



## **The Sustainable Green Team, Ltd**

24200 County RD 561, Astatula, FL 34705  
(407) 886-8733

[www.thesustainablegreenteam.com](http://www.thesustainablegreenteam.com)

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# **Amended Annual Report**

**For the Fiscal Year Ended December 30, 2023 (the "Reporting Period")**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

92,343,948 as of 12/30/2023 (Current Reporting Period Date or More Recent Date)

74,631,743 as of 12/31/2022 (Most Recent Completed Fiscal Year End)

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

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

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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

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

### **Current Name: The Sustainable Green Team**

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<sup>4</sup> "Change in Control" shall mean any events resulting in:

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



07/21/2020	Company name change from National Storm Recovery Inc. to SUSTAINABLE GREEN TEAM LTD.
08/22/2019	Company name change from Sierra Gold Corp to National Storm Recovery Inc.
08/11/2006	Company name change from Viking Exploration, Inc. to Sierra Gold Corp
06/07/1999	Company name change from African Resources, Inc. to Viking Exploration, Inc.

Current State and Date of Incorporation or Registration: Delaware  
Standing in this jurisdiction: (e.g. active, default, inactive): Good Standing

Prior Incorporation Information for the issuer and any predecessors during the past five years:

The immediate predecessor of The Sustainable Green Team, Ltd., a Delaware corporation was National Storm Recovery, Inc. (“NSRI”), a Delaware corporation pursuant to Delaware General Corporation Law (“DGCL”) §251(g).

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

None

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

None

Address of the issuer’s principal executive office:

24200 County RD 561, Astatula, FL 34705

Address of the issuer’s principal place of business:

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

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

No:  Yes:  If Yes, provide additional details below:

\_\_\_\_\_

## 2) Security Information

### ***Transfer Agent***

Name: Pacific Stock Transfer Company (**Maria Torres**)  
Phone: 702-361-3033 ext. 106  
Email: mtorres@pacificstocktransfer.com



Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas, Nevada 89119

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	SGTM	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	8693B105	
Par or stated value:	\$0.0001	
Total shares authorized:	245,000,000	12/30/2023
Total shares outstanding:	92,343,948	12/30/2023
Total number of shareholders of record:	193	12/30/2023

*Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.*

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	Preferred Series A Stock	
Par or stated value:	\$0.0001	
Total shares authorized:	5,000,000	12/30/2023
Total shares outstanding:	90	12/30/2023
Total number of shareholders of record:	1	12/30/2023

*Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.*

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

- 1. For common equity, describe any dividend, voting and preemption rights.**

*Voting*

The holders of our common stock are entitled to one vote for each share held on all matters to be voted on by the Company's stockholders. There shall be no cumulative voting. The holders of our common stock have the exclusive right to vote for election and removal of directors and for all other purposes.

*Dividends*

The holders of shares of our common stock are entitled to dividends when and as declared by the Board from funds legally available therefor if, as and when determined by the Board of Directors of the Company in their



sole discretion, subject to provisions of law, and any provision of the Company's Certificate of Incorporation, as amended from time to time. There are no preemptive, conversion or redemption privileges, nor sinking fund provisions with respect to the common stock.

#### *Liquidation*

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities.

### **2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Each one share of Series A Preferred Stock has voting rights equal to the quotient of the sum of all outstanding shares of common stock together with any and all other securities of the Company that provide for voting on an "as converted" basis, divided by 0.99.

### **3. Describe any other material rights of common or preferred stockholders.**

None

### **4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

## **3) Issuance History**

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

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

### **A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)



Shares Outstanding <u>Opening Balance:</u> Date <u>December 31, 2022</u> Common: <u>74,631,743</u> Preferred: <u>90</u>				*Right-click the rows below and select "Insert" to add rows as needed.									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.				
<u>1/13/2021</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common Stock</u>	<u>\$1.06</u>	<u>No</u>	<u>Kent Hamill &amp; Cathy Hamill</u>	<u>Prior Year Loan Incentive</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>3/5/2021</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common Stock</u>	<u>\$1.15</u>	<u>No</u>	<u>John Schultz</u>	<u>Bonus for Managerial Services for the Company</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>8/26/2021</u>	<u>New Issuance</u>	<u>6,000,000</u>	<u>Common Stock</u>	<u>\$0.62</u>	<u>Yes</u>	<u>John Spencer</u>	<u>Debt conversion</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>10/4/21</u>	<u>New Issuance</u>	<u>125,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>First Apex International Inc<sup>1</sup></u>	<u>Compensation for Investor Relation Services</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>10/15/21</u>	<u>Cancellation</u>	<u>(8,797,800)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>No</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>10/22/21</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Charles &amp; Lisa Roberts</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>10/22/21</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Leslie Schultz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>10/22/21</u>	<u>New Issuance</u>	<u>133,333</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Todd Hoepker Revocable Trust<sup>2</sup></u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/15/21</u>	<u>Cancellation</u>	<u>(1,300,092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>800,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Charles &amp; Lisa Roberts</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>66,667</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Christopher Lahiji</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>2,000,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Leslie Schultz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Philip Simeone</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>66,667</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Quick Capital, LLC<sup>3</sup></u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>106,670</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Ryan Nilsen</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>11/29/21</u>	<u>New Issuance</u>	<u>66,667</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Ryan Polk</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				
<u>12/2/21</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Leslie Schultz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>				

<u>12/15/21</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>12/30/21</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common Stock</u>	<u>\$1.12</u>	<u>Yes</u>	<u>Victor Spangler</u>	<u>Day Dreamer Production Acquisition</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>12/31/21</u>	<u>New Issuance</u>	<u>400,000</u>	<u>Common Stock</u>	<u>\$9.24</u>	<u>Yes</u>	<u>Charles Lepinski</u>	<u>Equipment Purchase</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>1/18/22</u>	<u>New Issuance</u>	<u>266,667</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Todd Hoepker Revocable Trust<sup>2</sup></u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>1/19/22</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>1/21/22</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Charles &amp; Lisa Roberts</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>2/17/22</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>3/15/22</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>3/23/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Leslie Schultz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>04/15/22</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>04/18/22</u>	<u>New Issuance</u>	<u>266,667</u>	<u>Common Stock</u>	<u>\$0.75</u>	<u>Yes</u>	<u>Todd Hoepker Revocable Trust<sup>2</sup></u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>05/12/22</u>	<u>Cancellation</u>	<u>(1,300.092)</u>	<u>Common Stock</u>	<u>\$0.15</u>	<u>Yes</u>	<u>Ralph Spencer</u>	<u>10/11/21 Settlement Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>08/15/22</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common Stock</u>	<u>\$3.00</u>	<u>No</u>	<u>VRM Global Holdings PTY LTD<sup>4</sup></u>	<u>Compensation for Licensing Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>10/05/22</u>	<u>New Issuance</u>	<u>3,500,000</u>	<u>Common Stock</u>	<u>\$2.05</u>	<u>No</u>	<u>Accel Media International, Inc.<sup>5</sup></u>	<u>Compensation for Marketing Services</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>10/05/22</u>	<u>New Issuance</u>	<u>30,000</u>	<u>Common Stock</u>	<u>\$2.05</u>	<u>No</u>	<u>PCG Advisory, Inc.<sup>6</sup></u>	<u>Compensation for PR Services</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>10/12/22</u>	<u>New Issuance</u>	<u>6,000,000</u>	<u>Common Stock</u>	<u>\$2.40</u>	<u>No</u>	<u>VRM Global Holdings PTY LTD<sup>4</sup></u>	<u>Compensation for Licensing Agreement</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>10/13/22</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common Stock</u>	<u>\$0.50</u>	<u>No</u>	<u>Todd Michael Hoepker Revocable Trust<sup>2</sup></u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>11/07/22</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common Stock</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Proactive Capital Partners LP<sup>7</sup></u>	<u>Warrant Option</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>11/07/22</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common Stock</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Accel Media International, Inc.<sup>5</sup></u>	<u>Warrant Option</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>11/21/22</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common Stock</u>	<u>\$2.00</u>	<u>Yes</u>	<u>David C Newingham</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>
<u>11/23/22</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common Stock</u>	<u>\$2.00</u>	<u>Yes</u>	<u>Louis Brinisi &amp; Marry Anne Brindisi JT Ten</u>	<u>Subscription</u>	<u>Restricted</u>	<u>4(a)2</u>

12/02/22	New Issuance	25,000	Common Stock	\$2.00	Yes	Stanton C Hawthorne & Sherri J Hawthorne	Subscription	Restricted	4(a)2
12/02/22	New Issuance	100,000	Common Stock	\$2.00	Yes	Michael Ray Spradlin	Subscription	Restricted	4(a)2
12/02/22	New Issuance	50,000	Common Stock	\$2.00	Yes	Darin & LLisa Brindisi JT Ten	Subscription	Restricted	4(a)2
12/13/22	New Issuance	25,000	Common Stock	\$2.00	Yes	Roger Lee Kunau & Cindy Lynn Mackinnon	Subscription	Restricted	4(a)2
12/13/22	New Issuance	50,000	Common Stock	\$2.00	Yes	John Voss	Subscription	Restricted	4(a)2
12/22/22	New Issuance	50,000	Common Stock	\$2.00	Yes	Dean Pappas	Subscription	Restricted	4(a)2
12/22/22	New Issuance	25,000	Common Stock	\$2.00	Yes	Douglas Cernek	Subscription	Restricted	4(a)2
12/22/22	New Issuance	50,000	Common Stock	\$2.00	Yes	Thomas West	Subscription	Restricted	4(a)2
12/22/22	New Issuance	100,000	Common Stock	\$1.00	Yes	Evan Greenberg	Warrant Option	Restricted	4(a)2
12/22/22	New Issuance	35,000	Common Stock	\$2.00	Yes	Shari & Richard Mackinnin JT TE	Subscription	Restricted	4(a)2
12/23/22	New Issuance	50,000	Common Stock	\$1.00	Yes	Rose Petals Realty, LLC. <sup>8</sup>	Warrant Option	Restricted	4(a)2
12/27/22	Cancelation	(22,101,556)	Common Stock	\$0.15	Yes	Ralph Spencer	12/13/22 Settlement Agreement	Restricted	4(a)2
1/01/23	New Issuance	1,636	Common Stock	\$6.24	Yes	Bradford Baker Revocable Trust	Compensation for Independent Board of Director	Restricted	4(a)2
1/01/23	New Issuance	1,636	Common Stock	\$6.24	Yes	Colleen M McAleer	Compensation for Independent Board of Director Services	Restricted	4(a)2
1/01/23	New Issuance	1,603	Common Stock	\$6.24	Yes	Ned L. Siegel	Compensation for Independent Board of Director Services	Restricted	4(a)2
1/04/2023	New Issuance	250,000	Common Stock	\$1.00	Yes	Tiger Trout Capital Puerto Rico LLC. <sup>9</sup>	Subscription	Restricted	4(a)2
1/30/2023	New Issuance	13,181	Common Stock	0.0001	Yes	Joshua Wethington	CFO Employment Agreement Compensation	Restricted	4(a)2
3/02/2023	New Issuance	4,538	Common Stock	\$2.02	Yes	Ned L Siegel	Compensation for Independent Board of Director Services	Restricted	4(a)2
3/08/2023	New Issuance	75,000	Common Stock	\$1.00	Yes	Kevin Myers & Minera Myers JT Ten	Subscription	Restricted	4(a)2
3/08/2023	New Issuance	100,000	Common Stock	\$1.00	Yes	Todd Michael Hoepker Revocable Trust	Subscription	Restricted	4(a)2



3/21/2023	New Issuance	33	Common Stock	0.0001	Yes	Bradford Baker Revocable Trust	Compensation for Independent Board of Director Services	Restricted	4(a)2
3/21/2023	New Issuance	33	Common Stock	0.0001	Yes	Colleen M McAleer	Compensation for Independent Board of Director Services	Restricted	4(a)2
3/21/2023	New Issuance	33	Common Stock	0.0001	Yes	Ned L Siegel	Compensation for Independent Board of Director Services	Restricted	4(a)2
3/31/2023	New Issuance	50,000	Common Stock	0.0001	Yes	Joshua Wethington	1/30/23 Mutual Release Agreement	Restricted	4(a)2
5/16/2023	New Issuance	127,457	Common Stock	0.5000	Yes	CEO Systems, LLC.	Compensation for Professional Services	Restricted	4(a)2
5/19/2023	New Issuance	7,000,000	Common Stock	1.2600	Yes	VRM Global Holdings, PTY LTD	Compensation for Inventory	Restricted	4(a)2
5/23/2023	New Issuance	2,000,000	Common Stock	1.3500	Yes	New Earth Technologies	Compensation for Inventory	Restricted	4(a)2
5/30/2023	New Issuance	27,000	Common Stock	0.5600	Yes	Brad Baker	Compensation for Independent Board of Director Services	Restricted	4(a)2
5/30/2023	New Issuance	27,000	Common Stock	0.5600	Yes	Colleen McAleer	Compensation for Independent Board of Director Services	Restricted	4(a)2
6/23/2023	New Issuance	50,000	Common Stock	1.0000	Yes	Benjamin & Laura Arens	Subscription	Restricted	4(a)2
7/21/2023	New Issuance	20,000	Common Stock	1.0000	Yes	Shari McMenamin & Ricard McMenamin	JT Ten Subscription Agreement	Restricted	4(a)2
7/21/2023	New Issuance	15,000	Common Stock	1.0000	Yes	Kevin Myers & Minera Myers	JT Ten Subscription Agreement	Restricted	4(a)2
7/21/2023	New Issuance	100,000	Common Stock	1.0000	Yes	David D Wright & Cynthia L Wright	JT Ten Subscription Agreement	Restricted	4(a)2
8/04/2023	New Issuance	19,332	Common Stock	1.0000	Yes	Kevin Myers & Minera Myers	JT Ten Subscription Agreement	Restricted	4(a)2
9/11/2023	New Issuance	7,628,789	Common Stock	1.3000	Yes	VRM Global Holdings PTY LTD	Compensation for master license agreement	Restricted	4(a)2
10/03/2023	New Issuance	200.00	Common Stock	0.50	Yes	Ronald Howse	Promissory Note Agreement	Restricted	4(a)2
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date December 30, 2023									
Common: 92,343,948									



Preferred: 90

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No:  Yes:  If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
11/8/2022	<u>1,232,675</u>	<u>1,100,000</u>	<u>3,377</u>	<u>1/4/2025</u>	<u>Convertible into common stock at \$0.50 per share</u>	Lisa & Charles Roberts	<u>Working Capital Funding</u>
<u>5/5/2023</u>	<u>1,695,000</u>	<u>1,200,000</u>	<u>166,563</u>	<u>5/30/2024</u>	<u>Convertible into common stock at \$0.50 per share</u>	<u>James and Linda Lords</u>	<u>Working Capital Funding</u>

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

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

The Sustainable Green Team Ltd SGTM is a technology company dedicated to advancing climate reversal and reducing greenhouse gas emissions. Our focus lies in utilizing cutting-edge carbon capture technology to combat climate change and create a sustainable future for all. We offer innovative solutions for managing odors in various industries, including wastewater treatment plants and waste management facilities. Our products support the conversion and management of organic residues, promoting waste reduction and a circular economy. Additionally, we specialize in core soil restoration, enhancing agricultural land health and productivity. Our patented technologies incorporate cutting-edge innovations like Biological Hydrosynthesis and Ecological Stem Cell Technology. These advancements enable us to address key environmental challenges globally, including safe organic residue handling, viable topsoil replacement, and the addition of a third water source. Our cost-effective technology revolutionizes environmental solutions for a sustainable future. SGTM-VRM provides effective solutions for managing odors in various industries, such as wastewater treatment plants and waste management facilities. We are committed to utilizing carbon capture technology and reducing greenhouse gases to combat climate change. Our products also play a vital role in promoting circular economy practices and waste reduction.



B. List any subsidiaries, parent company, or affiliated companies.

**SUBSIDIARY**

**ENTITIES:**

National Storm  
Recovery, Inc.  
Mulch Manufacturing,  
Inc.  
Sustainable Green  
Team VRM, LLC  
Rose Transport

C. Describe the issuers' principal products or services.

The primary business model for the Company focuses on reversing climate change and reducing greenhouse gas emissions through our carbon capture technology. Our technology solutions include the conversion of organic residues to our Humisoil®, XLR8® Bio and other related products for soil restoration. These products resolve a myriad of waste issues and has had a positive impact in enhancing the health of agricultural land and in mitigating odors and disease with wastewater treatment and management. The Company holds Master Licenses for the proprietary concentrate that converts organic waste including tree debris and animal waste (“feedstock”) into powerful soil regeneration products.

**5) Issuer's Facilities**

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

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

**Properties & Locations**

1. Jasper, FL Operating Plant (Good condition – property is owned subject to mortgage)  
14233 County Road 132 SE, Jasper, FL 32052
2. Callahan, FL - Production Plant (Good condition – property is owned subject to mortgage)  
446195 US-301, Callahan, FL 32011
3. Homerville, GA Operating Plant (Good condition – property is owned subject to mortgage)  
1900 Waycross Hwy., Homerville, GA 31634



4. Beaver, WA Operating Plant (Good condition – property is owned subject to mortgage)

200673 US Highway 101, Beaver, WA 98305

5. Astatula, FL (Production & Corp HQ) (Good condition – property is owned subject to mortgage)

24200 County Road 561, Astatula, FL 34705

**6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Anthony Raynor</u>	<u>CEO</u>	<u>Astatula, FL</u>	<u>37,624,500</u>	<u>Restricted</u>	<u>40.7% of common stock outstanding</u>	<u>—</u>
<u>Anthony Raynor</u>	<u>CEO</u>	<u>Astatula, FL</u>	<u>90</u>	<u>Restricted</u>	<u>100% of Preferred Series A stock outstanding</u>	<u>—</u>
<u>VRM GLOBAL HOLDINGS PTY LTD</u>	<u>Owner of 22.9%</u>	<u>Bohle Plains, AUSTRALIA</u>	<u>21,128,789</u>	<u>Restricted</u>	<u>22.9% of common stock outstanding</u>	<u>Ken Bellamy</u>
<u>Onset Financial, Inc.</u>	<u>Owner of 10.5%</u>	<u>Draper, UT</u>	<u>9,688,878</u>	<u>Restricted</u>	<u>10.5% of common stock outstanding</u>	<u>Scott Finlinson</u>
<u>John Spencer</u>	<u>Employee / Owner of 6.5%</u>	<u>COLUMBUS, OH</u>	<u>9,688,878</u>	<u>Restricted</u>	<u>6.5% of common stock outstanding</u>	<u>—</u>
<u>Leslie Schultz</u>	<u>Owner of 5.4%</u>	<u>RANCHO SANTA FE, CA</u>	<u>5,000,000</u>	<u>Restricted</u>	<u>5.4% of common</u>	<u>—</u>



					<u>stock outstanding</u>	
<u>Barry Papenfuss</u>	<u>CFO</u>	<u>South Jordan, UT</u>	<u>409,156</u>	<u>Restricted</u>	<u>&lt;1% of common stock outstanding</u>	<u>—</u>
Joshua Ganganna	<u>COO</u>	Lakeland, FL	<u>0</u>	<u>—</u>	<u>—</u>	<u>—</u>
Brian Rivera	<u>SVP</u>	Altamonte Springs, FL	<u>500</u>	<u>Restricted</u>	<u>&lt;1% of common stock outstanding</u>	<u>—</u>

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

**7) Legal/Disciplinary History**

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

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

Yes - The Company and certain subsidiaries are involved in litigation and various legal matters that are being defended and handled in the ordinary course of business. Included among these matters are creditors who have provided funding for certain of our property locations and equipment being utilized in our operations. The Company is working with these creditors to modify the payment structure and extend the terms of the loans to match better with expected future cash flows.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

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



No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

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

The Company and certain subsidiaries are involved in litigation and various legal matters that are being defended and handled in the ordinary course of business. Included among these matters are creditors who have provided funding for certain of our property locations and equipment being utilized in our operations. The Company is working with these creditors to modify the payment structure and extend the terms of the loans to match better with expected future cash flows.



### 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile. Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jeff Turner  
Address 1: 7533 S Center View Ct, #4291 West Jordan, UT 84084  
Address 2: \_\_\_\_\_  
Phone: 801.810.4465  
Email: jeff@jdt-legal.com

#### Accountant or Auditor

Name: Mark Sperry  
**Firm:** Sadler, Gibb & Associates, LLC  
  
Address 1: 344 W 13800 S, Draper, UT 84020  
Address 2: \_\_\_\_\_  
Phone: (801) 783-2950  
**Email:** msperry@sadlergibb.com

#### Investor Relations

Name: None  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### *All other means of Investor Communication:*

X (Twitter): x  
Discord: \_\_\_\_\_  
LinkedIn: x  
Facebook: x  
[Other ] Bloomberg and Fox News

#### Other Service Providers

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

Name: None  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**9) Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: Barry Papenfuss  
Title: CFO  
Relationship to Issuer: Employee

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

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Barry Papenfuss  
Title: CFO  
Relationship to Issuer: Employee

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> CPA

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by perso with sufficient financial skills.



**THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES AMENDED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED DECEMBER 30, 2023 AND DECEMBER 31, 2022**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Consolidated Financial Statements Cover Page	F-1
<a href="#">Consolidated Balance Sheets</a>	F- 2
<a href="#">Consolidated Statements of Operations</a>	F- 3
<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	F- 4
<a href="#">Consolidated Statements of Cash Flows</a>	F- 5
<a href="#">Notes to Consolidated Financial Statements</a>	F-6 – F- 27

F-1

**Prepared in accordance with OTC Pink Current Disclosure Guidelines**





**THE SUSTAINABLE GREEN TEAM, LTD AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<u>FY2023</u> <i>(December 30,</i> <i>2023)</i>	<u>FY2022</u> <i>(December 31,</i> <i>2022)</i>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 10,573	\$ -
Accounts receivable, net of allowance for doubtful accounts	8,662,813	2,436,324
Note receivable	12,000,000	-
Inventories	38,881,925	18,656,179
Prepaid expenses and other current assets	3,491,381	8,797,966
<b>Total Current Assets</b>	<b>63,046,692</b>	<b>29,890,522</b>
Property and equipment, net	67,956,047	64,333,763
<b>Other Assets</b>		
Long-term investments	1,004,540	968,513
Goodwill	224,000	224,000
Intangibles	13,573,720	14,473,880
Deferred Tax Asset	2,207,012	-
ROU asset	7,407,460	10,474,406
Other assets	4,674,665	-
<b>Total Other Assets</b>	<b>29,091,398</b>	<b>26,140,798</b>
<b>Total Assets</b>	<b>\$ 160,094,136</b>	<b>\$ 120,365,084</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 11,689,583	\$ 4,765,019
Lease liability, current portion	14,870,032	3,350,145
Notes payable, current portion	40,911,005	6,712,178
Notes payable – related party	1,500,000	1,500,000
<b>Total Current Liabilities</b>	<b>68,970,621</b>	<b>16,327,342</b>
<b>Long-term Liabilities</b>		
Lease liabilities, net of current portion	-	7,140,632
Note payable – net of current portion	-	24,221,403
<b>Total Long-term Liabilities</b>	<b>-</b>	<b>31,362,035</b>
<b>Total Liabilities</b>	<b>68,970,621</b>	<b>47,689,378</b>
<b>Stockholders' Equity</b>		
Preferred Series A stock, \$0.0001 par value, 5,000,000 shares authorized, 90 shares outstanding		-
Common stock, \$0.0001 par value; 245,000,000 shares authorized; 92,343,98 and 74,631,742 shares issued and outstanding, respectively	9,234	7,463
Additional paid-in capital	78,322,521	56,294,220
Retained Earnings	12,791,761	16,374,022
<b>Total Stockholders' Equity</b>	<b>91,123,516</b>	<b>72,675,706</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 160,094,136</b>	<b>\$ 120,365,084</b>

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

**THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Year Ended	
	December 30, 2023	December 31, 2022
<b>Net Revenue</b>	\$ 29,600,458	\$ 35,513,231
Cost of Revenue		
Cost of Goods	23,716,781	23,972,319
Depreciation & Amortization	3,401,014	3,540,760
<b>Total Cost of Revenue</b>	<u>27,117,795</u>	<u>27,513,079</u>
<b>Gross Profit</b>	2,482,663	8,000,152
<b>Operating Expenses</b>		
Selling, General and Administrative	9,711,718	7,254,009
Depreciation and Amortization	901,066	262,550
<b>Total Operating Expenses</b>	<u>10,612,784</u>	<u>7,516,559</u>
<b>Income (loss) from Operations</b>	(8,130,121)	483,593
Other Income (expense)		
Interest Expense, net	(5,606,142)	(2,177,284)
Bargain Purchase Gain (loss)	-	8,846,635
Gain on Paycheck Protection Program debt forgiveness	-	1,236,080
Gain on Sale of Fixed Assets	8,620,991	16,833
Other Income, net	(673,596)	176,813
Total Other Income (expense)	<u>2,341,253</u>	<u>8,099,077</u>
Income (loss) before provision for Income Taxes	(5,788,868)	8,582,670
Provision for Income Taxes	2,206,607	(318,544)
<b>Net Income</b>	<u>\$ (3,582,261)</u>	<u>\$ 8,901,214</u>
Net income (loss) per common share – basic	\$ (0.04)	\$ 0.10
Net income (loss) per common share – diluted	\$ (0.04)	\$ 0.10
Wt. Avg shares outstanding – basic	83,205,852	88,902,029
Wt. Avg shares outstanding – diluted	<u>94,795,852</u>	<u>92,752,029</u>

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



**THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(Unaudited)**

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Paid-in</u>	<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
<b>Balance at January 1, 2022</b>	<b>90</b>	<b>\$ -</b>	<b>90,460,425</b>	<b>\$ 8,646</b>	<b>\$34,536,850</b>	<b>\$ 6,620,006</b>	<b>\$ 41,165,502</b>
Stock Subscriptions			12,773,333	1,277	25,805,223	-	25,806,500
Stock Repurchase			-28,602,014	-2,860	-4,287,442	852,802	-3,437,500
Net Income			-	-	-	8,901,212	8,901,212
<b>Balance at January 1, 2023</b>	<b>90</b>	<b>\$ -</b>	<b>74,631,743</b>	<b>\$ 7,463</b>	<b>\$56,054,631</b>	<b>\$ 16,374,022</b>	<b>\$ 72,435,715</b>
Stock Subscriptions			17,712,185	1,771	22,267,890		22,269,661
Net Income						(3,582,261)	(3,582,261)
<b>Balance at December 30, 2023</b>	<b>90</b>	<b>\$ -</b>	<b>92,343,928</b>	<b>\$ 9,234</b>	<b>\$78,322,521</b>	<b>\$ 12,791,761</b>	<b>\$ 91,123,115</b>

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



**THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Year Ended	
	December 30, 2023	December 31, 2022
<b>Cash flows from operating activities:</b>		
Net Income (Loss)	\$ (3,582,261)	\$ 8,901,214
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities:</b>		
Depreciation and amortization	6,415,890	3,803,310
Equity increase in long term investment	-	66,389
Bargain purchase gain	-	(8,846,635)
(Gain) loss on sale of fixed assets	(8,620,991)	(16,833)
Gain on Paycheck Protection Program debt forgiveness	-	(1,236,080)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net	(6,226,489)	102,301
Note receivable, net	(12,000,000)	
Inventory	(20,225,746)	(5,679,770)
Prepaid expenses and other current assets	5,306,638	(478,211)
Accounts payable and other current liabilities	6,924,118	2,093,243
<b>Net cash (used in) operating activities</b>	<b>(32,008,840)</b>	<b>(1,291,072)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(388,714)	(4,462,216)
Net short-term investment redemptions (purchases)	(418,361)	-
Proceeds from sale of property and equipment	93,748	7,238,000
Proceeds from long-term investments	-	26,595
<b>Net cash from (used in) investing activities</b>	<b>(713,327)</b>	<b>2,802,379</b>
<b>Cash flows from financing activities:</b>		
Principal payments on leases	(643,382)	(819,401)
Proceeds from notes payable	18,787,953	6,916,005
Payment on notes payable	(7,680,991)	(7,690,153)
Stock subscriptions/redemptions	22,269,661	2,731,500
Stock redemptions	-	(3,437,500)
<b>Net cash provided by (used in) financing activities</b>	<b>32,733,241</b>	<b>(2,299,549)</b>
<b>Net increase (decrease) in cash</b>	<b>10,573</b>	<b>(788,242)</b>
Cash – beginning of period	-	788,242
<b>Cash – end of period</b>	<b>\$ 10,573</b>	<b>\$ 0</b>

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



## THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 – ORGANIZATION AND BUSINESS OPERATIONS

#### *Business Overview*

The primary business model for the Company focuses on reversing climate change and reducing greenhouse gas emissions through our carbon capture technology. Our technology solutions include the conversion of organic residues to our Humisoil®, XLR8® Bio and other related products for soil restoration. These products resolve a myriad of waste issues and has had an impact in enhancing the health of agricultural land and in mitigating odors and disease with wastewater treatment and management. The Company holds Master Licenses for the proprietary concentrate that converts organic waste including tree debris and animal waste (“feedstock”) into powerful soil regeneration products.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered negative cash flows. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans to resolve these concerns is focused in our technology infused products that convert waste materials into higher margin manufactured soil products it produces under the VRM License Agreement. These products are expected to increase revenues, gross margins and profitability going forward. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Presentation*

The accompanying unaudited consolidated financial statements as of December 30, 2023, and December 31, 2022, have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of management, such financial information includes all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the Company’s financial position at such date and the operating results and cash flows for such periods.

The Company has a period end date that follows a 52/53-week fiscal year which ends on the Saturday nearest to December 31. The years ended December 30, 2023 and December 31, 2022 included 52 weeks.

#### *Principles of Consolidation*

The consolidated financial statements are presented on a comparative basis. The unaudited condensed consolidated balance sheets as of December 30, 2023 and December 31, 2022 include the accounts of SGTM, NRS LLC, MM, DDP LLC, Rose, and SGMC.

The unaudited condensed consolidated statement of operations for the twelve-month periods ended December 30, 2023, and December 31, 2022 include the accounts of SGTM, NRS LLC, MM, DDP LLC, Rose, and SGMC.

The consolidated financial statements include the accounts of all subsidiaries. All inter-company accounts have been eliminated in consolidation, including intercompany sales from NSR to MMI.

#### *Critical Accounting Estimates*

In order to prepare our financial statements in accordance with GAAP, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Such estimates are based upon management’s current judgments, which are normally based on knowledge and experience regarding past and current events and assumptions about future events. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may be significantly different from our expectations.



While there are a number of accounting policies affecting our financial statements, we have identified the following critical accounting estimates that require us to make the most subjective judgments in order to fairly present our consolidated financial statements.

### ***Inventories***

#### **Summary:**

Product inventories are recorded at the lower of cost or net realizable value. Cost is determined using the weighted average cost method.

#### **Judgments and Uncertainties:**

Significant judgment is required to estimate the fair market value of our inventory as it requires assumptions and projections to be made based off labor and overheads required for manufacturing of bulk and bagged product. Additionally, timber purchases may vary by “track” of land and the output of these purchases can yield different inputs which in turn impacts quantities of mulch, lumber and soil outputs. We monitor our inventory levels and manufacturing consumption by location to ensure cycle counts align with purchases, burn rates, etc, and record adjustments to inventory levels when inventory counts are out of balance with expected results.

#### **Sensitivity of Estimates to Change:**

As noted above, the “track” of land and output of these purchases yield different qualities which in turn impacts quantities of mulch, lumber and soil outputs and are sensitive to what is received from log vendor(s).

### ***Acquisitions***

#### **Summary:**

From time to time, we enter into strategic acquisitions in an effort to better service existing customers and to attract new customers. We account for acquired businesses using the acquisition method of accounting under ASC 805, which requires the assets acquired and liabilities assumed be recorded at date of acquisition at their respective fair values. In some instances, the Company has acquired assets under distressed conditions resulting in bargain purchase gains. In accordance with GAAP, the results of the acquisitions we have completed have valued the acquired assets at “certified appraised value” which have been reflected in our financial statements, thereafter.

#### **Judgments and Uncertainties:**

The Company performs annual impairment analysis to ensure the appraised value is aligned with the certified appraised value utilizing projected revenue and operating profit projections of these facilities. Additional leasehold improvements may be required to optimize the performance of these facilities.

#### **Sensitivity of Estimates to Change:**

On December 31, 2021 the Company acquired equipment from the Beaver, Washington facility and acquired the accompanying land on March 18, 2022. This acquisition was accounted for under ASC 805 (See “Note 10 – Acquisitions”).

Estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired. We believe the estimates applied to be based on reasonable assumptions, but which are inherently uncertain. As a result, actual results may differ from the assumptions and judgments used to determine the fair values of the assets acquired, which could result in impairment losses in the future. Changes in business conditions may also require future adjustments to the useful lives of assets acquired. If we determine that the useful lives of assets acquired are shorter than we had originally estimated, the rate of amortization may be accelerated.

## ***Goodwill***

### **Summary:**

Goodwill represents the acquired fair value of a business in excess of the fair values of tangible and identified intangible assets acquired and liabilities assumed. We test goodwill on an annual basis as part of our year end processes and additionally if an event occurs or circumstances change that would indicate the carrying amount may be impaired.

The goodwill impairment test requires us to estimate and compare the fair value of a reporting unit to its carrying amount, including goodwill. If the fair value exceeds the carrying amount, the goodwill is not considered impaired. To the extent a reporting unit's carrying amount exceeds its fair value, the reporting unit's goodwill is deemed impaired, and an impairment charge is recognized based on the excess of a reporting unit's carrying amount over its fair value.

### **Judgments and Uncertainties:**

Significant judgment is required to determine whether impairment indicators exist and to estimate the fair value of our reporting units. Estimating the fair value of reporting units using the discounted cash flow model requires us to make assumptions and projections of revenue growth rates, gross margins, SG&A, capital expenditures, working capital, depreciation, terminal values, and weighted average cost of capital, among other factors.

The assumptions used to estimate fair value consider historical trends, macroeconomic conditions, and projections consistent with our operating strategy. Changes in these estimates could have a significant effect on whether or not an impairment charge is recorded and the magnitude of such a charge. Adverse market or economic events could result in impairment charges in future periods.

### **Sensitivity of Estimates to Change:**

During the fourth quarter of the 2023 Fiscal Year, we performed our annual quantitative assessment of goodwill. No goodwill impairment charge was recorded as a result of the testing and the estimated fair value of each of our reporting units substantially exceeded its carrying value.

## ***Revenue***

The Company's revenues are derived from four primary types of products and services to clients: sales of catalyst concentrate for conversion of organic waste into soil regeneration products, sale of soil products (including Humisoil®, XLR8® Bio and other related products), landscape recovery services and the manufacturing and sale of landscape mulch.

The Company recognizes revenue when its performance obligations are satisfied. With respect to the sale of our catalyst concentrate, mulch and soil products, our performance obligation is met when product is pulled from inventory and segregated for shipping to our customer. For our landscape recovery services, our performance obligation is satisfied upon the completion of the landscape services for our customers. Products and services are primarily sold based on credit terms established for each customer. These credit terms, which are established in accordance with local and industry practices, require payment generally within 30 days of performance, or end of season qualifying orders. The Company estimates and reserves for its bad debt exposure based on its experience with past due accounts and collectability, the aging of accounts receivable and its analysis of customer data.

## ***Cash***

The Company considers all highly liquid short-term instruments that are purchased with an original maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of December 30, 2023 and December 31, 2022.



### *Account Receivable*

The Company performs ongoing credit evaluations of its customers' financial condition and maintains an allowance for credit losses based upon historical experience and a specific review of accounts receivable at the end of each period. Actual bad debts may differ from these estimates and the difference could be significant. At December 30, 2023 the Company had no allowance for credit losses. At December 31, 2022 the Company had an allowance for credit losses of \$180,000.

### *Inventories*

Inventories are stated at the lower of cost or net realizable value, with cost determined by the weighted-average cost method using full absorption costing for manufactured goods.

The organization is expanding the portfolio into the soil and organic fertilizer segments through the production of Humisoil®, XLR8® Bio and other related products for soil restoration. During 2022, inventories related to the production of this new product line were recorded at the lower of cost or net realizable value. Monthly "yard inventory" is analyzed based on periodic cycle counts and adjusted as necessary. Inventories are also impacted by intercompany sales between NSR and MMI of forest products. The sale and cost of sale are eliminated in our financial statement consolidation process.

### *Property and Equipment*

Property and equipment are recorded at cost of fair market value in accordance with ASC 805-30-50 as further defined in the acquisition section below. Expenditures that enhance the useful lives of the assets are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the related capitalized assets. Machinery and equipment is generally depreciated over 7 to 10 years. Vehicles are generally depreciated over 5 years.

Maintenance and repairs are charged to expense as incurred. At the time of retirement or other disposition of property and equipment, its cost and accumulated depreciation is removed from the accounts and the resulting gain or loss, if any, is reflected in operations.

### *Impairment of Long-Lived Assets and Right of Use Assets*

The Company reviews long-lived assets, including finite-lived intangible assets and right of use ("ROU") lease assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then these assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets.

### *Long-Term Investments and Related Accounting Policy*

The Company has 0.39% ownership in an insurance group which provides annual dividends to the Company on a recurring basis. The Company valued this investment at December 30, 2023 and December 31, 2022 at an amount of \$1,004,540 and \$968,779, respectively.

### *Intangible Assets*

The Company records its intangible assets at cost in accordance with Accounting Standards Codification ("ASC") 350. Finite lived intangible assets are amortized over their estimated useful life using the straight-line method, which is determined by identifying the period over the term of the agreement. During the three and twelve months ended December 31, 2022 and January 2, 2021, the Company performed valuation and impairment testing did not record a loss on impairment.





The Company increased intangible asset by \$14,400,000 in 2022 through IP investment with VRM Biologik through a 10-year licensing agreement with a 5 year automatic renewal with no additional expense. The transaction is funded through the issuance of 6,000,000 shares of common stock at a share price of \$2.40. Based upon the financial representation of the business and the contractual guarantees the Company believes this agreement will result in significant revenue and profit margin improvements, above and beyond, the transactional expense. The Company will amortize this intangible asset over a 15-year term, whereby, expensing \$80,000.00 per month over the life of the licensing agreement..

### *Goodwill*

Goodwill represents the excess of the purchase price of the acquired business over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at least annually at year end, at the reporting unit level or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is tested for impairment at the reporting level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. The fair values of the reporting units are estimated using market and discounted cash flow approaches. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The discounted cash flow approach uses expected future operating results. Failure to achieve these expected results may cause a future impairment of goodwill at the reporting unit. No impairment of goodwill was recorded by the Company for the fiscal years ended December 30, 2023 and December 31, 2022.

### *Advertising and Marketing Costs*

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were \$1,506,34 and \$584,643 for the twelve months December 30, 2023 and December 31, 2022, respectively, and are recorded in selling, general and administrative expenses in the statement of operations.

### *Fair Value Measurements*

ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

The Company's financial assets and liabilities carried at fair value measured on a recurring basis as of December 30, 2023 and December 31, 2022, consisted of the following:

	<b>Total fair value at December 30, 2023</b>	<b>Quoted prices in active markets for identical Assets (Level 1)</b>	<b>Significant other Observable inputs (Level 2)</b>	<b>Significant other Unobservable inputs (Level 3)</b>
Investment in mutual funds	\$ 52	\$ 52	\$ -	\$ -

  

	<b>Total fair value at December 31, 2022</b>	<b>Quoted prices in active markets for identical Assets (Level 1)</b>	<b>Significant other Observable inputs (Level 2)</b>	<b>Significant other Unobservable inputs (Level 3)</b>
Investment in mutual funds	\$ 52	\$ 52	\$ -	\$ -



### Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing the net income by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share includes the effect of Common Stock equivalents (stock options, unvested restricted stock, and warrants) when, under either the treasury or if-converted method, such inclusion in the computation would be dilutive.

	<b>12 Months Ended</b>	
	<b>Dec 31, 2022</b>	<b>Dec 31, 2022</b>
Numerator for basic and diluted earnings (loss) per share:		
Net income (loss)	\$ (3,582,261)	\$ 8,901,214
Denominator for basic earnings (loss) per share –		
Weighted Average Shares Outstanding	83,205,852	88,902,029
Stock Warrants and Options	6,000,000	1,650,000
Convertible notes	5,590,000	2,200,000
Denominator for diluted earnings (loss) per share –		
Weighted Average and Assumed Conversion	94,795,852	92,752,029
<b>Net income (loss) per share:</b>		
Basic net income (loss) per share	\$ (0.04)	\$ 0.10
Diluted net income (loss) per share	\$ (0.04)	\$ 0.10

The total outstanding shares of the Company's common stock as of December 31, 2023 was 92,343,948.

### Income Taxes

In August 2022, the Inflation Reduction Act was enacted, which, among other things, implements a 15% corporate alternative minimum tax on book income of certain large corporations effective for tax years beginning after December 31, 2022, and imposes a 1% excise tax on corporate stock repurchases after December 31, 2022.

Components of income before taxes were as follows:

	<b>Annual</b>	
	<b>Dec 30, 2023</b>	<b>Jan 1, 2022</b>
Net Income Before Taxes		
U.S.	\$ (5,788,868)	\$ 8,582,670
Foreign	-	-
<b>Total</b>	<b>(5,788,868)</b>	<b>8,582,670</b>
Current income tax expense		
U.S. federal	\$ 1,483,741	\$ 1,802,361
U.S. state and local	\$ -	\$ -
Foreign	\$ -	\$ -
<b>Total current</b>	<b>\$ 1,483,741</b>	<b>\$ 1,802,361</b>
Deferred income tax (benefit) expense		
U.S. federal	\$ (3,690,348)	\$ (2,120,905)
U.S. state and local	\$ -	\$ -
Foreign	\$ -	\$ -
<b>Total deferred</b>	<b>\$ (3,690,348)</b>	<b>\$ (2,120,905)</b>
<b>Total</b>	<b>\$ (2,206,607)</b>	<b>\$ (318,544)</b>

As of December 30, 2023, the Company had available tax-effected net operating loss carryforwards of \$4,802,680 that generally expire if not utilized.



The Company recognizes the tax effects of uncertain tax positions only if such positions are more likely than not to be sustained based solely upon its technical merits at the reporting date. The Company refers to the difference between the tax benefit recognized in its financial statements and the tax benefit claimed in the income tax return as an unrecognized tax benefit. There was no expense or liability recorded for unrecognized tax benefits for each period presented. The Company does not expect that the unrecognized tax benefit will materially change over the next 12 months.

Below is a breakdown to the income tax credit in the amount of \$2,206,607 for fiscal year ending December 30, 2023.

	<b>Dec 30, 2023</b>
Income (loss) before provision for income taxes	\$ (5,788,868)
Effective rate (after accounting for book vs tax differences)	38%
SGTM consolidated tax benefit	\$ (2,206,607)

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company utilizes ASC Topic 740, “Income Taxes,” which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. A valuation allowance is recorded when it is “more likely-than-not” that a deferred tax asset will not be realized. For tax positions that meet a “more likely than not” threshold, the Company recognizes the benefit in the consolidated financial statements.

For the twelve months ended December 30, 2023 and December 31, 2022, the Company recognized approximately \$2,206,607 and \$318,544 of tax benefit, respectively. These tax provisions were based on a 38% effective rate for federal and state income taxes in 2023 and 2022, respectively, after accounting for permanent and temporary differences between book and taxable income. The Company’s practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the consolidated statements of operations.

Under ASC 740-10-30-17 the Company must consider all available evidence in assessing the NOL valuation allowance which weighs the impact of historical performance and future expectations. The historical review of the Company’s financial statements includes R. Spencer litigation (former owner of Mulch Manufacturing). It is more likely than not that this legal matter restricted the Company’s ability to operate effectively. Litigation and associated expenses were charged to the Company’s financial statements and encumbered the Company’s ability to secure traditional financing resulting in high interest loans, etc. The Company settled litigation with R. Spencer in the fourth quarter of 2022. The Company recorded annual revenues of \$32.3M, \$35.9M, and \$29.6M respectively, in 2021 through 2023. As revenues improved in 2022 with an 11% increase, so did operating profits. However, in 2023 the Company experienced a reduction in revenue of (\$6.3M or (17%). The Company entered into a sublicense agreement with VRM Biologik, in the fourth quarter of 2022. This agreement allows the Company exclusive small package distribution rights in the United States & Caribbean to manufacture and distribute a soil line which will materially disrupt the outdoor industry resulting in increased distribution and operating margins (operating margin in the “soil” segment are larger than that of the Company’s historic mulch revenue base). The Company secured inventory and equipment and began manufacturing this soil product in the first quarter of 2023. The Company believes the NOL valuation allowance is “more likely-than-not”, therefore, the Company recognizes the benefit in the consolidated financial statements.



### NOTE 3 – INVENTORIES

#### *Inventories*

During 2023, the Company invested heavily in inventory for its new soil product line as reflected below:

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
Raw Materials	\$ 1,708,477	\$ 3,432,215
Work in Process	21,069,262	11,713,338
Finished Goods	16,104,187	3,510,626
<b>Total Inventory</b>	<b>\$ 38,881,925</b>	<b>\$ 18,656,179</b>

#### *Prepaid Expenses and Other Current Assets*

The Company entered into a long-term marketing agreement on October 5, 2022 to increase brand awareness for its new product line, HumiSoil. The transaction reflected a market value of \$30 million over a 5-year term based upon television airing across 400 million households weekly on Bloomberg and Fox. The Company recorded this transaction as a prepaid advertising asset in October of 2022 at a value of \$7,175,000 (3,500,000 common shares valued at \$2.05 on the date of the transaction). The Company has received a production and broadcast schedule which is evenly distributed over the term of the agreement; therefore, the Company is amortizing this marketing service on a straight-line basis over the 60-month term. The below illustrates the year over year change in prepaid and other current assets:

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
Advances on inventory	\$ 20,000	\$ 20,000
Prepaid expenses	3,363,860	7,150,344
Other assets	107,521	1,627,622
<b>PPD &amp; Other Current Asset Total</b>	<b>\$ 3,491,381</b>	<b>\$ 8,797,966</b>

### NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Expenditures that enhance the useful lives of the assets are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the related capitalized assets. Machinery and equipment is generally depreciated over 7 years. Vehicles are generally depreciated over 5 years. Maintenance and repairs are charged to expense as incurred. At the time of retirement or other disposition of property and equipment, its cost and accumulated depreciation is removed from the accounts and the resulting gain or loss, if any, is reflected in operations.

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
Machinery and equipment	\$ 24,846,202	\$ 20,449,231
Vehicles	5,336,069	4,441,312
Land	9,196,570	407,691
Buildings & Improvements	24,230,587	22,624,026
Furniture	142,970	-
Customized Software	366,113	-
Construction in process	25,692,470	25,692,470
Gross Property & Equipment	89,810,982	73,614,729
Less: accumulated depreciation	(21,854,935)	(9,280,966)
<b>Property and equipment, net</b>	<b>\$ 67,956,047</b>	<b>\$ 64,333,763</b>

Property and equipment are recorded at cost. Expenditures that enhance the useful lives of the assets are capitalized and depreciated. Machinery, equipment and vehicles are generally depreciated on a straight-line basis over 5 over the lesser of their estimated useful lives or the remaining lease terms. The amortization of the right-of-use



to 10 years over the estimated useful lives of the assets, as noted below. Leasehold improvements are depreciated (“ROU”) assets under finance leases is included in amortization expense. Expenditures for replacement or major renewals of significant items are capitalized. Expenditures for maintenance, repairs, and minor renewals are generally charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the respective accounts and the related gains or losses are credited or charged to earnings.

Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the term of the lease. Furniture, fixtures, and equipment, are depreciated over useful lives as noted below:

<b>Asset Class</b>	<b>Useful Life</b>
Machinery & equipment	7 years
Office equipment	5-7 years
Leasehold improvement	10-15 years
Autos and trucks	5 years
Buildings	39.5 years
Land	infinite
CIP	until placed in service

**NOTE 5 – INTANGIBLE AND LONG-LIVED ASSETS**

The Company records its intangible assets at cost in accordance with Accounting Standards Codification (“ASC”) 350. Finite lived intangible assets are amortized over their estimated useful life using the straight-line method, which is determined by identifying the period over the term of the agreement. During the year ended December 30, 2023 the Company performed valuation and impairment testing and concluded the asset valuation exceeded the book value and determined not adjustment to book value position.

The Company entered into a 15-year licensing agreement with VRM Biologik on October 12, 2022 which provides the Company exclusive US and Caribbean distribution rights to VRM Biologik’s HumiSoil IP (10-year base agreement with a 5-year option to extend at no cost). This Intangible Asset is expected to provide a material disruption to the US and Caribbean fertilizer & soil industry. The Company issued 6,000,000 shares of common stock to VRM Biologik on October 12, 2022 for the Intangible Asset which includes exclusive distribution rights. The Company values this investment at \$14,400,000 (or \$2.40 per share) based upon the close price on the date of the transaction. The Company amortizes this cost using the straight-line method over the life of the agreement.

Effective September 2023, SGTM and VRM have entered into an Addendum to the master License Agreement and Perpetual rights agreement for 99 years, with three 99-year options periods. This agreement grants SGTM exclusive rights to use, sublicense, or otherwise handle the use of VRM’s technology, intellectual property, and IP systems in all of the Americas, including North, South, Central, and the Caribbean islands.

As part of this amended agreement, VRM has increased its investment in SGTM to over 20% and has appointed SGTM as the gateway for market access to all of VRM’s technology advancements in both the Territory and in global sales opportunities. The agreement also provides SGTM with a "right of first refusal" to handle the use of the technology, including granting/selling, sub-licensing, or any other related use.

In addition, VRM has chosen to collaborate with SGTM to rebrand VRM’s groups and intellectual property. This collaboration requires the supply chain to source necessary collateral resources, such as wood, fiber by waste machinery, equipment, technical services support services, etc. These products and services will originate from the United States of America, contributing to the country’s exports.



All inquiries regarding the purchase of products or sub-licenses should now be directed to SGTM. Both parties recognize that this process ensures the integrity of SGTM's authority and the territory, further solidifying the partnership between the two companies.

Furthermore, VRM group intends to purchase inputs for the manufacture of its products from external suppliers. SGTM has been designated as VRM's preferred supplier and will be given opportunities to bid on projects worldwide.

#### NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following amounts:

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
Accounts payable	\$ 9,570,610	\$ 4,491,100
Accrued interest	1,326,571	34,392
Accrued expenses	792,402	239,528
	<u>\$ 11,689,583</u>	<u>\$ 4,765,019</u>

#### NOTE 7 – LEASES

##### *Sale/Leaseback*

The Company reviews long-lived assets, including finite-lived intangible assets and right of use (“ROU”) lease assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then these assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets.

The Company entered into a lease agreement (the “Lease”) with a third-party financing company (the “Lessor”) on August 8, 2022 whereby the Lessor provided the Company with \$7,500,000 in financing to purchase equipment located at the Company’s facilities in Jasper, Florida, Callahan, Florida and Homerville, Georgia (the “Equipment”). The Equipment was leased back to the Company pursuant to the Lease which includes the following key financial terms: an initial lease term of 30-months from the base period commencement date which period will automatically renew for successive one-year periods unless the Company notifies the Lessor at least 150 days prior to the end of the term of its intent to terminate the lease or exercise a buyout option. The Company has the right to buyout the Renewal Period obligations for an amount to be determined by Lessor and the Company. The monthly rental payments due by the Company under the Lease are initially \$262,125 plus applicable sales/use and property tax subject to increase by an amount equal to 0.0006776 for every five basis point increase in thirty-six (36) month U.S. Treasury Notes as of the date of the lease multiplied by \$7,500,000. The thirty-six (36) month U.S. Treasury Note yield is used as the basis for the calculation of the increase is 3.56%. In addition, the Company granted the Lessor a security interest in the equipment which is the subject of the Lease. The sale/leaseback transaction was recorded as a ROU Asset and Liability in accordance with ASC 842 and the fixed assets were reduced accordingly.

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
ROU Liability	\$ 14,208,437	\$ 10,490,776
Finance Lease	606,407	6,410,537
Operational Lease	55,481	4,080,239



As of December 30, 2023, remaining maturities of lease liabilities were as follows:

	Finance Lease	Operating Lease
2024	14,484,093	32,514
2025	107,977	1,158
2026	107,977	652
2027	107,977	666
2028	60,008	125
2029 and thereafter	-	-

In addition to the sale/leaseback transaction, the company increased operating leases for Mulch Manufacturing from 4 leased vehicles to 16 leased vehicles during 2022, each lease was recorded based upon its 84-month term.

On July 1, 2019, NSR LLC and Vista Landfill, LLC, a Waste Management Inc. company (“Waste Management”) entered into a Contractor Agreement which was amended on December 3, 2021 (collectively, the “Contractor Agreement”). The Contractor Agreement permits the Company to use two of Waste Management’s sites, one in Apopka, Florida and the other in Winter Garden, Florida, where we collect, store, grind, screen, color, and bag our own top quality mulches for distribution. The Contractor Agreement requires us to store and grind at our cost and expense an agreed amount of vegetative waste belonging to Waste Management at a certain agreed on fixed price Waste Management pays us. We are obligated to provide Waste Management with certain regulatory reports regarding the amounts of materials received and processed at these sites and to comply with all Federal, state and local regulations regarding vegetative waste processing and maintain liability insurance in amounts provided for in the Contractor Agreement. In addition, we pay rent for the use of the use of the sites, a fee for each ton of ground vegetative waste leaving the sites and for our use of the electricity we consume in our operations at these sites. The Contractor Agreement expires on June 30, 2025. Waste Management invoices the Company for rent and utility charges under the Contractor Agreement which are treated as expenses by the Company and NSR LLC invoices Waste Management for processing materials which the NSR LLC performs under the Contractor Agreement and treats such amounts as revenues.

**NOTE 8 –NOTES PAYABLE**

Notes Payable are summarized as follows:

	<u>December 30, 2023</u>	<u>December 31, 2022</u>
<b><u>Summary of Outstanding Debt</u></b>		
<b><u>Category</u></b>		
Real Estate	\$ 17,325,761	\$ 12,704,300
Equipment	\$ 9,900,550	\$ 11,311,148
Jasper Acquisition	\$ -	\$ 5,276,354
Other Obligations	\$ 9,790,109	\$ 1,641,779
Related Parties	\$ 5,394,584	\$ 1,500,000
<b>Total Debt Obligation</b>	<b>\$ 42,411,005</b>	<b>\$ 32,433,582</b>

The Company increased its debt obligation by \$10.4 million due to equipment and resources needed for Jasper and Beaver acquisitions, Homerville sawmill improvements and the Company’s new HumiSoil product line.

The company refinanced its real estate debt obligations and deferred the 2024 real estate balloon payment from September of 2024 to December of 2028. Below is a detailed schedule of the company’s debt obligations:

Below is a detailed schedule of the company’s debt obligations:



Outstanding Note(s)	<u>December 30, 2023</u>	<u>December 31, 2022</u>
Seller note payable bearing interest at 6.0%, monthly payments of principal and interest of \$82,390 beginning January 2023 with a \$9,476,902 balloon due December 2028, secured by mortgaged real estate	\$ 11,271,461	\$ 11,650,000
First \$300,000 payment of principal and interest due March 2022, \$200,000 payments of principal and interest due quarterly thereafter until paid in full	\$ -	\$ 952,208
Note payable to a bank, secured by equipment, bearing interest at 2.95% Monthly payments of principal and interest in the amount of \$28,698 beginning January 2021 and due through December 2025	\$ 748,791	\$
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$1,699 due August 2020 through July 2025	\$ 38,900	\$ 48,460
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$7,050 due August 2020 through July 2025. (adjusted)	\$ 186,818	\$ 201,042
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$8,316 due August 2020 through July 2025.	\$ 201,370	\$ 237,151
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$7,034 due August 2020 through July 2025.	\$ 236,892	\$ 275,008
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$7,392 due February 2021 through January 2026.	\$ 216,101	\$ 256,538
Non-interest-bearing note payable to an equipment financing company with monthly principal payments of \$5,842 due December 2021 through November 2023	-	\$ 64,256
Note payable to an equipment financing company bearing interest at 9%. Due to three-month COVID-19 payment suspension, monthly payments of principal and interest increased from \$3,933 to \$3,993 and extended three months through December 2023	-	\$ 49,349
Note payable to an equipment financing company bearing interest at 8%. Due to three-month COVID-19 payment suspension, monthly payments of principal and interest increased from \$2,410 to \$2,452 and extended three months through December 2023	-	\$ 30,495



Note payable to an equipment financing company bearing interest at 9%. Due to three-month COVID-19 payment suspension, monthly payments of principal and interest increased from \$1,861 to \$1,890 and extended three months through December 2023	-	\$	23,359
Note payable to an equipment financing company bearing interest at 8%. Due to three-month COVID-19 payment suspension, monthly payments of principal and interest increased from \$1,808 to \$1,840 and extended three months through December 2023	-	\$	22,863
Note payable to an equipment financing company bearing interest at 11%. Due to five-month COVID-19 payment suspension, monthly payments of principal and interest of \$1,692 due from August through July 2023 with a \$10,152 balloon payment in August 2023	-	\$	20,843
F - 17			
Note payable to an equipment financing company bearing interest at 12%. Due to five-month COVID-19 payment suspension, monthly payments of principal and interest of \$1,749 due from August 2020 through June 2023 with a \$10,496 balloon payment in July 2023	\$	-	\$ 19,886
Note payable to an individual bearing interest at 12%. Monthly payments of interest of \$5,000 starting on March 17, 2022 and due through February 2023. The principal is due no later than February 17, 2023, with no penalty for prepayment	\$	500,000	\$ 500,000
Note payable to an individual bearing interest at 12%. Monthly payments of interest of \$10,000 starting on Dec 15, 2022 and due through Dec 2023. The principal is due no later than Dec 15, 2023, with no penalty for prepayment	\$	1,000,000	\$ 1,000,000
Note payable to an equipment financing company bearing interest at 11.45%. Monthly payments of principal and interest of \$18,121 due through Mar-27	\$	695,010	\$ 729,954
Note payable to an equipment financing company bearing interest at 11.45%. Monthly payments of principal and interest of \$11,312 due through Mar-27	\$	433,855	\$ 455,668
Note payable to an equipment financing company bearing interest at 12.45%. Monthly payments of principal and interest of \$7,762 due through Apr-27	\$	296,017	\$ 311,037
Note payable to an equipment financing company bearing interest at 12.13%. Monthly payments of principal and interest of \$2,610 due through Apr-27	\$	90,955	\$ 105,273
Note payable to an equipment financing company bearing interest at 12.00%. Monthly payments of principal and interest of \$812 due through Jun-28	\$	35,241	\$ 39,129
Note payable to an equipment financing company bearing interest at 10.59%. Monthly payments of principal and interest of \$7,067 due through Jun-28	\$	316,135	\$ 352,562
Note payable to an equipment financing company bearing interest at 10.20%. Monthly payments of principal and interest of \$4,359 due through Apr-27	\$	156,338	\$ 182,586
Note payable to an equipment financing company bearing interest at 11.86%. Monthly payments of principal and interest of \$2,588 due through May-25	\$	49,425	\$ 65,101
Note payable to an equipment financing company bearing interest at 3.61%. Monthly payments of principal and interest of \$7,907 due through Apr-27	\$	318,598	\$ 380,264



Note payable to an equipment financing company bearing interest at 3.61%. Monthly payments of principal and interest of \$6,937 due through Apr-27	\$ 279,506	\$ 333,606
Note payable to an equipment financing company bearing interest at 3.49%. Monthly payments of principal and interest of \$7,118 due through Apr-27	\$ 287,378	\$ 343,157
Note payable to an equipment financing company bearing interest at 7.70%. Monthly payments of principal and interest of \$2,416 due through May-27	\$ 94,441	\$ 108,319
Note payable to an equipment financing company bearing interest at 6.99%. Monthly payments of principal and interest of \$14,056 due through Jun-27	\$ 587,070	\$ 649,896
Note payable to an equipment financing company bearing interest at 6.99%. Monthly payments of principal and interest of \$2,307 due through Jun-27	\$ 96,348	\$ 106,658
Note payable to an equipment financing company bearing interest at 6.99%. Monthly payments of principal and interest of \$1,468 due through Jun-27	\$ 61,292	\$ 67,848
Note payable to an equipment financing company bearing interest at 6.99%. Monthly payments of principal and interest of \$2,780 due through Jun-27	\$ 116,092	\$ 128,513
Note payable to a financing company bearing interest at 78%. Weekly payments of principal and interest of \$8,719 due through Jun-23	\$ -	\$ 143,257
Note payable to a financing company bearing interest at 100%. Weekly payments of principal and interest of \$5,346 due through Mar-23	\$ -	\$ 43,777
Note payable to a financing company bearing interest at 117%. Weekly payments of principal and interest of \$3,000 due through Mar-23	\$ -	\$ 28,927
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$5,230 due December 2020 through November 2025.	\$ 143,480	\$ 167,729
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$5,201 due November 2020 through October 2025.	\$ 138,001	\$ 162,214
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$5,201 due October 2020 through September 2025.	\$ 128,551	\$ 152,968
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$4,662 due August 2020 through July 2025 (adjusted)	\$ 112,892	\$ 132,952
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of \$5,201 due August 2020 through July 2025.	\$ 138,001	\$ 157,599



Note payable to an equipment financing company bearing interest at 6.99%. Monthly payments of principal and interest of \$5,064 due through Sep-27	\$	226,079	\$	240,827
Note payable to an equipment financing company bearing interest at 8.3%. Monthly payments of principal and interest of \$6,474 due through Oct-27	\$	282,015	\$	304,244
Note payable to an equipment financing company bearing interest at 8.3%. Monthly payments of principal and interest of \$6,474 due through Oct-27	\$	282,015	\$	304,244
Note payable to an equipment financing company bearing interest at 10.6%. Monthly payments of principal and interest of \$3,618 due through Dec-27	\$	154,888	\$	165,809
Note payable to an equipment financing company bearing interest at 10.6%. Monthly payments of principal and interest of \$3,836 due through Dec-27	\$	164,284	\$	175,831
Note payable for real estate bearing interest at 8.0% and balloon payment at end of term Monthly interest of \$7,029 with balloon of \$1,054,300 due through Aug-25	\$	1,054,300	\$	1,054,300
Note payable to an equipment financing company bearing interest at 7.5%. Monthly payments of principal and interest of \$11,850 due through Sep-28	\$	583,222	\$	654,943
Note payable to an equipment financing company bearing interest at 7.5%. Monthly payments of principal and interest of \$2,689 due through Sep-28	\$	132,328	\$	148,601
Note payable to an equipment financing company bearing interest at 7.5%. Monthly payments of principal and interest of \$830 due through Sep-28	\$	40,839	\$	45,861
Note payable to an equipment financing company bearing interest at 8.0%. Monthly payments of principal and interest of \$12,135 due through Nov-28	\$	606,702	\$	677,231
Note payable to an equipment financing company bearing interest at 8.0%. Monthly payments of principal and interest of \$10,967 due through Nov-28	\$	548,347	\$	612,092
Note payable to a financing company bearing interest at 141%. Weekly payments of principal and interest of \$9,333 due through Jul-23	\$	185,815	\$	185,815
Note payable for real estate bearing interest at 12.0% with monthly interest payments of \$20,000 with balloon of \$2,000,000 due in August, 2024	\$	2,000,000	\$	-
Note payable for inventory bearing interest at 12.0% with monthly payments of \$83,334 through July, 2028	\$	5,000,000	\$	-
Note payable for real estate bearing interest at 12.0% with monthly interest payments of \$30,000 with balloon of \$3,000,000 due in October, 2025	\$	3,000,000	\$	-
Convertible Note bearing interest at 10.0% with a balloon payment of principal and accrued interest in May, 2024; Note is convertible during term at \$0.50 per share of Company's common stock	\$	1,695,000	\$	-
Convertible Note bearing interest at 10.0% with monthly payments of \$9,167 and a balloon payment of 1,125,000 due in January, 2025; Note is convertible during term at \$0.50 per share of Company's common stock	\$	1,100,000	\$	1,100,000
Note payable to various finance companies bearing interest at ranges from 71% to 126% with weekly payments of principal and interest of \$3,000 due through Mar-23	\$	4,790,109	\$	-
<b>Total notes payable</b>	<b>\$</b>	<b>42,411,005</b>	<b>\$</b>	<b>30,933,581</b>
Short-term portion of notes payable	\$	42,411,005	\$	6,712,178
Long-term portion of notes payable	\$	-	\$	24,221,403



The schedule of future maturities on the above notes are as follows:

Year	Amount
2024	\$ 42,411,005
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
2029 & after	\$ -

## NOTE 9 – STOCKHOLDERS’ EQUITY AND STATEMENT OF CASH FLOWS

### *Preferred Stock*

On December 31, 2019, the Company’s Board of Directors adopted articles of incorporation in the state of Delaware authorizing, without further vote or action by the stockholders, to create out of the unissued shares of the Company’s common stock, \$0.0001 par value Preferred Stock. The Board of Directors is authorized to establish, from the authorized and unissued shares of Preferred Stock, one or more classes or series of shares, to designate each such class and series, and fix the rights and preferences of each such class of Preferred Stock; which class or series shall have such voting powers, such preferences, relative, participating, optional or other special rights, and such qualifications, limitations or restrictions as shall be stated and expressed in the resolution or resolutions providing for the issuance of such class or series of Preferred Stock as may be adopted from time to time by the Board of Directors prior to the issuance of any shares thereof. The articles of incorporation and designation authorizes the issuance of 5,000,000 shares of Preferred Stock, of which 100 shares have been designated as Series A Preferred Stock, of which 90 of Series A are issued and outstanding as of December 30, 2023. Each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Series A Preferred Stock held by such holder as of the record date for determining stockholders entitled to vote on such matter, with each share casting a vote equal to: the quotient of the sum of all outstanding shares of common stock together with any and all other securities of the Company that provide for voting on an “as converted” basis divided by 0.99.

### *Common Stock*

Basic net income (loss) per common share is computed by dividing the net income by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share includes the effect of Common Stock equivalents (stock options, unvested restricted stock, and warrants) when, under either the treasury or if-converted method, such inclusion in the computation would be dilutive.

	Full Year	
	December 30, 2023	December 31, 2022
<i>Numerator for basic and diluted earnings (loss) per share:</i>		
Net income (loss)	\$ (6,275,266)	\$ 8,901,214
<i>Denominator for basic earnings (loss) per share –</i>		
Weighted Average Shares Outstanding	83,205,852	88,902,029
Stock Warrants	1,000,000	1,650,000
Stock Options	5,000,000	
Convertible notes	5,590,000	2,200,000
<i>Denominator for diluted earnings (loss) per share –</i>		
Weighted Average and Assumed Conversion	94,795,852	92,752,029
<i>Net income (loss) per share:</i>		
Basic net income (loss) per share	\$ (0.08)	\$ 0.10
Diluted net income (loss) per share	\$ (0.07)	\$ 0.10

**Outstanding shares of the Company’s common stock as of December 30, 2023 and December 31, 2022 was 92,343,948 and 74,631,742, respectively.**



### *Equity Transactions During the Period*

The following issuances of common stock affected the Company's Stockholders' Equity:

On January 18, 2022, the Company issued 266,667 shares pursuant to subscription agreements at a price of \$0.75 per share.

On January 19, 2022, the Company purchased back 1,300,092 shares pursuant to October 11, 2021 settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – First Complaint settlement.

On January 21, 2022, the Company issued 200,000 shares pursuant to subscription agreements at a price of \$0.75 per share.

On February 17, 2022, the Company purchased back 1,300,092 shares pursuant to October 11, 2021 settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – First Complaint settlement.

On March 15, 2022, the Company purchased back 1,300,092 shares pursuant to October 11, 2021, settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – First Complaint settlement.

On March 23, 2022, the Company issued 1,000,000 shares pursuant to subscription agreements at a price of \$0.75 per share.

On April 15, 2022, the Company purchased back 1,300,092 shares pursuant to October 11, 2021, settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – First Complaint settlement.

On April 18, 2022, the Company issued 266,667 shares pursuant to subscription agreements at a price of \$0.75 per share.

On May 12, 2022, the Company purchased back 1,300,092 shares pursuant to October 11, 2021, settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – First Complaint settlement.

On August 15, 2022, the Company issued 500,000 shares pursuant to a licensing agreement with VRM Global Holdings PTY, Ltd., at a price of \$3.00 per share, see Note 1, ORGANIZATION AND BUSINESS OPERATIONS.

On October 5, 2022, the Company issued 3,500,000 shares pursuant to a marketing service agreement with Accel Media International, Inc., at a price of \$2.05 per share, see Note 1, ORGANIZATION AND BUSINESS OPERATIONS.

On October 5, 2022, the Company issued 30,000 shares pursuant to a PR service agreement with PCG Advisory, Inc., at a price of \$2.05 per share.

On October 12, 2022, the Company issued 6,000,000 shares pursuant to a licensing agreement with VRM Global Holdings PTY, Ltd., at a price of \$2.40 per share, see Note 1, ORGANIZATION AND BUSINESS OPERATIONS.

On October 13, 2022, the Company issued 200,000 shares pursuant to subscription agreements at a price of \$0.50 per share.

During the month of November 2022, the Company issued 50,000 shares pursuant to subscription agreements at a price of \$2.00 per share and 200,000 shares pursuant to warrant options at a price of \$1.00.

During the month of December 2022, the Company issued 385,000 shares pursuant to subscription agreements at a price of \$2.00 per share and 150,000 shares pursuant to warrant option at a price of \$1.00 per share.



On December 27, 2022, the Company purchased back 22,101,556 shares pursuant to December 13, 2022 settlement agreement with Ralph Spencer at a price of \$0.15 per share. See Note 11 COMMITMENTS AND CONTINGENCIES – Legal Claims – Ralph Spencer Litigation – Second Complaint settlement.

On January 4, 2023, the Company issued 250,00 shares pursuant to subscription agreements at a price of \$1.00 per share.

In January, 2023, the Company issued 17,990 shares for services to key advisors, at a price of \$6.24 per share.

In March, 2023, the Company issued 179,670 shares for services to key advisors and employees, at a price of \$1.00 per share.

In May, 2023, the Company issued 127,457 shares pursuant to a finance service agreement, at a price of \$0.50 per share.

In May, 2023, the Company issued 7,000,000 shares pursuant to a product purchasing agreement with VRM Global Holdings PTY, Ltd., at a price of \$1.26 per share.

In May, 2023, the Company issued 2,000,000 shares pursuant to a product purchasing agreement with New Earth Technologies, Ltd., at a price of \$1.35 per share.

In May, 2023, the Company issued 54,000 shares for services to key advisors, at a price of \$1.00 per share.

In June, 2023, the Company issued 50,000 shares for services to an executive, at a price of \$1.00 per share.

In July, 2023, the Company issued 135,000 shares pursuant to subscription agreements, at a price of \$1.00 per share.

In August, 2023, the Company issued 19,332 shares pursuant to subscription agreements, at a price of \$1.00 per share.

In September, 2023, the Company issued 7,628,789 shares pursuant to a product purchasing agreement with VRM Global Holdings PTY, Ltd., at a price of \$1.30 per share.

In October, 2023, the Company issued 200,000 shares pursuant to financing agreement, at a price of \$0.50 per share.

## **STATEMENT OF CASH FLOWS**

### *Inventory*

The Company adjusted inventory in its cash flow statements to reflect intercompany sales between NSR and MMI during 2022 in the amount of \$3,888,374. Addition the Company received \$1,499,950 in inventory from VRM Biologik in accordance with its 3<sup>rd</sup> quarter stock issuance. No cash was received for this transaction.

### *Prepaid expenses and other current assets*

The Company adjusted prepaid expenses to remove \$7,175,000 in prepaid advertising during the 4<sup>th</sup> quarter of 2022 resulting from stock issuances totaling 3,500,000. The Company expensed \$358,750 of this prepaid advertising amount based upon the 60-month contract term. No cash was received for this transaction.

### *Purchases of property and equipment*

The Company invested in equipment and leasehold improvements for the December 2021 acquisitions of the Beaver and Jasper facilities in the amount \$2,853,564. Additional capital expenditure included leasehold improvements to preexisting facilities totaling \$583,177 totaling \$4,462,216 for the year ending December 31, 2022.



#### *Proceeds from sale of property and equipment*

The Company entered into a sale/leaseback agreement to fund operating cash flow in the 4<sup>th</sup> quarter of 2022. The gross transaction was \$7,500,000 less \$262,500 in security deposits.

#### *Proceeds from notes payable*

In 2023, the Company financed various property and equipment purchases to support operations totaling \$17.3M in funding, primarily through mortgages and equipment loans.

In 2022, the Company assumed \$6.8M in funding through Convertible Notes \$1.1M, short term bridges \$4.2M and investments through related parties \$1.5M.

#### *Additional Stock Subscriptions/Redemptions*

The Company issued 14,400,000 shares of common stock in the 4<sup>th</sup> quarter of 2022 in exchange for a long term partnership with VRM Biologik which allows the Company exclusive US and Caribbean distribution of small package utilizing VRM Biologik's Intellectual Property (IP). No cash was received for this transaction.

The Company purchased 28,602,014 shares of common stock from former owner R. Spencer during 2022. Total cash paid for these shares in 2022 was \$3,437,500. The Company has a future payment obligation associated with this transaction in the amount of \$1,500,000 as disclosed in Note 11 of the "Commitments and Contingencies" segment listed below.

The Company issued 17,712,205 shares of common stock in 2023 in exchange for a combination of services and cash valued at \$22,269,661.

### **NOTE 10 – ACQUISITION**

#### **Beaver Sawmill Acquisition(s)**

In December 2021, the Company acquired a sawmill in Beaver, Washington through distressed sales transactions caused by COVID-19. The addition of these mills is expected to increase our sawing capacity to over 100 million board feet of lumber annually and significantly expand our mulch manufacturing operations.

Beaver, Washington. The Company purchased this facility in 2 transactions which occurred on December 31, 2021 and March 16, 2022. The building assets were transacted on December 31, 2021, through the sale of 400,000 share of common stock @ \$8.05 per share or \$3,220,000. The Company recorded the value of the building assets at \$9.24 due to the valuation of the Company's common stock on the building asset closing date which adjusted the purchase price valuation for building assets from \$3,220,000 to \$3,696,000. The Company purchased the land assets on March 16, 2022, through cash proceeds totaling \$1,025,475. The acquisition of the facility is characterized as a distressed sale resulting from global economic situations caused by COVID-19. The Company had the facility appraised and was provided an "as is" property valuation of \$20,039,580, versus purchase price of \$4,721,475. The Company recorded a bargain purchase gain of \$15,318,105 across 2 fiscal years, ending January 2, 2022 and December 31, 2022, due to the timing of the transactions. The Beaver facility is approximately 100,000 square feet and resides on 44.6 acres.

### **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

#### *Inventory Purchases*

#### *VRM Biologik*



The Company has entered into an inventory purchase agreement with VRM Biologik, whereby, the Company agrees it will make a cash payment for purchase of product totaling \$7,200,000 which is to be paid in 3 tranches with the first payment of \$3,600,000 being made on December 31, 2022 followed by two payments of \$1,800,000 paid respectively on May 31, 2023 and October 31 of 2023. Due to the delay in funding in the year 2022 and delay on the catalyst ingredient shipments, arriving in January 30, 2023, instead of making payments in December of 2022 the parties have agreed to discuss a payment plan later in 2023. On May 15, 2023 the Company and VRM amended the Restricted Sub-License Agreement dated August 9, 2022. According to the terms of the Agreement Amendment, the Company shall issue VRM 7,000,000 shares of common stock in lieu of \$7,200,000 in cash payment previously required by the Restricted Sub-License Agreement.

### *Legal Claims*

The Company and certain subsidiaries are involved in litigation and various legal matters that are being defended and handled in the ordinary course of business. Included among these matters are creditors who have provided funding for certain of our property locations and equipment being utilized in our operations. The Company does not include estimated future legal costs in accruals recorded related to these matters. The Company is working with these creditors to modify the payment structure and extend the terms of the loans to match better with expected future cash flows.

### *Ralph Spencer Litigation*

#### *First Complaint and Settlement.*

On March 25, 2021, the Company filed a civil complaint (the “First Complaint”) in Florida’s Ninth Judicial Circuit Court in Orange County, Florida against Ralph Spencer (“Spencer”), the former owner and CEO of Mulch Manufacturing, Inc., alleging certain tortious interference with the Company’s business operations and dealings. On April 1, 2021, the Company was granted an Emergency Temporary Injunction by the Court enjoining Mr. Spencer from, among other things, further attempts to interfere with the Company’s business operations.

On August 16, 2021, the parties entered into a Settlement Agreement and Mutual Release (the “Settlement Agreement”), wherein, among other provisions, all outstanding debt was extinguished. The Company recognized a \$17,484,728 capital contribution, credited to Additional Paid-in Capital, from the extinguishment of debt.

The Company also agreed to pay Spencer \$25,650,000 plus interest as follows:

- (a) Issuing Spencer a promissory note in the amount of \$10,650,000 accruing interest at 6% per annum secured by four properties located in Florida and another in Georgia (the “Settlement Note”). The Settlement Note is amortized monthly over 20 years with a balloon payment of any outstanding balance on its third anniversary. The Company is current on all Settlement Note obligations as of the date of this Registration statement.
- (b) Paying Spencer a total of \$15,000,000 in exchange for the redemption of Spencer’s 40,000,000 shares of common stock and any and all ownership interests in which he may have or claim (the “Redemption Payment”). The Redemption Payment is to be paid to Spencer according to the following schedule: (i) \$3,300,000 on October 15, 2021 in exchange for 8,797,800 common stock shares; and (ii) twenty-four (24) payments of \$487,500 on the 15<sup>th</sup> of each month, commencing November 15, 2021, each for 1,300,091.67 common stock shares. Spencer executed a letter of instruction to the Company’s transfer agent, Pacific Stock Transfer, and provided all shares to the transfer agent to allow for the immediate redemption upon each payment.

On October 11, 2021, the First Complaint was voluntarily dismissed with prejudice as provided for in the Settlement Agreement.



*Second Complaint.*

On April 19, 2022, the Company together with its wholly owned subsidiary Mulch Manufacturing, Inc., (referred to together as the “Plaintiffs”) filed a civil complaint in Florida’s Ninth Judicial Circuit Court in Orange County, Florida Case No. 2022-CA-003280-O (the “Second Complaint”) against Spencer alleging that (i) Spencer breached the Settlement Agreement by disclosing confidential settlement terms to third parties and violating the non-disparagement provisions by repeatedly disparaging and defaming Anthony Raynor, Tami Raynor, and other officers, agents, and employees of the Plaintiffs, (ii) that Spencer engaged in certain tortious interference with the Company’s advantageous business relationships, and (iii) that Spencer engaged in a systematic campaign to defame, disparage and spread false statements about the Company and its employees, agents and representatives, including family members of Company employees.

On December 13, 2022 (the “Effective Date”), the Plaintiffs, Tami Raynor and Anthony Raynor (collectively, “Raynor”), and Ralph Spencer (“Spencer”), by and through his attorney-in-fact Christie Spencer and his court-appointed attorney, Christine J. Lomas, and Christie Spencer, as Ralph Spencer’s attorney-in-fact (together with Spencer, the “Spencer Parties”) ( hereafter “the “Parties” or a “Party”), entered into a Settlement Agreement, (hereafter the “December 2022 Settlement Agreement”), in relation to the Second Complain (the “Business Court Litigation”).

As a complete settlement of the dispute that is the subject of the Business Court Litigation, the Parties agreed to the following material terms as provided for in the December 2022 Settlement Agreement:

Terms Regarding Promissory Note, Mortgage, and Deed to Secure Debt. Within five days of the Effective Date, Spencer and RJ Enterprises of Florida, LLC (“RJ Enterprises”) agreed to convey certain real estate located in Nassau County, Florida (the “RJ Parcels”) to the Company’s wholly owned subsidiary Mulch Manufacturing, Inc. (“Mulch Manufacturing”) free and clear from any and all interests, mortgages, liens, encumbrances, and clouds on the title, including a \$200,000 mortgage from RJ Enterprises to Weber Holdings, Ltd. The RJ Parcels are comprised of two tracts of land, one of which is approximately 2.93 acres and the other is approximately 14.9 acres, both of which are located off of U.S. Highway 301 in Callahan, Florida 32011.

In addition, Spencer agreed to release the real property located at 108 Copeland Street, Jacksonville, Florida 32204 (the “Copeland Parcel”) from the mortgage securing a debt in the original principal amount of \$10,650,000 issued by the Company in favor of Spencer as provided for in the Settlement Agreement (the “August 2021 Mortgage”). Further, the Parties agreed to amend the August 2021 Mortgage and the underlying promissory note to increase the principal balance to \$11,500,000, which amount will be amortized over twenty (20) years with any and all remaining amounts of principal and interest becoming due and payable sixty months after the date of amendment. The August 2021 Mortgage will be further modified to add the RJ Parcels as collateral security and limit the inspection rights of Spencer and certain other persons and restrict Spencer from selling, transferring, assigning, gifting, encumbering, or placing any liens on the August 2021 Mortgage for a period of two years from the date it is amended.

Terms Regarding Common Stock of the Company. According to the terms of the December 2022 Settlement Agreement, the Company agreed with Spencer to redeem 22,101,556 shares of the Company’s common stock he owns (the “Spencer Shares”) in exchange for the Company’s payment to Spencer of \$1,000,000. The Company’s obligation to pay Spencer is conditioned on Spencer delivering: (i) a letter of instruction directing the Company’s transfer agent to rescind the issuance of the Spencer Shares, (ii) a quit claim deed to the RJ Parcels to Mulch Manufacturing and (iii) a release of the Copeland Property from the August 2021 Mortgage. In addition, Spencer has represented that he has no rights, options, or warrants to buy additional shares of common stock or any other stock or ownership interests in the Company, that Spencer has not sold, assigned, transferred, encumbered, or gifted, directly or indirectly, any stock, rights, options, warrants, or other ownership interests in the Company to any person or party and that he has no other ownership interests whatsoever in the Company or Mulch Manufacturing. The Company adjusted retained earnings to reflect the repurchase of common shares with offset to cash, based on ASC 505-30.

The December 2022 Settlement Agreement also provides that the Company shall pay Spencer an aggregate of \$1,500,000 in installments of \$500,000 on April 1, 2023, August 1, 2023 and December 1, 2023 conditioned on Spencer complying with his obligations under the December 2022 Settlement Agreement (the “Additional Amounts”). On



December 27, 2022, these conditions were fulfilled, and the Company completed the redemption of the 22,101,556 shares of common stock. The Company did not record the future obligation as the performance obligation and historical compliance does not conform to the “more likely than not” requirement. The Company will expense future payments as part of “non-operating income” should “Spencer” comply with the with “non-harrasment obligations” outlined in the 2022 Settlement Agreement. The Company believes there continues to be “significant risk” that “Spencer” may not comply with his obligations. Based on ASC 450, due to the criteria of non-probability requirement not being met due to the non-compliance of Spencer, the future obligation was not recorded.

Finally, the December 2022 Settlement Agreement provided that the Parties would execute and file a joint stipulation in Business Court Litigation that provides in the event Ralph Spencer and Christie Spencer fail to comply with certain non-harassment obligations provided for in the December 2022 Settlement Agreement, then the unpaid balance of the Additional Amounts will be paid into the registry of the court or an agreed-upon third party as they become due to be held in escrow and released upon agreement or as directed by an order of the court. Accordingly, the stipulation was filed in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida, on January 26, 2023.

## **NOTE 12 – CONCENTRATION OF CREDIT RISK**

### *Cash Deposits*

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of December 30, 2023, the Company did not have any deposit amounts in excess of the FDIC insured limit.

### *Revenues*

For the twelve months ending December 30, 2023, one customer accounted for 26% of revenue.

### *Accounts Receivable*

For the twelve months ended December 31, 2022, one customer accounted for 88% of revenue and accounts receivable.

## **NOTE 13 – SUBSEQUENT EVENTS**

In January, 2024, the Company entered into a Forbearance Agreement with a third-party financing company that had earlier provided sales leaseback funding (see Note 7) secured by equipment and other assets of the Company located in three of our facilities. As part of this Forbearance Agreement, the Company issued 9,688,878 shares of its common stock and agreed to make a balloon payment of \$8,500,000 in March, 2024. The Company was not able to make the payment in March and the Company is working with the financing company to modify the payment amounts and timing to get a new Forbearance Agreement in place.

The Company has raised investment capital in 2024 by selling 2,467,691 shares of its common stock through May 15, 2024.

In March, 2024 Mr. Joshua Ganganna and Mr. Barry Papenfuss were appointed as the Company’s COO and CFO, respectively.



**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

**10) Issuer Certification**

*Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Anthony Raynor certify that:

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

May 15, 2024 [Date]

/s/ Anthony Raynor [CEO's Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

*Principal Financial Officer:*

I, Barry Papenfuss certify that:

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

May 15, 2024 [Date]

/s/ Barry Papenfuss [CFO's Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)