THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES

(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

THE SUSTAINABLE GREEN TEAM LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

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THE SUSTAINABLE GREEN TEAM LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Successor March 31, 2020 (unaudited)	Predecessor December 31, 2019 (unaudited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,303,668	$ 7,896,832
Accounts receivable, net of allowance for doubtful accounts of $100,000	5,694,523	2,029,777
Lease receivable	263,339	-
Inventory	10,343,357	10,507,708
Note receivable - related party	30,000	-
Investments	830,000	1,902,272
Prepaid expenses and other current assets	742,198	629,043
Total Current Assets	22,207,085	22,965,632
Property and equipment, net of accumulated depreciation of $15,714,245	3,878,094	6,944,925
Goodwill	7,856,546	
Intangibles	446,250	457,500
ROU asset	279,477	-
Other assets	44,541	103,276
Total Assets	$ 34,711,993	$ 30,471,333
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	2,405,730	966,554
Current portion of lease liability	87,142	-
Convertible notes payable	425,000	-
Notes payable - related party	-	14,193,921
Notes payable	274,877	-
Total Current Liabilities	3,192,749	15,160,475
Long-term Liabilities:		
Lease liabilities, net of current portion	219,089	-
Notes payable, net of current portion	707,921	-
Note payable - related party, net of current portion	21,643,025	-
Note payable - employee	4,000,000	4,000,000
Total Liabilities	29,762,784	19,160,475
Commitments and Contingencies	-	-
Stockholders' Equity:		
Preferred Series A stock, $0.0001 par value, 5,000,000 shares authorized, 90 share	-	-
Common stock, $0.0001 par value; 245,000,000 shares authorized; 87,752,636 shares issued and outstanding as of March 31, 2020	8,775	500
Additional paid-in capital	6,269,479	50,020
Stock payable	100,000	-
Retained earnings (accumulated deficit)	(1,429,045)	11,260,338
Total Stockholders' Equity	4,949,209	11,310,858
Total Liabilities and Stockholders' Equity	$ 34,711,993	$ 30,471,333

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

THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Successor	Predecessor	
	Three Months Ended March 31, 2020	Period from January 1, 2020 through January 31, 2020	Three Months Ended March 31, 2019
Net Revenue	$ 6,255,262	$ 1,486,276	$ 8,017,212
Cost of revenue	4,526,756	1,501,387	7,188,779
Total gross profit	1,728,506	(15,111)	828,433
Operating expenses:			
Selling, general and administrative	766,585	244,835	868,947
Depreciation and amortization	145,263	4,450	6,150
Total operating expenses	911,848	249,285	875,097
Income (loss) from operations	816,658	(264,396)	(46,664)
Other income (expense):			
Interest expense, net	(216,838)	(18,382)	(96,051)
Other income, net	36,806	3,271	7,679
Total other expense	(180,032)	(15,111)	(88,372)
Income (loss) before provision for income taxes	636,626	(279,507)	(135,036)
Provision for income taxes	133,691	-	-
Net Income (loss)	$ 502,935	$ (279,507)	$ (135,036)
Net loss per common share - basic	$ 0.01	$ (2,795.07)	$ (1,350.36)
Net loss per common share - diluted	$ 0.01	$ (2,795.07)	$ (1,350.36)
Weighted average shares outstanding - basic	71,930,414	100	100
Weighted average shares outstanding - diluted	73,649,969	100	100

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

THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

Successor

	Preferred Stock		Common Stock		Additional Paid-in	Stock	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Payable	Deficit	Total
Balance at January 1, 2020	90	$ -	43,752,636	$ 4,375	$ 273,879	$ 100,000	$ (1,931,980)	(1,553,726)
Stock issued in connection with Mulch Manufacturing acquisition	-	-	40,000,000	4,000	5,996,000	-	-	6,000,000
Stock issued in connection with reverse merger	-	-	4,000,000	400	(400)	-	-	-
Net income	-	-	-	-	-	-	502,935	502,935
Balance as of March 31, 2020	90	$ -	87,752,636	$ 8,775	$ 6,269,479	$ 100,000	$ (1,429,045)	$ 4,949,209

Predecessor

	Preferred Stock		Common Stock		Additional Paid-in	Stock	Retained	
	Shares	Amount	Shares	Amount	Capital	Payable	Earnings	Total
Balance at January 1, 2019	-	$ -	100	$ -	$ 50,520	$ -	$ 11,539,107	11,589,627
Distributions	-	$ -	-	$ -	$ -	$ -	$ (2,600)	(2,600)
Net loss	-	-	-	-	-	-	(135,036)	(135,036)
Balance as of March 31, 2019	-	$ -	100	$ -	$ 50,520	$ -	$ 11,401,471	$ 11,451,991

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

THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Successor	Predecessor	
	For the Three Months Ended March 31, 2020	January 1, 2020 through January 31, 2020	For the Three Months Ended March 31, 2019
Cash flows from operating activities:			
Net Income (Loss)	$ 502,935	$ (279,507)	$ (135,036)
Adjustments to reconcile net loss to net cash used in operating activities:			
Provision for doubtful accounts	-	-	21,590
Depreciation and amortization	145,263	46,750	246,150
Gain on sale of fixed assets	(38,000)	-	
Non-cash lease impact	21,052	-	
Changes in operating assets and liabilities:			
Accounts receivable, net	(2,871,316)	(797,696)	(4,018,723)
Inventory	159,547	(312,923)	410,560
Lease receivable	(220,989)	-	-
Prepaid expenses and other current assets	432,899	102,004	136,597
Accounts payable and accrued expenses	1,172,891	142,321	504,050
Operating lease liabilities	18,905	-	
Net cash used in operating activities	(676,813)	(1,099,051)	(2,834,812)
Cash flows from investing activities:			
Purchases of property and equipment	(130,366)	(49,156)	(49,068)
Investment purchases	-	(262,079)	(83,609)
Proceeds from repayment of notes receivable	-	-	34,177
Net cash provided by investing activities	(130,366)	(311,235)	(98,500)
Cash flows from financing activities:			
Proceeds from note payable	-	7,449,104	140,623
Proceeds from convertible note payable	80,000		
Proceeds from note payable - related party	6,240,670	-	
Capital contributions	-	-	
Disbursements	-	(7,694,979)	(2,600)
Payments on principal of finance leases	(38,455)	-	
Payment on notes payable	(1,186,140)	-	(6,000)
Net cash provided by financing activities	5,096,075	(245,875)	132,023
Net increase (decrease) in cash	4,288,896	(1,656,161)	(2,801,289)
Cash and cash equivalents - beginning of period	14,772	7,896,832	8,419,222
Cash and cash equivalents - end of period	$ 4,303,668	$ 6,240,671	$ 5,617,933
Supplemental cash flow information:			
Cash paid for:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -
Non-cash investing and financing activities:			
Purchase of property and equipment for note receivable	$ 630,000	$ -	$ -
Purchase of notes receivable, accounts receivable and inventory for note receivable	$ 15,402,355	$ -	$ -
Distribution of property and equipment	$ -	$ 5,042,424	$ -

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

THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES
(F/K/A NATIONAL STORM RECOVERY, INC. F/K/A SIERRA GOLD CORPORATION)
NOTES TO CONSENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

NOTE 1 – ORGANIZATION AND BUSINESS OPERATIONS

Corporate History

The Sustainable Green Team, Ltd., (F/K/A National Storm Recovery, Inc. F/K/A Sierra Gold Corporation) (the "Parent" or "TSGT"), a Delaware corporation, conducts business activities principally through its three wholly-owned subsidiaries, National Storm Recovery LLC ("NSR LLC"), a Delaware limited liability company, Sierra Gold Merger Corp. ("SGMC"), a Delaware corporation, Mulch Manufacturing, an Ohio corporation, ("MM") and Rose Transport, Inc., an Ohio corporation, a wholly-owned subsidiary of MM ("Rose") (collectively, the "Company").

The Company was initially formed in the State of Nevada on January 22, 1997, under the name Alpha Diamond Corporation. On June 18, 1998 it changed its name to African Resources, Inc. and thereafter to Viking Exploration, Inc. on April 9, 1999 and then to Serria Gold Corporation on July 12, 2006. Thereafter, on February 15, 2011, the Company changed domiciles to the State of Wyoming by filing Articles of Continuance with the Wyoming Secretary of State. Then, effective on or about August 22, 2019, Sierra Gold Corporation, a Wyoming corporation ("SGCP"), entered into a reverse merger/share purchase agreement (the "Exchange Agreement"), as amended and restated on December 31, 2019 ("Amendment No. 1"), with NSR LLC, pursuant to which SGCP acquired all of the membership interests of NSR LLC. Upon closing, NSR LLC became a wholly-owned subsidiary of SGCP (the "Exchange Agreement" or "Exchange")

In anticipation of with the Exchange, on July 22, 2019, a Certificate of Amendment was filed with the State of Wyoming to change the name of Company from "Sierra Gold Corporation" to "National Storm Recovery, Inc." On July 22, 2019, the Company obtained a Certificate of Authority from the State of Wyoming. In addition, as of August 22, 2019, the Company's trading symbol changed from "SGCP" to "NSRI".

SGCP had approved a 1 for 10,000 reverse stock split prior to any discussions with NSR LLC and filed the same with the Wyoming Secretary of State subject to certain conditions; however, in accordance with the terms of the Agreement, effective August 22, 2019, SGCP effected a 1 for 10,000 reverse stock split, decreasing the issued and outstanding shares of its common stock from 3,499,000,000 to 349,900 (excluding subsequent issuances made in connection with rounding). Thereafter, SGCP issued 40,000,000 shares of its common stock to the sole member of NSR LLC as consideration for the membership interests exchanged that were to be held by SGCP pending its reorganization under Delaware General Corporation Law ("DGCL"). As a result of the transaction, NSR LLC members acquired 99% of SGCP's issued and outstanding shares of common stock and SGCP changed its principal focus to providing tree services, debris hauling and removal, biomass recycling, mulch manufacturing, packaging and sales.

Immediately following the Exchange, the Company had 40,349,900 shares of common stock and 90 shares of Series A preferred stock issued and outstanding. The pre-Exchange stockholders of the Company retained an aggregate of 349,900 shares of common stock of the Company, representing approximately 1% ownership of the post-Exchange Company (excluding rounding for fractional shares and rounding up to 100 shares for shareholders that would have held less than 100 shares following the Exchange). Therefore, upon consummation of the Merger, there was a change in control of the Company, with the former owners of NSRI effectively acquiring control of the Company. The Exchange was treated as a reverse recapitalization effected by a share exchange for financial and reporting purposes since SGCP was deemed to be a shell corporation with nominal operations and assets at the time of the merger. NSRI is considered the acquirer for accounting purposes, and the SGCP's historical financial statements before the Exchange have been replaced with the historical financial statements of NSRI before the Exchange in future filings.

On December 31, 2019 the Company restructured into a holding company pursuant to Delaware General Corporation Law ("DGCL") §251(g) known as "the Delaware Holding Company Statute." In order to effect this restructuring NSRI and NSR LLC company each changed domiciles to the State of Delaware by filing Certificates of Conversion and Certificates of Incorporation and Formation, respectively. Immediately thereafter, NSRI incorporated TSGT as its wholly-owned subsidiary and TSGT formed Sierra Gold Merger Corp., a Delaware corporation ("SGMC") as its wholly-owned subsidiary. Similarly, NSR LLC issued TSGT, 1,000 limited liability company Common Membership Units. Each of the four parties next executed an Agreement and Plan of Merger (the "Merger Agreement") as well as a Certificate of Merger, the latter of which was filed with the Delaware Secretary of State Division of Corporations on December 31, 2019 (collectively, the " Reorganization"). Pursuant to the terms of the Reorganization, NSRI merged down into SGMC with SGMC surviving as the successor to the reorganization, with all of the assets and liabilities of NSRI merging into SGMC and the separate existence of NSRI ceasing. The shares of TSGT and Membership Interests of NSR LLC, held by NSRI were canceled in the reorganization as part of the restructuring and the shares of NSRI became exchangeable for shares of TSGT on a one for one basis making TSGT the parent to both SGMC and NSR LLC as well as making TSGT the publicly-traded successor to NSRI. As of March 31, 2020, the Company has not changed its name to The Sustainable Green Team, Ltd. pending approval from FINRA to announce the Corporate Action.

Effective January 31, 2020, the Company entered into a Business Combination Agreement (the "Mulch Acquisition") pursuant to which MM has become its wholly-owned subsidiary. Under the Mulch Acquisition, all issued and outstanding common stock in MM were converted into an aggregate of 40,000,000 shares of the Company's common stock (See Note 4). The Company's financial presentation identifies MM as "Predecessor" for the periods preceding February 1, 2020.

Business Overview

The Company provides tree services, debris hauling and removal, biomass recycling, mulch manufacturing, packaging and sales. The Company's objective is to provide a solution for the treatment and handling of tree debris that has historically been disposed of in landfills, creating an environmental burden and pressure on disposal sites around the nation. This objective is founded in sustainability, based on vertically integrated operations that begin with collecting of tree debris through its tree services and collection sites, through its processing services, and then recycling and using that tree debris as a feedstock that is manufactured into a variety of organic, attractive, next-generation mulch products that are packaged and sold to landscapers, installers and garden centers. The Company plans to expand its operations through a combination of organic growth and strategic acquisitions of synergistic companies that are both accretive to earnings and enable the Company to be positioned for rapid growth.

Significant Developments During Quarter

On March 31, 2020, the Company entered into an agreement to sell back to MM certain purchased equipment assets, including a dual line mulch bagging system, a mulch coloring system, a screening plant with a regrind wood hog and a radial stacking conveyor.

NOTE 2 –LIQUIDITY

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. At March 31, 2020, the Company had an accumulated deficit of approximately $1.4 million and working capital surplus of approximately $19 million. For the three months ended March 31, 2020 (Successor), the Company had a gain from operations of approximately $817,000 and negative cash flows from operations of approximately $677,000.

To date the Company has funded operations primarily through the issuance of debt instruments. During the three months ended March 31, 2020, the Company received approximately $6 million in a note payable, in connection with the Mulch Acquisition, from the sole shareholder of MM.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2020 and 2019 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 our financial position at such date and the operating results and cash flows for such periods. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the entire year or for any subsequent interim period.

Due to its adopting of industry standards MM and Rose quarterly operations are recorded as of March 28, 2020. Management has deemed that any operations between March 28, 2020 and the Company's reporting period of March 31, 2020, would not have a material impact on the unaudited condensed consolidated financial statements.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the rules of the U.S. Securities and Exchange Commission, or the SEC. These unaudited condensed consolidated financial statements and related notes should be read in conjunction with our unaudited financial statements for the year ended December 31, 2019 included in the Company's Annual Report on the Annual Report and Initial Disclosure Statement filed with the OTC Markets on April 23, 2020.

Principles of Consolidation

The unaudited condensed consolidated financial statements are presented on a comparative basis. The unaudited condensed consolidated balance sheet at December 31, 2019 is identified as "Predecessor" and includes the accounts of MM and its wholly-owned subsidiary Rose. The unaudited condensed consolidated balance sheet at March 31, 2020 is identified as "Successor" and includes the accounts the TSGT, SGCP, MM and Rose.

The unaudited condensed consolidated statement of operations for the period ending March 31, 2020 is identified as "Successor" and includes the accounts of TSGT and SGCP for the full period, and the accounts of MM and Rose for the period February 1, 2020 through March 31, 2020. The unaudited condensed consolidated statements of operations for the periods ending January 31, 2020 and March 31, 2019 is identified as "Predecessor" and includes the accounts of MM and Rose. A black line separates the Predecessor and Successor sections to highlight the lack of comparability between these periods.

The unaudited condensed consolidated statement of changes in stockholders' equity includes two sections. The first section is identified as "Successor" and includes the TSGT equity information as previously reported by TSGT on its 2019 annual report, and the activity for the period ending March 31, 2020, including the acquisition of MM. The second section is identified as "Predecessor" which includes a presentation of MM's equity for the period ending March 31, 2019. A black line separates the Predecessor and Successor sections to highlight the lack of comparability between these two periods.

The unaudited condensed consolidated statement of cash flows for the period ending March 31, 2020 is identified as "Successor" and includes the accounts of TSGT and SGCP for the full period, and the accounts of MM and Rose for the period February 1, 2020 through March 31, 2020. The unaudited condensed consolidated statements of operations for the periods ending January 31, 2020 and March 31, 2019 is identified as "Predecessor" and includes the accounts of MM and Rose. A black line separates the Predecessor and Successor sections to highlight the lack of comparability between these periods.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity-based transactions, revenue and expenses and disclosure of contingent liabilities at the date of the consolidated financial statements. The Company bases its estimates and assumptions on historical experience, known or expected trends and various other assumptions that it believes to be reasonable. As future events and their effects cannot be determined with precision, actual results could differ from these estimates which may cause the Company's future results to be affected.

Revenue

The Company's revenues are derived from two major types of services to clients: landscape recovery services and the manufacturing and sales of landscape mulch. With respect to landscape recovery services, the company provides tree services, debris hauling and removal and biomass recycling.

Practical Expedients

The Company has adopted several practical expedients including that the Company has determined that it need not adjust promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the Company transfers a promised services to the client and when the client pays for that service will be one year or less.

The Company recognizes revenue when our performance obligations are satisfied. With respect to landscape recovery services our performance obligation is satisfied upon the completion of the landscape services for our customers. With respect to the manufacturing and selling of landscape mulch our performance obligation is satisfied upon delivery to our customers. Our services are provided for cash or on credit terms. Our credit terms, which are established in accordance with local and industry practices, require payment within 30 days of performance or end of season for qualifying orders. The Company estimates and reserves for our bad debt exposure based on our experience with past due accounts and collectability, the aging of accounts receivable and our analysis of customer data.

Disaggregated Revenues

Revenue consists of the following by service offering for the three months ended March 31, 2020 (Successor):

Landscaping Recovery Services	Manufacturing and Sales of Mulch [(1)]	Total
$ 512,195	$ 5,743,065	$ 6,255,260

(1) Represents post-acquisition net revenues for the period February 1, 2020 through March 31, 2020.

Revenue consists of the following by service offering for the period January 1, 2020 through January 31, 2020 (Predecessor):

Landscaping Recovery Services	Manufacturing and Sales of Mulch	Total
$ -	$ 1,486,276	$ 1,486,276

Revenue consists of the following by service offering for the three months ended March 31, 2019 (Predecessor):

Landscaping Recovery Services	Manufacturing and Sales of Mulch	Total

$ -	$ 8,071,212	$ 8,017,212

Cash

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Account Receivable and Retainage

The Company periodically assesses its accounts receivable for collectability on a specific identification basis. If collectability of an account becomes unlikely, an allowance is recorded for that doubtful account. As of March 31, 2020 (Successor) and December 31, 2019 (Predecessor), the Company's allowance for doubtful accounts was $100,000.

From time to time, the Company requests a deposit for a large landscaping or disaster recovery jobs. During the three months ended March 31, 2020 no jobs qualified for this treatment.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using straight-line method over the estimated useful lives of the related assets. Expenditures that enhance the useful lives of the assets are capitalized and depreciated.

Machinery and equipment costs are capitalized and depreciated on a straight-line basis over 3 to 7 years. Vehicles are capitalized at cost and depreciated on a straight-line basis over useful lives ranging from 5 to 7 years.

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

Impairment of Long-Lived Assets and Right of Use Asset

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.

Intangible Assets

The Company records its intangible assets at cost in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*. Finite lived intangible assets are amortized over their estimated useful life using the straight-line method, which is determined by identifying the period over which the cash flows from the asset are expected to be generated. During the three months ended March 31, 2020, the Company did not record a loss on impairment.

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 (See Note 4).

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with accounting standards for "Accounting for Derivative Instruments and Hedging Activities."

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of Conventional Convertible Debt Instrument."

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying Common Stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Original issue discounts ("OID") under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying Common Stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the contract shall be classified as an asset or a liability.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were $36,186 and $18,455 for the three months ended March 31, 2020 (Successor) and 2019 (Predecessor), respectively, and are recorded in selling, general and administrative expenses on the statement of operations.

Fair Value Measurements

As defined in ASC 820, "Fair Value Measurements and Disclosures," fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. 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.

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date.

Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3: Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The significant unobservable inputs used in the fair value measurement for nonrecurring fair value measurements of long-lived assets include pricing models, discounted cash flow methodologies and similar techniques.

Our financial assets and liabilities carried at fair value measured on a recurring basis as of March 31, 2020 (Successor) and December 31, 2019 (Predecessor), consisted of the following:

	Total fair value at March 31, 2020	Quoted prices in active markets for identical Assets (Level 1)	Significant other Observable inputs (Level 2)	Significant other Unbservable inputs (Level 3)
Investment in mutual funds	$ 4,051,745	$ 4,051,745	$ -	$ -

	Total fair value at December 31, 2019	Quoted prices in active markets for identical Assets (Level 1)	Significant other Observable inputs (Level 2)	Significant other Unbservable inputs (Level 3)
Investment in mutual funds	$ 7,925,196	$ 7,925,196	$ -	$ -

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.

	Three Months Ended	
	March 31, 2020 (Successor)	March 31, 2019 (Predecessor)
Numerator:		
Numerator for basic and diluted earnings (loss) per share:		
Net income (loss)	$ 502,935	$ (135,036)
Denominator:		
Denominator for basic earnings (loss) per share – weighted average shares outstanding	71,930,414	100
Convertible notes	1,719,555	-

Denominator for diluted earnings (loss) per share – weighted average and assumed conversion	73,649,969	100
Net income (loss) per share:		
Basic net income (loss) per share	$ 0.01	$ (1,350)
Diluted net income (loss) per share	$ 0.01	$ (1,350)

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was anti-dilutive due to the Company's net income position even though the exercise price could be less than the average market price of the common shares:

	Three Months Ended March 31,	
	2020	2019
	(Successor)	(Predecessor)
Warrants	75,000	-
Total	75,000	-

Stock Based Compensation

The Company applies the provisions of ASC 718, Compensation—Stock Compensation ("ASC 718"), which requires the measurement and recognition of compensation expense for all stock based awards made to employees, including employee stock options and warrants, in the statements of operations.

For stock options and warrants issued to employees and members of the board of directors for their services, the Company estimates the grant date fair value of each option using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the Common Stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the Common Stock. For awards subject to service based vesting conditions, including those with a graded vesting schedule, the Company recognizes stock based compensation expense equal to the grant date fair value of stock options on a straight line basis over the requisite service period, which is generally the vesting term. Forfeitures are recorded as they are incurred as opposed to being estimated at the time of grant and revised.

Pursuant to ASU 2018-07 Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, the Company accounts for stock options and warrants issued to non-employees for their services in accordance ASC 718. The Company uses valuation methods and assumptions to value the stock options that are in line with the process for valuing employee stock options noted above.

Income Taxes

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 assets will not be realized.

For uncertain tax positions that meet a "more likely than not" threshold, the Company recognizes the benefit of uncertain tax positions in the consolidated financial statements. 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.

Recent Accounting Pronouncements

In January 2017, FASB issued Accounting Standards Update (ASU) 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminated the calculation of implied goodwill fair value. Instead, companies will record an impairment charge based on the excess of a reporting unit's carrying amount of goodwill over its fair value. This guidance simplifies the accounting as compared to prior GAAP. The guidance is effective for fiscal years beginning after December 15, 2019. The implementation of this new pronouncement did not have a material impact on its unaudited condensed consolidated financial statements.

All other newly issued but not yet effective accounting pronouncements have been deemed to be not applicable or immaterial to the Company.

NOTE 4 – ACQUISITIONS

Mulch Manufacturing, Inc. Acquisition

On January 31, 2020 the Company entered into a Business Combination Agreement (the "Mulch Acquisition") with MM and the sole shareholder of MM, Ralph Spencer ("Spencer"), (collectively the "MM Parties"), pursuant to which the Company acquired all of the shares of MM. Upon closing, MM became a wholly-owned subsidiary of TSGT.

Pursuant to the Mulch Acquisition, at the effective time of the acquisition:

- All of MM's outstanding common stock was exchanged for an aggregate of 40,000,000 shares of TSGT's common stock.
- There were specific excluded assets that were retained by Spencer and treated as transferred to Spencer prior to the acquisition. These assets consisted of cash in MM bank accounts, certain vehicles, real estate, and certain pieces of equipment.
- All of the existing MM notes, notes and accounts receivable, and inventory at the date of the Mulch Acquisition are included in the acquisition and the Company has immediate possession of them by its ownership of MM. However, the 40 million shares of the Company's common stock that was issued as compensation was based on these assets being removed from MM prior to the acquisition. The value of these assets are valued separately from the share exchange and that certain demand promissory note payable to Spencer in the amount of approximately $14 million will be adjusted to reflect the value of the inventory, accounts receivable, and any other sums lent by Spencer to MM.
- Spencer and MM shall amend that certain $14 million note post-closing to reflect those values following the completion of the year-end audit.

The Company accounted for these transactions in accordance with the acquisition method of accounting for business combinations. Assets and liabilities of the acquired business were included in the unaudited condensed consolidated balance sheet as of March 31, 2020, based on the respective estimated fair value on the date of acquisition as determined in a purchase price allocation using available information and making assumptions management believed are reasonable.

Per ASC Topic 805, "Business Combinations" ("ASC 805"), the measurement period is the period after the acquisition date during which the acquirer may adjust the provisional amounts recognized for a business combination. The measurement period shall not exceed one year from the acquisition date. The Company has identified the acquisition date as January 31, 2020. Subsequent to the issuance of these financial statements, the Company expects to obtain a third-party valuation on the fair value of the assets acquired and liabilities assumed for use in the purchase price allocation, as well as the value of consideration exchanged in the acquisition.

The following table summarizes the allocation of the purchase price to the fair values of the assets acquired and liabilities assumed as of the transaction date:

Consideration paid	$	6,000,000
Tangible assets acquired:		
Property and equipment		1,908,657
Investments		830,000
Prepaid assets		131,426
Other assets		35,441
Total tangible assets	$	2,905,524
Intangible assets acquired:		
Supply agreement		453,750
Total intangible assets	$	453,750
Assumed liabilities:		
Accounts payable		889,387
Accrued expenses		326,433
Notes payable		4,000,000
Total assumed liabilities	$	5,215,820
Net liabilities assumed	$	1,856,546
Goodwill (a.)(b.)	$	7,856,546

a. Goodwill is the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets. In accordance with applicable accounting standards, goodwill is not amortized but instead is tested for impairment at least annually or more frequently if certain indicators are present. Goodwill and intangibles are not deductible for tax purposes.

b. Goodwill represents synergies from the merger of operations. The acquisition of MM resulted in the ability for TSGT to expand their revenue streams and increase revenues. Also, TSGT will be able to cross sell landscape recovery services to MM customers.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	March 31, 2020 (Successor)		**December 31, 2019 (Predecessor)**	
Machinery and equipment	$	17,472,690	$	16,143,018
Land		-		818,298
Buildings		-		3,073,625
Construction in process		391,684		2,757,345
Leasehold improvements		624,249		831,405
Vehicles		1,103,716		1,259,942
		19,592,339		24,883,633
Less: accumulated depreciation		(15,714,245)		(17,938,708)
Property and equipment, net	$	3,878,094	$	6,944,925

Total depreciation expense for the three months ended March 31, 2020 (Successor) and 2019 (Predecessor) was $137,763, and $234,900, respectively.

NOTE 6 – INTANGIBLE ASSETS AND GOODWILL

The table below summarizes the changes in goodwill during the quarter ended March 31, 2020:

Balance December 31, 2019	$	-
Acquisition of goodwill		7,856,546
Impairment		-
Ending balance, March 31, 2020	$	7,856,546

The table below summarizes the identifiable intangible assets as of March 31, 2020 (Successor) and December 31, 2019 (Predecessor):

	Useful life		2020		2019
Supply contract [1]	10	$	453,750	$	637,500
			453,750		637,500
Less accumulated amortization			(7,500)		(180,000)
Total		$	446,250	$	457,500

(1) These intangible assets were acquired in the acquisition of MM.

The weighted average useful life remaining of identifiable intangible assets remaining is 9.75 years.

Amortization of identifiable intangible assets for the three months ended March 31, 2020 (Successor) was $7,500. Amortization of identifiable intangible assets for the period January 1, 2020 through January 31, 2020 (Predecessor) and for the three months ended March 31, 2019 (Predecessor) was $3,750 and $11,250, respectively.

The below table summarizes the future amortization expense for the next five years:

		March 31, 2020
2020	$	33,750
2021		45,000
2022		45,000
2023		45,000
2024		45,000
Thereafter		232,500
	$	446,250

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following amounts:

		March 31, 2020 (Successor)		December 31, 2019 (Predecessor)
Accounts payable	$	1,091,079	$	753,091
Accrued interest		181,760		-
Accrued expenses		1,132,891		213,463
	$	2,405,730	$	966,554

NOTE 8 –NOTES PAYABLE

Short-Term Notes Payable

As of March 31, 2020 (Successor) and December 31, 2019 (Predecessor), short-term notes payable with financial institutions, net of debt discount, consist of the following amounts:

	Origination Date	Maturity Date	Discount at Origination	Initial Principal	Daily Repayment	March 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Noteholder 1	09/18/19	02/29/20	62,995	207,000	1,299	-	-
Noteholder 2	12/05/19	04/05/20	42,000	147,000	105,000	-	-

During the year ended December 31, 2019, the Company entered into several short-term notes with daily repayments. On January 31, 2020, the Company paid an aggregate of $198,625 to satisfy two notes payable.

As of March 31, 2020 (Successor) and December 31, 2019 (Predecessor), short-term convertible notes payable with private investors consist of the following:

	Origination Date	Maturity Date	Interest Rate	Initial Principal	March 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Noteholder 1	05/21/19	05/21/20	10%	$ 250,000	$ 250,000	$ -
Noteholder 2	06/10/19	06/10/20	10%	100,000	100,000	-
Noteholder 2	01/16/20	01/16/20	10%	75,000	75,000	-

On October 10, 2018, and extended June 10, 2019, the Company entered into a convertible promissory note for $100,000. The principal amount of the note is $100,000 and bears interest at 10%. Both the principal and interest are due June 10, 2020 unless converted beforehand. The note provides the Company with the option to grant conversion rights to the note holder to convert the outstanding principal and interest due at a 30% discount to the market price of the Company's common stock. Additionally, the Company issued 400,000 common stock shares as an inducement. As of March 31, 2020, the Company has yet to grant conversion rights to the note holder.

On May 21, 2019, the Company entered into a convertible promissory note for $250,000. The principal amount of the note is $250,000 and bears interest at 10%. Both the principal and interest are due May 21, 2020 unless converted beforehand. The note provides the Company with the option to grant conversion rights to the note holder to convert the outstanding principal and interest due at a 30% discount to the market price of the Company's common stock. Additionally, the Company is to issue 1,000,000 common stock shares as an inducement to the note. As of March 31, 2020, the Company has yet to grant conversion rights to the note holder.

On January 16, 2020, the Company entered into a convertible promissory note for $75,000. The principal amount of the note is $75,000 and bears interest at 10%. Both the principal and interest are due January 16, 2021 unless converted beforehand. The note provides the Company with the option to grant conversion rights to the note holder to convert the outstanding principal and interest due at a 30% discount to the average closing price of the Company's common stock for the prior ten (10) trading days. Additionally, the Company is to issue 250,000 shares of common stock as an inducement to the note. As of March 31, 2020, the Company has yet to grant conversion rights to the note holder.

Long-Term Notes Payable

As of March 31, 2020 (Successor) and December 31, 2019 (Predecessor), equipment loans consist of the following:

	Origination Date	Maturity Date	Interest Rate	Monthly Payment	2020 (Successor) Current	2020 (Successor) Long-term	2019 (Predecessor)
Lender 1	10/14/18	10/14/24	8%	$ 932	$ 8,144	$ 34,123	$ -

Lender 2	09/05/18	09/05/23	8%	2,410	23,601	66,398	-
Lender 2	10/01/18	09/30/23	8%	3,933	37,151	106,738	-
Lender 2	10/01/18	09/30/23	7%	1,808	17,652	49,740	-
Lender 2	10/01/18	09/30/23	8%	1,861	17,580	50,514	-
Lender 3	10/30/18	08/01/23	10%	1,692	15,162	42,434	-
Lender 3	09/15/18	05/15/23	9%	1,749	16,387	40,699	-
Lender 4	09/01/18	08/31/24	8%	977	8,556	34,950	-
Lender 1	09/01/18	08/31/24	8%	766	6,976	27,956	-
Lender 2	11/01/17	11/01/20	7%	1,874	14,422	-	-
Lender 2	10/15/18	10/15/23	7%	751	7,190	21,173	-

In connection with the Ogden acquisition a $342,550 promissory note was executed, carrying interest at 5% per annum and payable over five years. At March 31, 2020 (Successor) the principal balance was $280,251, of which, $47,055 and $233,196 was categorized as short-term and long-term notes payable, respectively, on the unaudited condensed consolidated balance sheet. Related accrued interest on the promissory note was $35,236 at March 31, 2020 (Successor).

The schedule of future maturities for the equipment notes and the above promissory note is as follows:

	Promissory Note	**Equipment Notes**	**Total**
2020	$ -	$ 118,644	$ 118,644
2021	36,864	168,003	204,867
2022	51,349	181,734	233,083
2023	144,983	143,986	288,969
2024	-	21,774	21,774
	$ 233,196	$ 634,141	$ 867,337

Assumed Convertible Debentures

As part of the SGCP Exchange one convertible debenture was assumed by the Company:

On December 11, 2018, the SGCP entered into a non-interest bearing convertible note payable for $75,000, due June 11, 2019. The note was issued with a cashless warrant to purchase common stock, exercisable for no additional consideration than settlement of the note (see Note 4). The exercise price is equal to the closing price of the Company's common stock on the trading date immediately preceding the triggering transaction (closing date of the Exchange) and may be exercised in whole or in part any time prior to the close of business November 29, 2020. As part of the Exchange this note was amended to increase the principal to $100,000. The outstanding principal was $55,000 as of March 31, 2020 (Successor) and is categorized in short-term notes payable on the unaudited condensed consolidated balance sheet.

Related Party

Predecessor

In June 2015, MM paid cash distributions to its shareholders in the amount of $16,500,000 and paid cash of $1,000,000 on outstanding shareholders notes payable. On June 26, 2015, the shareholders loaned the $17,500,000 back to the Company in the form of subordinated notes payable that bear interest at the short-term Applicable Federal Rate for each semiannual period in fiscal year ending December 31, 2019 (2.42% for the blended annual rate for the period ending December 31, 2019). At December 31, 2019, the balance of these notes was $14,193,921.

In 2019, MM entered into a promissory note with an employee in the amount of $6,000,000, $2,000,000 of which was paid during the year ended December 31, 2019. The note bears interest at 3% per annum, requires semi-annual payments of $300,000 starting on June 1, 2021 and has no maturity date. As part of the Mulch Acquisition, this note was amended to relieve certain covenants. See description in Successor section below.

Successor

On January 31, 2020, in connection with the Mulch Acquisition, the Company issued a promissory note payable to Spencer for the existing notes and accounts receivable and inventory of MM that was excluded from the share exchange. The promissory note has a principal amount of $21,643,025 and bears an interest rate of 4% per annum with a maturity date of January 31, 2022.

Pursuant to the Mulch Acquisition, the Company assumed the $4,000,000 note payable between MM and an employee. The note bears interest of 3% per annum, requires semi-annual payments of $300,000 starting on June 1, 2021 and has no maturity date. The balance of the note payable at March 31, 2020 (Successor) and December 31, 2019 (Predecessor) was $4,000,000.

Total interest expense related to the above notes was $145,594 for the three months ended March 31, 2020 (Successor) and $38,624 for the period January 1, 2020 through January 31, 2020 (Predecessor) and $139,123 for the three months ended March 31, 2019 (Predecessor).

NOTE 9 - STOCKHOLDERS' EQUITY

Preferred Stock

On December 11, 2018, the SGCP's Board of Directors approved the designation of 100 shares of Preferred Stock as Series A preferred stock ("Series A Preferred Stock"). Each one share of Series A Preferred Stock shall has voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock eligible to vote at the time of the respective vote, divided by (y) .49, minus (z) the numerator. For simplicity's sake each one Series A preferred share votes approximately 1% of the outstanding fully diluted shares of the Company. As of March 31, 2020 the Company had no undeclared dividends in arrears. In connection with the reorganization under DGCL §251(g), the Company approved amended and restated articles of incorporation in the State of Wyoming to be effective as of December 28, 2019, however explained to FINRA with its Corporate Action Notification, once a Wyoming corporation is dissolved, it is extremely cumbersome and expensive to reinstate, requiring a judicial action. Thus, the Wyoming corporate changes related to the plan to change domiciles and restructure under a Delaware holding company structure, are being left as a final matter following approval of all other items by FINRA. The Wyoming amended and restated articles of incorporation approved to be effective as of December 28, 2019 contain a change to the designation of Series A Preferred Stock, specifically to the formula for voting as follows: "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 Corporation that provide for voting on an "as converted" basis, divided by 0.99."

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 March 31, 2020.

Equity Transactions During the Period

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

On January 31, 2020, as a result of the Mulch Acquisition, 40,000,000 shares of common stock were issued (Note 4).

On February 26, 2020, the Company issued 4,000,000 shares of common stock at par value as part of the amended and restated share purchase and equity exchange agreement with SGCP.

NOTE 10 – STOCK WARRANTS

Warrants

The issuance of warrants to purchase shares of the Company's Common Stock including those attributed to debt issuances are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2019	-	$ -
Granted	75,000	1.00
Exercised	-	-
Expired or cancelled	-	-
Outstanding and exercisable at March 31, 2020	75,000	$ 1.00

The following table summarizes information about warrants outstanding and exercisable at March 31, 2020:

Range of exercise prices	Outstanding Options	Weighted-Average Remaining Life In Years	Weighted-Average Exercise Price	Number Exercisable
$ 1.00	75,000	0.67	$ 1.00	75,000
	75,000	0.67	$ 1.00	75,000

The expense attributed to the issuances of the warrants was recognized as they vested/earned. These warrants are exercisable for 2 years. All are currently exercisable.

NOTE 11 – LEASES

A lease is defined as a contract that conveys the right to control the use of identified tangible property for a period of time in exchange for consideration. On January 1, 2019, the Company adopted ASC Topic 842 which primarily affected the accounting treatment for operating and finance lease agreements in which the Company is the lessee including Company leases of vehicles and equipment for use in the storm and disaster recovery work.

On January 31, 2020, the Company recognized ROU assets of $362,935, net of credit balance of existing capital leases at date of adoption of approximately $14,900, and lease liabilities of $377,825. The Company elected to not recognize ROU assets and lease liabilities arising from short-term leases with initial lease terms of twelve months or less (deemed immaterial) on the accompanying consolidated balance sheets.

ROU assets include any prepaid lease payments and exclude any lease incentives and initial direct costs incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

When measuring lease liabilities for leases that were classified as operating and financing leases, the Company discounted lease payments using its estimated incremental borrowing rate at January 1, 2019.

Rent expense amounted to approximately $193,326 for the three months ended March 31, 2020 which consists of three months of TSGT and SGCP and the period of February 1, 2020 through March 31, 2020 of MM and its wholly-owned subsidiary (Successor) and $4,000 for the period of January 1, 2020 through January 31, 2020 (Predecessor) and $13,000 for the three months ended March 31, 2019 (Predecessor), respectively.

The following table presents net lease cost and other supplemental lease information:

Lease cost		**2020**
Finance lease cost	$	
Amortization of ROU assets		19,658
Interest on lease liabilities		7,588
Operating lease cost		1,788
Short-term lease cost		35,304
Total lease cost	$	64,338
Cash paid for amounts included in the measurement of lease liabilities for:		
Finance leases:	$	
Financing cash flows		38,455
Operating leases:		
Operating cash flows		3,382
Weighted-average remaining lease term:		
Finance leases		3.60 years
Operating leases		2.25 years
Weighted-average discount rate:		
Finance leases		10%
Operating leases		10%

Supplemental balance sheet information related to leases was as follows:

	Financial Statement Line Item		**March 31, 2020**
Assets:			
Operating lease assets	ROU asset	$	14,829
Finance lease assets	ROU asset		264,648
Total leased assets		$	279,477
Liabilities:			
Current:		$	
Operating lease assets			5,936
Finance lease assets			81,206
Non-current			
Operating lease assets			8,893
Finance lease assets			210,196
Total leased liabilities		$	306,231

As of March 31, 2020, remaining maturities of lease liabilities were as follows:

		Finance		Operating
2020	$	77,233	$	5,364
2021		102,977		7,152
2022		81,165		4,172
2023		50,628		-
2024		37,972		-
Total	$	349,974	$	16,688
Amount representing interest		(58,572)		(1,859)

Lease liability	$ 291,402	$ 14,829

As of December 31, 2019, future minimum annual lease payments related to the lease agreement mentioned above were as follows:

	Finance	Operating	Total
2020	$ 77,233	$ 5,364	$ 82,597
2021	102,977	7,152	110,129
2022	81,165	4,172	85,337
2023	50,628	-	50,628
2024	37,972	-	37,792
Total	349,974	16,688	366,662
Amount representing interest	(58,572)	(1,859)	(60,431)
Lease liability	$ 291,402	$ 14,829	$ 306,231

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Legal Claims

There are no material pending legal proceedings in which the Company or any of its subsidiaries is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of its voting securities, or security holder is a party adverse to us or has a material interest adverse to the Company.

NOTE 13 – 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 March 31, 2020 (Successor) and December 31, 2019 (Predecessor), the Company had no amounts in excess of the FDIC insured limit.

Revenues

There were no concentrations of revenue for the three months ended March 31, 2020 (Successor), the period January 1, 2020 through January 31, 2020 (Predecessor) or for the three months ended March 31, 2019 (Predecessor).

Accounts Receivable

Two customers accounted for 19% of the accounts receivable as of March 31, 2020 (Successor), as set forth below:

Customer A	15%
Customer B	9%

One customer accounted for 19% of the accounts receivable as of March 31, 2019 (Predecessor), as set forth below:

Customer A	19%

Accounts Payable

Three vendors accounted for 67% of the accounts payable as of March 31, 2020 (Successor), as set forth below:

Vendor A	25%
Vendor B	25%
Vendor C	17%

There was no concentration of accounts payable as of March 31, 2019 (Predecessor).

NOTE 14 – SUBSEQUENT EVENTS

On April 9, 2020, the Company issued 1,000,000 shares of common stock with a fair value of $0.24 per share to an investor.

On May 14, 2020, the Company issued 25,000 shares of common stock with a fair value of $0.35 per share to an investor.

On May 20, 2020, the Company issued 1,035,045 shares of common stock with a fair value of $0.40 to an investor. These shares were issued from two separate investments, 250,000 shares are from a common stock subscription made on November 26, 2019 35and 786,045 shares from the conversion of a convertible promissory note. The 250,000 shares issued pursuant to the earlier subscription agreement entered in to with the investor were shares that should have been issued along with the 1 million shares that were issued for a $100,000 investment. However, that subscription was amended by email between the Company and the investor and 250,000 additional shares issuable were overlooked. Thus the price per share paid for the 1,250,000 shares subscribed should have been $0.08 per share. The same investor was also a holder of the $250,000 promissory note due May 21, 2020, as described in Note 8. The investor was offered the right to convert the principal and interest due under the note and on May 15, the holder elected to convert at a 30% discount to the 12 day average market price prior to the conversion date This resulted in the issuance of 786,045 shares of common stock at a conversion price of $0.349417 per share.