

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: March 31, 2019

OR

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

For the transition period from _____ to _____

Commission File Number:

000-55564

KULR TECHNOLOGY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

81-1004273

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

1999 S. Bascom Ave. Suite 700. Campbell, California

(Address of principal executive offices)

95008

(Zip Code)

Registrant's telephone number, including area code: **408-663-5247**

(Former name, former address and former fiscal year, if changed since last report) **N/A**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

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

As of May 9, 2019, there were 80,092,315 shares of Common Stock, \$0.0001 par value, issued and outstanding.

KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2019

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

**KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2019	December 31, 2018
	(unaudited)	
Assets		
Current Assets:		
Cash	\$ 98,476	\$ 229,896
Accounts receivable	32,843	112,224
Inventory	8,304	9,594
Prepaid expenses	34,659	27,033
Other current assets	37,815	27,569
	<u>212,097</u>	<u>406,316</u>
Property and equipment, net	41,791	44,791
	<u>253,888</u>	<u>451,107</u>
Total Assets	\$ 253,888	\$ 451,107
Liabilities and Stockholders' Deficiency		
Current Liabilities:		
Accounts payable	\$ 252,058	\$ 117,995
Accrued expenses and other current liabilities	432,681	374,330
Accrued expenses and other current liabilities - related party	68,919	83,919
	<u>753,658</u>	<u>576,244</u>
Total Current Liabilities	753,658	576,244
Commitments and contingencies		
Stockholders' Deficiency:		
Preferred stock, \$0.0001 par value, 20,000,000 shares authorized; Series A Preferred Stock, 1,000,000 shares designated; none issued and outstanding at March 31, 2019 and December 31, 2018	-	-
Series B Preferred Stock, 31,000 shares designated; 30,858 issued and outstanding at March 31, 2019 and December 31, 2018	3	3
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 78,966,105 and 78,706,256 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	7,897	7,871
Additional paid-in capital	6,474,582	6,283,548
Accumulated deficit	(6,982,252)	(6,416,559)
	<u>(499,770)</u>	<u>(125,137)</u>
Total Stockholders' Deficiency	(499,770)	(125,137)
Total Liabilities and Stockholders' Deficiency	\$ 253,888	\$ 451,107

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

KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended March 31,	
	2019	2018 (revised)
Revenue	\$ 194,952	\$ 228,040
Cost of revenue	<u>61,517</u>	<u>149,947</u>
Gross Profit	<u>133,435</u>	<u>78,093</u>
Operating Expenses:		
Research and development	113,192	119,684
Selling, general and administrative	<u>585,491</u>	<u>784,240</u>
Total Operating Expenses	<u>698,683</u>	<u>903,924</u>
Loss From Operations	<u>(565,248)</u>	<u>(825,831)</u>
Other Expense:		
Interest expense, net	<u>(445)</u>	<u>(14)</u>
Total Other Expense	<u>(445)</u>	<u>(14)</u>
Net Loss	<u>\$ (565,693)</u>	<u>\$ (825,845)</u>
Net Loss Per Share		
- Basic and Diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted Average Number of Common Shares Outstanding		
- Basic and Diluted	<u>78,730,818</u>	<u>77,219,168</u>

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

KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(unaudited)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficiency
	Shares	Amount	Shares	Amount			
Balance - January 1, 2019	30,858	\$ 3	78,706,256	\$ 7,871	\$ 6,283,548	\$ (6,416,559)	\$ (125,137)
Stock-based compensation	-	-	25,000	3	36,057	-	36,060
Common stock issued for cash	-	-	234,849	23	154,977	-	155,000
Net loss	-	-	-	-	-	(565,693)	(565,693)
Balance - March 31, 2019	<u>30,858</u>	<u>\$ 3</u>	<u>78,966,105</u>	<u>\$ 7,897</u>	<u>\$ 6,474,582</u>	<u>\$ (6,982,252)</u>	<u>\$ (499,770)</u>

KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(unaudited)
(revised)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - January 1, 2018	77,440,000	\$ 7,744	\$ 5,090,282	\$ (4,358,320)	\$ 739,706
Stock-based compensation	-	-	182,957	-	182,957
Net loss	-	-	-	(825,845)	(825,845)
Balance - March 31, 2018	<u>77,440,000</u>	<u>\$ 7,744</u>	<u>\$ 5,273,239</u>	<u>\$ (5,184,165)</u>	<u>\$ 96,818</u>

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

KULR TECHNOLOGY GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months Ended March 31,	
	2019	2018 (revised)
Cash Flows From Operating Activities:		
Net loss	\$ (565,693)	\$ (825,845)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	3,000	5,621
Write-down of inventory	90	-
Stock-based compensation	47,940	182,957
Changes in operating assets and liabilities:		
Accounts receivable	79,381	(33,225)
Inventory	1,200	17,957
Prepaid expenses	(7,626)	51,286
Other current assets	(10,246)	-
Accounts payable	134,063	137,407
Accrued expenses and other current liabilities	46,471	31,662
Accrued expenses and other current liabilities - related party	(15,000)	(38,190)
	279,273	355,475
Net Cash Used In Operating Activities	(286,420)	(470,370)
Cash Flows from Financing Activities:		
Proceeds from sale of common stock	155,000	-
Net Cash Provided By Financing Activities	155,000	-
Net Decrease In Cash	(131,420)	(470,370)
Cash - Beginning of Period	229,896	895,761
Cash - End of Period	\$ 98,476	\$ 425,391
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ 446	\$ 65
Income taxes	\$ -	\$ 2,400

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

KULR TECHNOLOGY GROUP, INC. & SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Note 1 Business Organization, Nature of Operations and Basis of Presentation

Organization and Operations

KULR Technology Group, Inc., through its wholly-owned subsidiary, KULR Technology Corporation (collectively referred to as “KULR” or the “Company”), develops and commercializes high-performance thermal management technologies for electronics, batteries, and other components across a range of applications. Currently, the Company is focused on targeting the following applications: electric vehicles and autonomous driving systems (collectively referred to herein as “E-Mobility”); artificial intelligence and Cloud computing; energy storage; and 5G communication technologies. KULR provides heat management solutions to enhance the performance and safety of battery packs used in electric vehicles, communication devices aerospace and defense.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed consolidated financial statements of the Company as of March 31, 2019 and for the three months then ended. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the operating results for the full year ending December 31, 2019 or any other period. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and related disclosures as of December 31, 2018 and for the year then ended, which were filed with the Securities and Exchange Commission (“SEC”) on Form 10-K on March 29, 2019.

Note 2 Going Concern and Management’s Plans

The Company has not yet achieved profitability and expects to continue to incur cash outflows from operations. It is expected that its research and development and general and administrative expenses will continue to increase and, as a result, the Company will eventually need to generate significant product revenues to achieve profitability. These conditions indicate that there is substantial doubt about the Company’s ability to continue as a going concern within one year after the financial statement issuance date.

The Company is currently funding its operations on a month-to-month basis by means of private placements. Although the Company’s management believes that it has access to capital resources, there are currently no commitments in place for new financing at this time and there is no assurance that the Company will be able to obtain funds on commercially acceptable terms, if at all. If the Company is unable to obtain adequate funds on reasonable terms, it may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. The Company’s operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The unaudited condensed consolidated financial statements do not include any adjustment that might become necessary should the Company be unable to continue as a going concern.

Note 3 Summary of Significant Accounting Policies

Since the date of the Annual Report on Form 10-K for the year ended December 31, 2018, there have been no material changes to the Company’s significant accounting policies, except as disclosed in this note.

Note 3 Summary of Significant Accounting Policies – Continued

Concentrations of Credit Risk

The Company maintains cash with major financial institutions. Cash held in U.S. bank institutions is currently insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 at each institution. There were no uninsured cash balances as of March 31, 2019 and December 31, 2018.

Customer concentrations are as follows:

	<u>Revenues</u>		<u>Accounts Receivable</u>	
	<u>For the Three Months Ended</u>		<u>As of</u>	<u>As of</u>
	<u>March 31,</u>		<u>March 31, 2019</u>	<u>December 31, 2018</u>
	<u>2019</u>	<u>2018</u>		
Customer A	61%	*	*	63%
Customer B	17%	*	72%	*
Customer C	*	48%	*	*
Customer D	*	*	*	37%
Customer E	*	47%	*	*
Customer F	*	*	16%	*
Total	<u>78%</u>	<u>95%</u>	<u>88%</u>	<u>100%</u>

* Less than 10%

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, “Revenue from Contracts with Customers” (“ASC 606”). The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation.

The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when the company satisfies a performance obligation.

The Company recognizes revenue primarily from the following different types of contracts:

- Product sales – Revenue is recognized at the point the customer obtains control of the goods and the Company satisfies its performance obligation, which is generally at the time it ships the product to the customer.
- Contract services – Revenue is recognized at the point in time that the Company satisfies its performance obligation under the contract, which is generally at the time it delivers a report to the customer.

Note 3 Summary of Significant Accounting Policies – Continued

Revenue Recognition – Continued

The following table summarizes our revenue recognized in our condensed consolidated statements of operations:

	For the Three Months Ended	
	March 31,	
	2019	2018
Product sales	\$ 169,440	\$ 118,352
Contract services	25,512	109,688
Total revenue	<u>\$ 194,952</u>	<u>\$ 228,040</u>

As of March 31, 2019 and December 31, 2018, the Company did not have any contract assets or contract liabilities from contracts with customers. The contract liabilities represent payments received from customers for which the Company had not yet satisfied its performance obligation under the contract. During the three months ended March 31, 2019 and 2018, \$0 of revenue was recognized from performance obligations satisfied (or partially satisfied) in previous periods.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of common and dilutive common-equivalent shares outstanding during each period. Dilutive common-equivalent shares consist of shares of non-vested restricted stock, if not anti-dilutive.

The following shares were excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	For the Three Months Ended	
	March 31,	
	2019	2018
Non-vested restricted stock	-	125,000
Series B Convertible Preferred Stock	1,542,900	-
Options	300,000	-
Total	<u>1,842,900</u>	<u>125,000</u>

Operating Leases

The Company leases properties under operating leases. For leases in effect upon adoption of Accounting Standards Update (“ASU”) 2016-02, “Leases (Topic 842)” at January 1, 2019 and for any leases commencing thereafter, the Company recognizes a liability to make lease payments, the “lease liability”, and an asset representing the right to use the underlying asset during the lease term, the “right-of-use asset”. The lease liability is measured at the present value of the remaining lease payments, discounted at the Company’s incremental borrowing rate. The right-of-use asset is measured at the amount of the lease liability adjusted for the remaining balance of any lease incentives received, any cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term, any unamortized initial direct costs, and any impairment of the right-of-use-asset. Operating lease expense consists of a single lease cost calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis, variable lease payments not included in the lease liability, and any impairment of the right-of-use asset.

The Company evaluated their operating leases and elected to apply the short-term lease measurement and recognition exemption in which the right of use assets and lease liabilities are not recognized for short-term leases.

Note 4 Accrued Expenses and Other Current Liabilities

As of March 31, 2019 and December 31, 2018, accrued expenses and other current liabilities consisted of the following:

	March 31, 2019	December 31, 2018
	(unaudited)	
Accrued payroll and vacation	\$ 313,575	\$ 252,043
Accrued legal and professional fees	36,280	47,502
Accrued travel expenses	51,660	48,248
Payroll and income tax payable	10,212	12,678
Accrued research and development expenses	-	2,850
Credit card payable	4,938	4,586
Accrued issuable equity	15,840	3,960
Accrued rent	176	176
Other	-	2,287
Total accrued expenses and other current liabilities	<u>\$ 432,681</u>	<u>\$ 374,330</u>

The Company has agreed to issue an aggregate of 25,000 shares of common stock for legal and consulting fees. See Note 6 – Stockholders’ Deficiency – Stock-Based Compensation for details of related expense recognized. As of March 31, 2019, the shares had not been issued and, as a result, \$15,840 of accrued issuable equity at fair value is included within accrued expenses and other current liabilities.

Note 5 Related Party Transactions

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities – related parties consist of a liability of \$68,919 and \$83,919 as of March 31, 2019 and December 31, 2018, respectively, to Energy Science Laboratories, Inc. (“ESLI”), a company controlled by the Company’s Chief Technology Officer (“CTO”), in connection with consulting services provided to the Company associated with the development of the Company’s CFV thermal management solutions in prior periods.

Note 6 Stockholders' Deficiency

Common Stock

During the three months ended March 31, 2019, the Company sold an aggregate of 234,849 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$155,000.

Stock-Based Compensation

During the three months ended March 31, 2019 and 2018, the Company recognized stock-based compensation expense of \$47,940 (which includes the issuance of 25,000 shares of immediately-vested common stock for legal fees) and \$182,957, respectively, related to restricted common stock and stock options which are included within general and administrative expenses on the condensed consolidated statements of operations. As of March 31, 2019, there was \$83,095 of unrecognized stock-based compensation expense that will be recognized over the weighted average remaining vesting period of 2.75 years.

Note 7 Leases

The Company has two operating leases for real estate which have remaining terms that are less than one year. The Company elected not to recognize short-term leases on the balance sheet and all costs were recognized as selling, general and administrative expenses on the condensed consolidated statements of operations. For the three months ended March 31, 2019 and 2018, operating lease expense was \$40,385 and \$15,161, respectively. As of March 31, 2019, the Company does not have any financing leases.

Note 8 Commitments and Contingencies

Patent License Agreement

On March 21, 2018, the Company entered into an agreement with the National Renewable Energy Laboratory (“NREL”) granting the Company an exclusive license to commercialize its patented Internal Short Circuit technology. The agreement shall be effective for as long as the licensed patents are enforceable, subject to certain early termination provisions specified in the agreement. In consideration, the Company agreed to pay to NREL the following: (i) a cash payment of \$12,000 payable over one year, (ii) royalties ranging from 1.5% to 3.75% on the net sales price of the licensed products, as defined in the agreement, with minimum annual royalty payments ranging from \$0 to \$7,500. In addition, the Company shall use commercially reasonable efforts to bring the licensed products to market through a commercialization program that requires that certain milestones be met, as specified in the agreement. As of the date of filing, there had been no sales of the licensed products, such that no royalties had been earned.

Note 9 Subsequent Events

Common Stock

On April 12, 2019, the Company sold an aggregate of 717,120 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$473,300.

On April 30, 2019, the Company conducted a closing for the sale of an aggregate of 409,090 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$270,000, which represented the final closing of its private placement offering of its common stock.

Securities Purchase Agreement

On April 2, 2019, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with the stockholders (the “Sellers”) holding 100% of the ownership interest in TECHTOM Co., Ltd. (“TECHTOM”), a Japanese limited liability company, pursuant to which the Company agreed to purchase from the Sellers, subject to the satisfaction of certain closing conditions, all ownership interests in TECHTOM and any and all claims, notes and other liabilities owed by TECHTOM to the Sellers (the “Acquisition”). Although no assurances can be made that the Acquisition will be completed, upon such Acquisition, TECHTOM would become a wholly-owned subsidiary of the Company.

Pursuant to the Purchase Agreement, the Company agreed to pay the Sellers, against delivery of all Ownership and Claims, the following aggregate acquisition price: (i) \$1,700,000 cash consideration (the “Cash Consideration”); and (ii) one hundred (100) shares of the Company’s Series C Convertible Preferred Stock (“Series C Preferred”), which class of Series C Preferred is to be designated prior to the closing of the Acquisition. It is contemplated that the Series C Preferred will have, among others, the following rights, preferences and limitation: (i) a stated value of \$10,000 per share; (ii) no right to receive dividends; (iii) the right to convert each share into twenty thousand shares of the Company’s common stock, which right is subject to a 4.99% beneficial ownership limitation; and (iv) the right to vote with the Company’s shareholders on an as-converted basis. The rights and preferences of the Series C Preferred are set forth in further detail in the form of Certificate of Designation attached as an exhibit to the Purchase Agreement and which description is qualified in its entirety to such exhibit, which is incorporated herein by reference.

Note 10 Revision of Financial Statements for the Quarter Ended March 31, 2018

During the course of preparing the quarterly report on Form 10-Q for the quarter ended June 30, 2018, the Company identified certain errors related to cost of revenue not being recorded in connection with a product sale to a customer, which resulted in the understatement of its net loss for the three months ended March 31, 2018. The reason for the error was related to certain information not being provided to the Company's accounting staff as a result of the Company's transition of certain accounting duties from its then-Interim Chief Financial Officer, who left the Company in the first quarter of 2018.

The following tables reconcile the prior period as reported balances to the as revised balances:

	March 31, 2018		
	As Reported	Adjustment	As Revised
Condensed Consolidated Balance Sheet:			
Total Current Assets	\$ 698,092	\$ (27,957)	\$ 670,135
Total Assets	\$ 735,964	\$ (27,957)	\$ 708,007
Total Current Liabilities	\$ 560,545	\$ 50,644	\$ 611,189
Total Liabilities	\$ 560,545	\$ 50,644	\$ 611,189
Total Stockholders' Equity	\$ 175,419	\$ (78,601)	\$ 96,818

	For The Three Months Ended March 31, 2018		
	As Reported	Adjustment	As Revised
Condensed Consolidated Statement of Operations:			
Revenue	\$ 228,040	\$ -	\$ 228,040
Cost of Revenue	\$ 49,346	\$ 100,601	\$ 149,947
Operating Expenses	\$ 925,924	\$ (22,000)	\$ 903,924
Loss From Operations	\$ (747,230)	\$ (78,601)	\$ (825,831)
Net Loss	\$ (747,244)	\$ (78,601)	\$ (825,845)
Net Loss Per Share - Basic and Diluted	\$ (0.01)	\$ -	\$ (0.01)
Weighted Average Number of Common Shares Outstanding			
- Basic and Diluted	77,219,168	-	77,219,168

	For The Three Months Ended March 31, 2018		
	As Reported	Adjustment	As Revised
Condensed Consolidated Statement of Cash Flows:			
Cash Flows From Operating Activities:			
Net Loss	\$ (747,244)	\$ (78,601)	\$ (825,845)
Adjustments to reconcile net loss to net cash used in operating activities	\$ 276,874	\$ 78,601	\$ 355,475
Net Cash Used In Operating Activities	\$ (470,370)	\$ -	\$ (470,370)

In accordance with SEC Staff Accounting Bulletin No 108, the Company has evaluated this error, based on an analysis of quantitative and qualitative factors, as to whether it was material to the condensed consolidated statement of operations for the three months ended March 31, 2018 and if amendments of previously filed financial statements with the SEC are required. The Company has determined that quantitatively and qualitatively, the error has no material impact to the condensed consolidated statement of operations for the three months ended March 31, 2018 or other prior periods.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the results of operations and financial condition of KULR Technology Group, Inc. (the “Company”) as of March 31, 2019 and for the three months ended March 31, 2019 and 2018 should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion and analysis should be read in conjunction with the Company’s audited financial statements and related disclosures as of December 31, 2018 and for the year then ended, which are included in the Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 29, 2019. References in this Management’s Discussion and Analysis of Financial Condition and Results of Operations to “us”, “we”, “our” and similar terms refer to the Company. This Management’s Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risk, uncertainties and other factors. These statements are often identified by the use of words such as “may,” “will,” “expect,” “believe,” “anticipate,” “intend,” “could,” “estimate,” or “continue,” and similar expressions or variations. Actual results could differ materially because of the factors discussed in “Risk Factors” elsewhere in this Annual Report, and other factors that we may not know.

Overview

KULR Technology Group, Inc., through our wholly-owned subsidiary KULR Technology Corporation, develops and commercializes high-performance thermal management technologies for electronics, batteries, and other components across an array of applications. Currently, we are focused on targeting the following applications: electric vehicles and autonomous driving systems (collectively referred to herein as “E-Mobility”); artificial intelligence and Cloud computing; energy storage; and 5G communication technologies. Our proprietary, core technology is a carbon fiber material, with roots in aerospace and defense, that provides what we believe to be superior thermal conductivity and heat dissipation in an ultra-lightweight and pliable material. By leveraging our proprietary cooling solutions and that have been developed through longstanding partnerships with NASA, the Jet Propulsion Lab and others, our products and services make E-Mobility products and other products safer and more stable.

Our management believes that the E-Mobility industry has created and will create significant new opportunities for the application of our technology and know-how. We believe these new opportunities will be further driven by certain changing preferences that we’ve observed in younger generations that must increasingly cope with higher population density, global warming, and the rapidly evolving communications and computing needs of their personal devices and the surrounding infrastructure. As a result, we predict that the younger generations will increasingly prefer to attend meetings by video conference; rent a car, bike, or scooter, or call an app-based car service instead of owning a vehicle; and leverage the Cloud to perform tasks traditionally done in person, such as shopping for lunch, clothes, electronics and other consumer goods that also leverages an expanding E-Mobility delivery network.

In addition to evolving demands led by consumer-preferences, we have observed trending manufacturer-led opportunities in industries that have become increasingly more reliant on the Cloud, on portability and on high-demand processing power. For example, car manufacturers are increasingly providing options that take over the responsibility for driving, diagnosing its own service requirements and analyzing on-board systems data and efficiency. The communications and entertainment industries are leveraging increasingly more powerful and portable devices to deliver live and high-definition content and experiences. These innovations will require high bandwidth communication devices that can handle the power drain and computational requirements to keep up with the sophisticated security and software tools that will power these advanced product offerings. As a result of these manufacturer and consumer trends, we believe that the new generations of high-powered, small form-factor semiconductors are out-pacing the development in lithium ion batteries.

The above-described advances in micro technology, portable power, and compact energy efficient devices linked to an ever-widening Internet of Things (“IoT”) via the Cloud are driving opportunities that forms the focus of the Company’s business development plan. We believe that our core technology and historical development focus on improving lithium-ion battery performance and safety, positions us in a competitively advantageous position to enhance key components to the evolving mobile applications for a wide range of consumer products and IoT. We have found that as chip performance increases, power consumption increases, and more heat is generated as a byproduct. When chip size reduces, there is an increased potential for a hot spot on the chip, which can degrade system performance, or even cause spontaneous combustion. However, electronic system components must operate within a specific temperature range on both the high and low end to operate properly. After strenuous testing, we believe we have developed heat management solutions that significantly improve upon traditional heat storage and dissipation solutions and that improve upon their rigidity and durability. We also believe that the traditional solutions are not equipped to handle the evolving marketplace. However, through a combination of custom design services and provision of proprietary hardware solutions, our products reduce manufacturing complexity and provide a lighter weight solution than traditional thermal management materials and, we believe, can meet the heat management demands of components and batteries being designed into the newest mobile technologies and applications.

Our management's growth strategy has put particular focus on targeting E-Mobility applications for its core technology. We believe we are well-positioned to provide a broad range of E-mobility solutions, and intend to expand our business through internal growth and acquisition. In the case of acquisitions, we seek to acquire businesses in related markets that are synergistic to our existing operations, technologies, and management experience. This focus will highlight markets in which we can: (1) integrate our existing technology into the acquiree's product offerings or simultaneously offer our products and services through the acquiree's customer base and channels; (2) gain a leading market position and provide vertically integrated services where we can secure economies of scale, premium market positioning, and operational synergies; and/or (3) establish a leading position in selected markets and channels of the acquiree through a joint broad-based, hi-tech, E-Mobility branding campaign. We have developed an acquisition discipline based on a set of financial, market and management criteria to evaluate opportunities. If we were to successfully close an acquisition, we would seek to integrate it while minimizing disruption to our existing operations and those of the acquired business, while exploiting the technical and managerial synergies from integration.

We have not yet achieved profitability and expect to continue to incur cash outflows from operations. It is expected that our research and development and general and administrative expenses will continue to increase and, as a result, we will eventually need to generate significant product revenues to achieve profitability. These conditions indicate that there is substantial doubt about our ability to continue as a going concern within one year after the financial statement issuance date. Historically, we have been able to raise funds to support our business operations, although there can be no assurance, we will be successful in raising additional funds in the future.

Recent Developments

Common Stock

During the three months ended March 31, 2019, we sold an aggregate of 234,849 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$155,000.

On April 12, 2019, we sold an aggregate of 717,120 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$473,300.

On April 30, 2019, we conducted a final closing for the sale of an aggregate of 409,090 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$270,000, which represented the final closing of our private placement offering of our common stock.

Securities Purchase Agreement

On April 2, 2019, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with the stockholders (the "Sellers") holding 100% of the ownership interest in TECHTOM Co., Ltd. ("TECHTOM"), a Japanese limited liability company, pursuant to which the Company agreed to purchase from the Sellers, subject to the satisfaction of certain closing conditions, all ownership interests in TECHTOM and any and all claims, notes and other liabilities owed by TECHTOM to the Sellers (the "Acquisition"). Although no assurances can be made that the Acquisition will be completed, upon such Acquisition, TECHTOM would become a wholly-owned subsidiary of the Company.

Pursuant to the Purchase Agreement, the Company agreed to pay the Sellers, against delivery of all Ownership and Claims, the following aggregate acquisition price: (i) \$1,700,000 cash consideration (the "Cash Consideration"); and (ii) one hundred (100) shares of the Company's Series C Convertible Preferred Stock ("Series C Preferred"), which class of Series C Preferred is to be designated prior to the closing of the Acquisition. It is contemplated that the Series C Preferred will have, among others, the following rights, preferences and limitation: (i) a stated value of \$10,000 per share; (ii) no right to receive dividends; (iii) the right to convert each share into twenty thousand shares of the Company's common stock, which right is subject to a 4.99% beneficial ownership limitation; and (iv) the right to vote with the Company's shareholders on an as-converted basis. The rights and preferences of the Series C Preferred are set forth in further detail in the form of Certificate of Designation attached as an exhibit to the Purchase Agreement and which description is qualified in its entirety to such exhibit, which is incorporated herein by reference.

Results of Operations

Three Months Ended March 31, 2019 Compared With Three Months Ended March 31, 2018

Revenues

Our revenues consisted of the following types:

	For the Three Months Ended	
	March 31,	
	2019	2018
Product sales	\$ 169,440	\$ 118,352
Contract services	25,512	109,688
Total revenue	<u>\$ 194,952</u>	<u>\$ 228,040</u>

For the three months ended March 31, 2019 and 2018, we generated \$194,952 and \$228,040 of revenues, a decrease of \$33,088, or 15%. The decrease was primarily due to a decrease in service contract completions during the first quarter of 2019.

Our revenues during the three months ended March 31, 2019 consisted of sales of our component product, CFV thermal management solution, ISC battery cell product as well as certain research and development contract services. Our revenues during the three months ended March 31, 2018 consisted of sales of our CFV thermal management solution and PCM heat sinks as well as certain research and development contract services.

Our revenue for the three months ended March 31, 2019 and 2018 was generated from 10 and 4 different customers, respectively.

Cost of Revenues

Cost of revenues consists of the cost of our products as well as labor expenses directly related to product sales or research contract services.

Generally, we earn greater margins on revenue from products compared to revenue from services, so product mix plays an important part in our reported average margins for any period. Also, we are introducing new products at an early stage in our development cycle and the margins earned can vary significantly between period, customers and products due to the learning process, customer negotiating strengths, and product mix.

Our customers and prospective customers are large organizations with multiple levels of management, controls/procedures, and contract evaluation/authorization. Furthermore, our solutions are new and do not necessarily fit into pre-existing patterns of purchase commitment. Accordingly, the business activity cycle between expression of initial customer interest to shipping, acceptance and billing can be lengthy, unpredictable and lumpy, which can influence the timing, consistency and reporting of sales growth.

For the three months ended March 31, 2019 and 2018, cost of revenues was \$61,517 and \$149,947, respectively. The decrease was primarily due to lower sales of higher margin products.

We generated a gross profit of \$133,435 for the three months ended March 31, 2019 as compared to a gross profit of \$78,093 for the three months ended March 31, 2018, representing an improvement in gross profit of \$55,342, or 71%. The gross margin percentage was 68% and 34% for the three months ended March 31, 2019 and 2018, respectively. The increase during the 2019 period resulted primarily from a more favorable product mix being sold as compared to the previous period.

Research and Development

Research and development (“R&D”) includes expenses incurred in connection with the R&D of our CFV thermal management solution. R&D expenses are expensed as they are incurred.

For the three months ended March 31, 2019, R&D expenses decreased by \$6,492 to \$113,192 from \$119,684 for the three months ended March 31, 2018. The decrease is attributable to a decrease in the purchase of R&D consumable supplies.

We expect that our R&D expenses will increase as we expand our future operations.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of salaries, payroll taxes and other benefits, legal and professional fees, stock-based compensation, marketing, travel, rent and office expenses.

For the three months ended March 31, 2019, selling, general and administrative expenses decreased by \$198,749 to \$585,491 from \$784,240 for the three months ended March 31, 2018. The decrease is primarily due to decreased non-cash stock-based compensation expense of approximately \$135,000 due to certain awards becoming fully vested in the second quarter of 2018, decreased salaries and other benefits of approximately \$35,000 from the allocation of employers payroll taxes to cost of goods sold and R&D, decreased professional fees of approximately \$34,000, decreased travel expenses of approximately \$20,000, partially offset by an increase in rent expense of approximately \$25,000 due to entering into a new lease agreement.

Other Expense

For the three months ended March 31, 2019, other expense increased by \$431 to \$445 from \$14 for the three months ended March 31, 2018. The increase in other expense is primarily due to increased interest expense related to the financing of the D&O insurance policy acquired during the fourth quarter of 2018.

Liquidity and Capital Resources

For the three months ended March 31, 2019 and 2018, cash used in operating activities was \$286,420 and \$470,370, respectively. Our cash used in operations for the three months ended March 31, 2019 was primarily attributable to our net loss of \$565,693, adjusted for non-cash expenses in the aggregate amount of \$51,030, partially offset by \$228,243 of net cash provided by changes in the levels of operating assets and liabilities. Our cash used in operations for the three months ended March 31, 2018 was primarily attributable to our net loss of \$825,845, adjusted for non-cash expenses in the aggregate amount of \$188,578, partially offset by \$166,897 of net cash provided by changes in the levels of operating assets and liabilities.

There were no cash flows from investing activities for the three months ended March 31, 2019 and 2018.

For the three months ended March 31, 2019 and 2018, cash provided by financing activities was \$155,000 and \$0, respectively. Our cash provided by financing activities for the three months ended March 31, 2019 was due to the net proceeds of our common stock offering.

We have not yet achieved profitability and expect to continue to incur cash outflows from operations. It is expected that our research and development and general and administrative expenses will continue to increase and, as a result, we will eventually need to generate significant product revenues and/or raise additional capital to fund our operations. These conditions indicate that there is substantial doubt about our ability to continue as a going concern within one year after the financial statement issuance date.

We are currently funding our operations on a month-to-month basis. Although our management believes that we have access to capital resources, there are currently no commitments in place for new financing at this time and there is no assurance that we will be able to obtain funds on commercially acceptable terms, if at all. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures.

Our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which contemplate our continuation as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. The unaudited condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on financial conditions, changes in financial conditions, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

For a description of our critical accounting policies, see Note 3 – Summary of Significant Accounting Policies in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is a smaller reporting company, as defined by Rule 229.10(f)(1), and is not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our management, with the participation of our principal executive officer and principal financial officer, concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

Effective January 1, 2019, we adopted Accounting Standards Codification (“ASC”) 842, “Leases” (“ASC 842”). ASC 842 requires management to make significant judgments and estimates. As a result, we implemented changes to our internal controls related to lease evaluation for the three months ended March 31, 2019. These changes include updated accounting policies affected by ASC 842 as well as redesigned internal controls over financial reporting related to ASC 842 implementation. Additionally, management has expanded data gathering procedures to comply with the additional disclosure requirements.

There has been no change in our internal control over financial reporting that occurred during the first quarter of 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting, except as noted above.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K which was filed with the SEC on March 29, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three months ended March 31, 2019, we sold an aggregate of 234,849 shares of common stock at \$0.66 per share to certain accredited investors in aggregate gross proceeds of \$155,000, which proceeds will be used for general corporate expenses and other research and development expenses. The issuances of securities were made pursuant to the exemption from registration under Section 4(a)(2), Regulation S and Rule 506 of Regulation D under the Securities Act for transactions not involving a public offering and transactions with “accredited investors” as defined under the Securities Act.

On April 12, 2019, we sold an aggregate of 717,120 shares of common stock at \$0.66 per share to accredited investors for aggregate gross proceeds of \$473,300. The issuances of securities were made pursuant to the exemption from registration under Section 4(a)(2), Regulation S and Rule 506 of Regulation D under the Securities Act for transactions not involving a public offering and transactions with “accredited investors” as defined under the Securities Act.

On April 30, 2019, the Company conducted a final closing of a private placement offering of its common stock at \$0.66 per share. In connection with the final closing, the Company received gross proceeds of \$270,000, for which it issued 409,090 shares of common stock to accredited investors. The aggregate proceeds received by the Company in connection with the offering was an aggregate of \$1,612,300, against which the Company issued an aggregate of 2,442,879 shares of common stock. In connection with this offering, the Company and the accredited investors entered into a Subscription Agreement, as supplemented, which Subscription Agreement is filed as Exhibit 10.1 hereto and incorporated herein by reference. The offering was conducted and the issuance of securities were made pursuant to the exemption from registration under Section 4(a)(2), Regulation S and Rule 506 of Regulation D under the Securities Act for transactions not involving a public offering and transactions with “accredited investors” as defined under the Securities Act.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

10.1	Subscription Agreement, as supplemented, for Common Stock Offering
31.1	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Labels*
101.PRE	XBRL Taxonomy Extension Presentation*

*Filed herewith

**Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this quarterly report to be signed on its behalf by the undersigned hereunto duly authorized.

May 14, 2019

By /s/ Michael Mo

Michael Mo
Chief Executive Officer and Chairman
(Principal Executive Officer)

May 14, 2019

By /s/ Simon Westbrook

Simon Westbrook
Chief Financial Officer
(Principal Financial and Accounting Officer)

SUBSCRIPTION AGREEMENT

KT High-Tech Marketing, Inc.
14440 Big Basin Way, #12
Saratoga, California 95070

Ladies and Gentlemen:

1. **Subscription.** The undersigned (the “Purchaser”) by execution of this Subscription Agreement (“Subscription Agreement”), intending to be legally bound, hereby irrevocably agrees to purchase from KT High-Tech Marketing, Inc., a Delaware corporation (the “Company”) the number of shares (the “Shares”) of the Company’s common stock, par value \$0.0001 per share (“Common Stock”), set forth on the signature page hereto at a purchase price equal to \$0.66 per Share, for the aggregate subscription price set forth on the signature page hereto (the “Purchase Price”).

If this subscription is accepted, the Company will signify such acceptance by executing counterparts of this Subscription Agreement and causing one such mutually executed counterpart to be returned to the undersigned. This subscription is submitted to you in accordance with and subject to the terms and conditions described in this Subscription Agreement and all attachments, schedules and exhibits hereto (collectively, the “Subscription Agreement”), including but not limited to the risk factors (“Risk Factors”) set forth on Schedule I hereto, relating to the offering (the “Offering”) by the Company of up to a maximum of 5,000,000 Shares, or \$3,300,000 in Shares (the “Maximum Offering Amount”).

The offering price of the Shares has been unilaterally determined by the Company and is not based on its assets or earnings.

By execution hereof, Purchaser acknowledges that this is an unregistered offering of restricted securities, which securities, subject to the satisfaction of certain requirements, may be sold in accordance with Rule 144. Rule 144 requires at least a six month holding period before shares can be publicly traded (the Company does not currently have a trading symbol and no assurances can be made that it will be assigned a trading symbol or if a trading symbol is assigned that the trading market will develop). Although the Company is currently a reporting issuer in the United States, there is no assurance that it will remain a reporting issuer and/or remain in compliance with all requirements, including without limitation the timely filing of its periodic reports, that allow for Purchasers to transfer restricted securities of the Company in reliance upon Rule 144 or any other exemption to the registration requirement of the Securities Act of 1933, as amended (the “Securities Act”).

Prior to, or simultaneously with, the date of this Agreement, the Company offered up to 31,000 shares of the Company’s Series B Convertible Preferred Stock (the “Preferred B”), having the rights, preferences, qualifications, limitations and restrictions as set forth in the Certificate of Designation in the form attached hereto as Exhibit B, to certain existing accredited shareholders of the Company at a purchase price of \$1.00 per share of Preferred B (the “Preferred B Offering”). **By execution hereof, Purchaser acknowledges the existence of the Preferred B Offering and the effects of the Preferred B Offering on the Purchaser’s investment in the Shares.**

Furthermore, Purchaser acknowledges that a significant portion of the net proceeds of this Offering will be applied to working capital and other general corporate purposes, including but not limited to research and development, capital expenditures, sales and marketing costs and compensation (in the form of salary and bonuses) to officers and directors. Accordingly, the Company's management will have broad discretion as to the application of such proceeds. There can be no assurance that management's use of proceeds generated through this Offering will prove optimal or translate into revenue or profitability for the Company. **Purchasers are urged to consult with their attorneys, accountants and personal investment advisors prior to making any decision to invest in the Company and to carefully review, with the assistance of their attorneys, accountants and personal investment advisors, the Risk Factors set forth on Schedule I hereto, all of the Company's public filings and the information provide by attachment hereto as Exhibit B.**

2. **Payment.** The undersigned shall cause the Purchase Price to be deposited in the escrow account (the "Escrow Account") of Sichenzia Ross Ference Kesner LLP, (the "Escrow Agent"), as escrow agent for the Company, as follows:

(a) by check or money order made payable to the order of, or endorsed to the order of, "Sichenzia Ross Ference Kesner LLP as Escrow Agent for KT High-Tech Marketing, Inc.", and delivered to the Escrow Agent at the following address: 1185 Avenue of the Americas, 37th Floor, New York, NY 10036; or

(b) by wire transfer of immediately available funds to:

Citibank
153 East 53rd Street
23rd Floor
New York, NY 10022
A/C of Sichenzia Ross Ference Kesner LLP
A/C#: 4974921703
ABA#: 021000089
SWIFT Code: CITIUS33
Reference: KT High-Tech Marketing, Inc.

The Escrow Account is a non-interest-bearing account. Funds deposited in the Escrow Account will be held for the Purchaser's benefit, and will be returned promptly, without interest or offset, if (i) this Subscription Agreement is not accepted by the Company, or (ii) the Offering is terminated without the Company withdrawing the undersigned's proceeds from the Escrow Account. All payments delivered to the Company shall be deposited in the Escrow Account of the Escrow Agent as soon as practicable after receipt thereof. Together with the undersigned's payment of the Purchase Price, the undersigned is delivering a properly completed and executed investor questionnaire ("Accredited Investor Certification"), a form of which is attached as Exhibit A hereto.

3. **Closing.**

(a) Closing. Following the Company's receipt of subscriptions for the Shares and the Company's acceptance of such subscriptions, a closing will occur to effect the purchase and sale of such Shares (the "Closing").

(b) Subsequent Closings. The Company may continue to offer and accept subscriptions for the Shares and conduct additional closings (each, a “Subsequent Closing”) for the sale of such Shares after the Closing and until the termination of the Offering. Unless earlier terminated, this Offering will continue until August 31, 2018 unless the Company, in its sole discretion and without notice to Purchasers, extends the offering termination date to October 31, 2018. There may be more than one Subsequent Closing; provided, however, that the final Subsequent Closing shall take place no later than August 31, 2018 (or October 31, 2018 if the Company extends the termination date). The date of any subsequent closing is referred to as a “Subsequent Closing Date.” Notwithstanding the foregoing, no more than \$3,500,000 in Shares will be sold at the Closing and all Subsequent Closings.

The Closing and any applicable Subsequent Closings are each referred to in this Subscription Agreement as a “Closing.” The Closing Date and any Subsequent Closing Dates are sometimes referred to herein as a “Closing Date.”

(c) Closing Deliveries. At or within 10 business days of each Closing, the Company shall deliver to the Purchaser duly executed certificates or evidence of book-entry recordations representing the Shares due to such Purchaser against the Purchaser’s Purchase Price.

4. **Acceptance of Subscription.** The Purchaser understands and agrees that the Company, in its sole discretion, reserves the right to accept or reject this or any other subscription for the Shares, in whole or in part. The Company shall have no obligation hereunder until the Company shall execute and deliver to the Purchaser an executed copy of this Subscription Agreement. If this subscription is rejected in whole or the Offering of Shares is terminated, all funds received from the Purchaser will be returned without interest or offset, and this Subscription Agreement shall thereafter be of no further force or effect. If this subscription is rejected in part, the funds for the rejected portion of this subscription will be returned without interest or offset, and this Subscription Agreement will continue in full force and effect to the extent this subscription was accepted.

5. **Representations and Warranties of the Purchaser .**

The Purchaser hereby acknowledges, represents, warrants, and agrees as follows:

(a) None of the Shares offered pursuant to this Subscription Agreement are registered under the Securities Act, or any state securities laws. The Purchaser understands that the offering and sale of the Shares is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and the provisions of Regulation D (“Regulation D”) or Regulation S (“Regulation S”) as promulgated by the United States Securities and Exchange Commission (the “SEC”) thereunder, based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Subscription Agreement. Notwithstanding the foregoing, if the Purchaser is a Non-U.S. Person (a “Reg S Person”) and intends to rely upon Regulation S, such Purchaser hereby represents that the representations contained in paragraphs (i) through (viii) of this Section 5(a) are true and correct with respect to such Purchaser:

(i) (A) the issuance and sale to such Reg S Person of the Shares is intended to be exempt from the registration requirements of the Securities Act, pursuant to the provisions of Regulation S; (B) it is not a “U.S. Person,” as such term is defined in Regulation S, and is not acquiring the Shares for the account or benefit of any U.S. Person; and (C) the offer and sale of the Shares has not taken place, and is not taking place, within the United States of America or its territories or possessions. Such Reg S Person acknowledges that the offer and sale of the Shares has taken place, and is taking place in an “offshore transaction,” as such term is defined in Regulation S.

(ii) Such Reg S Person acknowledges and agrees that, pursuant to the provisions of Regulation S, the Shares cannot be sold, assigned, transferred, conveyed, pledged or otherwise disposed of to any U.S. Person or within the United States of America or its territories or possessions for a period of six months from and after the closing date of the Offering, unless such securities are registered for sale in the United States pursuant to an effective registration statement under the Securities Act or another exemption from such registration is available. Such Reg S Person acknowledges that it has not engaged in any hedging transactions with regard to the Shares.

(iii) Such Reg S Person consents to the placement of a legend on any certificate or other document evidencing the Shares and understands that the Company shall be required to refuse to register any transfer of securities not made in accordance with applicable U.S. securities laws.

(iv) Such Reg S Person is not a “distributor” of securities, as that term is defined in Regulation S, nor a dealer in securities.

(v) Such Reg S Person understands that the Shares have not been registered under the Securities Act, or the securities laws of any state and are subject to substantial restrictions on resale or transfer. The Shares are “restricted securities” within the meaning of Regulation S and Rule 144, promulgated under the Securities Act.

(vi) Such Reg S Person acknowledges that the Shares may only be sold offshore in compliance with Regulation S or pursuant to an effective registration statement under the Securities Act or another exemption from such registration, if available. In connection with any resale of the Shares pursuant to Regulation S, the Company will not register a transfer not made in accordance with Regulation S, pursuant to an effective registration statement under the Securities Act or in accordance with another exemption from the Securities Act.

(vii) The Purchaser has not acquired the Shares as a result of, and will not itself engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of the Shares which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Shares; provided, however, that the Purchaser may sell or otherwise dispose of the Shares pursuant to registration thereof under the Securities Act and any applicable state and provincial securities laws or under an exemption from such registration requirements;

(viii) Such Reg S Person makes the representations, declarations and warranties as contained in this Section 5(a)(i)-(viii) with the intent that the same shall be relied upon by the Company in determining its suitability as a purchaser of such Securities.

(b) Prior to the execution of this Subscription Agreement, the Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax adviser, if any (collectively, the "Advisers"), have received or accessed and actually reviewed this Subscription Agreement, including the Risk Factors contained in Schedule I hereof, all the Company's public filings filed with the SEC (the "SEC Reports"), the information provide by attachment hereto as Exhibit B, and all other documents requested by the Purchaser, have carefully reviewed them and understand the information contained therein;

(c) All documents, records, and books pertaining to the investment in the Shares (including, without limitation, this Subscription Agreement) have been made available for inspection by such Purchaser and its Advisers, if any;

(d) In making an investment decision Purchasers must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. The Purchaser should be aware that it will be required to bear the financial risks of this investment for an indefinite period of time;

(e) The Purchaser and its Advisers, if any, have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the offering of the Securities and the business, financial condition and results of operations of the Company, and all such questions have been answered to the full satisfaction of the Purchaser and its Advisers, if any;

(f) In evaluating the suitability of an investment in the Company, the Purchaser has not relied upon any representation or information (oral or written) other than as stated in this Subscription Agreement;

(g) The Purchaser is unaware of, is in no way relying on, and did not become aware of the Offering of the Shares through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet (including, without limitation, internet "blogs," bulletin boards, discussion groups and social networking sites) in connection with the Offering and sale of the Shares and is not subscribing for the Shares and did not become aware of the Offering of the Shares through or as a result of any seminar or meeting to which the Purchaser was invited by, or any solicitation of a subscription by, a person not previously known to the Purchaser in connection with investments in securities generally;

(h) The Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby;

(i) The Purchaser, together with its Advisers, if any, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with the Offering to evaluate the merits and risks of an investment in the Shares and the Company and to make an informed investment decision with respect thereto;

(j) The Purchaser is not relying on the Company or any of its employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Shares, and the Purchaser has relied on the advice of, or has consulted with, only its own Advisers;

(k) The Purchaser is acquiring the Shares solely for such Purchaser's own account for investment purposes only and not with a view to or intent of resale or distribution thereof, in whole or in part. The Purchaser has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of the Shares, and the Purchaser has no plans to enter into any such agreement or arrangement;

(l) The Purchaser must bear the substantial economic risks of the investment in the Shares indefinitely because none of the Shares may be sold, hypothecated or otherwise disposed of unless subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available. Legends shall be placed on the Shares to the effect that they have not been registered under the Securities Act or applicable state securities laws and appropriate notations thereof will be made in the Company's stock books. Appropriate notations will be made in the Company's stock books to the effect that the Shares have not been registered under the Securities Act or applicable state securities laws. Stop transfer instructions will be placed with the transfer agent of the Shares. There can be no assurance that there will be any market for resale of the Shares, nor can there be any assurance that the Shares will be freely transferable at any time in the foreseeable future;

(m) The Purchaser understands the substance of and acknowledges the legend that will be placed on the Shares in substantially the following form:

For Non-U.S. Purchasers:

THESE SECURITIES WERE ISSUED IN AN OFFSHORE TRANSACTION TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED HEREIN) PURSUANT TO REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ACCORDINGLY, NONE OF THE SECURITIES TO WHICH THIS CERTIFICATE RELATES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, NONE MAY BE OFFERED OR SOLD IN THE UNITED STATES (AS DEFINED HEREIN) OR, DIRECTLY OR INDIRECTLY, TO U.S. PERSONS (AS DEFINED HEREIN) EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN ACCORDANCE WITH THE SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT.

For U.S. Purchasers:

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS SUBSCRIPTION AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL

(n) The Purchaser is aware that an investment in the Shares is high risk, involving a number of very significant risks;

(o) The Purchaser meets the requirements of at least one of the suitability standards for an “accredited investor” as that term is defined in Regulation D and as set forth on the Accredited Investor Certification attached hereto;

(p) The Purchaser (i) if a natural person, represents that the Purchaser has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Shares, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Shares, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound;

(q) The Purchaser and the Advisers, if any, have had the opportunity to obtain any additional information, to the extent the Company has such information in its possession or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in this Subscription Agreement and all documents received or reviewed in connection with the purchase of the Shares and have had the opportunity to have representatives of the Company provide them with such additional information regarding the terms and conditions of this particular investment and the financial condition, results of operations, business of the Company deemed relevant by the Purchaser or the Advisers, if any, and all such requested information, to the extent the Company had such information in its possession or could acquire it without unreasonable effort or expense, has been provided to the full satisfaction of the Purchaser and the Advisers, if any;

(r) Any information which the Purchaser has heretofore furnished or is furnishing herewith to the Company is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under federal and state securities laws in connection with the offering of securities as described in this Subscription Agreement. The Purchaser further represents and warrants that it will notify and supply corrective information to the Company immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the Shares;

(s) The Purchaser has significant prior investment experience, including investment in non-listed and non-registered securities. The Purchaser is knowledgeable about investment considerations in companies with limited operating histories. The Purchaser has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such a loss should occur. The Purchaser's overall commitment to investments which are not readily marketable is not excessive in view of the Purchaser's net worth and financial circumstances and the purchase of the Shares will not cause such commitment to become excessive. The investment is a suitable one for the Purchaser;

(t) The Purchaser is satisfied that the Purchaser has received adequate information with respect to all matters which it or the Advisers, if any, consider material to its decision to make this investment;

(u) The Purchaser acknowledges that any estimates or forward-looking statements or projections included in this Subscription Agreement were prepared by the Company in good faith but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed by the Company and should not be relied upon;

(v) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or the Advisers, if any, in connection with the Offering which are in any way inconsistent with the information contained in SEC Reports;

(w) Within five (5) days after receipt of a request from the Company, the Purchaser will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject;

(x) The Purchaser's substantive relationship with the Company predates the Company's contact with the Purchaser regarding an investment in the Shares;

(y) **(For ERISA plans only)** The fiduciary of the ERISA plan (the "Plan") represents that such fiduciary has been informed of and understands the Company's investment objectives, policies and strategies, and that the decision to invest "plan assets" (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Purchaser fiduciary or Plan (a) is responsible for the decision to invest in the Company; (b) is independent of the Company or any of its affiliates; (c) is qualified to make such investment decision; and (d) in making such decision, the Purchaser fiduciary or Plan has not relied primarily on any advice or recommendation of the Company or any of its affiliates;

(z) **The Purchaser should check the Office of Foreign Assets Control (“OFAC”) website at <<http://www.treas.gov/ofac>> before making the following representations** . The Purchaser represents that the amounts invested by it in the Company in the Offering were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, the programs administered by OFAC (the “OFAC Programs”) prohibit dealing with individuals¹ or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists;

(aa) To the best of the Purchaser’s knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. The Purchaser acknowledges that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The Purchaser agrees to promptly notify the Company should the Purchaser become aware of any change in the information set forth in these representations. The Purchaser understands and acknowledges that, by law, the Company may be obligated to “freeze the account” of the Purchaser, either by prohibiting additional subscriptions from the Purchaser, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and may also be required to report such action and to disclose the Purchaser’s identity to OFAC. The Purchaser further acknowledges that the Company may, by written notice to the Purchaser, suspend the redemption rights, if any, of the Purchaser if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company or any of the Company’s service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs;

(bb) To the best of the Purchaser’s knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a senior foreign political figure,² or any immediate family³ member or close associate⁴ of a senior foreign political figure, as such terms are defined in the footnotes below; and

¹ These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs

² A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government- owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

³ “Immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.

⁴ A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(cc) If the Purchaser is affiliated with a non-U.S. banking institution (a “Foreign Bank”), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

6. Representations by the Company.

The Company hereby represents and warrants to the Purchaser as follows:

(a) Organization. The Company is a company duly organized and validly existing under the Laws of the State of Delaware and has the requisite corporate power and authority to carry on its business as it is now being conducted. The Company is in good standing under the Laws of Delaware .

(b) Due Authorization; Enforceability . The Company has all right, corporate power and authority to enter into, execute and deliver this Subscription Agreement. The execution and delivery by the Company of this Subscription Agreement and the compliance by the Company with each of the provisions of this Subscription Agreement are within the corporate power and authority of the Company and have been duly authorized by all requisite corporate and other action of the Company. This Subscription Agreement has been duly and validly executed and delivered by the Company, and this Subscription Agreement constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with their respective terms, except as such enforcement is limited by bankruptcy, insolvency and other similar Laws affecting the enforcement of creditors’ rights generally and for limitation imposed by general principles of equity, regardless of whether enforcement is sought at law or in equity and insofar as indemnification and contribution provisions may be limited by applicable Law.

(c) Subsidiaries . Except as set forth in the SEC Reports, the Company does not own any securities or other interests in any corporation or other Person having the power to elect a majority of that corporation’s or other Person’s board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person. “Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

(d) Capitalization .

(i) The SEC Reports contain information about the authorized capital of the Company and the issued and outstanding shares of each class of authorized capital. All of the outstanding equity securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable.

(ii) Except as set forth in the SEC Reports, as defined below, there are no (i) outstanding subscriptions, warrants, options, calls, rights of first offer, rights of first refusal, tag along rights, drag along rights, subscription rights, conversion rights, exchange rights, or commitments or rights of any character relating to or entitling any Person to purchase or otherwise acquire any equity securities of the Company or requiring the Company to issue or sell any equity securities, (ii) obligations or securities convertible into or exchangeable for shares of any equity securities of the Company or any commitments of any character relating to or entitling any Person to purchase or otherwise acquire any such obligations or securities, (iii) statutory preemptive rights or preemptive rights granted under the organizational documents of the Company, (iv) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to the Company, or (v) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares. There are no stockholder agreements, voting trusts, proxies or other agreements, instruments or understandings with respect to the purchase, sale, transfer or voting of the outstanding shares of equity securities of the Company. There are no commitments under which the Company is obligated to repurchase, redeem, retire or otherwise acquire any equity securities of the Company.

(iii) The Shares have been duly authorized and when issued and delivered in accordance with the terms of this Subscription Agreement, will be validly issued and outstanding, fully paid and non-assessable (in jurisdictions where such concept is recognized), free and clear of any and all encumbrances and not subject to the preemptive or other similar rights of any shareholders of the Company, other than restrictions imposed by applicable securities Laws, including, but not limited to the statutes of the State of Delaware.

(e) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “Exchange Act”), including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “SEC Reports”) and when filed, each SEC Report was in compliance in all material respects with the requirements of its report form, the Exchange Act and the Securities Act. All proxy statements, reports, registration statements, schedules, forms and other documents required to be filed with the SEC by the Company under the Exchange Act and the Securities Act after the date hereof through the relevant Closing Date will, if and when filed, be in compliance in all material respects with the requirements of its respective report form, the Exchange Act and the Securities Act and will not, at the time they are filed or declared effective, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; provided, however, that any failure by the Company to file any proxy statement, report, registration statement, schedule, form and other documents shall not constitute a breach of this Section 6.

(f) Litigation. Except as set forth in the SEC Reports, there is no claim, action, suit, investigation or proceeding pending or, to the Company's knowledge, threatened before any court, arbitrator or other governmental entity. Except as disclosed in the SEC Reports, the Company is not in default under or in breach of any order, judgment, injunction or decree of any court, arbitrator or other governmental entity.

(g) No Conflicts or Violation; Consents and Approvals. Neither the execution, delivery or performance by the Company of this Subscription Agreement, nor the consummation of the transactions contemplated hereby will:

(i) conflict with, or result in a breach or a violation of, any provision of the organizational documents of the Company or (ii) constitute a breach, violation or default, or give rise to any right of termination, modification, cancellation, prepayment, suspension, limitation, revocation or acceleration, under any (1) law applicable to or binding on the Company or (2) provision of any commitment to which the Company is a party, except in the case of clause (a) (ii)(2), where such conflict, breach, violation or default would not result in a Material Adverse Change. "Material Adverse Change" means any material adverse change on the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole; and

(ii) apart from the filing of a Form D with the SEC after the issuance of the Shares, if applicable, require the Company to make or obtain the consent, waiver, agreement, approval, permit or authorization of, or declaration, filing, notice or registration to or with, or assignment by, any governmental entity or any Person that is not a governmental entity (including any party to any commitment to which the Company is a party to).

(h) Compliance. Except as set forth in the SEC Reports, neither the Company nor its subsidiaries (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), nor has the Company or its subsidiaries received written notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or governmental authority, and (iii) is in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws applicable to its business, except in each case as could not have or reasonably be expected to result in a Material Adverse Change.

(i) Transactions With Affiliates and Employees. None of the officers or directors of the Company and, to the knowledge of the Company, none of the employees of the Company is presently a party to any transaction with the Company or its subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of \$500,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option, restricted stock or other compensation-related agreements under any equity plan of the Company.

(j) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 6, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers as contemplated hereby.

(k) Investment Company. The Company is not, and immediately after receipt of payment for the Shares, and for so long as any Purchaser holds any Shares, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended. The Company is not controlled by an "investment company" and shall not take any actions that would cause the Company to be controlled by an "investment company".

(l) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12 (b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration.

(m) No Payment of Transfer Taxes. No transfer, documentary, stamp, sales, use and other taxes have been or will be required or imposed by reason of, the transfer of the Shares to the Purchasers.

(n) Office of Foreign Assets Control. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department. "Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act.

(o) Money Laundering. The operations of the Company are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

7. **Indemnification.**

(a) The Purchaser agrees to indemnify and hold harmless the Company and its officers, directors, employees, agents, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of any actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Purchaser of any covenant or agreement made by the Purchaser herein or in any other document delivered in connection with this Subscription Agreement.

(b) The Company agrees to indemnify and hold harmless the Purchaser and its officers, directors, employees, agents, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of any actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Company of any covenant or agreement made by the Company herein or in any other document delivered in connection with this Subscription Agreement.

8. **Irrevocability; Binding Effect.** The Purchaser hereby acknowledges and agrees that the subscription hereunder is irrevocable by the Purchaser, except as required by applicable law, and that this Subscription Agreement shall survive the death or disability of the Purchaser and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives, and permitted assigns. If the Purchaser is more than one person, the obligations of the Purchaser hereunder shall be joint and several and the agreements, representations, warranties, and acknowledgments herein shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives, and permitted assigns.

9. **Modification.** This Subscription Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

10. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or delivered against receipt to the party to whom it is to be given (a) if to the Company, at the address set forth above, or (b) if to the Purchaser, at the address set forth on the signature page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 10). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof.

11. **Assignability.** This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser and the transfer or assignment of the Shares shall be made only in accordance with all applicable laws.

12. **Applicable Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be wholly- performed within said State.

13. **Arbitration.** The parties agree to submit all controversies to arbitration in accordance with the provisions set forth below and understand that:

- (a) Arbitration is final and binding on the parties.
- (b) The parties are waiving their right to seek remedies in court, including the right to a jury trial.
- (c) Pre-arbitration discovery is generally more limited and different from court proceedings.

(d) The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by arbitrators is strictly limited.

(e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(f) All controversies which may arise between the parties concerning this Subscription Agreement shall be determined by arbitration pursuant to the rules then pertaining to the Financial Industry Regulatory Authority, Inc. ("FINRA") in New York City, New York. Judgment on any award of any such arbitration may be entered in the Supreme Court of the State of New York or in any other court having jurisdiction of the person or persons against whom such award is rendered. Any notice of such arbitration or for the confirmation of any award in any arbitration shall be sufficient if given in accordance with the provisions of this Agreement. The parties agree that the determination of the arbitrators shall be binding and conclusive upon them.

14. **Blue Sky Qualification.** The purchase of Shares under this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Shares from applicable federal and state securities laws. The Company shall file such notices and related documents as necessary to permit the Shares to be sold without registration under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification).

15. **Use of Pronouns.** All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

16. **Confidentiality.** The Purchaser acknowledges and agrees that any information or data the Purchaser has acquired from or about the Company, not otherwise properly in the public domain, was received in confidence. The Purchaser agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or The Company or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company or The Company, including any scientific, technical, trade or business secrets of the Company or The Company and any scientific, technical, trade or business materials that are treated by the Company or The Company as confidential or proprietary, including, but not limited to, ideas, discoveries, inventions, developments and improvements belonging to the Company or The Company and confidential information obtained by or given to the Company or The Company about or belonging to third parties.

17. **Miscellaneous .**

(a) This Subscription Agreement, together with all attachments, schedules and exhibits hereto, and the Accredited Investor Certification, constitute the entire agreement between the Purchaser and the Company with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Subscription Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

(b) The representations and warranties of the Purchaser made in this Subscription Agreement shall survive the execution and delivery hereof and delivery of the Shares.

(c) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(d) This Subscription Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

(g) The Purchaser understands and acknowledges that there may be multiple closings for this Offering.

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INVESTOR INFORMATION

Investor Name(s): _____
(As is will appear on the Shares)

Individual Executing Profile or Trustee (If Applicable): _____

SSN / Federal I.D. # _____

Marital Status: _____

Date of Birth: _____

Joint Party Date of Birth: _____

Investment Experience (Years): _____

Joint Party is Spouse? yes no

Date of Organization (entities): _____

Total Assets (for entities, including irrevocable trusts, only): _____

Primary Street Address: _____

Primary City, State & Zip Code: _____

Home Phone: _____

Home Fax: _____

Mobile Phone: _____

Email: _____

Employer: _____

Type of Business: _____

Business Street Address: _____

Business City, State & Zip Code: _____

Business Phone: _____

Business Fax: _____

SECURITIES DELIVERY INSTRUCTIONS (Check One)

- Please deliver my securities to the Primary address listed above.
- Please hold my securities in book-entry form with the Issuer or the Transfer Agent, if applicable.
- Please deliver my securities to the following address: _____

[Signature Page Follows]

SIGNATURE PAGE

SIGNATURE PAGE

By execution and delivery of this signature page, you (the "Investor") hereby subscribe to purchase the Shares indicated below, for the aggregate purchase price indicated below, pursuant to the terms and conditions of this Subscription Agreement (the "Subscription Agreement"). You further (i) acknowledge and agree that you have read and understand this Subscription Agreement, including the representations and warranties in the section entitled "Representations and Warranties of the Purchaser," (ii) represent and warrant that the statements contained in this Subscription Agreement are complete and accurate with respect to you, and (iii) acknowledge and agree that your offer to subscribe to purchase the Shares indicated below, for the aggregate purchase price indicated below, is irrevocable and that the Company may decline to accept your offer in its sole discretion.

INVESTOR:

If Investor is an Individual :

Print Name: _____

Signature: _____

Social Security # or Fed ID #: _____

Print Name (if joint investment): _____

Signature: _____

Social Security # or Fed ID # _____

If Investor is an entity :

Name of Signatory: _____

Signature: _____

Title: _____

Telephone No. _____

Social Security # or Fed ID # _____

Street Address

Street Address – 2nd line

City, State, Zip

Investment Amount:

Number of Shares Purchased: _____

Purchase Price Per Share: \$0.66

Aggregate Purchase Price: _____

Date: _____

THE COMPANY:

Agreed and accepted as of the _____ day of _____, 2018.

KT HIGH-TECH MARKETING, INC.,
a Delaware corporation

By: _____

Name:

Title:

EXHIBIT A

ACCREDITED INVESTOR

CERTIFICATION

CERTIFICATE FOR INDIVIDUAL INVESTORS

If the investor is an individual, including married couples and IRA accounts of individual investors, please complete, date and sign this Certificate. The undersigned certifies that the representations and responses below are true and accurate:

The investor has full power and authority to invest in the Company.

If the investment is to be held jointly, each investor must execute and deliver the Omnibus Signature Page and initial their individual investor status.

- Individual Joint Tenants
- IRA Tenants in Common
- Tenants in the Entirety Community Property
- Grantor of a Revocable Trust (Identify each grantor and indicate under what circumstances the trust is revocable by the grantor.):
_____ Check if any Grantor is
deceased, disabled or legally incompetent.

INDIVIDUAL INVESTOR STATUS

In order for the Company to offer and sell the Shares in conformance with state and federal securities laws, the following information must be obtained regarding your investor status. Please initial each category applicable to you as an investor in the Company.

Annual Income: _____ **Net Worth:** _____ **Liquid Net Worth:** _____

- 1 _____ I certify that I have a net worth, or joint net worth with my spouse, in excess of \$1 million. For purposes of the foregoing net worth **(Initial if Applicable)** calculation, I have excluded my/our primary residence, and I have not included any indebtedness secured by my/our primary residence as a liability, unless the amount of such indebtedness exceeds the fair market value of my/our primary residence at the time of purchase, in which event the amount of such indebtedness that exceeds the fair market value of my/our primary residence is included as a liability in determining my net worth or my joint net worth with my spouse.
- 2 _____ I certify that I have had an annual gross income for the past two years of at least \$200,000 (or \$300,000 jointly with my spouse) and **(Initial if Applicable)** expect my income (or joint income, as appropriate) to reach the same level in the current year.
- 3 _____ I certify that I am a director or executive officer of the Company. **(Initial if Applicable)**

ADDITIONAL SUITABILITY CERTIFICATION (INDIVIDUALS)

(a) Please describe your current employment, including the company by which you are employed and its principal business:

(b) Please describe any college or graduate degrees held by you:

(c) Please list types of prior investments:

(d) Please state whether you have participated in other private placements before:

YES NO

(e) If your answer to question 7(d) above was “YES”, please indicate frequency of such prior participation in private placements of:

	Public Companies	Private Companies	Public or Private Financial Services Companies
Frequently	_____	_____	_____
Occasionally	_____	_____	_____
Never	_____	_____	_____

(f) For individual Investors, do you expect your current level of income to significantly decrease in the foreseeable future?

YES NO

(g) For all Investors, do you have any other investments or contingent liabilities which you reasonably anticipate could cause you to need sudden cash requirements in excess of cash readily available to you?

YES NO

(h) For all Investors, are you familiar with the risk aspects and the non-liquidity of investments such as the securities for which you seek to subscribe?

YES NO

(i) For all Investors, do you understand that there is no guarantee of financial return on this investment and that you run the risk of losing your entire investment?

YES NO

ADDITIONAL SUITABILITY CERTIFICATION (INDIVIDUALS) (Continued)

(j) Are you affiliated or associated with a FINRA member firm (please check one)?

YES

NO

If Yes, please describe:

*If Investor is a Registered Representative with a FINRA member firm, have the following acknowledgment signed by the appropriate party:

The undersigned FINRA member firm acknowledges receipt of the notice required by Article 3, Sections 28(a) and (b) of the Rules of Fair Practice.

Name of FINRA Member Firm

By: _____ Date: _____
Authorized Officer

INDIVIDUAL CERTIFICATION

The undersigned certifies that the representations and responses above are true and accurate and further certifies that the undersigned has the authority to execute and deliver this Subscription Agreement and to take other actions with respect thereto.

The undersigned further certifies under penalty of perjury that:

- (a) The undersigned's correct social security / federal taxpayer identification number is set forth above, and
- (b) The undersigned is not subject to backup withholding.

Investor Name: _____

Investor Name (if joint investment): _____

By (Signature) : _____

By (Signature) : _____

Date: _____

Date: _____

**CERTIFICATE FOR CORPORATE, PARTNERSHIP, LIMITED LIABILITY COMPANY,
TRUST, FOUNDATION AND JOINT INVESTORS**

If the Investor is a corporation, partnership, limited liability company, trust, pension plan, foundation, joint Investor (other than a married couple) or other entity, an authorized officer, partner, or trustee must complete, date and sign this Certificate.

- | | |
|--|--|
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Irrecoverable Trust | <input type="checkbox"/> Pension, Profit Sharing, Money Purchase, Keogh or 401(k) Plan; IRA or other employee benefit plan |
| <input type="checkbox"/> Other form of organization: _____ | |

Indicate the approximate date the undersigned entity was formed: _____

NOTE: PLEASE PROVIDE A COPY OF THE ORGANIZATIONAL DOCUMENTATION. (i.e., Article of Incorporation, Partnership Agreement, Operating Agreement, Trust Agreement, etc.)

FOR ERISA PLANS ONLY:

Is the Investor a "Benefit Plan Investor" or acquiring the Shares on behalf of any entity which is a "Benefit Plan Investor," as such term is defined in Appendix A (for entities only, including IRA investors)?

- yes no

Investors answering "yes" above, please check each box that accurately describes the Investor:

- The Investor, or the entity on whose behalf the Investor is acquiring the Interests, **IS** a "Benefit Plan Investor" but **IS NOT** an "ERISA Investor" as such terms are defined in Appendix A.
- The Investor, or the entity on whose behalf the Investor is acquiring the Interests, **IS** an ERISA Investor that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), but **IS NOT** subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Please notify the Company immediately if you checked the above box and the ERISA Investor subsequently becomes subject to Title I of ERISA.

- The Investor, or the entity on whose behalf the Investor is acquiring the Interests, **IS** an ERISA Investor that **IS** subject to Title I of ERISA.

If the Investor answered "yes" above, is the Investor obligated to file an annual return/report on an IRS Form 5500 Series form?

- yes * no

** Investors answering "yes" please provide the following information:*

Investor's plan name: _____
Investor's plan number: _____
Name of plan sponsor: _____
EIN of plan sponsor: _____

ENTITY FORM OF PAYMENT

- Wire funds will be made from my outside account according to the wiring instructions contained herein.
- Other: _____ (specify form of payment).

ENTITY INVESTOR STATUS

In order for the Company to offer and sell the Shares in conformance with state and federal securities laws, the following information must be obtained regarding your investor status. Please initial each category applicable to you as an investor in the Company.

- 1 _____ A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in
(Initial if Applicable) Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
- 2 _____ A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;
(Initial if Applicable)
- 3 _____ An insurance company as defined in Section 2(13) of the Securities Act;
(Initial if Applicable)
- 4 _____ An investment company registered under the Investment Company Act of 1940 or a business development company as defined
(Initial if Applicable) in Section 2(a)(48) of that Act;
- 5 _____ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the
(Initial if Applicable) Small Business Investment Act of 1958;
- 6 _____ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political
(Initial if Applicable) subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- 7 _____ An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment
(Initial if Applicable) decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- 8 _____ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
(Initial if Applicable)
- 9 _____ Any partnership or corporation or any organization described in Section 501(c)(3) of the Internal Revenue Code or similar
(Initial if Applicable) business trust, not formed for the specific purpose of acquiring the Shares, with total assets in excess of \$5,000,000;
- 10 _____ A trust (including a revocable trust and an irrevocable trust) ,with total assets in excess of \$5,000,000, not formed for the
(Initial if Applicable) specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2) (ii) of the Securities Act; or
- 11 _____ An entity (other than an irrevocable trust) in which all of the equity owners* qualify under any of the above subparagraphs
(Initial if Applicable) described herein. If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and have each equity owner complete and deliver the Certification for Individual Investors (Note: an "equity owner" for the purposes of this Questionnaire means (1) stockholders in the case of a corporation, (2) limited partners only in the case of a limited partnership, (3) general partners in the case of a general partnership, (4) members in the case of a limited liability company, (5) partners in the case of a limited liability partnership, (6) grantor(s) in the case of a trust revocable at the sole option of grantor(s):

ADDITIONAL SUITABILITY CERTIFICATION (ENTITIES)

(a) Please list types of prior investments:

(b) Please state whether you have participated in other private placements before:

YES

NO

(c) If your answer to question 12(b) above was "YES", please indicate frequency of such prior participation in private placements of:

	Public Companies	Private Companies	Public or Private Financial Services Companies
Frequently	_____	_____	_____
Occasionally	_____	_____	_____
Never	_____	_____	_____

(d) For trust, corporate, partnership and other institutional Investors, do you expect your total assets to significantly decrease in the foreseeable future:

YES

NO

(e) For all Investors, do you have any other investments or contingent liabilities which you reasonably anticipate could cause you to need sudden cash requirements in excess of cash readily available to you:

YES

NO

(f) For all Investors, are you familiar with the risk aspects and the non-liquidity of investments such as the securities for which you seek to subscribe?

YES

NO

(g) For all Investors, do you understand that there is no guarantee of financial return on this investment and that you run the risk of losing your entire investment?

YES

NO

[Remainder of page intentionally left blank]

ADDITIONAL SUITABILITY CERTIFICATION (ENTITIES) (Continued)

(h) Are you affiliated or associated with a FINRA member firm (please check one)?

YES

NO

If Yes, please describe:

*If Investor is a Registered Representative with a FINRA member firm, have the following acknowledgment signed by the appropriate party:

The undersigned FINRA member firm acknowledges receipt of the notice required by Article 3, Sections 28(a) and (b) of the Rules of Fair Practice.

Name of FINRA Member Firm

By: _____ Date: _____
Authorized Officer

[Remainder of page intentionally left blank]

ENTITY CERTIFICATION

The undersigned certifies that the representations and responses above are true and accurate:

The investor has been duly formed and validly exists and has full power and authority to invest in the Company. The person signing on behalf of the undersigned has the authority to execute and deliver this Subscription Agreement on behalf of the Investor and to take other actions with respect thereto and certifies further that this Subscription Agreement has been duly and validly executed on behalf of the undersigned entity and constitutes a legal and binding obligation of the undersigned entity.

The undersigned further certifies under penalty of perjury that:

- (a) The undersigned's correct federal taxpayer identification number is set forth above, and
- (b) The undersigned is not subject to backup withholding.

Investor Name: _____

By (Signature): _____

Name (Print): _____

Title: _____

Date: _____

EXHIBIT B

CERTIFICATE OF DESIGNATION
OF
SERIES B CONVERTIBLE PREFERRED STOCK

Schedule I

Risk Factors

An investment in the Shares involves a high degree of risk and is subject to many uncertainties. **In addition to the risk factors specific to this offering set forth below, the risk factors set forth in Item 1A, “Risk Factors,” in the Company’s Annual Report on Form 10-K, the Company’s Current Report on Form 8-K filed on June 19, 2017 and any other SEC Report, are incorporated herein by reference.** These risks and uncertainties may adversely affect the Company’s business, operating results and financial condition. In such an event, the trading price, if one were to exist after the Company is approved to have a trading symbol assigned to it, for Common Stock could decline substantially, and you could lose all or part of your investment. In order to attain an appreciation for these risks and uncertainties, you should read all risk factors in their entirety and consider all of the information and advisements contained in the Subscription Agreement and all other related agreements or certificates and all other documents requested by the Purchaser, including the following risk factors and uncertainties and the SEC Reports.

RISKS RELATED TO THIS OFFERING

There will be restrictions on resale of the Shares and there is no assurance of the registration of the Shares.

None of the Shares may be sold unless, at the time of such intended sale, there is a current registration statement covering the resale of the Shares or there exists an exemption from registration under the Securities Act, and such Securities have been registered, qualified, or deemed to be exempt under applicable securities or “blue sky” laws in the state of residence of the seller or in the state where sales are being effected. The Company has no current intention of filing a registration statement covering the resale of the Shares. If no registration statement is filed and declared effective covering the resale of any of the Shares sold pursuant to this Subscription Agreement, Purchasers will be precluded from disposing of such Securities unless such Securities may become eligible to be disposed of under the exemptions provided by Rule 144 under the Securities Act without restriction. If the Shares are not registered for resale under the Securities Act, or exempt therefrom, and registered or qualified under applicable securities or “blue sky” laws, or deemed exempt therefrom, the value of such securities will be greatly reduced.

The Company was at one time a “shell company” as defined in Rule 12b-2 under the Exchange Act. Pursuant to Rule 144(i), securities issued by a current or former shell company (that is, the Shares) that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 unless at the time of a proposed sale pursuant to Rule 144, the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and has filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports.

Furthermore, Purchasers investing in the Shares being offered in reliance upon Regulation S may only be able to sell the Shares in offshore transactions in compliance with Regulation S or pursuant to an effective registration statement under the Securities Act or another exemption from such registration, if available. In connection with any resale of the Shares pursuant to Regulation S, the Company will not register a transfer not made in accordance with Regulation S, pursuant to an effective registration statement under the Securities Act or in accordance with another exemption from the Securities Act.

We have significant discretion over the use of certain of the net proceeds.

A significant portion of the net proceeds of this Offering will be applied to working capital and other general corporate purposes, including but not limited to research and development, capital expenditures, sales and marketing costs and compensation (in the form of salary and bonuses) to officers and directors. Accordingly, our management will have broad discretion as to the application of such proceeds. There can be no assurance that management's use of proceeds generated through this Offering will prove optimal or translate into revenue or profitability for the Company. Purchasers are urged to consult with their attorneys, accountants and personal investment advisors prior to making any decision to invest in the Company.

Greater risk of loss to the early investors than to later investors .

There is no minimum offering amount. Consequently, the Company can close on any sum raised, and do so on a rolling basis. As a result, there can be no assurance that the Company will raise a minimally sufficient amount of capital enabling it to continue operations. If the Company fails to raise a sufficient amount of capital to continue its business, such failure may lead to investors losing their entire investment. In addition, if the Company raises an appreciable sum that is nevertheless substantially less than the amount equivalent of a sale of the Maximum Offering Amount, the Company is likely to have insufficient funds to fully implement its current business strategy. Therefore, the sale of a minimal number of Shares could have material, adverse consequences on the Company's business, financial condition and future outlook.

Because there is no minimum required for the Offering to close, investors in this Offering will not receive a refund in the event that we do not sell an amount of Shares sufficient to pursue the business goals of the Company .

There is no minimum offering amount for this Offering. Because there is no minimum offering amount, investors could be in a position where they have invested in our company, but we are unable to fulfill our objectives or proceed with our operations due to a lack of interest in this Offering. If this were to occur, we may be forced to curtail or abandon our operations with a loss to investors who purchase Securities in this Offering. Purchasers' funds will not be returned under any circumstances whether during or after the Offering.

The offering price for the Shares has been arbitrarily determined by us.

The offering price of the Shares was arbitrarily determined by us. The price of the Shares does not necessarily bear any relationship to established valuation criteria such as earnings, book value or assets. Rather, the price of the Shares may be derived as a result of our negotiations with investors based upon various factors including prevailing market conditions, our future prospects and our capital structure. These prices do not necessarily accurately reflect the actual value of the Shares or the price that may be realized upon disposition of the Shares.

An investment in our securities is speculative and there can be no assurance of any return on any such investment.

An investment in the Shares is speculative and there is no assurance that Purchasers will obtain any return on their investment. Purchasers will be subject to substantial risks involved in an investment in the Company, including the risk of losing their entire investment.

We do not intend to pay dividends for the foreseeable future.

We have paid no dividends to date and it is not anticipated that any dividends will be paid to holders of our securities in the foreseeable future. While our future dividend policy will be based on the operating results and capital needs of the business, it is currently anticipated that any earnings will be retained to finance our future expansion and for the implementation of our business plan. You should take note of the fact that a lack of a dividend can further affect the market value, if any, of our stock, and could significantly affect the value of any investment in us.

Your ownership interest is subject to dilution.

Each Purchaser's proportionate ownership interest may be diluted when we issue additional shares of our common stock or upon conversion of the shares of Preferred B sold or to be sold in the Preferred B Offering. We may raise additional capital in the future through additional sales of shares of our common stock or other securities convertible or exercisable into shares of our common stock, and your percentage interest in our common stock would be diluted if you do not participate in such additional sales.

*******The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Shares. Purchaser should read this entire Subscription Agreement, including Schedule I that is made an integral part hereof and all SEC Reports, and consult with its own advisors before deciding to purchase the Shares.*******

FORWARD-LOOKING STATEMENTS

We have included in this Subscription Agreement certain forward-looking statements. Such statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of vision, strategy or outlook, including statements related to revenues and profitability, pricing and competition, the continued viability of our technology, our growth and expansion plans, including retaining new employees, compliance with governmental regulations, our intellectual property protection strategies, payment of dividends, the volatility and the market, if any, of and for our common stock, dilution, trading restrictions, use of proceeds and the need for additional debt or equity funding. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control and, consequently, our actual results may differ materially from those projected by any forward-looking statements. See the section titled "Risk Factors" on Schedule I and those described under the heading "Risk Factors" contained in the Company's Annual Report on Form 10-K, the Company's Current Report on Form 8-K filed on June 19, 2017, and any other SEC Report, are incorporated herein by reference, for information regarding certain important factors that could cause our actual results to differ materially from those projected in our forward-looking statements. Our forward-looking statements contained herein speak only as of the date of this Agreement. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statements are made.

**SUPPLEMENT #1 TO
KULR TECHNOLOGY GROUP, INC.
CONFIDENTIAL SUBSCRIPTION AGREEMENT**

THE DATE OF THIS SUPPLEMENT IS OCTOBER 30, 2018

This supplement to Confidential Subscription Agreement (the “Supplement”) supplements the Confidential Subscription Agreement (“Subscription Agreement”) of KULR Technology Group, Inc., formerly KT High-Tech Marketing, Inc. (the “Company”), entered into by and between the Company and the undersigned. The purpose of this Supplement is to supplement and replace certain terms of the Subscription Agreement, as more fully described below.

This Supplement is incorporated by reference into, and should be read in conjunction with, the Subscription Agreement. This Supplement is not complete without, and may not be delivered or utilized except in connection with the Subscription Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Subscription Agreement.

By accepting this Supplement, you agree to hold all information contained herein in the strictest confidence and not to use this information for any purpose other than to analyze an investment in the Company. Failure to comply with this directive can result in a violation of the Securities Act of 1933, as amended, and rules and regulations promulgated thereunder. Any further distribution or reproduction of this Supplement or the Subscription Agreement, in whole or in part, or the disclosure of any of its contents by an offeree, is unauthorized.

Except as expressly set forth in this Supplement, the Subscription Agreement, including all disclosures therein and all exhibits thereto, shall continue unmodified.

You are receiving this Supplement because you have received a copy of the Subscription Agreement. By executing and returning this Supplement, you are acknowledging (i) your receipt of this Supplement, and (ii) that you are aware of the changes to the provisions in the Subscription Agreement as described in this Supplement.

Extension of the Offering Period to December 31, 2018

This Supplement is deemed to supplement and replace dates in the Subscription Agreement relating to the period during which the Shares will be offered and the termination of such period, which was extended from August 31, 2018 (as extended to October 31, 2018) to **December 31, 2018**. The following information contained in the Subscription Agreement is hereby amended and superseded:

Section 3(b) is hereby amended and replaced with the following:

(b) Subsequent Closings. The Company may continue to offer and accept subscriptions for the Shares and conduct additional closings (each, a “Subsequent Closing”) for the sale of such Shares after the Closing and until the termination of the Offering. Unless earlier terminated, this Offering will continue until December 31, 2018 unless the Company, in its sole discretion and without notice to Purchasers, extends the offering termination date to January 31, 2019. There may be more than one Subsequent Closing; provided, however, that the final Subsequent Closing shall take place no later than December 31, 2018 (or January 31, 2019 if the Company extends the termination date). The date of any subsequent closing is referred to as a “Subsequent Closing Date.” Notwithstanding the foregoing, no more than \$3,500,000 in Shares will be sold at the Closing and all Subsequent Closings.

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[ACKNOWLEDGEMENT SIGNATURE PAGE TO THE SUPPLEMENT]

By signing below, the undersigned (i) agrees to continue as a subscriber in the Offering pursuant to the terms of the Offering as revised and amended by this Supplement included herewith, as described herein; (ii) represents and warrants to the Company that he/she/it has read and reviewed this Supplement and that he/she/it fully understands the revised terms of the Offering, as described herein; and (iii) confirms all prior representations, warranties and understandings made in the Subscription Agreement as of this ___ day of _____, 201_.

INDIVIDUALS:

Print Name

Signature

Print Name of joint investor or
other person whose signature is
required

Signature

ENTITIES:

Print Name of Entity

Print Name of Authorized Signatory

Signature of Authorized Signatory

**SUPPLEMENT #2 TO
KULR TECHNOLOGY GROUP, INC.
CONFIDENTIAL SUBSCRIPTION AGREEMENT**

THE DATE OF THIS SUPPLEMENT IS JANUARY 31, 2019

This supplement #2 to the Confidential Subscription Agreement (“Supplement #2”) supplements the Confidential Subscription Agreement (“Subscription Agreement”), as amended by Supplement #1 (“Supplement #1”), of KULR Technology Group, Inc., formerly KT High-Tech Marketing, Inc. (the “Company”), entered into by and between the Company and the undersigned. The purpose of this Supplement #2 is to supplement and replace certain terms of the Subscription Agreement, as more fully described below.

This Supplement #2 is incorporated by reference into, and should be read in conjunction with, the Subscription Agreement. This Supplement #2 is not complete without, and may not be delivered or utilized except in connection with the Subscription Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Subscription Agreement.

By accepting this Supplement #2, you agree to hold all information contained herein in the strictest confidence and not to use this information for any purpose other than to analyze an investment in the Company. Failure to comply with this directive can result in a violation of the Securities Act of 1933, as amended, and rules and regulations promulgated thereunder. Any further distribution or reproduction of this Supplement #2 or the Subscription Agreement, in whole or in part, or the disclosure of any of its contents by an offeree, is unauthorized.

Except as expressly set forth in this Supplement #2, the Subscription Agreement, including all disclosures therein and all exhibits thereto, shall continue unmodified.

You are receiving this Supplement #2 because you have received a copy of the Subscription Agreement. By executing and returning this Supplement #2, you are acknowledging (i) your receipt of this Supplement #2, and (ii) that you are aware of the changes to the provisions in the Subscription Agreement as described in this Supplement #2.

Extension of the Offering Period to April 15, 2019

This Supplement is deemed to supplement and replace dates in the Subscription Agreement relating to the period during which the Shares will be offered and the termination of such period, which was extended, pursuant to Supplement #1, from August 31, 2018 (as extended to October 31, 2018) to December 31, 2018 and, pursuant to this Supplement #2, to **April 15, 2019 (subject to an extension of up to 30 days at the sole discretion of the Company’s Board of Directors)**. The following information contained in the Subscription Agreement is hereby amended and superseded:

Section 3(b) is hereby amended and replaced with the following:

(b) Subsequent Closings. The Company may continue to offer and accept subscriptions for the Shares and conduct additional closings (each, a “Subsequent Closing”) for the sale of such Shares after the Closing and until the termination of the Offering. Unless earlier terminated, this Offering will continue until April 15, 2019 unless the Company, in its sole discretion and without notice to Purchasers, extends the offering termination date by up to an additional 30 days. There may be more than one Subsequent Closing; provided, however, that the final Subsequent Closing shall take place no later than April 15, 2019 (or up to an additional 30 days thereafter if the Company extends the termination date). The date of any subsequent closing is referred to as a “Subsequent Closing Date.” Notwithstanding the foregoing, no more than \$3,500,000 in Shares will be sold at the Closing and all Subsequent Closings.

Completion of Series B Preferred Offering

As discussed in the Subscription Agreement, the Company conducted a private placement of its Series B Convertible Preferred Stock, par value \$0.0001 per share (the "Preferred B Stock"). On November 30, 2018, the Company closed a sale of 31,000 shares (the "Shares") of the Preferred B Stock at a purchase price of \$1.00 per Share, for aggregate gross proceeds of \$31,000. The rights, limitations and preferences of the Preferred B Stock are set forth in the Certificate of Designation of Series B Convertible Preferred Stock (the "Series B Certificate of Designation"), including the right of holders to convert each Share into fifty (50) fully paid and non-assessable shares of Common Stock. Holders of the Preferred B Stock are not entitled to receive dividends, nor do they have a right to vote with respect to their Preferred B Stock. On November 30, 2018, the Company filed the Series B Certificate of Designation with the Secretary of State of the State of Delaware.

The foregoing description of the Series B Certificate of Designation is not complete and is qualified in its entirety by reference to the full text of the Series B Certificate of Designation filed as an exhibit to the Company's Form 8-K filed on December 6, 2018.

Issuance of Series A Preferred to the Company's CEO, Michael Mo

On December 28, 2018, the twentieth day after the Company mailed to all required shareholders the Information Statement of the Company dated December 4, 2018, the Company was deemed authorized by ratifying vote of its majority shareholders and the authorization granted by the Company's Board of Directors, to issue 1,000,000 share of its Series A Voting Preferred Stock, par value \$0.0001 per share (the "Preferred A Stock") to the Company's Chief Executive Officer, Michael Mo. The rights, limitations and preferences of the Preferred A Stock are set forth in the Certificate of Designation of Series A Voting Preferred Stock (the "Series A Certificate of Designation"), including the right of its holder to cast one hundred (100) votes for each share of Preferred A Stock. Holders of the Preferred A Stock are not entitled to receive dividends, nor do they have rights to distribution from the assets of the Company in the event of any liquidation, dissolution, or winding up of the Company. On June 6, 2017, the Company filed the Series A Certificate of Designation with the Secretary of State of the State of Delaware.

The foregoing description of the Series A Certificate of Designation is not complete and is qualified in its entirety by reference to the full text of the Series A Certificate of Designation filed an exhibit to the Company's Form 8-K filed on June 12, 2017.

Although the Company has not formally issued the shares of Preferred A Stock to Mr. Mo, when the shares are formally issued, the voting power of the Company's shareholders will become highly concentrated in its insiders. The Company's officers and directors and affiliates, together, will have an aggregate voting power equal to 142,550,000 votes of an aggregate 178,706,256 votes that could be cast (based on the votes allocable to the Preferred A Stock and the 78,706,256 shares of Common Stock currently issued and outstanding), which is the equivalent of approximately 79.8% of the combined voting power of the securities holders of the Company. Such concentrated control of the Company may adversely affect the value of Common Stock. If you acquire Common Stock, you may have no effective voice in the Company's management. In addition, sales by the Company's insiders or affiliates, along with any other market transactions, could affect the value of Common Stock.

Increase in Company's authorized Common Stock

On December 31, 2018, the Company filed a certificate of amendment (the "Certificate of Amendment") to its Certificate of Incorporation, with the Secretary of State of the State of Delaware, to effectuate an increase to the number of authorized shares of common stock of the Company. Pursuant to the Certificate of Amendment, the Company increased the number of authorized shares of Common Stock to 500,000,000 from 100,000,000 (the "Authorized Increase"). The number of authorized shares of the Company's preferred stock remains at 20,000,000. The Authorized Increase was approved by the written consent of the majority shareholders of the Company as of and on November 5, 2018, as described in the Company's Form 14C Information Statement filed on December 4, 2018. The Certificate of Amendment became effective upon filing with the State of Delaware on December 31, 2018.

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[ACKNOWLEDGEMENT SIGNATURE PAGE TO SUPPLEMENT #2]

By signing below, the undersigned (i) agrees to continue as a subscriber in the Offering pursuant to the terms of the Offering as revised and amended by this Supplement #2 included herewith, as described herein; (ii) represents and warrants to the Company that he/she/it has read and reviewed this Supplement #2 and that he/she/it fully understands the revised terms of the Offering, as described herein; and (iii) confirms all prior representations, warranties and understandings made in the Subscription Agreement as of this ___ day of _____, 2019.

INDIVIDUALS:

Print Name

Signature

Print Name of joint investor or
other person whose signature is
required

Signature

ENTITIES:

Print Name of Entity

Print Name of Authorized Signatory

Signature of Authorized Signatory

Certification of
Principal Executive Officer
of KULR TECHNOLOGY GROUP, INC.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Mo, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of KULR Technology Group, Inc.;
- 2) Based on my knowledge, this quarterly report 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 quarterly report;
- 3) Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d. Disclosed in this quarterly report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2019

/s/ Michael Mo

Michael Mo
Chief Executive Officer
(Principal Executive Officer)

Certification of
Principal Financial Officer
of KULR TECHNOLOGY GROUP, INC.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Simon Westbrook, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of KULR Technology Group, Inc.;
- 2) Based on my knowledge, this quarterly report 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 quarterly report;
- 3) Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d. Disclosed in this quarterly report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2019

/s/ Simon Westbrook

Simon Westbrook
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of KULR Technology Group, Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2019

By /s/ Michael Mo

Michael Mo
Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2019

By /s/ Simon Westbrook

Simon Westbrook
Chief Financial Officer
(Principal Financial and Accounting Officer)
