a certified public accountant and, prior to her political career, spent 16 years in the private sector, including 12 years with Bober Markey Fedorovich, an Akron-based CPA and advisory firm. Her political background includes being on the Green City Council as well as being elected to the Ohio General Assembly and subsequently to serve as the Ohio state auditor in 2006. She also served as the 65th lieutenant governor of Ohio from 2011 to 2019. She was most recently a candidate in the Republican Party primary for Governor of Ohio in the 2018 election. Mary has two degrees from the University of Akron.

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

Not Applicable

B. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

2. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

Not Applicable

3. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

Not Applicable

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding, or judgment has not been reversed, suspended, or vacated; or

Not Applicable

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

Not Applicable

- C. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

From time to time, the Company may be subject to routine litigation, claims or disputes in the ordinary course of business. The Company defends itself vigorously in all such matters. In the opinion of management, no pending or known threatened claims, actions or proceedings against the Company are expected to have a material adverse effect on its financial position, results of operations or cash flows. However, the Company cannot predict with certainty the outcome or effect of any such litigation or investigatory matters or any other pending litigations or claims. There can be no assurance as to the ultimate outcome of any such lawsuits and investigations. The Company will record a liability when it believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. The Company periodically evaluates developments in its legal matters that could affect the amount of liability that it has previously accrued, if any, and makes adjustments as appropriate. Significant judgment is required to determine both the likelihood of there being, and the estimated amount of, a loss related to such matters, and the Company's judgment may be incorrect. The outcome of any proceeding is not determinable in advance. Until the final resolution of any such matters that the Company may be required to accrue for, there may be an exposure to loss in excess of the amount accrued, and such amounts could be material.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name:	<u>Marc Applbaum</u>
Firm:	<u>Law Offices of Marc Applbaum</u>
Address 1:	<u>3212 Homer Street</u>
Address 2:	<u>San Diego, CA 92106</u>

Phone: 619-993-0288
Email: applbaumlaw@gmail.com

Accountant or Auditor

Name: _____
Firm: Weinstein International CPA
Address 1: 16 Kissufim Street
Address 2: Jerusalem, 9123101, Israel
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Kevin Harrington
Firm: KBHS LLC
Nature of Services: Advisory
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: Bill Nicholson
Firm: N/A
Nature of Services: Advisory
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: Eric Kilinsky
Firm: Quality Financial Services LLC
Nature of Services: Accountant
Address 1: _____
Address 2: _____
Phone: _____
Email: info@qualityfinancialservice.com

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Michael Rubinov certify that:

1. I have reviewed this annual disclosure statement of Kronos Advanced Technologies, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

09/28/2022 [Date]

/s/ M. Rubinov [CEO's Signature]

Principal Financial Officer:

I, Michael Rubinov certify that:

1. I have reviewed this annual disclosure statement of Kronos Advanced Technologies, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

09/28/2022 [Date]

/s/ M. Rubinov [CFO's Signature]

Kronos Advanced Technologies, Inc.

Consolidated Balance Sheets (unaudited)

	June 30, 2022	June 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,636	\$ 19,320
Inventory	227,676	233,154
Prepaid expenses	0	16,893
Accounts receivable	54,122	20,115
Loans Receivable	10,249	
Total current assets	293,683	289,482
Property and equipment, net	5,781,276	5,802,276
Intangible assets	220,974	234,486
Total Assets	\$ 6,295,933	\$ 6,326,244
 LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ (8,466)	\$ 10,200
Accrued expenses	139,723	29,232
Accrued interest payable	44,082	26,585
Operating loan	296,150	31,650
Derivative liability	302,055	302,055
Sales Tax Payable	12,409	11,290
Convertible notes payable, net of discount	232,500	175,000
Total current liabilities	1,018,453	556,012
Long Term Liabilities		
State of West Virginia	2,569,215	2,610,000
Total Liabilities	3,587,668	3,196,012
Stockholders' Deficit:		
Common stock, par value \$0.001, 2,000,000,000 shares authorized		
659,323,911 and 659,323,911 shares issued and outstanding as of		
June 30, 2022 and June 30, 2021, respectively	659,324	659,324
Additional paid in capital	43,143,410	43,143,410
Accumulated deficit	(41,094,469)	(40,672,502)
Total Kronos Advanced Technologies Inc Stockholders' Equity (Deficit)	0	0
Total Stockholders' Equity (Deficit)	2,708,265	3,130,232
Total Liabilities and Stockholders' Equity (Deficit)	\$ 6,295,933	\$ 6,326,244

Kronos Advanced Technologies, Inc.
Consolidated Statements of Operations

	For the Year Ended	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Revenue	\$ 83,003	\$ 503,742
Cost of goods sold	<u>50,865</u>	<u>276,083</u>
Gross Profit	<u>32,138</u>	<u>227,658</u>
Operating Expenses:		
General and administrative	<u>382,216</u>	<u>2,164,633</u>
Total operating expenses	<u>382,216</u>	<u>2,164,633</u>
Loss from operations	<u>(350,078)</u>	<u>(1,936,975)</u>
Other Income (Expense)		
Capital Gain on Crypto Currency	(4,393)	19,635
Interest expense	(17,496)	(183,463)
Change in value of derivative liability	0	1,377,221
Bad Debt Expense	0	(4,027)
Financing cost	0	0
Amortization of debt discount	<u>(50,000)</u>	<u>(737,500)</u>
Total Other (Income) (Expense)	<u>(71,889)</u>	<u>471,866</u>
Net Income (Loss)	<u>\$ (421,967)</u>	<u>\$ (1,465,109)</u>
Net income (loss)		
-Basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding		
-Basic and diluted	<u>659,323,911</u>	<u>659,323,911</u>

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

Kronos Advanced Technologies, Inc.
Consolidated Statement of Stockholders' Equity

Common Shares					
<u>\$0.001 Par Value</u>					
	Shares		Additional		
	Issued	Amount	Paid-IN Capital	Accumulated Deficit	Equity (Deficit)
Year Ended June 30, 2022					
Balance, June 30, 2021	659,323,911	\$ 659,324	\$ 43,143,410	(40,672,502)	\$ 3,130,232
Issuance of common stock for acquisition (in escrow)	90,000,000	0	0		0
Cancelled Issuance of Common Stock for Acquisition	(90,000,000)	0	0		0
Net loss				(421,967)	(421,967)
Balance, June 30, 2022	<u>659,323,911</u>	<u>\$ 659,324</u>	<u>\$ 43,143,410</u>	<u>\$ (41,094,469)</u>	<u>\$ 2,708,265</u>
Year Ended June 30, 2021					
Balance, June 30, 2020	499,689,291	\$ 499,689	\$ 36,848,900	(38,207,393)	\$ (858,805)
Issuance of common stock for services rendered	10,986,115	10,986	877,288		888,275
Issuance of common stock for retirement	13,100,000	13,100	1,126,600		1,139,700
Issuance of common stock for conversion of note payable	44,548,505	44,549	1,191,622		1,236,171
Issuance of common stock for acquisitions	91,000,000	91,000	3,099,000		3,190,000
Dividend Declared				(1,000,000)	(1,000,000)
Net loss				(1,465,109)	\$(1,465,109)
Balance, June 30, 2021	<u>659,323,911</u>	<u>\$ 659,324</u>	<u>\$ 43,143,410</u>	<u>\$ (40,672,502)</u>	<u>\$ 3,130,232</u>

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

Kronos Advanced Technologies, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended	
	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (421,967)	\$ (1,465,109)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation / Amortization	21,000	21,000
Change in value of derivative liability	0	(1,377,221)
Financing cost	0	0
Inventory	5,478	(233,154)
Convertible Note Adjustments	50,000	(179,823)
Changes in operating liabilities		
Accounts receivable & Loans Receivables	(44,256)	(12,394)
Accounts Payable & Accrued Expenses	109,321	(125,699)
Sales Tax Payable	1,119	11,190
Prepaid expenses	16,893	106,490
Net Cash Used in Operating Activities	(262,412)	(3,254,720)
CASH FLOWS FROM INVESTING ACTIVITIES		
Machinery & Equipment	-	(315,000)
Building & Land Acquisition	-	(5,419,026)
Intangible Assets Adjustments	13,513	986,487
Intellectual Property Purchases	-	(65,974)
Net Cash Provided By Investing Activities	13,513	(4,813,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-Term Loans	(33,285)	2,610,000
Additional Paid In Capital	-	6,294,511
Common Stock	-	159,634
Dividends Issued	-	(1,000,000)
Operating Loans	264,500	
Loans to Officers	-	4,027
Net Cash Provided By Financing Activities	231,215	8,068,172
Net Increase in Cash	(17,684)	(61)
Cash at Beginning of Period	19,320	19,381
Cash at End of Period	\$ 1,636	\$ 19,320

KRONOS ADVANCED TECHNOLOGIES, INC.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Kronos Advanced Technologies, Inc. ("Kronos") is a Nevada corporation (the "Company"). The Company's shares began trading on the over-the-counter bulletin board exchange on August 28, 1996, under the symbol "TSET." Effective January 12, 2002, the Company began doing business as Kronos Advanced Technologies, Inc. and, as of January 18, 2002, it changed the Company ticker symbol to "KNOS" and is trading on the OTC Markets

GENERAL

Kronos Advanced Technologies, Inc., is a product development and Production Company that develops and patents technology that among other things fundamentally changes the way air is moved, filtered and sterilized. Historically, Kronos has focused on developing, marketing, and selling the Company's proprietary air movement and purification technology. Serving the Indoor Air Quality (IAQ) market, Kronos technology uses state-of-the-art high voltage processes without the use of traditional HEPA filters. Kronos-based products move air silently, filter and purify the air, and dramatically reduce energy consumption to half of a 60-watt light bulb. Kronos devices can be variable in shape or size, and, therefore, have the potential to be scaled down for air purification in cars or scaled up in size for industrial and hazardous gas destruction. The technology is currently being implemented in standalone products to move and filter air replacing HEPA and other filtration systems. There are broad ranges of additional markets for standalone and embedded Kronos CORE technology-based devices. Examples of immediately addressable markets include health care facilities, operating rooms, manufacturing clean rooms, and cabins of automobiles and commercial aircraft.

Currently, the Company is planning to file additional patents to improve its existing technology as well as enter into new market segments but will continue to market air purifiers and other consumer products. Recently the Company became the exclusive distributor and licensee of the latest generation of air purifiers based on the Company's CORE technologies.

Fourteen of the Company's U.S. patent applications and three international patent applications have been allowed for issuance. To date, our ability to execute our strategy has been restricted by our limited amount of capital.

On July 13, 2020 Kronos filed for provisional US patent protection for new antibacterial face mask with cellphone radiation protection features

The Kronos technology has numerous valuable characteristics for applications in the indoor air quality market, including moving air and gases at high velocities while filtering odors, smoke and particulates and sterilizing air from bacteria and virus contamination. In the past - a number of the scientific claims of the Kronos technology have been tested by the U. S. and foreign governments, multi-national companies and independent testing facilities (see "Independent Testing – Product Claims Platform").

Business Overview

Indoor air contains pollutants can affect the quality of life. Some of these pollutants come from outdoors, and others come from indoor sources and activities, such as cooking, cleaning, secondhand smoke, building materials, consumer products, and home furnishings. These indoor air pollutants can be particles or gases, including volatile organic compounds. Common contaminants that can be found indoors include both fine and coarse particulate matter, formaldehyde, mold, and pollen. Indoor air quality will vary from home to home and over the course of a day within a home. Since most people spend about 90% of their time indoors, mostly in their homes, much of their exposures to airborne pollutants will happen in the home. Our business focus is on the consumer air cleaning market. We do not design, market, or sell our air cleaning products as medical devices. We do not claim our products mitigate, treat, cure, or prevent disease. Our business develops and sells consumer products and new technologies that significantly change the way air is moved, filtered, and cleansed. Our product technology, uses state-of-the-art, high voltage processes, thereby eliminating the need for traditional porous HEPA filters. We believe our products move air silently, have superior filtering capabilities, and in general, cleans ambient air while offering dramatically reduced energy consumption. Our products have unique, variable, and superior filtering capabilities in both shape and size. They are available in a smaller footprint to provide air cleaning in cars. Larger units are available for consumer home use, for business use, or even in extreme industrial applications requiring the destruction of certain hazardous gases. The Company also sells bio-aerosol sensors and wearable sensors which are designed to identify aerosol contaminants in the air.

Our Products

Our technology is currently offered in the form of multiple stand-alone portable products designed to move, filter, and clean the air for businesses, homes, and vehicles. On a broader basis, additional markets that could immediately be impacted using standalone, embedded Kronos® devices include schools, universities, manufacturing clean-rooms, personal automobiles, buses, taxis, and commercial aircraft cabins. Our products are marketed under the Airdog® and KRONOS® brand names.

Our primary products include:

- Kronos Air Purifier 5G Model 3; an ionic air purifier with washable filter. This stand-alone device measures 10.2" in length x 10.2" wide x 20.5" high and is portable weighing 11 pounds and is manufactured with flame resistant plastic, with the ability to clean the air from an area of up to 215 square feet.
- Kronos Air Purifier 5G Model 5; an ionic air purifier with washable filter. This stand-alone device measures 12.4" in length x 12" wide x 25.6" high and weighing 23.6 pounds and is manufactured with flame resistant plastic, with the ability to clean the air from an area of up to 450 square feet.
- Kronos Air Purifier 5G Model 8; an ionic air purifier with washable filter. This stand-alone device measures 15" in length x 15" wide x 30" high and weighing 43.4 pounds and is manufactured with flame resistant plastic, with the ability to clean the air from an area of up to 1000 square feet.
- Kronos Fit Air; This portable device weighs 7.8 ounces and measures 7.2" in length x 3.5" wide x 3.1" high with the ability to be attached to a wristband, tote or desk or car, clean the air from an area of up to 25 square feet.
- Kronos Fit Air Bundle; combines the Kronos Fit Air with a connected face mask providing personal filtered air with the benefits of a mask.
- Kronos Car Air Purifier; at 2.4" high, 8.11" long and 6.89" wide, this portable device powered by a DC 12volt car charger is designed to clean the air in a vehicle.
- Kronosati Mini; the device is designed to be able to be held in hand or worn on a lanyard to filter the immediate airspace around an individual; the device measures 2" x 3" x 3/8" and weighs. It contains a rechargeable battery that connects via USB for recharging.

We also manufacture and sell the only 5-layer graphene face masks on the market in the US, that are not meant for medical use, and we also sell replacement parts for our principal products.

We also have a number of other products in various stages of research and development, including space heaters, vaporizers, disinfectors, deodorizers and/or fans. These products have all been conceptualized during our research and development efforts over the past years. Each product varies in its respective level of completion, with none having been finalized and brought to market for sale. All products are waiting on capital and should be finalized as capital becomes available.

We market and sell our products directly through our web site: <https://1800safeair.com/>, and also through independent sales representatives and select retail outlets.

Kronos also owns and operates special vanity phone number 1-800-SAFE-AIR that spells out words that correspond to what our business does, we believe that this is a very effective marketing tool. It positions our company as one of the experts in the field, and most certainly a toll-free number with two words that are self-explanatory looks be very memorable in any form of advertising, TV, radio, print and online.

A combination of the domain name (www.1800SafeAir.com) and telephone number 1-800-SAFE-AIR also helps prospective customers and shareholders remember our business and what it does. A customer or shareholder is more likely to call a number that they can recall easily, and it will always be easier to memorize a word than a string of random numbers. In addition, 1-800-SAFE-AIR phone number makes our business immediately memorable to new customers and returning customers needing help with our products.

On August 27, 2021, we announced our e-commerce initiative through Channelize.io, which is a Platform-as-a-Service (PaaS) product that allows any of our satisfied customers the ability to sell our products online and earn commissions from sales. Known as “Live Stream Shopping and Real-time Engagement,” we expect this to boost our sales and enhance our brand perception by connecting with our buyers who may showcase and market our products in ways that lead to informed, trusted, and accelerated purchases by new buyers. As of the date of this filing, we have not paid any commissions on customers who have sold any of our products using the PaaS product.

Mountain Marketing Group conducts surveys and research to rate the success of various types of advertising and marketing. In their latest study, they found:

90% of Americans have used toll-free numbers to contact a company after watching an advertisement.

Of these 90%, a productive ad using an 800-vanity number generated a response rate of 30% or more.

As much as 84 percent of these prospects were able to recall the phone number because of visual aids and the use of letters rather than numbers.

Our “Transition to America” Manufacturing Plan

Kronos is committed to the “Transition to America Initiative” of the Company, effectively moving our manufacturing from China to the United States. This commitment is evident by our acquisition of a 10-acre campus containing manufacturing and warehouse space of 85,000 square feet. This acquisition also included the intellectual property and manufacturing equipment necessary to manufacture electro-mechanical assemblies. As such, this acquisition provided us with the following:

- 85,000 square feet of manufacturing facilities located at our West Virginia located at 2501 Garfield Avenue, Parkersburg, West Virginia.

- High-speed electronic manufacturing equipment capable of placing 50,000 plus electronic components (resistors, capacitors, Integrated Circuits, etc.) per hour.
- Facility infrastructure and Intellectual Property including but not limited to proper lighting and power, material handling mezzanines, racks, workstations, conveyors and carts, custom manufacturing software, Standard Operating Procedures, Quality System, personnel records of trained employees, and Enterprise Resource Planning integrated software (ERP) including specialized Material Resource Planning supply chain management software (MRP).

This acquisition is a true turn-key manufacturing company ready to go.

The following constituent, and possibly the most important, is the experience and vision of our Chief Operating Officer, Joseph Florence, the architect of this vision (see “Our Directors and Executive Officers.”)

Additionally, a critical constituent is our Design For eXcellence Strategy (DFX). This strategy understands that Kronos cannot simply manufacture our products within the USA with the intent to build the same design as our globally sourced products. This will not work. Our strategy is to design, utilizing DFX, our next generation of products to be manufactured in the USA. This means we will specifically develop the products for our factory and reduce part counts, incorporating design-for-automation philosophies, all the while improving both the functionality and the aesthetics of our new USA designs. We will ensure our current proprietary and patented technologies are implemented, and we will also intend to develop and patent other technologies, as well as patent the uniqueness of our latest designs during this process. This will naturally occur as part of our process. This process will include fully embracing the new manufacturing initiative called Industry 4.0. We will push our existing highly automated electronic assembly methodologies throughout the factory, genuinely becoming a near “Touchless Manufacturing” facility.

These three items, turnkey facility, management experience and guidance, and best-in-class design process reduce much if not all of the risk of transitioning to a USA manufacturing company. The other key component to point out is that Kronos currently has a viable and best-in-class global product line. Therefore, we will continue to sell this product line and introduce our USA-designed products concurrently as we continue to market and sell our globally manufactured products. We believe this strategy will again emphasize additional risk reduction to our USA-designed products. We will let the design progression and market demand drive our introduction of these new products with little or no business operational pressures.

Our current globally sourced products are comparatively a simple supply chain. Kronos only needs to forecast and order turn-key assemblies. Kronos will continually access the current manufacturing lead time (the time Kronos issued a Purchase order until the time to receive those purchased products into the Kronos warehouses) for these products, our current inventory levels, and our estimated market demand. This ongoing analysis will drive the requirement to place the new purchase orders in a timely manner to ensure we have product inventory to meet market demand.

Kronos has had discussions with our current global manufacturers analyzing the critical sub-assemblies that Kronos could manufacture in our new USA facility to the benefit of both parties. The focus of these discussions is the cost justification when considering the potential savings related to both the tariff costs and shipping costs of sub-assemblies versus those of a completed assembly, as well as a plan to select the most economical components to manufacture in the USA. Additionally, Kronos has reached out to other global research and development companies having conceptual and early-stage manufacturing products in our Air Purification market. In doing so, we have strategically approached these companies and began conversations to jointly select the components or in some cases, the entire product, to be built in the USA.

All of these efforts have been well received. Each party is motivated to bring on new USA manufacturing capacity. They view this as an opportunity to have geographic-local manufacturing, improved supply chain management, decentralized manufacturing, and rapid response capabilities to better serve their USA customers. It is important to emphasize that these strategies do no harm to our current supply chain of

products. In fact, they enhance our market viability by providing a broader offering of products of which all will represent our Brand with excellence.

Industry Trends

The global portable air cleaner market is experiencing rapid traction. This growth is primarily led by the rising adoption of portable air cleaners for residential and commercial purposes. In pre-COVID 19 periods, people had a general notion that clean air, based on proper ventilation alone, would provide a more healthful environment free of airborne particulate that may include allergens including excessive dust, plant pollen, animal dander, hair, and the like.

The onset of the novel coronavirus pandemic and its variants increased interest in the proper methods to achieve clean air. As a result, the use of air cleaners in both residential and commercial settings have increased drastically over the past year. Although undoubtedly recognized as a global disaster, the coronavirus pandemic and the spread of coronavirus variants impacted the portable air cleaner industry in a positive manner. After the onset of the pandemic, the public interest was focused on air purity, general hygiene, and the overall efforts needed to improve each individual's health generally, and especially to invisible, airborne contaminants. Life-threatening epidemics like H1N1 Swine flu, H5N1 Avian influenza, and now the COVID 19 pandemic and variants have served to focus the general public's attention, resulting in the increased use of air cleaners in residential and commercial locations. However, we do not market or sell our air purification products as medical devices. We do not claim our products mitigate, treat, cure, or prevent disease.

Market Opportunity

We expect that the growth of the portable air cleaner market is projected to occur in both commercial and residential markets in the future. Helping to drive this expected domestic growth is a well-educated consumer base with rising awareness of airborne contaminants; becoming accustomed to adapting to preventative measures; and, having both an expendable income and the willingness to invest in products perceived to promote a healthy environment. Other "external" factors contributing to the growth of the domestic air purifier market include global warming, including increases in national disasters, such as seasonal large forest fires and hurricanes, as well as prolonged sweltering heat zones. Such events and conditions are projected to remain and perhaps even increase for the foreseeable future.

The commercial segment can best be identified as business applications embodying offices, academic centers, stores, hotels, conference rooms, service automobiles/busing, and small indoor public gathering sites. In contrast, the residential segment consists of single-family homes, condos, and apartments. Of particular note is a recent internal study we conducted indicating that our "satisfied customers" having single-family homes often resort to secondary purchases resulting in multiple air purifiers located in separate rooms throughout their homes. This we believe should be particularly true in families having children or aging parents living at home.

We expect trends will continue to accelerate the growth of the global portable air purifier market. In fact, with improved tools and techniques, scientists and health organizations are just beginning to fully understand and accurately quantify the impact of airborne pollutants and contaminants in today's world. We plan to expand to a larger, more diverse product platform in the near future, offering Clean Air, Clean Water, and Clean Food solutions for the consumer. Similar to the projected exponential market growth for the portable air purifier market, independent Market Research also indicates dramatic forecasted growth for the water purifier market. As of the date of this Prospectus, we do not offer or have any timetable for the introduction to market of any Clean Air, Clean Water, and Clean Food solutions for the consumer.

Government Regulation of Air Purifiers

Federal Regulation

Under the Federal Food, Drug, and Cosmetic Act (FDCA), the U.S. Food and Drug Administration (FDA) regulates devices that include an “instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory” that is intended to cure, mitigate, treat, or prevent disease or is intended to affect the structure of any function of the body. The FDA regulates air purifiers intended for medical purposes that are used to destroy bacteria in the air by exposure to UV radiation or remove particles from the air through filtration or electrostatic precipitation. Our products use a high voltage electrostatic method of destroying airborne contaminants, and do not use UV radiation methods. We do not market or sell our air purification products as an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory that is intended to cure, mitigate, treat, or prevent disease. We do not claim our products mitigate, treat, cure, or prevent disease or eliminate viruses from the air. Our products are not medical devices and not subject to FDA regulation.

The U.S. Environmental Protection Agency does not regulate, certify, or register air cleaning devices or manufacturers. The Agency does provide consumer information on air purification devices on its web site: <https://www.epa.gov/indoor-air-quality-iaq/does-epa-certifyregister-or-provide-lists-acceptable-air-cleaners-or-1>, and references to industry sources including the Association of Home Appliance Manufacturers, so that consumers may learn about air purification devices.

Pursuant to the Energy Policy and Conservation Act (“EPCA”), The U.S. Department of Energy is authorized to regulate the energy efficiency of a number of consumer products and certain industrial equipment. The EPCA established the “Energy Conservation Program for Consumer Products Other Than Automobiles,” which sets forth a variety of provisions designed to improve energy efficiency for certain consumer products, referred to generally as “covered products.” In addition to specifying a list of consumer products that are covered products, EPCA contains provisions enable the Secretary of Energy to classify additional types of consumer products as covered products. The U.S. Department of Energy has tentatively determined that air cleaners qualify as a covered product under Part A of Title III of the EPCA, as amended. The Department of Energy has tentatively determined that coverage of air cleaners is necessary and appropriate to carry out the purposes of EPCA, and that the average U.S. household energy use for air cleaners is likely to exceed 100 kilowatt-hours per year. The Department of Energy is currently engaged in soliciting public comments for proposed rules governing air cleaners. The public comment period concluded November 15, 2021.

As of the date of this filing, the Department of Energy has not published an abstract of the proposed regulations or conducted a rulemaking for air cleaners. If, after public comment, the Department of Energy issues a final determination of coverage for air cleaners, it may prescribe both test procedures and energy conservation standards for these products. DOE will publish a final decision on coverage as a separate notice, an action that will be completed prior to the initiation of any test procedure or energy conservation standards rulemaking. If the Department of Energy determines that coverage is warranted, it will proceed with its typical rulemaking process for both test procedures and standards. As of the date of this filing, the Department of Energy is not proposing test procedures or energy conservation standards as part of this proposed determination. If the Department of Energy proceeds with a rulemaking to establish energy conservation standards, it would determine if air cleaners satisfy the provisions of 42 U.S.C. 6295(l)(1) (which prescribe energy conservation standards) during the course of that rulemaking.

State Regulation

On June 3, 2019, the California Air Resources Board (CARB) adopted the indoor air cleaner regulation pursuant to California Assembly Bill 2276 in response to emerging concerns about indoor ozone emissions. While several states and the U.S. Environmental Protection Agency only warn against using ozone generators in occupied indoor spaces, and the Food and Drug Administration limits ozone emissions from medical air cleaner devices, California’s program is unique in that it is the first state to promulgate regulations of air cleaners, and in its breadth and coverage.

The regulation generally imposes certification, ozone testing, electrical safety testing, labeling, notification,

and recordkeeping requirements on covered devices intended for use in occupied spaces in California. The ozone emissions concentration limit is 0.050 parts per million (ppm). Personal air cleaners, air cleaners used in motor vehicles, stand-alone air cleaners, and products with a primary purpose other than air cleaning but that include an air cleaner are all examples of covered devices.

Certain exemptions are provided in the current regulation for industrial-use devices. In addition, due to the lack of available test methods and sales data at the time of adoption, the regulation exempts “in-duct” air cleaners that are physically integrated into HVAC systems.

In the years since the regulation was finalized, CARB has observed a significant increase in the use of air cleaners in the state, including in-duct air cleaners, in response to recent large fires, floods, and indoor marijuana use (<https://ww2.arb.ca.gov/sites/default/files/2019-05/California%20Air%20Cleaning%20Units%20Market%202023.pdf>). CARB believes that this market data along with other new sources of information, including revisions to test methods and the availability of a test method for in-duct devices, warrant regulatory changes.

On October 1, 2020, the regulation was amended with several significant changes. These changes include the immediate elimination of the ozone test requirement for portable air cleaners that use UVGI lamp(s), with or without mechanical filtration, as long as they meet other requirements that are outlined in section 94804(b) of the regulation. The exemption from the regulation of electronic in-duct air cleaning devices has also been eliminated, meaning this type of air cleaner must be CARB certified prior to sale to California residents or businesses. There is a 24-month phase-in period for meeting this new requirement, which will end on October 1, 2022. CARB is not certifying mechanical in-duct air cleaning devices that use only HEPA filtration. The text required on labels of certified air cleaners has also been changed and should now read: “Meets California ozone emissions limits. CARB certified.” The label must still meet the same size requirements. There are also changes to the industrial use exemptions, including the added requirement that ozone-producing air cleaning devices can only be used when no people are present. There are also changes made to the advisory that is required to be placed on an uncertified ozone-producing air cleaner and additional information to be included in owners, operations, and installation manuals for the device. The notification requirement has been eliminated for manufacturers of certified air cleaners, although manufacturers of uncertified ozone-producing air cleaning devices are still required to carry-out the notification requirement as described in section 94807 of the regulation. As of the date of this filing, our products comply with all CARB regulations related to air cleaners for sale in California, and the Company’s manufacturer is registered with the State of California CARB.

Competitive Strengths

- Our Products are efficacious air cleaners with patented technologies, that provide superior filtering capabilities and the ability to remove airborne contaminants up to 20 times smaller than HEPA filters, while operating at levels much quieter than HEPA based air purifiers. According to the U.S. Environmental Protection Agency, HEPA filters are able to filter airborne particulates sized at 0.3 microns (<https://www.epa.gov/indoor-air-quality-iaq/what-hepa-filter-1>). Our products contain automatic laser sensors and electrostatic precipitators which, based on our internal testing, as well as independent third party lab, effectively removed airborne particulate sized as small as 0.0146 microns. Thus, based on our analysis of test data and third-party studies, including that of a 2020 study on electrostatic indoor air cleaners published by the Department of the Built Environment, Aalborg University, which also discusses the efficacy of technologies used by the Company; a 2008 efficacy study of the Company’s air purifiers conducted and published by the Disinfection Research Institute in Moscow, Russia(1) and by Environmental Health and Engineering based in Needham, Massachusetts; and a study published in 2018 by the Association of Home Appliance Manufacturers. Based on the Company testing results, analysis of the test data and an independent third-party testing-our filtering technology is able to capture particulate 20 times smaller than HEPA filters.

- Our products operate continually to sense the amount of airborne contaminants in the air, and automatically adjust the performance of our products to filter and cleanse the air. Our Auto-Mode also adjusts noise levels ranging from 22dB (sleep mode) to 57dB (turbo mode) and averages at 34dB. This volume is half the noise level of traditional air cleaner systems while being far more effective. In fact, this noise level is as quiet as a soft hum, which, when in Auto Mode, only increases slightly when detecting and purifying the ambient air of more significant pollutants. The laser sensors in our products also alert users when to remove and clean our collector plates.

- HEPA filters are designed to trap pollutants such as pollen and dust. Unfortunately, based on this very design, over time, the “collection process” creates a clogged filter, and as such, HEPA air purifiers will stop working if the filter isn’t changed regularly. This clogging action can also result in pollutants that were once trapped and collected migrating through the filter elements and escaping back into the air. Furthermore, when the air temperature is warm and contains high humidity, mold and bacteria can grow on the HEPA filter, causing foul odors and potentially hazardous waste to be emitted back into the room. Kronos’s ultra-efficient air purification module, with its removable washable collector plates, solves this problem by offering to the consumer an easy-clean system that is both safe and effective by handwashing or placing the purification module in a dishwasher. The removable collector plates eliminate the need to replace otherwise expensive HEPA filters and is a significant competitive advantage to the Company’s products.

- Since mold and bacteria like to grow on HEPA filters, they must be replaced every six months; and most likely, more frequently if filtering heavy contaminants. Spending money on HEPA filters can easily cost \$500 per year, and the better-quality HEPA filters cost even more. Kronos’s Air Purifier technology eliminates having to purchase replacement filters and saves the user a significant amount of unneeded yearly expenses, making Kronos an economical option.

- Air cleaners using HEPA filters are made of dangerous fiberglass materials that are not bio-degradable, making the disposed of HEPA filters a long-lasting, damaging component to our environment. Kronos’s Filterless technology creates no recurring waste stream of contaminated HEPA filters.

(1) The laboratory testing was conducted in Russia in 2002. Since then, the Company has had no direct or indirect relationship or communication with the institute, and has no present intention to re-engage with the institute or to do so in the future. There has been no direct or indirect material impact on the Company’s current business resulting from the Company’s 2002 laboratory testing in Russia, or due to the Russian invasion of Ukraine.

ONE BUTTON OPERATION: The unit operates with the push of a single button. This allows the user to cycle through different airflow settings quickly and easily or simply pick the Auto Mode setting.

- **AUTO MODE - SMART CONTROL:** By selecting Auto Mode, the unit automatically adjusts the fan speed according to the contaminate levels that the internal AQI (Air Quality Index) module is reading in real-time. This feature not only provides a hands-free automated process of monitoring the room’s air quality, but it also serves to help the homeowner better manage their power bills.

- **SMART APP WITH REAL-TIME AQI:** Based on World Health Organization established Air Quality Standards, Kronos’ air purifiers display an Air Quality Index reading (AQI) on a scale ranging from 0-500. With a quick glance, the homeowner can easily verify that their immediate environment offers the highest air quality. In addition, each user can install on their mobile phone a Smart App that will display the measure AQI reading. Even from a remote location, the homeowner can not only monitor a specific room’s air quality, but they can also reset the fan speed or even turn the unit off if desired. Therefore, this Smart App serves as a remote control.

- NIGHT MODE: This feature allows the user, if desired, to run the air purifier without the operating lights.
- DETACHABLE AIR QUALITY LASER DETECTOR: The homeowner can use the detachable detector to measure the air quality in “other rooms” throughout the house. Such readings can then be compared to the AQI levels in the room being “cleansed” by the Kronos air purifier. This information can be vital in helping the homeowner decide whether or not to add additional air purifiers to the strategic locations within their living space.
- GREEN FRIENDLY: The need to replace HEPA filters on a periodic basis, as used in our competitor’s room-sized products, creates a secondary problem: “Non-Degradable Waste.” This seems to be an even greater issue than other non-degradable waste since HEPA filters are “collecting and storing” contaminants by their very nature. In fact, depending on the severity of the environment, used HEPA filters may be considered toxic waste. All Kronos room-sized air purifiers using the Kronos Filterless technology offer a “Green Friendly” alternative.

Technology Description and Benefits

The proprietary Kronos technology involves the management of corona discharge by applying high voltage management across paired electrical grids to create an ion exchange. Applications for efficient high voltage management, efficient corona discharge and ion exchange include but are not limited to:

- ☐ air movement, including dielectric fluid movement and propulsion;
- ☐ air purification, including particulate removal, bacterial and viral removal, biohazard destruction, and odor removal;
- ☐ temperature and environmental management, including space heating and cooling;
- ☐ microchip, MEMS and other electronics devices and components cooling;
- ☐ air management, including sorting and separation of air streams by particle content;
- ☐ sound generation, including high fidelity sound recreation and active noise cancellation;
- ☐ high voltage management, including development of high voltage power supplies and control of energy surges and electrical discharges;
- ☐ control of water and moisture content in air streams, including dehumidification and humidification; and
- ☐ water treatment, including water purification, ionization and water desalination.

Independent Testing - Product Claims Platform

A number of the scientific claims of the Kronos technology have been tested by the U. S. and foreign governments, multi-national companies and independent testing facilities. To date, independent laboratory testing has verified the filtration and sterilization capability of the Kronos technology. Summary results from select independent testing facilities are provided below. The tests were conducted in the U.S. unless otherwise indicated.

Filtration Testing Results:

- Environmental Health and Engineering - reduced particle matter by up to 47% compared to days when the Kronos airpurifiers were not operating in the waiting room of a pediatric office while patients were present.
- Aerosol and Air Quality Research Laboratory - up to 99.8% filtration of 0.02 to 0.20-micron (20 to 200 nanometers) size particles;
- LMS Industries - removal of over 99.97% of 0.10 micron (100 nanometers) and above size particles using HVAC industry's ASHRAE 52.2 testing standard for filtration;
- MicroTest Laboratories - HEPA Clean Room Class 1000 quality particulate reduction; and
- Intertek - tobacco smoke elimination tests in accordance with ANSI/AHAM AC-1-1988 standard entitled "American National Standard Method for Measuring Performance of Portable Household Electric Cord-Connected Room Air Cleaners," which demonstrated a Clean Air Delivery Rate ("CADR") for the Kronos air purifier of over 300 for the larger size Kronos air purifier and 80 for the smaller size using consumer filtration testing standards for the Association of Home Appliance Manufacturers ("AHAM").

Sterilization Testing Results

- Environmental Health and Engineering (viral analysis by the University of Wisconsin Department of Pediatrics and Medicine):
 - collection and removal of a wide range of respiratory viruses, including influenza A, influenza B, human rhinoviruses, human coronavirus, respiratory syncytial virus, adenovirus, and bocavirus, from the waiting room of a pediatric office while patients were present.
- Scientific Institution of Health Care, Central Clinical Hospital #2 in Moscow (clinical trial):
 - 100% decontamination of bacteria (*Staphylococcus aureus*) in under one hour and 80% decontamination of general bacteria in under 24 hours from a 48m (3) hospital room while people were present.
- Pulmonary Department of Municipal Hospital #2 in Moscow (clinical trial):
 - 100% decontamination of bacteria (*Staphylococcus aureus*) in under five hours from a 66m (3) hospital room while four patients were present; and
 - 100% decontamination of mildew fungi in under two hours from a 113.2m (3) hospital room.
- Disinfection Research Institute Sterilization Laboratory in Moscow:
 - disinfected a room completely contaminated with Bacteriophage
 - a microorganism which lives in the E. Coli bacteria. (Bacteriophage is widely used in virus testing because the microorganism's biological structure and size share many functional similarities with a wide range of viruses); and
 - 100% decontamination of room infected with bacteria (*Staphylococcus aureus* strain 906 (*S. aureus*) and *Bacillus cereus* strain 96 (*B. cereus*))
 - *S. aureus* is a known cause of hospital-acquired infections, including skin lesions such as boils and furunculosis and more serious infections such as pneumonia and meningitis.
- Institute for Veterinary Medicine in the Ukraine - destroy and sterilize air which had been inseminated with Anthrax and *E. coli* spores;

- New Hampshire Materials Laboratory - up to 95% reduction of hazardous gases, including numerous carcinogens found in cigarette smoke:
- Battelle PNNL - 95% destruction of Bg (anthrax simulant); and
- Dr. Sergey Stoylar, a bacteriologist from the American Bacteriological Society - 100% destruction of *Bacillus subtilis* 168 (bacteria simulant).

Medical Product Approval

In September 2006, the Russian Research Institute of Medical Equipment approved EOL's Kronos-based Tree air purification device for use in hospitals and other healthcare facilities. The device received Category I approval, which means the product has met the strictest regulations required for a device to be used in operating rooms and other areas that require a sterile environment. In November 2006, following the Russian Research Institute approval, the Ministry of Health Care and Social Development of the Russian Federation issued a Registration Certificate that designates the Kronos-based Tree air purification device for medical use.

Market Segmentation

Kronos had an initial business development strategy to attempt to develop and produce products based on the Kronos® technology to six distinct air quality market segments: (1) air movement and purification (residential, health care, hospitality, and commercial facilities); (2) air purification for unique spaces (clean rooms, airplanes, automotive, and cruise ships); (3) specialized military (naval vessels, closed vehicles and mobile facilities); (4) industrial scrubbing (produce storage and diesel and other emissions); and (5) hazardous gas destruction (incineration and chemical facilities).

Technology Application and Product Development

To best serve Kronos' targeted market segments, the Company is developing specific product applications across two distinct product application platforms. A Kronos device can be either used as a standalone product or can be embedded. Standalone products are self-contained and only require the user to plug the Kronos device into a wall outlet to obtain air movement and filtration for their home, office or hotel room. Embedded applications of the Kronos technology require the technology be added into another system, such as a building ventilation system for more efficient air movement and filtration or into an electrical device such as a computer or medical equipment to replace the cooling fan or heat sink.

Standalone Platform

Home and Office use / Products. The Company had developed a residential product SilentNight Air Purifier and in the past sold it through independent sales reps.

Medical Products. The Company is planning to engage in development of Healthcare related products based on our technology.

Commercial and Other Standalone Products. Utilizing our expanded product development resources, in the past Kronos completed the initial design, development and production of a series of small multifunctional devices that can be used as space heaters, vaporizers, disinfectors, deodorizers and/or fans.

Embedded Platform

In addition, Kronos has developed an air filtration and purification mechanism capable of performing to

HEPA quality standards, while eliminating bacteria and viruses. The Company believes that Kronos devices could replace current HEPA filters with a permanent, easily cleaned, low-cost solution. Among the technical advantages of the Kronos technology over HEPA filters is the ability of the Kronos-based devices to eliminate the energy burden on air handling systems, which must generate high levels of backpressure necessary to move air through HEPA-based systems. Kronos-based devices enhance the air flow, while providing better than HEPA level filtration and purification. Kronos is seeking one or more strategic partners to commercialize, market and distribute Kronos based commercial embedded air filtration and purification devices.

Market Segmentation

Kronos' initial business development strategy was to develop and produce products based on the Kronos technology to six distinct air quality market segments: (1) air movement and purification (residential, health care, hospitality, and commercial facilities); (2) embedded cooling and cleaning (electronic devices and medical equipment); (3) air purification for unique spaces (clean rooms, airplanes, automotive, and cruise ships); (4) specialized military (naval vessels, closed vehicles and mobile facilities); (5) industrial scrubbing (produce storage and diesel and other emissions); and (6) hazardous gas destruction (incineration and chemical facilities).

Patents and Intellectual Property

Kronos has received notification that fifteen of its patent applications have been allowed for issuance by the United States Patent and Trademark Office and six of its international patent applications have been allowed for issuance by the Canadian Intellectual Property Office, the Commonwealth of Australia Patent Office and the Mexican Institute of Industrial Property. These patents are considered utility patents which describe fundamental innovations in the generation, management and control of electrostatic fluids, including air movement, filtration and purification. Each of the patents contain multiple part claims for both general principles as well as specific designs for incorporating the Kronos technology into air movement, filtration and purification products. The patents provide protection for both specific product implementations of the Kronos technology, as well as more general processes for applying the unique attributes and performance characteristics of the technology.

U.S. Patents

Date	U.S. Patent #	Patent Title	Description	Protection
August 2008	7,410,531	Method of Controlling Fluid Flow	an electrode array corona including an array of corona electrodes discharge electrodes and an array of acceleration flow	2025
August 2007	7,262,564	Alternative Geometries and Voltage Supply Management	geometry, voltage ratios and power requirements for improved operational performance	2024
July 2007	7,248,003	Electric Field Management	effective electric field management for reduced sparking	2025
October 2006	7,122,070	Method of and Apparatus for Electrostatic Fluid	inertialess power supply for safe operation and spark prevention	2025

Acceleration

July 2006	7,150,780	Electrostatic Air Cleaning Device	method for improving the efficiency of electrodes for filtering micron and sub-micron size particles	2024
May 2006	7,053,565	Electrostatic Fluid Accelerator - Power Management	effective powering of the electrodes for high level of air velocity	2024
November 2005	6,963,479	Electrostatic Fluid Accelerator - Advanced Geometries	advanced voltage management impacts air filtration and sterilization, air flow and ozone as well as safe operation and spark prevention	2023
August 2005	6,937,455	Spark Management Method and Device	analysis, detection and prevention of sparks in a high voltage field - creating safe, effective electrostatic technology Products	2022
May 2005	6,888,314	Electrostatic Fluid Accelerator - Electrode Design Geometries	electrode design geometries and attributes including micro channeling to achieve unique air movement and purification performance	2022
April 2004	6,727,657	Electrostatic Fluid Accelerator for and a Method of Controlling Fluid	synchronization of multiple stages of arrays - increasing air flow and air flow efficiency	2022
December 2003	6,664,741	Method of and Apparatus for Electrostatic Fluid Acceleration Control of a Fluid Flow	ratio of voltage for producing ion discharge to create air movement and base level filtration	2022
January 2003	6,504,308	Electrostatic Fluid Accelerator	electrode density core for producing ion discharge to create air movement and base level filtration	2019

International Patents

Kronos intends to continue to aggressively file patent applications in the U.S. and internationally. On July 13, 2020 Kronos filed for provisional us patent protection for new antibacterial face mask with cellphone radiation protection features.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements of the Company include those of the Company and its subsidiary for the periods in which the subsidiary was owned/held by the Company. All significant intercompany accounts and transactions have been eliminated in the preparation of the consolidated financial statements. At June 30, 2022 and 2021, respectively, the Company had only one subsidiary, Kronos Advanced Technologies, LLC. On March 7, 2022 the Company formed Kronos Advanced Technologies WV Inc as an additional 100 % owned subsidiary -as of 06-30-2022 this subsidiary is not yet operational.

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions made in estimated useful lives of property and equipment, assumptions inherent in a purchase price allocation, accruals for potential liabilities, certain assumptions used in deriving the fair value of derivative liabilities, share-based compensation, and beneficial conversion feature of notes payable, and realization of deferred tax assets.

Stock-Based Compensation

The Company periodically issues stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for stock option and warrant grants issued and vesting to employees based on the authoritative guidance provided by the Financial Accounting Standards Board whereas the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and warrant grants issued and vesting to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board whereas the value of the stock compensation is based upon the measurement date as determined at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option and warrant grants is estimated using the Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's derivative liability of \$302,055 and \$302,055 as of June 30, 2022 and June 30, 2021, respectively and was based on Level 3 measurements.

The carrying amounts of the Company's other financial assets and liabilities, such as cash, prepaid expense, accounts payable and accrued payables and notes payable, approximate their fair values because of the short maturity of these instruments.

Acquisitions and Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from, acquired technology, trademarks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of

derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

All of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts, if any, is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts, estimating losses resulting from the inability of its customers to make required payments for products. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped into categories by the number of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable that the receivable will not be recovered.

Net Income (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares, which primarily consist of convertible notes, stock issuable to the exercise of stock options and warrants have been excluded from the diluted loss per share calculation because their effect is anti-dilutive.

Segments

The Company determined its reporting units in accordance with ASC 280, "Segment Reporting" ("ASC 280"). Management evaluates a reporting unit by first identifying its operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has one consolidated operating segment. The Company's reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company's reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, which range from three to seven years. Expenditures for major renewals and betterments that extend the original estimated economic useful lives of the applicable assets are capitalized. Expenditures for normal repairs and maintenance are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in

operations.

Digital Assets Translations and Remeasurements

Digital Assets are included in current assets in the consolidated balance sheets. Digital Assets are recorded at cost less impairment.

An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

Realized gain (loss) on sale of Digital Assets are included in other income (expense) in the consolidated statements of operations.

The Company assesses impairment of Digital Assets quarterly if the fair value of digital assets is less than its cost basis. The Company recognizes impairment losses on Digital Assets caused by decreases in fair value using the average U.S. dollar spot price of the related Digital Asset as of each impairment date. Such impairment in the value of Digital Assets is recorded as a component of costs and expenses in our consolidated statements of operations. There were no impairment losses related to Digital Assets during the period ended June 30, 2022.

Intangibles

The Company uses assumptions in establishing the carrying value, fair value and estimated lives of the Company's long-lived assets and goodwill. The criteria used for these evaluations include management's estimate of the assets' continuing ability to generate positive income from operations and positive cash flow in future periods compared to the carrying value of the asset, the strategic significance of any identifiable intangible asset in its business objectives, as well as the market capitalization of the Company. Cash flow projections used for recoverability and impairment analysis use the same key assumptions and are consistent with projections used for internal budgeting, and for lenders and other third parties. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Useful lives and related amortization or depreciation expense are based on the Company's estimate of the period that the assets will generate revenues or otherwise be used by Kronos. Factors that would influence the likelihood of a material change in the Company's reported results include significant changes in the assets' ability to generate positive cash flow, loss of legal ownership or title to the asset, a significant decline in the economic and competitive environment on which the asset depends, significant changes in the Company's strategic business objectives, and utilization of the asset.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amounts expected to be realized, but no less than quarterly. Currently the company has not valued any NOL because of the expectation that it will not be used.

Research and Development Expenses

Costs related to research and development are charged to research and development expense as incurred.

Revenue Recognition

The Company accounts for revenues in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. Under ASC 606, revenue is recognized when performance obligations under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products or services to our customers based on written sales terms, which is also when control is transferred. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring the products or services to a customer.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This ASU establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This ASU and all the related amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company adopted this guidance in the first quarter of fiscal 2020, the quarter ended September 30, 2019, using the optional transitional method afforded under ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. Results for reporting periods beginning after the adoption date are presented under Topic 842, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC 840 (see Note 7 - Leases).

The Company elected and applied the available transition practical expedients. By electing these practical expedients, the Company did:

- a. not reassess whether expired or existing contracts contain leases under the new definition of a lease;
- b. not reassess lease classification for expired or existing leases; and
- c. not reassess whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*. The amendments in this ASU align the implementation date for nonpublic entities' annual financial statements with the implementation date for their interim financial statements. In addition, the

amendment clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20; instead impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842: Leases. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825 Financial Instruments. The amendments in this ASU further clarify certain aspects of ASU No. 2016-13. For entities that have not yet adopted ASU No. 2016-13, this ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief. The amendments in this ASU provide transition relief for ASU No. 2016-13 by providing an option to irrevocably elect the fairvalue option for certain financial assets measured at an amortized cost basis. For entities that have not yet adopted ASU No. 2016-13, this ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact this ASU will have on its financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statement presentation or disclosures.

NOTE 3 - REALIZATION OF ASSETS AND GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has sustained losses from operations in recent years, and such losses have continued through the current year ended June 30, 2022. In addition, the Company has used, rather than provided, cash in its operations. The Company has attempted during the period to use its resources to commercialize its technology and develop viable commercial products and to provide for its working capital needs.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financing requirements on a continuing basis, to maintain present financing and to succeed in its future operations. The 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 be necessary should the Company be unable to continue in existence.

NOTE 4. ACQUISITION OF CERTAIN ASSETS

On October 1, 2019, the Company entered into an operating assets purchase agreement wherein the Company acquired three check cashing kiosks operating in the United States. The purchase price for the assets was \$250,000 in the form of a convertible note payable. (See Note 6.)

On June 30, 2021, the Company completed an acquisition that begun on June 18, 2020, wherein the Company acquired an electronics manufacturing facility, all intellectual property belonging to the seller regarding the facility, and all manufacturing equipment within the facility located in Parkersburg, WV. The purchase price for the assets was \$5,800,000 in the form of partial cash payment (\$2,610,000) with the remainder paid in shares totaling \$3,190,000.

Kronos has purchased a turn-key manufacturing campus centrally located in the USA in a Federal Opportunity Zone. This factory is situated on 10.5 acres of land with three buildings: the Main Manufacturing Facility, Auxiliary Facility, and Warehouse totaling 85,000 square feet. This acquisition included Machinery and Equipment,

Intellectual Property, Infrastructure, IT assets, and has completed initial Renovations. This acquisition is a Critical-To- Success Tactic for Kronos in our pursuit of manufacturing our products "In America by Americans" (Transition To America initiative) and executing our Touchless Manufacturing Initiative.

NOTE 5 – INVENTORY VALUATION AND PREPAID EXPENSES

As of June 30, 2022, Kronos has \$227,676 worth of inventory stored partially in their newly acquired manufacturing facility in West Virginia and partially in other 3PL warehouse distribution locations. Majority of their inventory consists of air purifiers and other related products to sell to consumers. Kronos values their inventory based on FIFO (First-In-First-out) accounting method.

As of June 30, 2022, there were no prepaid expenses for Kronos Advanced Technologies Inc.

NOTE 6 - INTANGIBLES

Intangible assets consisted of the following on June 30, 2022

Developed and purchased patent technology	\$ 10,000.00
Less Accumulated Amortization	\$ -
Intellectual Property	\$ 65,974.00
Goodwill	\$ 145,000.00
Net Intangible Assets	\$ 220,974.00

Developed and purchased patent technology includes developed technology as well as property that was acquired in the Kronos acquisition. See Note 1. Management had assessed that the value is not more than \$10,000 and the patents were written down to that amount in 2009.

Intellectual property includes IT software, computer programming software, and other such intangibles assets acquired during the acquisition of the West Virginia manufacturing facility deal.

Intangible assets will be amortized on a straight-line basis over 10 years once operations increase.

NOTE 7 – CONVERTIBLE NOTES PAYABLE

On December 31, 2018, the Company issued a convertible promissory note in the amount of \$1,000,000. The note is due on December 31, 2023, and bears interest at 5% per annum. The loan and any accrued interest may be converted into shares of the Company's common stock at a rate of 80% multiplied by the average of the three lowest trading price during the previous ten (10) day trading period ending on the latest completed trading day prior to the conversion date. Pursuant to current accounting guidelines, the Company recorded a note discount of \$1,000,000 to account for the note's derivative liability. In addition, the Company recorded an amount of discount in excess of the note principal of \$250,000 that was expensed as a financing cost.

On June 30, 2021, The Company converted the entirety of the note into shares eliminating the liability of this note completely.

On October 1, 2019, the Company issued a convertible promissory note in the amount of \$250,000. The note is due on October 1, 2024, and bears interest at 5% per annum. The loan and any accrued interest

may be converted into shares of the Company's common stock at a rate of 80% multiplied by the average of the three lowest trading price during the previous ten (10) day trading period ending on the latest complete trading day prior to the conversion date. Pursuant to current accounting guidelines, the Company recorded a note discount of \$250,000 to account for the note's derivative liability. In addition, the Company recorded an amount of discount in excess of the note principal of \$62,500 that was expensed as a financing cost.

In April 2020 the Company issued four convertible promissory notes with investors totaling \$137,500. These convertible notes payable are due one year from issuance, with interest at 5% per annum and are convertible at 80% multiplied by the Market Price (representing a discount rate of 20%). Market Price is defined as the average of the lowest three (3) trading prices for the common stock during the ten (10) trading day period ending one trading day prior to the date the conversion. Pursuant to current accounting guidelines, the Company recorded a note discount of \$137,500 to account for the note's derivative liability. In addition, the Company recorded an amount of discount in excess of the note principal of \$48,177 that was expensed as a financing cost.

On July 21, 2020, the Company issued a convertible promissory note in the amount of \$100,000. The note is due on July 21, 2021, and bears interest at 5% per annum. The loan and any accrued interest may be converted into shares of the Company's common stock at a rate of 80% multiplied by the average of the three lowest trading price during the previous three (3) day trading period ending on the latest complete trading day prior to the conversion date.

During the period ended June 30, 2022, the Company amortized \$50,000 of debt discount, and as of June 30, 2022, the balance of the unamortized debt discount was \$125,000.

Note 8- Long-Term Liabilities

On June 17th, 2021, West Virginia Economic Development and Authority (WVEDA) approved in a meeting of its board of directors to grant Kronos a loan with the aggregate principal amount not to exceed \$2,610,000. This is to be considered a loan as part of the acquisition of the manufacturing facility in West Virginia. This loan is to serve as a cash payment for the acquisition of the manufacturing facility as part of the agreement. The loan is broken down into real estate improvement loan and equipment loan with repayment terms of 15 years and 10 years respectively.

Interest rates for the two notes are as follows:

1. Loan #1: This loan shall bear interest fixed as of the third business day prior to closing equal to the rate of the 20 Year US Treasury Note rate plus 0.75%. This loan has a floor (minimum) interest rate of 2.75% and shall be adjustable every five years.
2. Loan #2: This loan shall bear interest fixed as of the third business day prior to closing equal to the rate of the Wall Street Journal Prime rate multiplied by 0.75%. This loan has a floor (minimum) interest rate of 2.75%.

Note 9- Derivative Liability

The FASB has issued authoritative guidance whereby instruments which do not have fixed settlement provisions are deemed to be derivative instruments. Certain warrants issued to investors and conversion features of notes payable did not have fixed settlement provisions because either their exercise prices will be lowered if the Company issues securities at lower prices in the future or the conversion price is variable. In addition, since the number of shares to be issued is not explicitly limited, the Company is unable to conclude that enough authorized and unissued shares are available to share settle the conversion option. In accordance with the FASB authoritative guidance, the conversion feature of the notes was separated from the host contract

(i.e., the notes) and the fair value of the warrants have been recognized as a derivative and will be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

The derivative liabilities were valued at the following dates using a Binomial Lattice Model with the following average assumptions:

	June 30, 2022	June 30, 2021
Stock Price	\$ 0.013	\$ 0.057
Risk free interest rate	0.46	0.46
Expected Volatility	424	424
Expected life in years	1.50 -2.25	2.50-3.25
Expected dividend yield	0	0
Fair Value – Warrants	\$ 0	\$ 0
Fair Value – Note Conversion Feature	302,055	302,055
Total	\$ <u>302,055</u>	\$ <u>302,055</u>

The risk-free interest rate was based on rates established by the Federal Reserve Bank. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected life of the derivative securities was determined by the remaining contractual life of the derivative instrument. For derivative instruments that already matured, the Company used the estimated life. The expected dividend yield was based on the fact that the Company has not paid dividends to its common stockholders in the past and does not expect to pay dividends to its common stockholders in the future.

NOTE 10 – LEASES

The Company owns its offices and turn-key manufacturing facility as of June 30, 2022.

NOTE 11 – LEGAL PROCEEDINGS

From time to time, the Company may be subject to routine litigation, claims or disputes in the ordinary course of business. The Company defends itself vigorously in all such matters. In the opinion of management, no pending or known threatened claims, actions or proceedings against the Company are expected to have a material adverse effect on its financial position, results of operations or cash flows. However, the Company cannot predict with certainty the outcome or effect of any such litigation or investigatory matters or any other pending litigations or claims. There can be no assurance as to the ultimate outcome of any such lawsuits and investigations. The Company will record a liability when it believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. The Company periodically evaluates developments in its legal matters that

could affect the amount of liability that it has previously accrued, if any, and makes adjustments as appropriate. Significant judgment is required to determine both the likelihood of there being, and the estimated amount of, a loss related to such matters, and the Company's judgment may be incorrect. The outcome of any proceeding is not determinable in advance. Until the final resolution of any such matters that the Company may be required to accrue for, there may be an exposure to loss in excess of the amount accrued, and such amounts could be material.

NOTE 12 - MAJOR CUSTOMERS

As of June 30, 2022, Kronos' major customers are Walmart.com and School Districts.

NOTE 13 - SEGMENTS OF BUSINESS

The Company operates principally in one segment of business: the Kronos segment licenses, manufactures, and distributes air movement and purification devices utilizing the Kronos technology. The Company operates primarily in the United States of America and Israel.

NOTE 14 - RELATED PARTIES

As of June 30, 2022, in accordance with the Exchange Transaction, GX7 Limited, partially owned by current CTO Joseph Florence, received 91,000,000 shares as part of the purchase agreement of the newly owned warehouse facility by Kronos. This share amount stock represents 13.79% of the issued and outstanding common stock of the Company as of June 30, 2021.

NOTE 15 - STOCKHOLDERS' EQUITY/ (DEFICIT)

During the year ended June 30, 2022, total amount of shares issued and later cancelled throughout the period were 90,000,000 shares.

NOTE 16 - SUBSEQUENT EVENTS

As of June 30, 2022, 4,250,000 shares have been allocated for stock-based compensation. Shares have not been issued and are being held as a liability on the books until issuance of shares.

As of July 05, 2022, Kronos Advanced Technologies issued a one-year convertible note to PharmaConsult LTD in the amount of \$11,074 with an interest rate of 10% per annum.

As of July 21, 2022, Intellicalm's \$100,000 promissory note plus interest due is scheduled to be converted in full at \$0.007 per share for a total of 15,827,850 shares. The shares have not been issued yet, however a resolution for the conversion has been recorded.