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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

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

For the transition period from _____________to___________________________

Commission File No. 000-56380

HARMONY ENERGY TECHNOLOGIES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**83-2756695**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
165 Broadway, FL 23 New York, New York	**10006**
(Address of principal executive offices)	(Zip Code)

(212) 602-1188
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $0.0001 per share
(Title of class)

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 (§232.405 of this chapter) 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

21,155,079 shares of common stock were issued and outstanding as of November 14, 2022.

HARMONY ENERGY TECHNOLOGIES CORPORATION

Form 10-Q
For the Fiscal Quarter Ended September 30, 2022
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HARMONY ENERGY TECHNOLOGIES CORPORATION
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

As of September 30, 2022 and December 31, 2021

	Note	September 30, 2022	December 31, 2021
ASSETS			
Current Assets:			
Cash		32,090	119,357
VAT recoverable		48,869	54,947
Prepaid expenses and other assets		17,472	34,494
Inventory		-	13,412
Total Current Assets		98,431	222,210
Non-Current Assets:			
Equipment	6	1,505	2,131
Total Assets		**99,936**	**224,341**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		166,029	134,187
Loan payable	7	479,571	189,717
Loan from related parties	7,9	73,564	464,653
Total Liabilities		719,164	788,557
Stockholders' Equity:			
Share capital	5	2,115	1,978
Additional paid in capital	5	1,791,185	1,653,822
Accumulated deficit		(2,401,701)	(2,183,207)
Accumulated other comprehensive loss		(10,827)	(36,809)
Total Stockholders' Equity		**(619,228)**	**(564,216)**
Total Liabilities and Stockholders' Equity		**99,936**	**224,341**

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

Approved on behalf of the Board

"Christian Guilbaud", Director

"Kenneth Charles Grainger", Director

HARMONY ENERGY TECHNOLOGIES CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the three-month and nine-month periods ended September 30, 2022 and 2021

		(in US Dollars)			
		Three-month periods ended		Nine-month periods ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue		-	6,652.00	-	6,652
Cost of goods sold		-	-	-	(5,408)
Gross Profit		-	6,652	-	1,244
Operating Expenses					
Marketing Expense		(7,352)	-	(7,514)	-
Research and development		(18,481)	(10,844)	(38,756)	(28,485)
Professional and management fees	8	(43,652)	(35,001)	(152,321)	(117,662)
Office and general	8	(16,762)	(46,603)	(58,572)	(96,736)
Stock based compensation	5	(36,000)	(234,000)	(36,000)	(239,000)
Depreciation	6	(138)	(1,421)	(430)	(9,747)
Financial expenses		(11,692)	(34,927)	40,007	(88,728)
Total Operating Expenses		(134,077)	(362,796)	(253,586)	(580,358)
Operating Loss		**(134,077)**	**(356,144)**	**(253,586)**	**(579,114)**
Other Income (Expenses)					
Interest income		-	-	-	512
Foreign exchange loss		19,034	23,864	35,092	16,759
Loss, Net of Income Tax		**(115,043)**	**(332,280)**	**(218,494)**	**(561,843)**
Foreign currency translation differences of foreign operations		14,944	731	25,982	(2,110)
Net Loss and Other Comprehensive Loss		**(100,099)**	**(331,549)**	**(192,512)**	**(563,953)**
Basic net income per share		(0.005)	(0.024)	(0.010)	(0.05)
Weighted average number of common shares outstanding		20,228,449	13,556,538	19,931,178	12,529,919

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

HARMONY ENERGY TECHNOLOGIES CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

As of September 30, 2022 and December 31, 2021

	Note	Number of Common Share	Par Value	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
		(in US Dollars)					
Balance - January 1, 2021		**10,842,079**	**1,084**	**760,916**	**(1,344,101)**	**(31,806)**	**(613,907)**
Shares issued for private placement	5	3,581,880	358	357,830	-	-	358,188
Shares issued for debt settlement	9	2,126,120	213	212,399	-	-	212,612
Shares issued to Officers and Consultants as compensation	5	239,000	239	238,761	-	-	239,000
Net loss		-	-	-	(561,843)	-	(561,843)
Foreign currency translation differences of foreign operations		-	-	-	-	(2,110)	(2,110)
Balance - September 30, 2021		**16,789,079**	**1,894**	**1,569,906**	**(1,905,944)**	**(33,916)**	**(368,060)**
Balance - January 1, 2022		**19,780,079**	**1,978**	**1,653,822**	**(2,183,207)**	**(36,809)**	**(564,216)**
Shares issued for private placement		475,000	47	47,453	-	-	47,500
Shares issued for debt settlement		540,000	54	53,946	-	-	54,000
Shares issued to Officers and Consultants as compensation		360,000	36	35,964	-	-	36,000
Net loss		-	-	-	(218,494)	-	(218,494)
Foreign currency translation differences of foreign operations		-	-	-	-	25,982	25,982
Balance - September 30, 2022		**21,155,079**	**2,115**	**1,791,185**	**(2,401,701)**	**(10,827)**	**(619,228)**

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

HARMONY ENERGY TECHNOLOGIES CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month and nine-month periods ended September 30, 2022 and 2021

		(in US Dollars)			
		Three-month periods ended		Nine-month periods ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
OPERATING ACTIVITIES					
Net loss		(115,043)	(332,280)	(218,494)	(561,843)
Non-cash items:					
Interest income		-	-	-	(497)
Stock based compensation	5	36,000	234,000	36,000	239,000
Gain on disposal		-	(16,759)	-	(16,759)
Depreciation	6	335	1,623	627	9,747
Interest expense		11,527	26,570	(40,274)	79,735
Rent expense		-	13,869	-	37,761
Loss on foreign exchange gain and loss		19,034	732	35,092	(2,110)
Exchange differences on translation from functional to presentation currency		14,944	-	25,982	-
Change in non-cash working capital items					
Prepaid expenses and other assets		24,942	(4,658)	36,511	(37,279)
Accounts payable and accrued liabilities		(20,891)	(12,002)	(10,211)	60,429
Deferred revenue		-	(7,533)	-	(2,443)
Cash Flow from Operating Activities		**(29,152)**	**(96,438)**	**(134,767)**	**(194,259)**
INVESTING ACTIVITIES					
Purchase of new equipment		-	(1,631)	-	(1,631)
Repayment received from other party		-	-	-	44,025
Cash Flow from Investing Activities		**-**	**(1,631)**	**-**	**42,394**
FINANCING ACTIVITIES					
Proceeds from private placement	5	47,500	238,188	47,500	358,188
Lease payment		-	(12,840)	-	(38,486)
Cash Flow from Financing Activities		**47,500**	**225,348**	**47,500**	**319,702**
Effect of foreign exchange rate fluctuation on cash		-	(284)	-	(284)
Net change in cash during the period		18,348	126,995	(87,267)	167,553
Cash, beginning of period		13,742	104,548	119,357	63,990
Cash, end of period		**32,090**	**231,543**	**32,090**	**231,543**

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

HARMONY ENERGY TECHNOLOGIES CORPORATION
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in United States Dollars)

For the three-month and nine-month periods ended September 30, 2022 and 2021

NOTE 1. NATURE OF OPERATION

Harmony Energy Technologies Corporation ("Harmony" or "Company") designs, develops, and markets power solutions integrated with lithium-ion battery technologies. The Company is headquartered in New York, New York. The Company's common stock is not listed or quoted on any market at this moment.

On June 19, 2018, Harmony was registered under the General Corporation Law of the State of Delaware, USA, as a subsidiary of Golden Share Resources Corporation ("Golden Share").

On January 14, 2019, the Company completed the spin off from Golden Share with its energy storage business.

On September 1, 2020, the Company completed the acquisition of Shenzhen Smarten Technology Co., Ltd. ("Smarten").

NOTE 2. GOING CONCERN ASSUMPTION

These financial statements have been prepared on the basis of the going concern assumption which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has not yet determined when its business can generate income or cash flows. As of September 30, 2022, the Company has an accumulated deficit of $2,401,701(deficit of $2,183,207 on December 31, 2021) and working capital deficit of $620,733 (deficit of $566,347 on December 31, 2021) which will not be sufficient to support the Company's needs for cash during this and the coming year. In addition, the COVID-19 pandemic has had a significant negative impact on the Company's interim condensed consolidated financial statements as of September 30, 2022, and management expects the pandemic to continue to have a negative impact in the foreseeable future, the extent of which is uncertain and largely subject to whether the severity of the pandemic worsens, or duration lengthens. In the event that the COVID-19 pandemic and the economic disruptions it has caused continue for an extended period of time the Company cannot assure that it will remain in compliance with the financial covenants in its credit facilities. The Company will require additional funding to be able to develop the business and to meet ongoing requirements for general operations. These factors indicate that material uncertainties exist which may cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional funds to further develop the business and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

NOTE 3. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

These interim condensed consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP")

The financial statements have been approved and authorized for issue by the Board of Directors on November 14, 2022.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Smarten. Smarten is a company registered in China. All significant intercompany accounts and transactions have been eliminated in consolidation.

Business combinations

We account for the acquisition of Smarten as a business combination under the acquisition method of accounting, which means that the acquired assets and the liabilities assumed are recorded at their acquisition date at their respective fair values. Any excess of the purchase price over the estimated fair value of the net assets acquired is recorded as goodwill. Acquisition-related costs are expensed as incurred in the consolidated financial statements. Significant judgments are used in determining the estimated fair values assigned to the assets acquired and liabilities assumed and in determining estimates of useful lives of long-lived assets acquired. Estimates of the fair value of assets acquired, and liabilities assumed are based upon assumptions believed to be reasonable, and when appropriate, include assistance from independent third-party appraisal firms. While we use our best estimates and assumptions to value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Overpayments are best addressed through subsequent impairment testing of goodwill. However, when there is evidence to suggest that the business combination transaction is not an exchange of equal values, such overpayments should be expensed at acquisition date.

Functional and presentation currency

The financial statements are presented in United States dollars, which is also the functional currency of the Company. The functional currency of Smarten is Chinese Renminbi Yuan (“CNY”).

Foreign currency transactions and balances

In respect of transactions denominated in currencies other than the Company and its subsidiaries’ functional currencies, the monetary assets and liabilities are remeasured at the period end rates. Revenue and expenses are re-measured at rates of exchange prevailing on the transaction dates. All the exchange gains or losses resulting from these transactions are recognized in the consolidated statements of operations.

When the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into United States dollars at the exchange rate in effect at the balance sheet date. Share capital, contributed surplus, other comprehensive (loss) income, and accumulated deficits are translated into United States dollars at historical exchange rates. Revenues and expenses are translated into United States dollars at the average exchange rate for the year. Foreign exchange gains and losses on translation are included in other comprehensive (loss) income.

Right-of-use assets & lease liabilities

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date according to ASC 842 Leases. Right-of-use assets are measured in cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Currently, the Company only have the leases with terms of 12 months or less, the Company elects to not recognize lease assets and liabilities, instead recognize lease expense on a straight-line basis, generally, over the term of the lease.

Cash

Cash consists of cash on hand and deposits in banks with no restrictions.

Inventories

Inventories are stated at the lower of the cost or net realizable value and include raw materials, work in progress and finished goods. Cost is determined as follows: Raw Materials and Work in Progress ("WIP") – Cost is determined on a standard cost basis utilizing the weighted average cost of historical purchases, which approximates actual cost. The cost of WIP and finished goods includes the cost of raw materials and the applicable share of the cost of labor and fixed and variable production overheads.

The Company regularly evaluates the value of inventory based on a combination of factors including the following: historical usage rates, product end of life dates, technological obsolescence and product introductions. The Company includes demonstration units within inventories. Proceeds from the sale of demonstration units are recorded as revenue.

Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation commences when the asset is available for use and is charged to the consolidated statements of net loss on a straight-line basis over the useful life of the asset as outlined below:

Equipment	3 years
Furniture and fixtures	5 years

When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the consolidated balance sheets, and any resulting gain or loss is reflected in the consolidated statements of operations.

Revenue recognition

The Company adopted Accounting Standards Codification ("ASC") 606 "Revenue from contract with customers" ("ASC 606") on June 19,2018 (the incorporation date) using the modified retrospective method for all contracts not completed as of the date of adoption.

The Company generates revenue from the sales of its products. According to ASC 606, revenue is recognized based on the following five steps: (1) identification of the contract(s) with the customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; and (4) allocation of the transaction price to the separate performance obligations in the contract; and (5) recognition of revenue when (or as) the entity satisfies a performance obligation.

Cost of goods sold

For product sales, the costs of goods sold are recognized upon shipment to the customer or distributor.

Impairment of long-lived assets

The Company accounts for the impairment of long-lived assets in accordance with FASB, Accounting Standards Codification ("ASC") 360-10, "Accounting for the Impairment of Long-Lived Assets". This standard requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the assets' carrying amounts may not be recoverable. For assets that are to be held and used, impairment is assessed when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying values. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of the carrying value and estimated net realizable value. During the nine months period ended September 30, 2022 and 2021, there was no impairment of long-lived assets.

Fair value measurement

Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provision of the financial instrument. Subsequently, all financial instruments are measured at amortized cost using the effective interest method.

The financial instruments of the Company consist of cash, accounts receivable, loan receivable, accounts payable and accrued liabilities, loan payable, and lease liability. The fair value of financial instruments approximate their carrying value due to their short-term nature.

The Company measures the fair value of its financial assets and liabilities using the fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

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

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

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

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses. The update is intended to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The new standard is effective for fiscal years beginning after December 15, 2019 (i.e., a January 1, 2020 effective date), with early adoption permitted for fiscal years beginning after December 15, 2018. The Company adopted the standard on January 1, 2019.

Income taxes

Income tax expense is the total of the current year's income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Equity

Share capital represents the par value of shares issued and the residual amount received upon the share issuance less the share issue expenses net of any tax benefits on the earnings underlying these share issue expenses are recorded as additional paid in capital.

Stock-based compensation

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation – Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statements of operations.

The fair value of stock options ("options") on the grant date is estimated using the Black-Scholes option-pricing model using the single-option approach. The Black-Scholes option pricing model requires the use of highly subjective and complex assumptions, including the option's expected term and the price volatility of the underlying stock, to determine the fair value of the award. The Company recognizes compensation expenses for the value of its awards granted based on the straight-line method over the requisite service period of each of the awards. The Company has made a policy choice to account for forfeitures when they occur.

Stock options granted to non-employees are based on the fair value on the grant date and re-measured at the end of each reporting period based on the fair value until the earlier of the options being fully vested and completion of the performance obligations. These are subject to a service vesting condition and are recognized on a straight-line method over the requisite service period. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on historical pre-vesting forfeitures.

Loss per share

The Company computes loss per share in accordance with ASC Topic 260, "Earnings Per Share" ("ASC 260") and related guidance, which requires two calculations of loss attributable to the Company's shareholders per share to be disclosed: basic and diluted. A diluted loss per share is the same as a basic loss per share for the years in which the Company had a net loss because the inclusion of outstanding common stock equivalents would be anti-dilutive.

Recently issued accounting standards not yet adopted

In April 2020, Financial Accounting Standards Board (the "FASB") issued a Staff Question-and-Answer Document (Q&A): ASC Topic 842 and ASC Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic, that focuses on the application of the lease guidance for lease concessions related solely to the effects of COVID-19. The FASB issued the guidelines to reduce the burden and complexity for companies to account for such lease concessions (e.g., rent abatements or other economic incentives) under current lease accounting rules due to COVID-19 by providing certain practical expedients that can be used. This guidance can be applied immediately. The Company anticipates that the adoption of the guidance will not have a material impact on the Company's consolidated financial statements.

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04 - Facilitation of the Effects of Reference Rate Reform on Financial Reporting (ASC Topic 848). This authoritative guidance provides optional relief for companies preparing for the discontinuation of interest rates such as LIBOR, which is expected to be phased out at the end of calendar 2021, and applies to lease contracts, hedging instruments, held-to-maturity debt securities and debt arrangements that have LIBOR as the benchmark rate. This guidance can be applied for a limited time, as of the beginning of the interim period that includes March 12, 2020 or any date thereafter, through December 31, 2022. The guidance may no longer be applied after December 31, 2022. In January 2021, the FASB issued authoritative guidance that makes amendments to the new rules on accounting for reference rate reform. The amendments clarify that all derivative instruments affected by the changes to interest rates used for discounting, margining or contract price alignment, regardless of whether they reference LIBOR, or another rate expected to be discontinued as a result of reference rate reform, an entity may apply certain practical expedients in ASC Topic 848. The Company is currently assessing the impact of applying this guidance as well as when to adopt this guidance.

In February 2020, the FASB issued authoritative guidance (ASU 2020-02 – Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842)) that amends and clarifies Topic 326 and Topic 842. For Topic 326, the codification was updated to include the SEC staff interpretations associated with registrants engaged in lending activities. ASC Topic 326 is effective for annual periods beginning after January 1, 2023, including interim periods within those fiscal years. The Company is currently evaluating the impact of applying this guidance on its financial instruments, such as accounts receivable.

NOTE 4. ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made in the accompanying consolidated financial statements include, but are not limited to, the implicit interest rate used to record lease liabilities, allowance for doubtful accounts, inventory valuation, the valuation and measurement of deferred tax assets and liabilities, useful lives of property and equipment, valuation of acquired assets and assumed liabilities, recognition of intangible assets and goodwill for the business combination. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates.

Judgments

The following are significant judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Acquisition of Smarten

The Corporation accounted as business combinations by using acquisition method when the control was transferred to the Corporation. The Company measured the identifiable assets and liabilities assumed at their fair value at the acquisition date. Acquisition related costs are recognized in profit or loss as incurred.

The management assessed that the acquisition of Smarten is a business acquisition. The Company obtained control of Smarten on January 1, 2020, and deemed Smarten as the wholly owned subsidiary of the Company since then.

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the incoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to circumstances. Please refer to Note 2 for further information.

Estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Expected Credit Loss on the accounts receivable and the loan receivable

Accounts receivable and loan receivable were assessed for the expected credit loss at each reporting date. Expected credit loss represents management's best estimate and assumptions based on actual credit loss experience and informed credit assessment, and takes into consideration forward-looking information.

Fair value of the shares issued for acquisition of Smarten

The Company's shares are not quoted in an active market, therefore the fair value of the Company's issued shares to Smarten is based on valuation methods and techniques generally recognized as standard within the industry in which observable data have been used to the extent practicable. Changes in assumptions about these factors could affect the reported fair value of the shares issued for acquisition of Smarten.

Business acquisition of Smarten

In a business combination, the Corporation may acquire assets and assume certain liabilities of an acquired entity. Estimates are made as to the fair value of property and equipment, intangible assets, and goodwill, among other items. In certain circumstances, such as the valuation of property and equipment, intangible assets and goodwill acquired, the Corporation may rely on independent third-party valuators. The determination of these fair values involves a variety of assumptions, including revenue growth rates, expected operating income, discount rates, and earnings multiples.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to the management's assessment regarding the Company's ability to use future tax deductions, the Company would adjust future income tax provisions or recoveries.

NOTE 5. SHARE CAPITAL

Share capital

The share capital of the Company consists only of fully paid common shares. The Company has been authorized to issue up to two hundred million (200,000,000) of common shares with a par value of $0.0001 per share.

Transactions on share capital

	Number of Shares	Unit Price	Fair Value
Outstanding as of January 1, 2021	**10,842,079**		**762,000**
Shares issued for private placement (i)(ii)(iii)	3,581,880	0.10	358,188
Shares issued for debt settlement (iv)	2,306,120	0.10	230,612
Shares issued to Officers and Consultants as compensation (v)	3,050,000	0.10	305,000
Outstanding as of December 31, 2021	**19,780,079**		**1,655,800**
Shares issued for private placement (vi)	475,000	0.10	47,500
Shares issued for debt settlement (vii)	540,000	0.10	54,000
Shares issued to Officers and Consultants as compensation (viii)	360,000	0.10	36,000
Outstanding as of September 30, 2022	**21,155,079**		**1,793,300**

(i) On February 8, 2021, the Company completed a private placement with total proceeds of $20,000 and issued 200,000 units at a price of $0.10 per unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of $0.25 for a period of 36 months from the issuance date.

(ii) On July 8, 2021, the Company completed a private placement with total proceeds of $100,000 and issued 1,000,000 units at a price of $0.10 per unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of $0.25 for a period of 36 months from the issuance date.

(iii) On September 28, 2021, the Company completed a private placement for total proceeds of $238,188 and issued 2,381,880 units at a price of $0.10 per unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of $0.25 for a period of 24 months from the issuance date.

(iv) During the year ended December 31, 2021, the Company settled accounts payable with key management personnel for an aggregate amount of $76,000 by issuing 760,000 common shares at a price of $0.10 per share. And the Company settled loan payable of $154,612 (CNY 1,000,000) by issuing 1,546,120 common shares at a price of $0.10 per share, which the loan was owed by Smarten.

(v) During the year ended December 31, 2021, the Company issued 1,050,000 common shares to compensate certain directors, officers and consultants at a price of $0.10 per share. At the same time, the Company issued 2,000,000 common shares at a price of $0.10 to 2 key team members as a retainer bonus.

(v) On September 16, 2022, the Company completed a private placement for total proceeds of $47,500 and issued 475,000 units at a price of $0.10 per unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of $0.25 for a period of 24 months from the issuance date.

(vi) On September 16, 2022, the Company settled accounts payable with key management personnel for an aggregate amount of $54,000 by issuing 540,000 common shares at a price of $0.10 per share

(v) On September 16, 2022, , the Company issued 360,000 common shares to compensate one officer at a price of $0.10 per share.

Warrants

The following table shows the change in warrants and outstanding warrants.

	Number of Warrants	Exercise Price	Fair Value	Weighted Average Remaining Life (Years)	Expiry Date
Outstanding as of December 31, 2019	**100,000**	**1.00**	**35,457**	**-**	January 13, 2022
Issued for private placement	1,000,000	0.25	29,415	**1.24**	December 28, 2023
Outstanding as of December 31, 2020	**1,100,000**		**64,872**		
Issued for private placement	200,000	0.25	6,052	1.35	February 5, 2024
Issued for private placement	1,000,000	0.25	30,810	1.77	July 7, 2024
Issued for private placement	2,381,880	0.25	66,529	0.99	September 26, 2023
Outstanding as of December 31, 2021	**4,681,880**		**168,263**		
Issued for private placement	475,000	0.25	10,538	**1.96**	September 15, 2024
Warrants expired	(100,000)	1.00	(35,457)	**-**	
Outstanding as of September 30, 2022	**5,056,880**	**0.25**	**143,344**	**1.12**	

The value of the warrants was calculated using the Black-Scholes model and the assumptions at grant date and period end date were as follows:

(i) Risk-free interest rate: 0.17% - 3.85%, which is based on the Bank of Canada benchmark bonds yield 3 years rate in effect at the time of grant for bonds with maturity dates at the estimated term of the warrants

(ii) Expected volatility: 83.80% - 122.79%, which is based on the Company's historical stock prices

(iii) Expected life: 2~3 year

(iv) Expected dividends: $Nil

NOTE 6. EQUIPMENT

COST	Computer and Office Equipment	Total
Balance - December 31, 2021	2,280	2,280
Foreign currency translation differences	(244)	(244)
Balance - September 30, 2022	**2,036**	**2,036**

Accumulated Depreciation	Computer and Office Equipment	Total
Balance - December 31, 2021	**149**	**149**
Amortization	430	430
Foreign currency translation differences	(48)	(48)
Balance - September 30, 2022	**532**	**532**

Net Book Value	Computer and Office Equipment	Total
Balance - December 31, 2021	2,131	2,131
Balance - September 30, 2022	1,505	1,505

NOTE 7. LOAN PAYABLES

As of September 30, 2022, the Company has the following loan agreements outstanding. The Company has entered into these loan agreements since January 1, 2020. No loan agreements have been executed since closing the Acquisition.

Lender	Principal as of September 30, 2022	unpaid Interest as of September 30, 2022	Maturity Date	Notes
Lender 1	$63,239 (CNY450,000)	949 (CNY6,750)	July 9, 2023	
Lender 2	$116,901 (CNY831,858)	$12,247 (CNY 82,046)	December 31, 2022	
Nan Du	$281,060 (CNY2,000,000)	-	December 31, 2025	
Keystone Associates Inc.	$52,628 (CNY374,500)	$20,935 (CNY148,973)	December 31, 2022	Transferred from Nick Zeng.
Total	$513,828 (CNY3,656,358)	$39,307 (CNY279,704)		

a. In January 2020, Smarten entered into an agreement of six-month unsecured loans with Lender 1 for $45,951 (CNY300,000) with annual interest as 18% (1.5% per month). This agreement was renewed in July 2020, January 2021, and July 2021, for 6 months each time. On December 30, 2021, Smarten increased the loan amount of $23,603 (CNY150,000) with the same terms as before, and renewed the agreement for another 6 months at the same time. The agreement was renewed in July 2022 for 12 months. The Company paid an interest expense of $8,179 (CNY54,000) for this loan during the nine months period ended September 30, 2022 (2021 - $5,575).

b. In January 2020, Smarten entered into an agreement of six-month unsecured loans for $45,951 (CNY300,000) and renewed the loan in July 2020, the loan bears interest at 20% annually.

c. In May 2020, Smarten entered into an agreement of six-month unsecured loans for $30,634 (CNY200,000) and the loan bears interest at 20% annually.

d. In August 2020, Smarten entered into an six-month unsecured loan agreement for $15,317 (CNY100,000) and the loan bears interest at 20% annually.

During the year ended December 31, 2020, the Company has accrued interest of $12,674 for the above 3 loan agreements (b, c, and d). On December 31, 2020, the Company entered into a new loan agreement to replace the 3 loan agreements, and total principal amount is $105,302 (CNY 687,486, includes the unpaid interest) and the loan bears interest at 20% annually. The loan agreement was renewed on June 30, 2021 and December 31, 2021. During the nine months period ended September 30, 2022, the Company accrued interest expense of $18,780 (2021- $16,422).

e. In July 2020, Smarten entered into a loan agreement with the former President & CEO of Harmony for a loan of $55,830 (CNY364,500) and renewed on December 31, 2020 and June 30, 2021. The loan bears 18% interest annually. On December 31, 2021, the principal of loan was increased to $58,929 (CNY374,500) and extended to December 31, 2022, at the same time, the loan was assigned to Keystone Associates Inc., which is 100% owner by the former President & CEO of Harmony. The Company accrued interest expenses of $7,658 (2021- $8,536) for this loan during the nine months period ended September 30, 2022.

f. In September 2020, the Company entered into an agreement with one former director, Ms. Nan Du, who was the original shareholder of Smarten, to settle the unpaid cash consideration of $287,280 (CNY2,000,000, note 6) as loan payable. The loan bears an annual interest rate of 18%. The Company accrued interest expenses of $55,830 (2020 - $18,380) for the cash consideration during the year ended December 31, 2021.

In February 2022, Ms. Du waived all the interest and agreed to receive payment when Harmony cash position is sufficient upon Harmony's decision.

NOTE 8. OFFICE AND GENERAL BY NATURE

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Management fees	18,000	18,000	54,000	54,000
Professional service fees	25,652	17,001	98,321	63,662
Salaries and benefits expenses	6,182	17,676	25,729	35,318
Office rent and related expenses	4,642	21,160	12,983	43,841
Transfer agent fee	2,797	6,758	12,189	12,486
Regulatory fee	1,326	1,456	5,856	5,076
Travel, accommodation and meals	1,815	-	1,815	-
Others	-	(447)	-	15
	60,414	**81,604**	**210,893**	**214,398**

NOTE 9. RELATED PARTIES

The Company considers its related parties to consist of key members or former members of its management personnel (including all officers and directors), their close family members, and companies controlled or significantly influenced by such individuals; and reporting shareholders and their affiliates which may exert significant influence over the Company's activities.

During the nine months period ended September 30, 2022, the Company has the following related party transactions:

- A company owned by the former President and CEO provides consulting and administrative services to the Company. The Company recorded $54,000 management fee for the CEO's service (2021- $54,000).

- The Company recorded $36,000 (2021 - $36,000) professional fee to CFO for the services provided.

- The Company made a cash payment of $17,722 (2021, $4,017) to a former director, who is acting as the General Manager of Smarten for his service at Smarten since August 2021. In September 2021, the Company issued 1,000,000 share common stock, in lieu of cash consideration at a price of $0.10 per share, for retainer bonus of $100,000. The Company also issued 290,000 shares of common stock at $0.10 per share for stock compensation of $12,000.

During the nine-month period ended September 30, 2022, the Company settled accounts payable with CEO and CFO for an aggregate amount of $54,000 by issuing 540,000 common shares (2021, $28,000).

In July 2020, Smarten entered into a loan agreement with the former President & CEO of Harmony for a loan of $55,830 (CNY364,500) and renewed on December 31, 2020 and June 30, 2021. The loan bears 18% interest annually. On December 31, 2021, the principal of loan was increased to $58,929 (CNY374,500) and extended to December 31, 2022, at the same time, the loan was assigned to Keystone Associates Inc., a Company 100% owner by the former President & CEO of Harmony. The Company accrued interest expenses of $7,658 (2021- $8,536) for this loan during the nine months period ended September 30, 2022.

NOTE 10. CAPITAL MANAGEMENT

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern;
– to increase the value of the Company's assets; and
– to provide an adequate return to shareholders of the Company.

These objectives will be achieved by selling its tested vanadium electrolyte with licensed technology, revenue generated from Smarten.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods under review is summarized in the statement of changes in equity (deficit).

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

NOTE 11. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3. The main types of risks the Company is exposed are credit risk and liquidity risk. The Company does not use financial assets for speculative purposes.

No changes were made in the objectives, policies and processes related to financial instrument risk management during the reported periods.

Credit risk

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

As of	September 30, 2022	December 31, 2021
Cash	32,090	119,357
VAT recoverable	48,869	54,947
Prepaid expenses and other assets	17,472	34,494
Total	**98,431**	**208,798**

The credit risk regarding cash is considered to be negligible because the counterparty is a reputable bank with an investment grade external credit rating.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the past period, the Company has financed its business development commitments, its working capital requirements and acquisitions through private placement. As of September 30, 2022, the Company did not have sufficient cash to pay its accounts payable and accrued liabilities which have contractual maturities within twelve months.

Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company functional currency is the United States dollars and major purchases are transacted in United States dollars. The Company's foreign currency risk arises primarily with respect to its loan denominated in CNY.

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

This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-Q regarding the potential future impact of the COVID-19 pandemic on the Company's business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the "2021 Form 10-K") under the heading "Risk Factors." and those discussed in Part I, Item 1A of the Company's Form 10_12G/A Registration Amendment 3, which was filed on August 8, 2022, under the heading "Risk Factors." The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Unless otherwise stated, all information presented herein is based on the Company's fiscal calendar, and references to particular years, quarters, months or periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years. Each of the terms the "Company" and "Harmony" as used herein refers collectively to Harmony Energy Technologies Corporation. and its wholly owned subsidiary, unless otherwise stated.

The following discussion should be read in conjunction with the 2021 Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q.

Available Information

The Company periodically provides certain information for investors on its corporate website, www.hetcusa.com. This includes press releases and other information about financial performance, information on environmental, social and corporate governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-Q is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

COVID-19 Update

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant disruption in global supply chains. The COVID-19 pandemic and the measures taken by many in response have affected and could in the future materially impact the Company's business, results of operations and financial condition.

During the nine months ended September 30, 2022, aspects of the Company's business continued to be affected by the COVID-19 pandemic. At times, certain of the Company's component suppliers and logistical service providers have experienced disruptions, resulting in business and product development delays.

The extent of the continuing impact of the COVID-19 pandemic on the Company's operational and financial performance is uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the global economy and demand for consumer products. Refer to Part I, Item 1A of the 2021 Form 10-K under the heading "Risk Factors" for more information.

Quarterly Highlights

During the first quarter, the Company arranged 6 pieces of its Power Station for certain clients for testing. During the second quarter, the Company arranged a shipment of 24 pieces of its Power Station to the US.

RESULTS OF OPERATIONS

During the nine months period ended September 30, 2022, the Company's selected financial information as the following. All the data is presented in United States dollars.

FINANCIAL POSITION ANALYSIS

The information presented as of September 30, 2022, December 31, 2021 and 2020 represents the information of Harmony Energy Technologies Corporation.

	September 30, 2022	December 31, 2021	December 31, 2020
Assets	99,936	224,341	265,881
Liabilities	719,164	788,557	879,788
Equity	(619,228)	(564,216)	(613,907)

Assets

The total assets on September 30, 2022 were $99,936 compared to $224,341 on December 31, 2021, a decrease of $124,405. During the nine months period ended September 30, 2022, the cash on hand, prepaid expense, and inventory decreased $82,267, $17,022, and $13,412 respectively.

Liabilities

Total liabilities on September 30, 2022 were $719,164 while $788,557 on December 31, 2021, the decrease of $69,393 were mainly because the Company increased accounts payable and accrued liability of $31,842, which was offset by the decrease of 101,235 of loan payable and loan from related parties. In February 2022, one lender waived all the accrued interest of $84,968 (CNY540,000) and lowered the loan payable.

Equity

Total equity on September 30, 2022 was deficit of $619,228 compared to deficit of $564,216 on December 31, 2021, a decrease of $55,012, which was mainly by the net loss of $218,494 during the nine months period ended September 30, 2022, which was offset by private placement of $47,500, debt settlement of $54,000, stock compensation of $36,000 and the gain of $25,982 from foreign currency translation.

Operating Results Analysis

Readers are invited to take into consideration the operation results of Harmony for the three months and nine months periods ended September 30, 2022 and 2021.

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue	-	6,652	-	6,652
Cost of goods sold	-	-	-	(5,408)
Gross Profit	-	6,652	-	1,244
Operating Expenses				
Marketing Expense	(7,352)	-	(7,514)	-
Research and development	(18,481)	(10,844)	(38,756)	(28,485)
Professional and management fees	(43,652)	(35,001)	(152,321)	(117,662)
Office and general	(16,762)	(46,603)	(58,572)	(96,736)
Stock based compensation	(36,000)	(234,000)	(36,000)	(239,000)
Depreciation	(138)	(1,421)	(430)	(9,747)
Financial expenses	(11,692)	(34,927)	40,007	(88,728)
Total Operating Expenses	(134,077)	(362,796)	(253,586)	(580,358)
Operating Loss	**(134,077)**	**(356,144)**	**(253,586)**	**(579,114)**
Other Income (Expenses)				
Interest income	-	-	-	512
Foreign exchange loss	19,034	23,864	35,092	16,759
Loss, Net of Income Tax	**(115,043)**	**(332,280)**	**(218,494)**	**(561,843)**
Foreign currency translation differences of foreign operations	14,944	731	25,982	(2,110)
Net Loss and Other Comprehensive Loss	**(100,099)**	**(331,549)**	**(192,512)**	**(563,953)**
Basic net income per share	(0.005)	(0.024)	(0.010)	(0.05)
Weighted average number of common shares outstanding	20,228,449	13,556,538	19,931,178	12,529,919

The above net loss for three months and nine months periods ended September 30, 2022 and 2021 is composed as the following:

Sales revenue and gross margin

The company has not been able to generate any meaningful sales revenue during the nine months period ended September 30, 2022 (2021- $6,652), which the Company spent $5,408 for the sample testing.

Research and development

For the nine-month periods ended September 30, 2022 and 2021, the Company incurred R&D expenditures of $38,756 and $28,485, respectively, including the salaries of researchers and materials.

Administrative expenses, professional and management fee

Comparing the two comparable periods of nine months periods ended September 30, 2022 and 2021, the Company increased professional service fee of $34,659, which major caused by increased professional fee which offset by decrease of the office rental. The detailed administrative expenses are presented in the following table.

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Management fees	18,000	18,000	54,000	54,000
Professional service fees	25,652	17,001	98,321	63,662
Salaries and benefits expenses	6,182	17,676	25,729	35,318
Office rent and related expenses	4,642	21,160	12,983	43,841
Transfer agent fee	2,797	6,758	12,189	12,486
Regulatory fee	1,326	1,456	5,856	5,076
Travel, accommodation and meals	1,815	-	1,815	-
Others	-	(447)	-	15
	60,414	**81,604**	**210,893**	**214,398**

Financial expenses

During the nine months period ended September 30, 2022, the Company accrued $45,131 for the 4 unsecured loan agreements with accumulate principal of $534,398, which the interest expense was offset by the interest waived of $84,968 by one lender; The Company accrued $79,735 interest expense for the 5 unsecured loans with accumulate principal of $567,542 during the nine months period ended September 30, 2021.

Non-operation item

During the nine months period ended September 30, 2021, the Company accrued interest income of $512, majority the income is from the short-term unsecured loans agreement with Golden Share and received a full payment in February 2021. There was no non-operation item during the nine months period ended September 30, 2022.

Other comprehensive income (loss)

The other comprehensive income (loss) records the unrealized foreign exchange gain (loss) resulted from translating Smarten's financial data into US dollars. During the nine months period ended September 30, 2022, the Company recorded $25,982 foreign exchange gain due to the favorable shift in foreign exchange rate.

CASH FLOW ANALYSIS

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating Activities	(29,152)	(96,438)	(134,767)	(194,259)
Investing Activities	-	(1,631)	-	42,394
Financing Activities	47,500	225,348	47,500	319,702

Operating Activities

During the nine months period ended September 30, 2022, the operating activities used cash flows of $134,767, compared to $194,259 for the comparable periods in 2021. The cash was spent on the general operation activities and R&D.

Investing Activities

During the nine months period ended September 30, 2021, the Company received full loan payment as $42,394, which the Company did not have any investing activity during the nine months period ended September 30, 2022.

Financing Activities

During the nine months period ended September 30, 2022, the Company received $47,500 cash from private placement at $0.10 per unit. the company received $120,000 cash from private placement at $0.10 per unit, which was offset by the lease payment of $25,646, while the Company did not have any financing activity during the nine months period ended September 30, 2022.

QUARTERLY RESULTS TREND (IN THOUSANDS OF $)

The following table presents the operating results for each of the last eight quarters. Management considers that the information for each of those quarters was determined in the same way as for our audited financial statements for the year ended December 31, 2021.

	2022			**2021**				**2020**
	Q3 $	**Q2 $**	**Q1 $**	**Q4 $**	**Q3 $**	**Q2 $**	**Q1 $**	**Q4 $**
Revenue	-	-	-	-	-	-	-	-
Net loss and other comprehensive loss	(100)	(51)	(41)	(278)	(332)	(110)	(122)	(279)
Basic and diluted net loss per common share	(0.01)	-	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)

Liquidity, Capital Resources and Sources of Financing

The Company has operating losses currently. To date, the Company has been financed primarily through private placements and unsecured loans.

As of September 30, 2022, the Company had a cash position of $32,090 and the Company has a deficit working capital of $620,733. The Company believes it will not have sufficient liquidity to fund its operations and capital needs for the next 12 months and consequently intends to raise capital to generate cash in sufficient amounts to meet its planned business objectives, while the Company does not have any commitments.

Information on Outstanding Securities

The following table sets out the number of common shares and warrants outstanding as of the date hereof:

Common shares issued and outstanding	21,155,079
Potential issuance of common shares	
Warrants	5,056,880
Stock options	-
Fully diluted shares	**26,211,959**

Related Party Transactions

The Company has not entered any other related party transaction except the disclosure in Note 9 of the interim condensed consolidated financial statements for the three months and nine months periods ended September 30, 2022.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Estimates, Judgments and Assumptions

The Company prepares its financial statements in accordance with US GAAP, which require management to make estimates and assumptions that affect the amounts of its assets and liabilities, the information provided regarding future assets and liabilities as well as the amounts of revenues and expenses for the relevant periods. Readers are invited to refer to the Note 4 of the financial statements for the year ended December 31, 2021 for details.

Future Changes in Accounting Policies

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the Financial Accounting Standards Board (FASB) but are not yet effective and have not been adopted early by the Company.

Management anticipates that all the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Readers are invited to refer to the financial statements for the year ended December 31, 2021 for a full description of these new standards.

Going Concern Assumption

The Company's financial statements were prepared according to US GAAP and under the going concern assumption. They do not reflect adjustments that should be made to the book value of assets and liabilities, the reported amounts of income and expenses and the classification of balance sheet postings if the going concern assumption was unfounded. These adjustments could be important.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Capital market conditions and other unforeseeable events may impact on the Company's ability to finance and develop its projects.

The Company intends to continue the evaluation and development of its energy business subject to the availability of financing on acceptable terms. The Company intends to finance these activities either through existing financial resources or through additional equity or quasi-equity financing. However, there can be no assurance that the Company will be able to raise such additional equity.

We are dependent on the continued services of our Chief Executive Officer and Chairman and if we fail to keep them or fail to attract and retain qualified senior executive and key technical personnel, our business will not be able to expand.

In September 2022, our largest shareholder, former CEO and Chairman, Nick Zeng, passed away, which has substantial influence over us and our policies and will be able to influence corporate matters.

Our personnel may voluntarily terminate their relationship with us at any time, and competition for qualified personnel is intense. The process of locating additional personnel with the combination of skills and attributes required to carry out our strategy could be lengthy, costly and disruptive.

All filings we make with the Securities and Exchange Commission ("SEC"), Additional information on the Company can be found on EDGAR of the Securities and Exchange Commission (www.sec.gov/edgar.shtml).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's market risk during the nine months period ended September 30, 2022. For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of the 2021 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of November 10, 2022 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the first nine months of 2022, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. As of this Form 10-Q, we are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition or cash flows.

Item 1A. Risk Factors

The Company's business, reputation, results of operations and financial condition can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A of the 2021 Form 10-K under the heading "Risk Factors." When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations and financial condition can be materially and adversely affected. There have been no material changes to the Company's risk factors since the 2021 Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.
101**	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.
104**	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.

*Filed herewith.

SIGNATURE

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

November 14, 2022

Harmony Energy Technologies Corporation

By: */s/ Kenneth Charles Grainger*
Kenneth Charles Grainger
Chief Executive Officer

Exhibit 31.1

Quarter ended September 30, 2022
Rule 13a-14(a)/15d-14(a) Certifications
CERTIFICATIONS

I, Kenneth Charles Grainger, certify that:

1. have reviewed this quarterly report on Form 10-Q of Harmony Energy Technologies Corporation.

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. As the registrant's certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I 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 report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. As the registrant's certifying officer, I have disclosed, based on my 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 function):

    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: November 14, 2022

/s/ Kenneth Charles Grainger
Kenneth Charles Grainger
Interim Chief Executive Officer

Exhibit 31.2

Quarter ended September 30, 2022
Rule 13a-14(a)/15d-14(a) Certifications
CERTIFICATIONS

I, Demin Huang, certify that:

1. have reviewed this quarterly report on Form 10-Q of Harmony Energy Technologies Corporation.

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. As the registrant’s certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I 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 report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. As the registrant’s certifying officer, I have disclosed, based on my 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 function):

   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: November 14, 2022

/s/ Demin Huang

Demin Huang
Chief Financial Officer

Exhibit 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Nick Zeng, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Harmony Energy Technologies Corporation on Form 10-Q for the period ended September 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Harmony Energy Technologies Corporation at the dates and for the periods indicated.

Date: November 14, 2022

/s/ Kenneth Charles Grainger

Kenneth Charles Grainger
Interim Chief Executive Officer

I, Demin Huang, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Harmony Energy Technologies Corporation on Form 10-Q for the period ended September 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Harmony Energy Technologies Corporation at the dates and for the periods indicated.

Date: November 14, 2022

/s/ Demin Huang

Deming Huang
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Harmony Energy Technologies Corporation and will be retained by Harmony Energy Technologies Corporation and furnished to the Securities and Exchange Commission or its staff upon request.