THE SUSTAINABLE GREEN TEAM, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL QUARTER ENDED APRIL 2, 2022

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TABLE OF CONTENTS

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

	April 2, 2022	January 1, 2022
ASSETS		
Current Assets		
Cash	$ 106,736	$ 788,242
Short-term investments	52	52
Accounts receivable, net of allowance for doubtful accounts	261,081	2,538,626
Receivables from Factor	2,429,147	-
Inventories	7,081,140	7,588,085
Prepaid expenses and other current assets	1,750,859	1,503,504
Total Current Assets	11,629,015	12,418,509
Property and equipment, net	55,501,114	52,049,146
Other Assets		
Long-term investments	1,024,417	1,051,702
Goodwill	324,000	324,000
Intangibles, net	81,800	84,440
ROU asset	912,474	977,355
Total Other Assets	2,342,691	2,437,497
Total Assets	$ 69,472,820	$ 66,905,152
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 2,369,979	$ 2,671,776
Current portion of lease liability	234,029	249,086
Notes payable	7,311,207	4,486,461
Total Current Liabilities	9,915,215	7,407,423
Long-term Liabilities		
Lease liabilities, net of current portion	699,944	751,606
Notes payable, net of current portion	17,878,496	17,480,621
Total Long-term Liabilities	18,578,440	18,232,227
Total Liabilities	28,493,655	25,639,650
Commitments and contingencies		
Stockholders' Equity		
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; 88,026,816 and 90,460,425 shares issued and outstanding, respectively	8,803	9,046
Additional paid-in capital	35,151,652	34,636,450
Retained earnings	5,818,710	6,620,006
Total Stockholders' Equity	40,979,165	41,265,502
Total Liabilities and Stockholders' Equity	$ 69,472,820	$ 66,905,152

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

THE SUSTAINABLE GREEN TEAM AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net Revenue	$ 10,329,448	$ 9,291,931
Cost of revenue	9,207,057	7,891,211
Total gross profit	1,122,391	1,400,720
Operating expenses		
Selling, general and administrative	1,275,406	1,164,954
Depreciation and amortization	5,640	6,860
Total operating expenses	1,281,046	1,171,814
Income (loss) from operations	(158,655)	228,906
Other income (expense)		
Interest expense, net	(425,044)	(249,788)
Bargain purchase gain	598,300	-
Gain on sale of fixed assets	16,923	-
Other, net	66,605	(3,582)
Total other expense	256,784	(253,370)
Income (loss) before provision for income taxes	98,129	(24,464)
Provision for income taxes	21,968	96,971
Net Income (loss)	$ 76,161	$ (121,435)
Net loss per common share - basic	$ 0.00	$ (0.00)
Net loss per common share - diluted	$ 0.00	$ (0.00)
Weighted average shares outstanding - basic	88,334,047	89,440,108
Weighted average shares outstanding - diluted	93,974,051	89,440,108

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

THE SUSTAINABLE GREEN TEAM AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

Three Months Ended April 2, 2022:	**Preferred Stock**		**Common Stock**		**Additional Paid-in Capital**	**Retained Earnings**	**Total**
	Shares	**Amount**	**Shares**	**Amount**			
Balance at January 2, 2022	90	$ -	90,460,425	$ 9,046	$ 34,636,450	$ 6,620,006	$ 41,265,502
Stock subscriptions			1,466,667	147	1,099,853		1,100,000
Stock redemptions			(3,900,275)	(390)	(584,651)	(877,459)	(1,462,500)
Net income						76,161	76,161
Balance as of April 2, 2022	90	$ -	88,026,817	$ 8,803	$ 35,151,652	$ 5,818,710	$ 40,979,165

Three Months Ended April 3, 2021:	**Preferred Stock**		**Common Stock**		**Additional Paid-in Capital**	**Retained Earnings**	**Total**
	Shares	**Amount**	**Shares**	**Amount**			
Balance at January 1, 2021	90	$ -	89,168,405	$ 8,917	$ 6,825,996	$ 3,957,946	$ 10,792,859
Stock issued for 2020 debt inducement			300,000	30	62,970		63,000
Stock issued for compensation			25,000	3	28,797		28,800
Net loss						(121,435)	(121,435)
Balance as of April 3, 2021	90	$ -	89,493,405	$ 8,950	$ 6,917,763	$ 3,836,511	$ 10,763,224

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

THE SUSTAINABLE GREEN TEAM AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Cash flows from operating activities:		
Net Income (Loss)	$ 76,161	$ (121,435)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for doubtful accounts	-	(350)
Depreciation and amortization	904,137	834,591
Common stock issued as compensation	-	28,800
Bargain purchase gain	(598,300)	-
Gain on sale of fixed assets	(16,923)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	2,277,545	(4,121,843)
Receivable from Factor	(2,429,147)	-
Inventory	506,945	(3,820)
Prepaid expenses and other current assets	(247,355)	5,151
Accounts payable and accrued expenses	(301,797)	1,500,246
Net cash from (used in) operating activities	171,266	(1,878,660)
Cash flows from investing activities:		
Purchases of property, and equipment & ROU assets	(3,673,361)	(123,995)
Net short-term investment redemptions (purchases)	2,299,713	2,299,713
Purchases of long-term investments		
Proceeds from long-term investments	17,771	17,771
Net cash from (used in) investing activities	2,193,489	2,193,489
Cash flows from financing activities:		
Principal payments on leases	(32,284)	(32,284)
Proceeds from notes payable		
Payment on notes payable	(386,715)	(386,715)
Payment on notes payable, related parties	(398,193)	(398,193)
Distributions		
Net cash provided by (used in) financing activities	(817,192)	(817,192)
Net increase (decrease) in cash	(502,363)	(502,363)
Cash - beginning of period	506,287	506,287
Cash - end of period	$ 3,924	$ 3,924

Supplemental cash flow information:		
Cash paid for:		
Interest	$ 418,663	$ 134,874
Income taxes	$ -	$ -
Non-cash investing and financing activities:		
Purchase of plant, property and equipment for notes payable	$ 1,340,000	$ -
Stock issued for accrued borrowing inducement	$ -	$ 63,000
Property and equipment bargain purchase recognition	$ 598,300	$ -

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

NOTE 1 – ORGANIZATION AND BUSINESS OPERATIONS

Corporate History

The Sustainable Green Team, Ltd., (f/k/a Sierra Gold Corp.) (the "Parent" or "SGTM"), a Delaware corporation, conducts business activities principally through its three wholly-owned subsidiaries: National Storm Recovery LLC ("NSR LLC"), a Delaware limited liability company, Mulch Manufacturing, Inc., an Ohio corporation ("MM") and Sierra Gold Merger Corp. ("SGMC"), a Delaware corporation (collectively, the "Company").

The Company was initially formed, under the name Alpha Diamond Corporation in the State of Nevada on January 22, 1997. It's undergone multiple name changes over the years and a domicile change to Wyoming on February 15, 2011.

Effective April 18, 2019, Sierra Gold Corp., ("SGCP"), entered into an equity exchange agreement (the "Merger"), as amended on December 31, 2019 with NSR LLC, pursuant to which SGCP acquired all of the membership units of NSR LLC. Upon closing, NSR LLC became a wholly-owned subsidiary of SGCP.

On July 22, 2019, a Certificate of Amendment was filed with the State of Wyoming to change the name of the Company from "Sierra Gold Corporation" to "National Storm Recovery, Inc." and to affect a 1 for 10,000 reverse stock split. At September 11, 2019, the Company's trading symbol changed from "SGCP" to "NSRI".

The stock split decreased the issued and outstanding shares of its common stock from 3,406,865,285 to 602,636 (after rounding up to a 100 share minimum) before SGCP issued 40,000,000 shares of its common stock to the members of NSR LLC as consideration for the equity interests exchange. As a result of the Merger, 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.

The Merger was treated as a reverse recapitalization effected by an equity exchange for financial and reporting purposes since SGCP was deemed to be a shell corporation with nominal operations and no assets at the time of the merger. NSR LLC is considered the acquirer for accounting purposes, and the SGCP's historical financial statements before the Merger have been replaced with the historical financial statements of NSR LLC before the Merger in future filings.

On December 31, 2019, the Company entered into a restructuring as a holding company pursuant to Delaware General Corporation Law ("DGCL") §251(g) known as "the Delaware Holding Company Statute." In order to affect this restructuring NSRI and NSR LLC company each changed domiciles to the State of Delaware by filing Certificates of Conversion. Immediately thereafter, NSRI incorporated SGTM as its wholly-owned subsidiary and SGTM formed Sierra Gold Merger Corp., a Delaware corporation ("SGMC") as its wholly-owned subsidiary. Similarly, NSR LLC issued SGTM, 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 SGTM 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 SGTM on a one for one basis making SGTM the parent to both SGMC and NSR LLC as well as making SGTM the publicly-traded successor to NSRI. After obtaining FINRA approval on July 21, 2020, the Company changed its trading symbol to SGTM.

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 5).

The Company closed on the acquisition of 100% of the membership interests in Day Dreamer Productions LLC (DDP) on December 30, 2021. DDP is in the business of producing informational and promotional videography (See Note 5).

The Company closed on the acquisition of the Beaver, Washington real estate property on March 18, 2022. The Beaver mill is expected to come online in 2024 (See Note 5).

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. The Company operates in a highly seasonal industry generating most of its sales and profits in the first six months of the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of April 2, 2022 and January 1, 2022 and for the three months ended April 2, 2022 and April 3, 2021 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. Operating results for the three months ended April 2, 2022 are not necessarily indicative of the results that may be expected for the entire year or for any subsequent interim period.

The Company has adopted the period end dates conforming to the industry standards used by MM, the Company's largest operating subsidiary. These period end dates follow a 52/53 week fiscal year which ends on the Saturday nearest to December 31. There was 13 weeks in each of the three months ended April 2, 2022 and April 3, 2021.

These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited financial statements included in the Company's Independent Audit for Years Ended January 1, 2022 and January 2, 2021 filed with the OTC Markets on March 15, 2022.

Principles of Consolidation

The unaudited condensed consolidated financial statements are presented on a comparative basis. The unaudited condensed consolidated balance sheets at April 2, 2022 and January 2, 2022 includes the accounts of SGTM, NRS LLC, MM, DDP LLC, Rose, and SGMC.

The unaudited condensed consolidated statement of operations for the period ended April 2, 2022 includes the accounts of SGTM, NRS LLC, MM, DDP LLC, Rose, and SGMC. For the period ended April 3, 2021 includes the accounts of SGTM, NRS LLC, MM, Rose, and SGMC.

The unaudited condensed consolidated statement of changes in stockholders' equity for the three months ended April 2, 2022, includes the account balances of SGTM, NRS LLC, MM, DDP LLC, Rose, and SGMC. The three months ended April 3, 2021, includes the account balances of SGTM, NRS LLC, MM, Rose, and SGMC.

The unaudited condensed consolidated statement of cash flows for the period ended April 2, 2022 includes the accounts of SGTM, NRS LLC, MM DDP LLC, and Rose. The three months ended April 3, 2021, includes the accounts of SGTM, NRS LLC, MM and Rose.

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 sale of landscape mulch. With respect to landscape recovery services, the Company provides tree services, debris hauling and removal and biomass recycling.

The Company recognizes revenue when its performance obligations are satisfied. With respect to landscape recovery services, its performance obligation is satisfied upon the completion of the landscape services for its customers. With respect to the manufacturing and selling of landscape mulch, its performance obligation is satisfied upon delivery to its customers. Services are provided for cash or on credit terms. 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 for 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.

Disaggregated Revenues

Revenue consists of the following by service and product offering for the three months ended April 2, 2022 and April 3, 2021:

	Three Months Ended	
	April 2, 2022	April 3, 2021
Landscaping Recovery Services	$ 936,474	$ 700,313
Manufacturing and Sales of Mulch	9,392,974	8,591,618
Total	$ 10,329,448	$ 9,291,931

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 April 2, 2022 and April 3, 2021.

Account Receivable

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 April 2, 2022 and January 1, 2022, the Company's allowance for doubtful accounts was $60,000.

Receivable from Factor

The Company has entered into a Receivables Facility on March 2, 2022. Under the Receivables Facility, we may sell a portfolio of available and eligible outstanding customer accounts receivable to the purchasers. The eligible accounts receivable consists of accounts receivable generated by sales to certain customers. The eligible amount of customer accounts receivables which may be sold under the Receivables Facility is $5,000,000. The Receivables Facility expires on July 2, 2023.

As of April 2, 2022, there are $2,429,147 receivables from factor on the Company's condensed consolidated balance sheet.

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.

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.

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 April 2, 2022 and April 3, 2021, 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. No impairment of goodwill was recorded by the Company for the three months ended April 2, 2022 and April 3, 2021.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were approximately $73,000 and $73,000 for the three months ended April 2, 2022 and April 3, 2021, respectively, and are recorded in selling, general and administrative expenses on 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 April 2, 2022 and January 1, 2022, consisted of the following:

	Total fair value at April 2, 2022	**Quoted prices in active markets for identical Assets (Level 1)**	**Significant other Observable inputs (Level 2)**	**Significant other Unobservable inputs (Level 3)**
Investment in mutual funds	$ 52	$ 52	$ -	$ -

	Total fair value at	**Quoted prices in active markets for identical**	**Significant other Observable inputs**	**Significant other Unobservable inputs**

	January 1, 2022	Assets (Level 1)	(Level 2)	(Level 3)
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.

	Three Months Ended	
	April 2, 2022	April 3, 2021
Numerator for basic and diluted earnings (loss) per share:		
Net income (loss)	$ 76,161	$ (121,435)
Denominator for basic earnings (loss) per share – weighted average shares outstanding	89,014,501	89,440,108
Stock warrants	5,640,004	-
Denominator for diluted earnings (loss) per share – weighted average and assumed conversion	94,654,505	89,440,108
Net income (loss) per share:		
Basic net income (loss) per share	$ 0.00	$ (0.00)
Diluted net income (loss) per share	$ 0.00	$ (0.00)

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 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 three months ended April 2, 2022 and April 3, 2021, the Company recognized approximately $22,000 and $97.000 tax expense, respectively. These tax provisions were based on a 27% effective rate for federal and state income taxes after accounting for permanent 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.

Recent Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, simplifying the Accounting for Income Taxes (Topic 740) as part of its simplification initiative to reduce the cost and complexity in accounting for income taxes. This guidance is effective for interim and annual reporting periods beginning within 2021.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The standard requires all leases that have a term of over 12 months to be recognized on the balance sheet with the liability for lease payments and the corresponding right-of-use asset initially measured at the present value of amounts expected to be paid over the term. Recognition of the costs of these leases on the income statement will be dependent upon their classification as either an operating or a financing lease. Costs of an operating lease will continue to be recognized as a single operating expense on a straight-line basis over the lease term. Costs for a financing lease will be disaggregated and recognized as both an operating expense (for the amortization of the right-of-use asset) and interest expense (for interest on the lease liability). This standard was effective for the Company's interim and annual periods beginning January 1, 2019 and was applied on a modified retrospective basis to leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The adoption of ASU 2016 - 02 had a material impact on the Company's consolidated financial statements and related disclosures.

NOTE 3 – INVENTORIES

Inventories are stated at the lower of cost or net realizable value, with cost determined by the weighted-average cost method. The Company's inventories are comprised of the following for the periods ended April 2, 2022 and January 1, 2022:

	April 2, 2022	January 1, 2022
Raw Materials	$ 3,498,795	$ 4,453,785
Work in process	1,329,660	1,155,439
Finished goods	2,252,685	1,978,861
	$ 7,081,140	$ 7,588,085

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	April 2, 2022	**January 1, 2022**
Machinery and equipment	$ 21,292,464	$ 20,777,465
Vehicles	4,405,512	4,383,043
Land	7,633,048	6,807,573
Buildings	6,234,718	6,234,718
Leasehold improvements	283,268	283,268
Construction in process	22,524,747	19,599,106
	62,373,757	58,085,173
Less: accumulated depreciation	(6,872,643)	(6,036,027)
Property and equipment, net	$ 55,501,114	$ 52,049,146

Total depreciation expense between cost of revenue and operating expenses for the three months ended April 2, 2022 and April 3, 2021 was $836,616 and $800,616, respectively.

NOTE 5 – ACQUISITIONS

Mulch Manufacturing, Inc. Acquisition

On January 31, 2020, the Company entered into a Business Combination Agreement (the "Mulch Acquisition") with MM and its sole shareholder, 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 SGTM.

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 SGTM's common stock.
- One million shares previously issued to the MM shareholder in connection with the sale of equipment by MM to NSR LLC in November 2019 were cancelled.

- There were specific excluded assets that were retained by Spencer and treated as transferred to Spencer prior to the acquisition consisting of cash, real estate, and certain vehicles and equipment. Spencer agreed to allow the Company to use some of the real estate rent-free until January 31, 2022, at which time the Company has the option of either leasing or purchasing it at the fair market value (see Note 11).

- All of the existing MM notes, notes, 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 consideration 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 was adjusted to reflect the value of the inventory, accounts receivable, and any other sums lent by Spencer to MM.

The Company accounted for these transactions in accordance with the acquisition method of accounting for business combinations. An independent appraisal, made in February 2020, determined the fair market value of MM's property and equipment to be $17,228,295. Assets and liabilities of the acquired business were included in the unaudited condensed consolidated balance sheets as of April 2, 2022 and January 1, 2022, based on their respective estimated fair values on the date of acquisition. Based on a closing market price of $0.15 per share on the January 31, 2020, business combination date, the assumption of net liabilities plus a bargain purchase recognition and asset write-up, the Company is recognizing the allocation to the accounts of MM as follows:

Appraised fair market value of property and equipment			$ 17,228,295
Less: Net book value of just MM's property and equipment on January 31, 2020			1,883,657
Excess of fair market over net book value of MM property and equipment			15,344,638
Value of common stock issued for MM		$ 6,000,000	
Net book value of MM on January 31, 2020:			
Property and equipment	$ 1,883,657		
Investments	830,000		
Prepaid expenses and other assets	192,361		
Supply agreement	453,750		
Accounts payable and accrued expenses	(1,215,820)		
Notes payable	(4,000,000)		
Net book value (assumed) of MM on January 31, 2020		(1,856,052)	
Total purchase price, including assumed net liabilities, of MM			7,856,052
Excess of fair value over net book value plus purchase price of MM property and equipment (bargain purchase gain)			$ 7,488,586

Purchase price of MM	$ 7,856,052
Bargain purchase gain and property and equipment write-up	7,488,586
Net book value of MM on January 31, 2020	(1,856,052)
Total to be allocated	$ 13,488,586

Allocation of MM purchase price and bargain purchase gain:	
Property and equipment	$ 17,228,295
Investments	830,000
Prepaid expenses and other assets	192,361
Supply agreement	453,750
Accounts payable and accrued expenses	(1,215,820)

Notes payable	(4,000,000)
	$ 13,488,586

Day Dreamer Productions LLC Acquisition

The Company entered into an agreement to acquire 100% of the membership interest of Day Dreamer Productions, LLC around January 18, 2021, in exchange for 200,000 shares of the Company's stock. This transaction was closed on December 30, 2021, when the Company issued the shares to its sole member. This member was also retained as an employee with responsibility for managing the activities of Day Dreamer Productions, LLC.

Beaver, Washington Real Estate Acquisition

On March 18, 2022, the Company acquired the Beaver, Washington real estate property for $1,025,475, of which, $200,000 was previously put down as deposits, and $825,475 was paid at closing. The acquisition of the Beaver, Washington sawmill was closed in December 2021. We expect to begin producing pine bark and marketable lumber at the Beaver mill in 2024.

NOTE 6 – INTANGIBLE ASSETS

The below table summarizes the identifiable intangible assets as of April 2, 2022 and January 1, 2022:

		Useful life	April 2, 2022	January 1, 2022
Supply contract (1)		10	$ 453,750	$ 453,750
Less:	Accumulated amortization		(54,450)	(51,810)
	Impairment		(317,500)	(317,500)
Total			$ 81,800	$ 84,440

(1) These intangible assets were acquired in the acquisition of MM on January 31, 2020.

The weighted average useful life remaining on identifiable intangible assets is 7.75 years.

Amortization of identifiable intangible assets for the three months ended April 2, 2022 and April 3, 2021 was $2,640 and $1,760, respectively.

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

2022	$ 7,920
2023	10,560
2024	10,560
2025	10,560
2026	10,560
Thereafter	31,640
	$ 81,800

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following amounts:

	April 2, 2022	January 1, 2022
Accounts payable	$ 1,956,104	$ 2,350,056
Accrued interest	25,104	8,076
Accrued expenses	388,771	313,644
	$ 2,369,979	$ 2,671,776

NOTE 8 –NOTES PAYABLE

	Apr 2, 2022	Jan 1, 2022
Seller note payable bearing interest at 6.0%, monthly payments of principal and interest of $76,300 beginning October 2021 with a $9,819,606 balloon due September 2024, secured by mortgaged real estate	$ 10,509,960	$ 10,580,504
Various third-party obligations secured by assets the Company acquired subject to this indebtedness to various third-party creditors, bearing interest at a 5% average rate. Monthly payments of $122,881 principal and interest beginning January 2022 through December 2024	4,067,282	4,100,000
Unsecured note payable to seller on bulk equipment purchase, bearing 4.0% interest. 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	1,114,000	1,400,000
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	1,221,108	1,297,817
Unsecured note payable to a financial institution under the SBA Paycheck Protection Program for MM bearing interest at 1.0%. Monthly payments of principal and interest in the amount of $82,061 beginning August 2022 are due through April 2023.	1,236,080	1,236,080
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of $8,750 due August 2020 through July 2025.	327,412	342,680
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.	311,206	325,718
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.	335,653	347,452
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.	329,033	334,000
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.	213,879	222,887
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.	208,226	217,213
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.	203,710	212,727
Note payable to an equipment financing company bearing interest at 3.95%. Monthly payments of principal and interest of $5,341 due August 2020 through July 2025.	199,879	209,200
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.	199,179	208,226

Note payable to the individual seller of the landscaping and recovery services business to NSR LLC bearing interest at 5%. Monthly payments of $5,000 are due through October 2023 with a $100,000 balloon due November 2023	183,174	195,779
Non-interest bearing note payable to an equipment financing company with monthly principal payments of $5,842 due December 2021 through November 2023	122,671	134,353
Non-interest bearing note payable to an equipment financing company with monthly principal payments of $16,460 due May 2021 through April 2022.	32,919	65,838
Note payable to an equipment financing company bearing interest at 0.00%. Monthly payments of principal of $6,993 beginning November 2020 are due through October 2022	55,943	69,928
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	77,478	87,611
Note payable to an equipment financing company bearing interest at 5.94%. Monthly payments of principal and interest of $1,174 beginning January 2022 through March 2028	70,119	73,217
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	48,044	54,397
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	36,671	41,466
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	36,007	40,764
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	32,346	36,446
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	33,086	37,220
Note payable to an equipment financing company bearing interest at 8%. Monthly payments of principal and interest of $977 due through August 2024	25,685	28,071
Note payable to an equipment financing company bearing interest at 8%. Monthly payments of principal and interest of $932 due through September 2024	24,547	27,581
Note payable to an equipment financing company bearing interest at 8%. Monthly payments of principal and interest of $766 due through August 2024	20,476	22,395
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 $751 to $765 and extended three months through January 2024	15,565	17,512
Note payable to an equipment financing company bearing interest at 10.64%. Monthly payments of principal and interest of $1,060 due through February 2027	48,365	-0-
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	-0-
Note payable to a financing company bearing interest at 25.0%. Weekly payments of principal and interest of $54,348 due through March 2023	2,010,000	-0-
Note payable to an equipment financing company bearing interest at 11.45%. Monthly payments of principal and interest of $18,121 due through March 2027	825,000	-0-
Note payable to an equipment financing company bearing interest at 11.45%. Monthly payments of principal and interest of $11,312 due through March 2027	515,000	-0-
Total notes payable to unrelated parties	25,189,703	21,967,082
Short-term portion of notes payable	7,311,207	4,486,461
Long-term portion of notes payable	$ 17,878,496	$ 17,480,621

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

Year	Amount
2022	$ 5,565,138
2023	5,065,953
2024	12,924,481
2025	1,116,033
2026	372,493
2027 & after	145,605
	$ 25,189,703

The above notes include three Paycheck Protection Program (PPP) loans between MM and NSR LLC totaling $2,849,208, of which the $1,458,200 and $154,928 loans were forgiven during the year ended January 1, 2022. Under the PPP, to the extent the Company uses the loan proceeds on qualifying disbursements, these loans may be forgiven. Although the Company believes that the majority of the proceeds under the remaining loan of $1,236,080 has been spent on qualifying expenditures, it has not recorded any gain on forgiveness of this indebtedness for the period ended April 2, 2022

Related Party

On the January 31, 2020, date of the Mulch Acquisition, there was a balance on a note payable to MM's sole shareholder in the amount of $14,223,046. This note was adjusted for the receivables and inventory of MM that was excluded from the share exchange resulting in a restated and amended $15,402,355 promissory note bearing 4% interest. Also on January 31, 2020, this shareholder placed a $6,240,670 deposit with the Company. To the extent the Company consumed this cash deposit for operations, this shareholder was paid 4% interest. In August 2021 the outstanding balance on these two obligations plus accrued interest as of January 2, 2021, totaled $17,484,728, which was contributed to the capital of the Company. Interest accrued on these obligations for 2021 was credited against interest expense. Accordingly, the balance on the shareholder deposit as of April 2, 2022 and January 1, 2022 was $-0- and $-0-, respectively. The balance on the restated and amended promissory note was $-0- and $-0- as of April 2, 2022 and January 1, 2022, respectively.

In January 2019, MM issued a promissory note to an employee in the amount of $6,000,000, $2,000,000 of which was paid during the year ended December 28, 2019. The note bore interest at 3% per annum payable quarterly, required semi-annual principal payments of $300,000 starting on June 1, 2021 and had no maturity date. As part of the Mulch Acquisition, this note was assumed by the Company. In August 2021, the holder of this note exchanged his, at that time, $3,700,000 balance in the note for 6,000,000 Company shares. As of April 2, 2022 and January 1, 2022, the balance on this note was $-0- and $-0-, respectively.

Total interest expense (credit) on the above related party notes and deposit was approximately $-0- and $188,000 for the three months ended April 2, 2022 and April 3, 2021, respectively.

NOTE 9 - STOCKHOLDERS' EQUITY

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 October 2, 2021. 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.

Equity Transactions During the Period

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

On January 13, 2021, the Company issued 300,000 shares in satisfaction of a 2020 accrual for debt financing cost.

On March 5, 2021, the Company issued 25,000 shares to an employee as compensation.

On August 16, 2021, the Company recognized a $17,484,728 capital contribution from the extinguishment of debt.

On August 25, 2021, the Company issued 6,000,000 shares in exchange for a $3,400,000 note.

On October 4, 2021, the Company issued 125,000 shares for consulting service compensation.

Between October 15, and December 15, 2021, the Company redeemed 11,397,984 shares pursuant to a stock repurchase agreement (see Note 11).

Between October and December 15, 2021, the Company issued 5,640,004 shares pursuant to subscription agreements at a price of $0.75 per share. These agreements provided for piggyback registration rights on a potential future registration of Company stock. The agreements also provided stock warrants equal to the number of subscribed shares. These warrants can be exercised at a price of $1.50 per share and expire after one year. No allocation of proceeds was made to the warrants since the subscribed shares of common stock were issued at a price below that of the publicly traded shares.

On December 30, 2021, the Company issued 200,000 shares pursuant to an agreement to acquire 100% of the membership interest in Day Dreamer Production, LLC.

On December 31, 2021, the Company issued 400,000 shares to acquire equipment in Beaver, WA.

On January 16, 2022, we issued 266,667 shares of Common Stock based on a subscription price of $0.75 per share with an aggregate value of $200,000. These shares were issued in reliance on Section 4(a)(2) of the Securities Act.

On January 20, 2022, we issued 200,000 shares of Common Stock based on a subscription price of $0.75 per share with an aggregate value of $150,000. These shares were issued in reliance on Section 4(a)(2) of the Securities Act

On March 23, 2022, we issued 1,000,000 shares of Common Stock based on a subscription price of $0.75 per share with an aggregate value of $750,000. These shares were issued in reliance on Section 4(a)(2) of the Securities Act.

NOTE 10 – 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. 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 the effective interest plus: for finance type leases, straight-line amortization of the asset's original ROU over its lease term; or, for operating leases, the effective amortization on the lease liability. 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 as of January 1, 2019, NSR LLC discounted lease payments using its estimated incremental borrowing rate of 10% at January 1, 2019. Since April 1, 2020, MM has entered into operating leases using its incremental borrowing rate of 4% to discount lease payments.

The following table presents supplemental lease information:

	Three Months Ended	
Lease cost	April 2, 2022	April 3, 2021
Finance lease cost		
Amortization on ROU assets	$ 17,792	$ 17,792
Interest on lease liabilities	3,635	5,506
Operating lease cost	69,598	38,293
Short-term lease cost	44,220	111,801
Total lease cost	$135,245	$173,392
Cash paid for amounts included in the measurement of lease liabilities for:		
Finance leases:		
Financing cash flows	$ 23,366	$ 23,366
Operating leases:		
Operating cash flows	$ 46,932	$ 38,293
Weighted-average remaining lease term:		
Finance leases	1.6 years	2.6 years
Operating leases	4.1 years	1.8 years
Weighted-average discount rate:		
Finance leases	10.0%	10.0%
Operating leases	4.3%	4.5%

Supplemental balance sheet information related to leases is as follows:

	Financial Statement Line Item		**April 2, 2022**		**Jan 1, 2022**
Assets:					
Operating lease assets		$	801,752	$	848,840
Finance lease assets			110,722		128,515
Total leased assets	ROU asset	$	912,474	$	977,355
Liabilities:					

Current:					
Operating lease assets		$	176,976	$	183,874
Finance lease assets			57,053		65,312
	Current portion of lease liability		234,029		249,186
Non-current					
Operating lease assets			624,776		664,966
Finance lease assets			75,168		86,639
	Lease liabilities, net of current portion		699,944		751,605
Total lease liabilities		$	933,973	$	1,000,791

As of April 2, 2022, remaining maturities of lease liabilities were as follows:

		Finance		Operating
2022	$	53,727	$	160,502
2023		54,172		168,570
2024		40,629		139,469
2025		-		107,969
2026		-		106,553
2027 and thereafter		-		220,235
Total	$	148,528	$	903,298
Amount representing interest		(16,308)		(101,546)
Lease liability	$	132,220	$	801,752

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal Claims

The Sustainable Green Team, LTD is currently involved in arbitration with Emerging Markets Consulting, LLC ("EMC"), a former service provider of the Company. On October 21, 2020, EMC initiated arbitration against the Company, alleging, among other things, breach of contract related to an agreement entered into between the Company (via NSR LLC) and EMC, in which the Company engaged EMC to provide it with consulting services related to the Company's capital structure, investor relations strategies, and fundraising plans, including the filing of an S-1 registration statement at some point in the future, in exchange for equity compensation in the Company. EMC seeks relief against the Company in the form of the equity compensation pursuant to the agreement (2,000,000 shares of the Company's Common Stock) and damages. The Company denies EMC's allegations, and has also initiated counterclaims against EMC for breach of the agreement by EMC, in which it is seeking damages resulting from EMC's breach of its duties under the agreement.

In addition, the Company named in its counterclaim to EMC's claim another similar service provider, Rainmaker Group Consulting, LLC ("Rainmaker"), as a pre-emptive defense against any actions brought by Rainmaker against the Company. Rainmaker engaged by the Company in 2019 to provide similar consulting services as EMC was engaged to provide in exchange for the same compensation (2,000,000 shares of the Company's Common Stock). The Company alleges that Rainmaker breached its agreement with the Company by not providing the services provided in the agreement between the Company and Rainmaker, and therefore Rainmaker is not entitled to any equity compensation by the Company. The Company has taken this action as a defensive measure against potential (in the Company's opinion) frivolous lawsuits brought by Rainmaker against the Company.

The Company is confident it will prevail in the ongoing arbitration described above being overseen by the American Arbitration Association.

On March 25, 2021, the Company filed a civil complaint in the Ninth Judicial Circuit Court in Orange County, Florida against Ralph 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 Ninth Judicial Circuit Court in Orange County, Florida enjoining Mr. Spencer from, among other things, further attempts to interfere with the Company's business operations. On August 16, 2021, the Company settled this dispute and has released Ralph Spencer from the Emergency Temporary Injunction.

Stock Redemptions

The Company is committed to buying back 40,000,000 shares of its common stock over 24 months beginning in October, 2021, at a price of $0.375 per share.

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 April 2, 2022, the Company did not have any deposit amounts in excess of the FDIC insured limit.

Revenues

For the three months ending April 2, 2022 and April 3, 2021, one customer accounted for 19% and 25% of revenue, respectively.

Accounts Receivable

As of April 2, 2022, one customer accounted for 28% of the Company’s accounts receivable. As of January 1, 2022, one customer accounted for 24% of the accounts receivable.

NOTE 13 – SUBSEQUENT EVENTS

There are no material subsequent events.