DEEP GREEN WASTE AND RECYCLING, INC.
Annual Report
Year Ending December 31, 2017

1. Name of the issuer and its predecessors

Deep Green Waste and Recycling, Inc.
Formerly Critic Clothing, Inc. as of August 24, 2017

2. Address of the issuer's principal executive offices

Company Headquarters
3225 Shallowford Road NE 400 Suite 1020
Marietta, GA 30062
Phone: 855-846-333
Email: max.khan@deepgreenwaste.com

3. Security Information

Trading Symbol: DGWR
Exact title and class of securities outstanding: common stock
CUSIP: 24373L102
Par or Stated Value: $0.0001
Total common shares authorized: 250,000,000 as of December 31, 2017
Total preferred shares authorized: 2,000,000 as of December 31, 2017
Total common shares outstanding: 95,597,102 as of December 31, 2017
Total preferred shares outstanding: 0 as of December 31, 2017

Transfer Agent
Transfer Online
512 SE Salmon Street
Portland, OR 97214
Phone: 503-227-2950

Is the Transfer Agent registered under the Exchange Act? [X]Yes: [ ] NO:

List any restrictions on the transfer of security: **None**

Describe any trading suspension orders issued by the SEC in the past 12 months: **None**

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

On August 24, 2017, the Company entered into a Merger Agreement (the "Merger Agreement") with Deep Green Acquisition LLC, a Georgia limited liability company and wholly owned subsidiary of the Company ("Merger Sub") and Deep Green Waste and Recycling, LLC, a privately held Georgia limited liability company ("Deep Green"). In connection with the closing of this merger transaction, Merger

Sub merged with and into Deep Green (the "Merger") on August 28, 2017, with the filing of Articles of Merger with the Georgia Secretary of State.

In addition, pursuant to the terms and conditions of the Merger Agreement:

- Each percentage of Deep Green's outstanding membership interest was converted into the right to receive 850,000 (post-split) shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"), with partial percentage interests to receive appropriate percentages of such number, all of which shares of Common Stock were issued in exchange for the total outstanding membership interests in Deep Green for eighty five percent (85%) of the Company outstanding Common Stock on a fully diluted basis as of the Closing Date, or a total of 85,000,000 (post-split) shares of Common Stock.

- Deep Green provided customary representations and warranties and closing conditions, including approval of the Merger by a majority of its voting percentage interests.

Also on August 24, 2017, the Company entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the "Conveyance Agreement") with a company controlled by our prior officer and director. Pursuant to the Conveyance Agreement, the Company transferred all assets and business operations associated with its extreme sports apparel activities to a company controlled by our prior officer and director. In exchange, the prior officer and director agreed to cancel 3,000,0000 (post-split) shares in the Company and to assume and cancel all liabilities relating to the Company's former business, save two convertible promissory notes held by Antevorta Capital Partners, Ltd. ("Antevorta") in the aggregate principal amount of $200,000, which remain with the Company.

On September 27, 2017, the Company completed a reverse split of its outstanding shares of common stock at a ratio of one for one thousand [1/1000] shares.

Effective October 1, 2017, the Company acquired Compaction and Recycling Equipment Inc (CARE), a Portland, Oregon based company that sells and services waste and recycling equipment. The Company purchased 100% of the common stock of for $902,700, of which $586,890 was paid in cash at closing and a promissory note was executed in the amount of $315,810. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

Also, effective October 1, 2017, the Company acquired Columbia Financial Services Inc (CFSI), a Portland Oregon based company that finances the purchases of waste and recycling equipment. Deep Green purchased 100% of the common stock of for $597,300, of which $418,110 was paid in cash at closing and a promissory note was executed in the amount of $179,190. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

4. Issuance History

For the year ending December 31, 2017, the following issuances transpired:

The Company issued 441,442 shares of common stock for the partial conversion of convertible notes payable

The Company signed a subscription agreement with Saint James Capital Management LLC (“Saint James”) and issued it 3,000,000 shares

The Company issued 85,000,000 shares to the members of Deep Green Waste and Recycling, LLC. in consideration of merger agreement dated August 24, 2017 with Critic Clothing, Inc.

The 3,000,000 shares held by Saint James Capital Management LLC were cancelled on August 24, 2017.

On September 15, 2017, 4,000,000 shares were issued to Antevorta Capital Partners Ltd. (“Antevorta”) upon cashless conversion of $60,150.36 of the outstanding balance of a $200,000 convertible note held by Antevorta.

In October & November 2017, we issued warrants to purchase 725,000 shares of our common stock to several noteholders at a strike price of $0.175 per share.

Effective November 30, 2017 convertible notes totaling $873,773.36 of principal and accrued interest were converted into 4,854,299 restricted shares of common stock.

These securities were issued pursuant to Section 4(a)(2) of the Securities Act and/or Rule 506 promulgated thereunder. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The investors were given adequate information about the Company to make an informed investment decision. The Company did not engage in any general solicitation or advertising. The Company directed its transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

5. Financial Statements

Financial Statements are included at the end of this disclosure statement as **Exhibit A**:

6. Describe the Issuer’s Business, Products and Services

Deep Green is a full-service provider of managed waste & recycling services and sales and service of all types of waste handling equipment. The company serves retail malls and shopping centers, multi-family apartment and townhome communities, hospitals, hotels, correctional institutions, office parks and more. In addition to traditional waste removal and recycling efforts, the company also offers temporary construction waste bins, valet trash services, cooking oil collection and e-waste disposal such as bulb, ballast disposal, etc. Deep Green’s unique value proposition is in the design and execution of end-to-end waste management programs for its clients. Deep Green’s programs not only save money on direct waste disposal but lower administrative costs and generate income from direct recycling rebates. The company has a presence in over 30 states across all regions of the United States and serves approximately 300 commercial customers.

A. The Company was originally incorporated in 1995 in Nevada. The Company’s wholly owned subsidiary, Deep Green Waste and Recycling LLC was incorporated in 2011 in Georgia.

B. The Company’s current SIC code is listed as 7349 (Building maintenance)

C. The Company's fiscal year ends on December 31st.

7. Describe the Issuer's Facilities

The Company is headquartered at 3225 Shallowford Road NE 400 Suite 1020 Marietta, GA 30062. The lease on this property is $4,500 per month.

The Company's subsidiaries CARE and CFSI are located at 12250 SE Capps Rd Clackamas, OR 97015. The lease on this property is $5,000 per month.

8. Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

The following are the only control persons of the company, defined as having an officer position, director position or holding 5% or more of any issue of the Company's stock.

Bill Edmonds is the Company's President, CEO, and Chairman of the Board. Before starting Deep Green, Bill spent several years in telecommunications leadership. Bill left to help manage a waste & recycling business serving as CFO and later as VP of Operations at International Environmental Management (IEM), focused exclusively on malls, servicing 600 malls in the continental U.S. In 2011, IEM was sold to Waste Management (WM). Bill resigned immediately from WM and started DEEP GREEN.

Bill has an extensive background in Finance and managing large groups. He is a successful business owner who dwells on creating customized solutions for satisfied customers. He is a proven leader where success is the result of effort, ingenuity and accountability. Bill is a CPA with an active license in Georgia. He has B.S. degree from Georgia Tech and an executive MBA degree from Emory University.

David Bradford is the Company's COO and member of the Board. David has devoted the majority of his senior management career to the telecommunications industry. From 1977 through 1987 he served in executive positions at the Chicago Tribune's broadcast and cable television divisions. Positions included Vice President and General Manager for Tribune Cable Communications, Vice President of Operations for WGN Electronic Systems, and Director of Strategic Planning for Tribune Cable and subsidiaries. At Tribune Cable he helped grow the company from a small 2,000 subscriber property to a major multiple system operator managing over 300,000 customers nationwide. David brings three decades of successful customer based operating experience to the team as well as many years of participation, guidance, and oversight in numerous debt and equity financings, acquisitions, and strategic restructuring.

Messrs. Edmonds and Bradford entered into 5-year employment agreements with Deep Green Waste and Recycling, LLC on January 1, 2016 which were assigned and assumed by Deep Green Waste and Recycling, Inc. on August 24, 2017 following the Purchase and Conveyance Agreement with former company, Critic Clothing, Inc. The employment agreements are extendable for additional two-year terms.

B. Legal/Disciplinary History

During the past 10 years, the officers, directors, and control persons of the company have NO disciplinary history whatsoever, and have never had a criminal conviction, entry of a judgment or decree by a court of any jurisdiction that limited his involvement with any type of business, securities,

commodities, or banking activities. Furthermore, they have never had a finding or judgment against them nor any order by self-regulatory organizations of any kind.

C. Beneficial Shareholders.

As of the date of this information statement, the individuals owning more than 10% of the Company's common or preferred shares are as follows:

Bill Edmonds
111 Muskhogean Rd
Fair Play, SC 29643

David Bradford
2151 Chartley Place
Marietta, GA 30062

9. Third Party Providers

Transfer Agent
Transfer OnLine.
512 SE Salmon Street
Portland, OR 97214
Phone: 503-227--2950

Legal Counsel
The Doney Law Firm
4955 S. Durango Rd.
Ste. 165
Las Vegas, NV 89113

10. Issuer Certification

Issuer Certification

I, Bill Edmonds, certify that:

I have reviewed this entire disclosure for the year ending December 31, 2017 of Deep Green Waste and Recycling, Inc. Symbol: DGWR;

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

/S/

By: Bill Edmonds, President & CEO
Date: April 11, 2017

EXHIBIT A

Deep Green Waste and Recycling, Inc.
Unaudited Condensed Consolidated Financial Statements

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Deep Green Waste and Recycling, Inc.

Condensed Consolidated Balance Sheets

	December 31, 2017	December 31, 2016
	(Unaudited)	(Audited)
ASSETS		
Current assets:		
Cash	$ 282,379	$ 55,775
Accounts receivable , net of allowance for doubtful account of $187,781 at December 31, 2017 and $79,000 at December 31, 2016	260,462	338,004
Gross lease receivables	31,631	-
Lease investments	40,312	-
Unbilled revenues	296,542	184,279
Inventory	357,524	-
Debt discount	631,376	-
Prepaid expenses and other current assets	65,206	18,890
Total current assets	1,965,432	596,948
Property and equipment, net	246,897	281,102
Other assets:		
Deposits	12,660	16,143
Intangible assets	148,875	-
Non-current lease receivables	89,594	-
Goodwill	710,928	-
Total other assets	962,057	16,143
Total assets	$ 3,174,386	$ 894,193
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,213,463	$ 1,367,733
Accrued expenses	79,460	-
Deferred compensation	72,347	46,015
Accrued interest	22,018	148,525
Deferred revenue	28,403	174,608
Shareholder loans	518,317	510,000
Short-term financing, net	495,659	390,923
Short-term capital lease	14,177	19,920
Customer deposits payable	62,872	36,857
Total current liabilities	3,506,716	2,694,581
Long-term liabilities		
Shareholder loans	1,096,392	-
Long-term financing, net	453,203	-
Long-term capital lease	-	19,029
Total long-term liabilities	1,549,595	19,029
Total liabilities	5,056,311	2,713,610
Commitments and contingencies		
Stockholders' deficit:		
Common stock, $.0001 par value; 110,000,000 shares authorized; 95,597,102 and 86,255,660 shares issued and outstanding as of December 31, 2017 and December 31, 2016, respectively	9,560	8,626
Preferred Stock, $.0001 par value, 2,000,000 shares authorized; Zero and 2,000 shares issued and outstanding as of December 31, 2017 and December 31, 2016, respectively	-	-
Additional paid-in capital	2,510,465	155,372
Accumulated deficit	(4,401,950)	(1,983,415)
Total stockholders' deficit	(1,881,925)	(1,819,417)
Total liabilities and stockholders' deficit	$ 3,174,386	$ 894,193

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

Deep Green Waste and Recycling, Inc.

Condensed Consolidated Statements of Comprehensive Loss

	Twelve months ended December 31,	
	2017	**2016**
	(Unaudited)	(Audited)
Net revenue	$ 9,875,869	$ 7,528,778
Cost of revenue	7,758,776	6,051,988
Gross margin	2,117,093	1,476,790
Operating expenses:		
Selling, general and administrative	2,566,776	1,814,743
Professional and consulting	194,550	44,455
Bad debt	112,158	76,855
Depreciation and amortization	87,100	39,067
Total operating expenses	2,960,584	1,975,120
Operating (loss)	(843,491)	(498,330)
Other income/(expense):		
Gain/(loss) on disposal of fixed assets	(13,212)	4,099
Gain/(loss) debt conversion	(922,233)	0
Interest expense	(636,062)	(407,980)
Interest Income	53	34
Other Expense	(3,589)	(85)
Total other income/(expense)	(1,575,043)	(403,932)
Net (loss)	$ (2,418,534)	$ (902,262)
Net loss per common share:		
Basic net loss per common share	$ (0.03)	$ (0.01)
Basic weighted-average common shares outstanding	88,241,577	86,255,660

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

Deep Green Waste and Recycling, Inc.

Condensed Consolidated Statement of Shareholders' Deficit

(unaudited)

	Ordinary Shares		Common Stock		Preferred Stock		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance as of December 31, 2016	86,255,660	$ 8,626			2,000	$ -	$ 155,372	$ (1,983,415)	$ (1,819,417)
Reverse Merger Acquisition	(86,255,660)	(8,626)	86,255,660	8,626		-	-	-	-
Cancellation of Shares		-	(3,000,000)	(300)		-	300	-	-
common stock warrants		-	-	-	(2,000)	-	-	-	-
Fracctional shares from reverse merger		-	139	-		-	-	-	-
Issuance of common shares for cash		-	3,441,442	344		-	-	-	344
Conversion of Notes Payable		-	8,899,861	890		-	941,085	-	941,974
Net liability assumed in reverse merger		-		-		-	(200,000)	-	(200,000)
Note Conversion Costs		-		-		-	1,612,898	-	1,612,898
Other		-		-		-	810	-	810
Net Loss		-		-		-	-	(2,418,534)	(2,418,534)
Balance as of December 31, 2017	-	$ -	95,597,102	$ 9,560	-	$ -	$ 2,510,465	$ (4,401,950)	$ (1,881,925)

Deep Green Waste and Recycling, Inc.

Condensed Consolidated Statements of Cash Flows

		Twelve months ended December 31,	
		2017	2016
		(Unaudited)	(Audited)
Cash flows from operating activities:			
Net loss	$	(2,418,534)	(902,262)
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:			
Depreciation and amortization		87,101	39,067
Bad debt expense		(112,158)	(76,855)
Amortization of debt discount		169,018	-
Loss on disposal of fixed assets		-	(4,099)
(Gain)/Loss on note conversion		922,233	-
Changes in assets and liabilities:			
Accounts receivable and unbilled revenue		471,621	(132,872)
Inventory		87,976	-
Prepaid expenses		103,957	(94,716)
Deposits		7,843	(16,143)
Accounts payable		530,430	635,412
Accrued expenses		49,419	(1,787)
Deferred compensation		26,333	46,015
Accrued interest		(351,410)	92,741
Deferred revenue		(147,608)	(18,308)
Customer deposits payable		22,695	22,135
Net cash used in operating activities		(551,084)	(411,672)
Cash flows from investing activities:			
Purchase of fixed assets		(75,668)	(111,263)
Proceeds from sale of fixed assets		-	6,396
Acquisitions		(991,153)	-
Net cash used in investing activities		(1,066,821)	(104,867)
Cash flows from financing activities:			
Proceeds from borrowings		1,570,000	400,929
Payments on borrowings		(234,589)	-
Payments of capital lease obligations		(24,772)	38,949
Conversion of borrowings to common stock		(630,000)	(8,679)
Common stock		934	8,626
Warrants		55,839	-
Paid in capital		1,107,097	-
Net cash provided by financing activities		1,844,509	439,826
Net increase (decrease) in cash and cash equivalents		226,604	(76,713)
Cash and cash equivalents at beginning of period		55,775	132,488
Cash and cash equivalents at end of period	$	282,379	55,775
Supplemental disclosure of cash flow information			
Cash paid during the year for:			
Interest		$ 368,647	$ 282,241
Non-Cash investing and financing activities:			
Conversion of deferred compensation		$ 8,641	$ 16,259

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

Deep Green Waste and Recycling, Inc.
Notes to the Condensed Consolidated Financial Statements
December 31, 2017
(unaudited)

Note 1 – Organization and Significant Accounting Policies

Overview

Deep Green Waste and Recycling, Inc. ("We' or the "Company" or "Deep Green") is a full-service waste & recycling company that manages services to and logistics for large commercial properties throughout the continental U.S. The Company serves retail malls and shopping centers, multi-family apartment and townhome communities, hospitals, hotels, correctional institutions, office parks and more. Our unique value proposition is in the design and execution of our end-to-end waste management program for our clients. Our programs not only save money on direct waste disposal, lower administrative costs and equipment costs, but they also provide income from direct recycling rebates. We have a presence in over 30 states across all regions of the United States, and serve approximately 300 commercial customers.

On August 24, 2017, Critic Clothing, Inc., a Wyoming corporation (the "Company"), entered into a Merger Agreement (the "Merger Agreement") with Deep Green Acquisition LLC, a Georgia limited liability company and wholly owned subsidiary of the Company ("Merger Sub") and Deep Green Waste and Recycling, LLC, a privately held Georgia limited liability company ("Deep Green"). In connection with the closing of this merger transaction, Merger Sub merged with and into Deep Green (the "Merger") on August 24, 2017, with the filing of Articles of Merger with the Georgia Secretary of State.

The Merger is being accounted for as a "reverse merger," and Deep Green Waste and Recycling, Inc. is deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations that will be reflected in the unaudited condensed consolidated financial statements prior to the Merger will be those of Deep Green Waste and Recycling, Inc. and will be recorded at the historical cost basis of Deep Green Waste and Recycling, Inc., and the unaudited condensed consolidated financial statements after completion of the Merger will include the assets and liabilities of Deep Green Waste and Recycling, Inc., historical operations of Deep Green Waste and Recycling, Inc. and operations of the Company and its subsidiaries from the closing date of the Merger. As a result of the issuance of the shares of the Company's common stock pursuant to the Merger, a change in control of the Company occurred as of the date of consummation of the Merger.

In addition, pursuant to the terms and conditions of the Merger Agreement:

- Each percentage of Deep Green's outstanding membership interest was converted into the right to receive 850,000,000 shares (850,000 post reverse share split) of the Company's common stock, par value $0.0001 per share (the "Common Stock"), with partial percentage interests to receive appropriate percentages of such number, all of which shares of Common Stock were issued in exchange for the total outstanding membership interests in Deep Green for eighty five percent (85%) of the Company outstanding Common Stock on a fully diluted basis as of the Closing Date, or a total of 85,000,000,000 shares (85,000,000 post reverse share split) of Common Stock.
- Legacy shareholders of Critic Clothing, Inc received 4,697,102 shares (post reverse share split) of Deep Green common stock.
- Deep Green provided customary representations and warranties and closing conditions, including approval of the Merger by a majority of its voting percentage interests.

Also on August 24, 2017, the Company entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the "Conveyance Agreement") with a company controlled by our prior officer and director, John Figliolini. Pursuant to the Conveyance Agreement, the Company transferred all assets and business operations associated with its extreme sports apparel activities to Mr. Figliolini's company. In exchange, Mr. Figliolini agreed to cancel 3,000,0000 shares (post reverse share split) in the Company and to assume and cancel all liabilities relating to the Company's former business, except for two convertible promissory notes held by Antevorta Capital Partners, Ltd. ("Antevorta") in the aggregate principal amount of $200,000, of which $139,849.64 remains outstanding.

As a result of the Purchase Agreement and Conveyance Agreement, Critic Clothing, Inc. is no longer pursuing its former business plan. Under the direction of the Company's newly appointed officers and directors, as set forth below, the Company is now a full-service waste & recycling company that manages services to and logistics for large commercial properties throughout the continental U.S.

Our majority shareholder and our board of directors approved an amendment to our Articles of Incorporation for the purpose of approving a reverse split of one to one thousand in which each shareholder will be issued one common share in exchange for every one thousand common shares of their currently issued common stock. Prior to approval of the reverse split we had a total of 99,997,102,862 issued and outstanding shares of common stock, par value $0.0001. On September 27, 2017, the effective date of the reverse split, we have a total of 99,997,102 issued and 90,697,102 outstanding shares of common stock, par value $0.0001. New stock certificates will be issued upon surrender of the shareholders' old certificates. All common share amounts presented have been retroactively adjusted for the reverse stock split.

In addition, our board of directors and majority shareholders approved a name change to Deep Green Waste and Recycling, Inc. In connection with the reverse split and name change we have submitted the required information to FINRA and received a market effective date of September 27, 2017. Our common stock was quoted under the symbol "CRTCD" for a period of 20 trading days. Our common stock will be traded under the symbol "DGWR" that more resembles our new name. On September 12, 2017, The Deep Green Waste and Recycling, Inc. Board of Directors approved and adopted a resolution to reduce the number of authorized common shares from 110,000,000,000 to 250,000,000.

Prior to the merger on June 26, 2017, Critic Clothing, Inc. entered into a conversion agreement with Saint James Capital Management LLC and agreed to convert 2,000,000 shares of the Company's preferred stock held by Saint James into a warrant to purchase 5,000,000 shares of the Company's common stock at $0.30 per share. Subsequent to the merger, the Deep Green Board of Directors approved a reduction of the warrant exercise price from $0.30 to $0.20. These are three-year warrants that will expire on June 25, 2020.

In October 2017 Deep Green Waste & Recycling Inc. successfully completed a $1.4 million round of financing. $1,005,000 of the proceeds were used to purchase an equipment company and an equipment financing company. The remainder was used for working capital.

Effective October 1, 2017, Deep Green acquired Compaction and Recycling Equipment Inc (CARE), a Portland, Oregon based company that sells and services waste and recycling equipment. Deep Green purchased 100% of the common stock for $902,700. $586,890 was paid in cash at closing and a promissory note was executed in the amount of $315,810. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

Also, effective October 1, 2017, Deep Green acquired Columbia Financial Services Inc (CFSI), a Portland, Oregon based company that finances the purchases of waste and recycling equipment. Deep Green purchased 100% of the common stock for $597,300. $418,110 was paid in cash at closing and a promissory note was executed in the amount of $179,190. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

On October 19, 2017, the Company issued a convertible note payable to John Figliolini for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Mr. Figliolini may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to Mr. Figliolini. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 17, 2017, the Company issued a convertible note payable to Torey Jean Gault for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Mr. Gault may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to Mr. Gault. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 19, 2017, the Company issued a convertible note payable to Anna and Michael Castoro for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, the Castoro's may convert the principal and accrued interest into

Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to the Castoro's. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 20, 2017, the Company issued a convertible note payable to White Crest, LLC for $400,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, White Crest, LLC may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 200,000 common stock purchase warrants were issued to White Crest, LLC. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 18, 2017, the Company issued a convertible note payable to Tirante Finance Ltd. for $850,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Tirante Finance Ltd. may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 425,000 common stock purchase warrants were issued to Tirante Finance Ltd. These warrants carry a three-year term with an exercise price of $0.175 per share.

On November 20, 2017, the Company issued a convertible note payable to Transglobal Finance, Inc. for $70,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Transglobal Finance, Inc. may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued Transglobal Finance, Inc. These warrants carry a three-year term with an exercise price of $0.175 per share.

Liquidity, Going Concern and Uncertainties

The condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. To date, the Company's operations have not generated sufficient revenues to enable profitability. As of December 31, 2017, the Company had a stockholders' deficit of ($1,881,925) and has incurred net losses of ($2,418,534) and ($902,262) for the year ended December 31, 2017 and 2016, respectively. Based on the current projections, management believes that the existing cash at December 31, 2017 will not be sufficient to fund operations for at least the next twelve months following the issuance of these financial statements. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

The Company's continued operations will depend on its ability to raise additional capital through various potential sources, such as equity and/or debt financings and/or other strategic relationships. Management is actively pursuing financing, but can provide no assurances that such financing will be available on acceptable terms, or at all. Without this funding, the Company could be required to cut operating costs and other initiatives required to reach profitability, which would likely have a material adverse effect on the Company.

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). In connection with the preparation of the financial statements, we are required to make assumptions and estimates about future events that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumption and estimate on historical experience and other factors that management believes are relevant at the time our financial statements are prepared. On a periodic basis, management reviews the accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from the estimates and assumptions, and such differences could be material.

The consolidated financial statements include the results of CARE and CFSI from October 1, 2017 through year-end 2017.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. Certain of our estimates, including evaluating the collectability of accounts receivable, could be affected by external conditions, including those unique to our industry, and general economic conditions. It is possible that these external factors could have an effect on our estimates that could cause actual results to differ from our estimates. In the opinion of management, the condensed financial statements included herein contain all adjustments necessary to present fairly the Company's financial position and the results of its operations and cash flows for the periods presented. Such adjustments are of a normal recurring nature.

Cash

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At times, the Company's cash balances may exceed the current insured amounts under the Federal Deposit Insurance Corporation. There were no accounts that exceeded federally insured limits at December 31, 2017 and December 31, 2016.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The Company had an allowance for doubtful accounts of $187,781 and $79,000 as of December 31, 2017 and December 31, 2016, respectively.

Inventory

Inventories are stated at the lower of cost or market using the Average Cost Method. The company had Inventory of $357,524 and $0 for the year ended December 31, 2017 and December 31, 2016, respectively. The entire inventory balance is related to our "CARE" subsidiary.

Impairment of Long-Lived Assets

The Company's long-lived assets (consisting primarily of the fixed assets) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by that asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Through December 31, 2017, the Company had not experienced impairment losses on its long-lived assets.

Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was $8,713 and $21,363 for the year ended December 31, 2017 and December 31, 2016, respectively.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortization. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred, while expenditures that extend the life of these assets are capitalized. Depreciation and amortization are provided for in amounts sufficient to write off the cost of depreciable assets to operations over their estimated service lives. The Company uses the straight-line method of depreciation method for both financial reporting and tax purposes. Upon the sale or retirement of property and equipment, the cost and related accumulated depreciation and amortization will be removed from the accounts and the resulting profit or loss will be reflected in the statement of income. The estimated lives used to determine depreciation and amortization are:

Software	2-3 Years
Office Equipment	3-7 Years
Furniture and Fixtures	8 Years
Waste and Recycling Equipment	5 Years
Leasehold Improvements	Varies by Lease
Service Equipment	5 Years

*Construction in Progress (CIP) is not depreciated until it is place in service.

Leases

We lease fixed assets in the ordinary course of our business. Our most significant lease obligations are for fixed assets specific to our industry. Our leases have varying terms. Some may include renewal or purchase options, escalation clauses, restrictions, penalties or other obligations that we consider in determining minimum lease payments. The leases are classified as either operating leases or capital leases, as appropriate.

Deferred Financing Policy

The Company presents deferred financing costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense.

Capital Leases

Assets under capital leases are capitalized using interest rates determined at the inception of each lease and are depreciated over either the useful life of the asset or the lease term, as appropriate, on a straight-line basis. The present value of the related lease payments is recorded as a debt obligation.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 605, Revenue Recognition. ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery of product has met the criteria established in the arrangement or services rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. This occurs when the services are completed in accordance with the contracts we have with clients. In connection with our products and services arrangements, when we are paid in advance, these amounts are classified as deferred revenue and recognized as revenue in the period the services were performed. For managed service fees, we require that payment be received on the first day of the service month. For repairs, maintenance and construction open-top services, we bill in arrears and include those billings in unbilled revenue on the accompanying balance sheets. Certain revenue-producing transactions are subject to taxes, such as sales tax, assessed by governmental authorities. Sales tax is recorded as a liability until it is paid to the state agency for which the services were collected.

Deferred Revenue

Prepayments from customers before the period in which service is delivered are recorded as deferred revenue.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The fair value of the Company's current assets and current liabilities approximate their carrying values due to their short-term nature.

Income Taxes

We record a provision for income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. We record a valuation allowance to reduce our deferred tax assets to the net amount that we believe is more likely than not to be realized.

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and operating results.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842). ASU 2016-02 impacts any entity that enters into a lease with some specified scope exceptions. The new standard establishes a right-of-use (ROU) model that requires the lessee to record a ROU asset and lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either a finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The guidance updates and supersedes Topic 840, *Leases.* For public entities, ASU 2016-02 is effective for fiscal years, and interim periods with those years, beginning after December 15, 2018 and early adoption is permitted. A modified retrospective transition approach is required for leases existing at, or entered into after the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company has not yet implemented this guidance. However, based on the Company's current operating lease arrangements, the Company does not expect adoption of this standard to have a material impact on its financial statements based on current obligations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230).* This standard addresses the classification of eight specific cash flow issues with the objective of reducing the existing diversity in practice. ASU 2016-15 will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact of this new guidance on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350).* This standard simplifies how an entity is required to test for goodwill impairment. ASU 2017-04 will be effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted after January 1, 2017. We are currently evaluating the impact of this new guidance on our consolidated financial statements.

NOTE 3 – FIXED ASSETS

Fixed assets consist of the following:

	December 31, 2017		December 31, 2016	
Software	$	99,025	$	87,708
Office Equipment		60,150		56,947
Furniture and Fixtures		7,774		4,574
Waste and Recycling Equipment		199,936		55,670
Leasehold Improvements		2,400		2,100
Service Equipment		33,625		-
Remote Monitors for Compactors, CIP		-		149,354
Fixed Assets, Gross		402,910		356,353
Less Accumulated Depreciation and Amortization		(156,013)		(75,250)
Fixed Assets, Net	**$**	**246,897**	**$**	**281,102**

NOTE 4 – ACQUISITIONS

Our December 31, 2017 operating results include the results from CARE and CFSI following the acquisition date of October 1, 2017. The fair value measurements were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement as defined in ASC 820, other than long-term debt assumed in the acquisition. Our December 31, 2017 consolidated balance sheet includes the assets and liabilities of CARE and CFSI, which have been measured at estimated fair value.

The following table summarizes the preliminary estimated fair values of the CARE and CFSI assets acquired and liabilities assumed as of the acquisition date.

	CARE	CFSI
Assets Acquired		
Cash	$ (14,461)	$ 58,308
Accounts Receivable	330,290	22,938
All Other Current Assets	449,555	105,735
Property, Plant & Equipment	36,955	83,500
Intangible Assets	155,000	-
Other Assets	4,360	96,759
Goodwill	350,578	360,350
Total Assets Acquired	$ 1,312,277	$ 727,590
Liabilities Assumed		
Current Liabilities	379,577	51,405
Other Non-Current Liabilities	-	78,884
Total Liabilities Assumed	379,577	130,290
Net Assets Acquired	**$ 932,700**	**$ 597,300**

These estimates are preliminary in nature and subject to adjustments, which could be material. Any necessary adjustments will be finalized within one year from the date of acquisition. Substantially all the receivables acquired are expected to be collectible. We have not identified any material unrecorded pre-acquisition contingencies where the related asset, liability or impairment is probable and the amount can be reasonably estimated. Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the fair value of the net assets acquired, and represents the future economic benefits that we expect to achieve as a result of the acquisition. Prior to the finalization of the purchase price allocation, if information becomes available that would indicate it is probable that such events had occurred and the amounts can be reasonably estimated, such items will be included in the final purchase price allocation and may change goodwill.

NOTE 5 – FINANCING

			December 31, 2017		December 31, 2016
Advanced Energy Capital - factored receivables	$	$	114,878	$	111,051
Advanced Energy Capital - Merchant cash advance			218,512		166,500
Tirante Finance, LTD - note payable		$	-		199,965
Short-Term Notes Payable			622,230		-
Long-Term Notes Payable		$	1,482,619		-
			2,438,240		477,516
Less original issue discount		$	(669,876)		(86,593)
Financing, net	$		1,768,364	$	390,923

2017

On January 13, 2017, the company issued a secured note with Torey Gault in the aggregate principal amount of $49,800 at an original issue discount amount of $47,428. The company issued to the purchaser a two-year option to purchase zero-point one nine percent (0.19%) of the company's membership units for $190. This option was exercised immediately. This note is secured by the assets of the company and personally guaranteed by the President, Bill Edmonds. The term of the note shall be one year and the face amount of the note is $ 49,800. Payments will be made in 12 equal monthly payments of $4,726 with an interest rate of 16%.

On July 27, 2017, the Company issued notes to the following parties with the respective face values: Chris and Lindsay Montag, $20,000, Virginia Haubert, $30,000, Josh Beckham, $20,000, Jonja Maner, $25,000 and Mary Williams, $25,000. These are 12-month notes with an annual interest rate of 12%. The notes are secured by accounts receivable or cash balances of Deep Green.

On September 7, 2017, Deep Green and AEC amended their factoring agreement so that the Maximum Outstanding balance from Deep Green to AEC moved from $500,000 to $775,000. Accordingly, the calculation for the Minimum Monthly Commission was also amended to reflect the new aggregate advance maximum of $775,000.

On September 15, 2017, the Company and AEC amended their factoring agreement to allow Deep Green to extend the period for repayment of existing chargeback invoices. The total invoices covered by this amendment is $210,078, which included $21,649 in liquidated damages. Repayment terms require weekly payments of $5,600 for a period of 28 weeks. The first payment was made on October 5, 2017.

Effective October 1, 2017, Deep Green acquired Compaction and Recycling Equipment Inc (CARE), a Portland, Oregon based company that sells and services waste and recycling equipment. Deep Green purchased 100% of the common stock of for $902,700. $586,890, was paid in cash at closing and a promissory note was executed in the amount of $315,810. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

Also, effective October 1, 2017, Deep Green acquired Columbia Financial Services Inc (CFSI), a Portland Oregon based company that finances the purchases of waste and recycling equipment. Deep Green purchased 100% of the common stock of for $597,300. $418,110 was paid in cash at closing and a promissory note was executed in the amount of $179,190. The note pays simple interest at the rate of 7% per annum on the outstanding balance due, amortized over forty-eight months and payable in quarterly installments, with the first payment being due on the first day of the first month following 90 days after closing.

On October 19, 2017, the Company issued a convertible note payable to John Figliolini for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Mr. Figliolini may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to Mr. Figliolini. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 17, 2017, the Company issued a convertible note payable to Torey Jean Gault for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Mr. Gault may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to Mr. Gault. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 19, 2017, the Company issued a convertible note payable to Anna and Michael Castoro for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, the Castoro's may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued to the Castoro's. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 20, 2017, the Company issued a convertible note payable to White Crest, LLC for $400,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, White Crest, LLC may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 400,000 common stock purchase warrants were issued to White Crest, LLC. These warrants carry a three-year term with an exercise price of $0.175 per share.

On October 18, 2017, the Company issued a convertible note payable to Tirante Finance Ltd. for $850,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Tirante Finance Ltd. may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 425,000 common stock purchase warrants were issued to Tirante Finance Ltd. These warrants carry a three-year term with an exercise price of $0.175 per share.

On November 20, 2017, the Company issued a convertible note payable to Transglobal Finance, Inc. for $70,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance with principle payments beginning in month 7 for 24 equal monthly payments. At any time prior to repayment of the note, Transglobal Finance, Inc. may convert the principal and accrued interest into Deep Green securities at a cost of $0.20 per share. At the same time, 25,000 common stock purchase warrants were issued Transglobal Finance, Inc. These warrants carry a three-year term with an exercise price of $0.175 per share.

Effective November 30, 2017, all the notes that were issued on July 27, 2017 (Montag - $20,000, Haubert- $30,000, Beckham - $20,000, Maner - $25,000 and Williams - $25,000) were converted into 694,715 shares of common stock. The Company issued warrants equal to ten (10%) of the shares issued following conversion – 69,472 warrants. Such warrants shall be exercisable at $0.20 per share; expire in three (3) years and will have piggyback registration rights. The company recognized a ($131,984) loss related to the conversion of this debt in the 4th Quarter of 2017.

<u>2016</u>

On May 5, 2016, the Company into an agreement with Life Capital that advanced cash of $225,000 based on $303,500 of future receivables. The first daily payment of $1,400 was paid on May 10, 2016. The imputed interest rate was 41% and the term was 10 months. This note was personally guaranteed by the President, Bill Edmonds. This facility was replaced by the Advanced Energy Capital financing agreement entered into on December 16, 2016.

On May 19, 2016, the Company entered a financing agreement with KCG Capital that advanced cash of $175,000 based on $241,500 of future receivables. The first daily payment of $2,012 was paid on May 23, 2016. The imputed interest rate was 114%. This note was personally guaranteed by the CEO, Bill Edmonds. This facility was replaced by the Advanced Energy Capital financing agreement entered into on December 16, 2016.

On September 20, 2016, the Company entered a financing agreement with Global Merchant Cash that advanced cash of $200,000 based on $274,000 of future receivables. The first daily payment of $1,957 was paid on September 20, 2016. The imputed interest rate was 111%. This note was personally guaranteed by the CEO, Bill Edmonds. This facility was replaced by the Advanced Energy Capital financing agreement entered into on December 16, 2016.

On December 16, 2016, the Company entered a 1st position financing agreement with Advanced Energy Capital (AEC) that factored, with recourse, their current accounts receivables which funded initially at $303,455, with an original debt discount ("OID") of $33,850.

As of September 30, 2017, the facility settled at $77,707. AEC charges a factoring commission (the "Factoring Commission") which is deducted from the face value of each account upon collection. The Factoring Commission, which is based on the number of days an Account is outstanding from the date of such invoice issuance, is as follows: 1.89% of the face value of each invoice purchased under the facility (each, a "Purchased Account") and, after the 30th day, an additional 0.66% for every 10-day period (or any part thereof) an invoice remains outstanding and, after the 80th day, an additional 0.95% of the face value of each invoice purchased for every 10-day period (or any part thereof) an invoice remains outstanding. In all instances, the Factoring Commission is subject to adjustment in order to take the Minimum Monthly Fees into account. Minimum Monthly Fee is any amount by which the aggregate dollar amount of the factoring discount earned in any month (prorated for partial months) is less than the Minimum Monthly Commission, which Minimum Monthly Fee accrues and is paid by Deep Green on the first Business Day of the following month. "Minimum Monthly Commission" is the aggregate dollar amount of the factoring discount which the AEC would have earned if AEC had Purchased Accounts with an aggregate Face Amount of $500,000 during any one (1) calendar month period such that a Factoring Commission of 3.87% is applied to the difference between the actual factored amount of Purchased Accounts in the given month and the minimum volume of $500,000 per month hereunder.

Upon AEC's receipt and acceptance of each Assignment, AEC pays to Deep Green up to eighty-five percent (85.0%) of the face value of the Accounts therein described on an ongoing basis, with the initial purchase hereunder consisting of 90% of the face value of eligible Accounts on current invoices up to 30 days from invoice date, 85% on eligible Accounts between 31 and 60 days from invoice date, 80% on those 61 to 90 days and up to 75% for eligible Accounts aged between 91 and up to 120 days from invoice date. Notwithstanding anything to the contrary contained in this Agreement, the maximum outstanding balance of Deep Green to AEC is Four Hundred Twenty-Five Thousand ($425,000) Dollars (the "Maximum Advance").

AEC holds in reserve the difference between the Purchase Price and the Advance (the "Reserve") and, provided there are no outstanding chargebacks or disputes, will pay to Deep Green, the Reserve, less any sums due AEC hereunder, five (5) Business Days from the date on which the Accounts have been collected in full in good funds, or have been charged back and/or deemed collected by AEC due to an Account Debtor's Insolvency (as defined in Section 6). For purposes of this Agreement, the term, "Business Day", shall mean any day which is not a Saturday, Sunday or other day on which national banks are authorized or required to be closed. For all purposes under this Agreement, Clearance Days (defined as 3 banking days) is added to the date on which AEC receives any payment.

On December 16, 2016, AEC purchased additional future receivables of Deep Green and advanced cash of $125,000 based on $169,000 of future receivables less OID of $44,000. The first weekly payment of $2,500 was paid in the last week of 2016. After 6 weekly payments of $2,500, the weekly payment will increase to $5,300 and continued through August 22, 2017. The imputed interest rate is annualized at 46.9%.

On December 19, 2016, we issued a note payable to Tirante Finance, LTD in the amount of $200,000 at an annual interest rate of 16%. This agreement has an incentive option where the lender can purchase 0.62% membership interest in Deep Green for $620. At September 30, 2017, the balance due on the loan was 104,046 less OID of $5,000. This note will be paid in the 12 equal monthly installments of $18,125, with the final payment on December 20, 2017. This note is personally guaranteed by the CEO, Bill Edmonds.

NOTE 6 – SHAREHOLDERS' LOANS

	December 31, 2017	December 31, 2016
Note Payable, Interest rate 12%, due on demand	$ -	$ 45,000
Note Payable, Interest rate 20%, due on demand	-	465,000
Total Shareholders' Loans	$ -	$ 510,000

On July 25, 2012, the Company issued a note payable to a member in the amount of $22,500 at an annual rate of 12%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $22,500. This note is due on demand.

On July 25, 2012, the Company issued a note payable to a member in the amount of $22,500 at an annual rate of 12%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $22,500. This note is due upon demand.

On April 27, 2013, the Company issued a note payable to a member in the amount of $25,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $25,000. This note is due on demand.

On September 27, 2013, the Company issued a note payable to a member in the amount of $25,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $25,000. This note is due on demand.

On January 22, 2014, the Company issued a note payable to a member in the amount of $30,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $30,000. This note is due on demand.

On December 20, 2015, the Company issued a note payable to a member in the amount of $110,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $110,000. This note is due on demand.

On January 17, 2016, the Company issued a note payable to a member in the amount of $25,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $25,000. This note is due on demand.

On January 25, 2016, the Company issued a note payable to a member in the amount of $200,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $200,000. This note is due on demand.

On March 9, 2016, the Company issued a note payable to a member in the amount of $50,000 at an annual interest rate of 20%. At December 31, 2016 and September 30, 2017, the balance due on the loan was $50,000. This note is due on demand.

Effective November 30, 2017, the entire balance of shareholders' loans plus accrued interest, $744,725, was converted into 4,159,584 shares of common stock. The Company issued warrants equal to ten (10%) of the shares issued following conversion – 415,958 warrants. Such warrants shall be exercisable at $0.20 per share; expire in three (3) years and will have piggyback registration rights. The company recognized a ($790,249) loss related to the conversion of this debt in the 4th Quarter of 2017.

NOTE 7 – CAPITAL AND OPERATING LEASE OBLIGATIONS

The following is a schedule of the future required payments under our lease agreements in effect at December 31, 2017:

	Capital Leases	Operating Leases	Total
2018	$ 63,923	$ 88,800	$ 152,723
2019	32,261	60,000	92,261
2020	18,669	60,000	78,669
2021	15,134	60,000	75,134
2022	6,232	60,000	66,232
Thereafter	-	820,000	820,000
Total minimum lease payments	136,218	$ 1,148,800	$ 1,285,018
Less amount representing interest	(12,689)		
Present value of net minimum obligations	123,528		
Less current obligation under capital lease	(44,771)		
Long-term obligation under capital lease	$ 78,758		

Our principal executive office is located at 3225 Shallowford Road, Suite 1020, Marietta, Georgia 30062. Our leased premises are 4,500 square feet and are utilized for corporate business offices. The lease on this this property is $4,500 per month. Our premises are subject to a lease agreement expiring June 30, 2017.

The company's subsidiaries CARE and CFSI are located at 12250 SE Capps Rd Clackamas, OR 97015. Our leased premises are 4,500 square feet. The lease on this property is $5,000 per month. The premise is subject to a lease agreement expiring August 31, 2035.

The Company leases equipment under leases classified as capital leases. The leased equipment is amortized on a straight-line basis over 5 years.

NOTE 8- CONCENTRATION OF REVENUE

For the year ended December 31, 2017, the Company had two customers that accounted for 18% and 14% of revenue. For the year ended December 30, 2016, the Company had three customers that accounted for 25%, 19%, and 10% of revenue, respectively.

NOTE 9-NET LOSS PER SHARE

The Company accounts for and discloses net loss per share in accordance with FASB ASC Topic 260, *Earnings Per Share.* Basic net loss per common share is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares that would have been outstanding during the period assuming the issuance of common shares for all potential dilutive common shares outstanding. Potential common shares consist of shares issuable upon the exercise of warrants. For the year ended December 31, 2017, 6,210,430 common stock warrants are outstanding but are considered anti-dilutive due to the net loss.

NOTE 10- RELATED PARTY

Cobalt Steel is a compactor rental company wholly owned by the CEO, Bill Edmonds. Cobalt Steel owns and rents 7 compactors to Deep Green. Total Monthly rental payments paid to Cobalt equal $3,150.

NOTE 11 - EMPLOYMENT AGREEMENTS AND DEFERRED COMPENSATION

On January 1, 2016, the Company entered into an agreement with David A. Bradford as Chief Operating Officer. In connection with his appointment, the Company and Mr. Bradford entered into a written employment agreement (the "Employment Agreement") for an initial five-year term, which provides for the following compensation terms for Mr. Bradford. Pursuant to the Employment Agreement, Mr. Bradford will receive a base salary of $108,000 per year, subject to increase of not less than 10% per year. The Company (i) shall remit payment of Eighty-Four Thousand Dollars ($84,000) of the Base Salary; and (ii) shall defer payment of Twenty-Four Thousand Dollars ($24,000) of the Base Salary, in a proportionate basis and allocated over each payment of the Base Salary so remitted (the "Deferred Base Salary"). The Deferred Base Salary shall earn seven percent (7%) simple interest per annum until paid in full. The Executive, in his sole and absolute discretion, shall determine when and how the Deferred Base Salary shall be paid, without limitation; and may also elect to acquire additional ownership interest in the Company in exchange for all or any portion of the Deferred Base Salary then outstanding, at the lesser of (i) the then-current value of the ownership interest in the Company; or (ii) the price at which ownership interest in the Company was most recently purchased by any party, including the Company. Mr. Bradford is eligible for a cash bonus equal to 1.5% of Adjusted EBITDA over $2,000,000 at the end of each respective annual period. As an inducement to the Executive to enter into this Agreement, the Company hereby grants the Executive an initial three and one-half percent (3.5%) ownership interest in the Company. In addition, the executive has the right to purchase equity at the most recently traded rate. In 2016, the executive converted $19,947 of deferred compensation to 4.76% members' equity.

In addition, the Employment Agreement also provides for certain payments and benefits in the event of a termination of his employment under specific circumstances. If, during the term of the Employment Agreement, his employment is terminated by the Company other than for "cause," death or disability or by Mr. Bradford for "good reason" (each as defined in the Employment Agreement), he would be entitled to (1) continuation of his base salary at the rate in effect immediately prior to the termination date for the remainder of the term, and (2) any Incentive Bonus as defined by the Employment Agreement.

On January 1, 2016, the Company entered into an agreement with Bill Edmonds as Managing Member, President and Chief Financial Officer. Mr. Edmonds became Chief Executive Officer of the Company in 2011. In connection with his appointment, the Company and Mr. Edmonds entered into a written employment agreement (the "Employment Agreement") for an initial five-year term, which provides for the following compensation terms for Mr. Edmonds. Pursuant to the Employment Agreement, Mr. Edmonds will receive a base salary of $200,000 per year, subject to increase of not less than 10% per year. The Company (i) shall remit payment of One Hundred Sixty Thousand Dollars ($160,000) of the Base Salary; and (ii) shall defer payment of Forty Thousand Dollars ($40,000) of the Base Salary, in a proportionate basis and allocated over each payment of the Base Salary so remitted (the "Deferred Base Salary"). The Deferred Base Salary shall earn seven percent (7%) simple interest per annum until paid in full. The Executive, in his sole and absolute discretion, shall determine when and how Deferred Base Salary shall be paid, without limitation; and may also elect to acquire additional ownership interest in the Company in exchange for all or any portion of the Deferred Base Salary then outstanding, at the lesser of (i)

the then-current value of the ownership interest in the Company; or (ii) the price at which ownership interest in the Company was most recently purchased by any party, including the Company. Mr. Edmonds is eligible for a cash bonus equal to 2.5% of Adjusted EBITDA over $2,000,000 at the end of each respective annual period.

In addition, the Employment Agreement also provides for certain payments and benefits in the event of a termination of his employment under specific circumstances. If, during the term of the Employment Agreement, his employment is terminated by the Company other than for "cause," death or disability or by Mr. Edmonds for "good reason" (each as defined in the Employment Agreement), he would be entitled to (1) continuation of his base salary at the rate in effect immediately prior to the termination date for the remainder of the term, and (2) any Incentive Bonus as defined by the Employment Agreement.

For the year ended December 31, 2017 and 2016, no bonuses were earned by either executive.

NOTE 12- SUBSEQUENT EVENTS

On February 19, 2018, the Company issued a convertible note payable to Mary Williams for $60,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance. The principal shall be amortized in twenty (24) equal monthly payments from month seventh (7) onwards. At any time prior to repayment of the note, Ms. Williams may convert the principal and accrued interest into Deep Green securities at a cost of $0.175 per share. At the same time, 30,000 common stock purchase warrants were issued to Ms. Williams. These warrants carry a three-year term with an exercise price of $0.175 per share.

On March 16, 2018, the Company issued a convertible note payable to C. Alvin Roberds, Jr for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance. The principal shall be amortized in twenty (24) equal monthly payments from month thirteen (13) onwards. At any time prior to repayment of the note, Mr. Roberds may convert the principal and accrued interest into Deep Green securities at a cost of $0.175 per share. At the same time, 25,000 common stock purchase warrants were issued to Mr. Roberds. These warrants carry a three-year term with an exercise price of $0.175 per share.

On March 16, 2018, the Company issued a convertible note payable to Ellen Bailey for $50,000 at an annual interest rate of 12%. The note will be interest only for the first six months after issuance. The principal shall be amortized in twenty (24) equal monthly payments from month thirteen (13) onwards. At any time prior to repayment of the note, Ms. Bailey may convert the principal and accrued interest into Deep Green securities at a cost of $0.175 per share. At the same time, 25,000 common stock purchase warrants were issued to Ms. Bailey. These warrants carry a three-year term with an exercise price of $0.175 per share.

On February 1, 2018 Deep Green Waste & Recycling, Inc. entered into an employment agreement with Josh Beckham. The agreement stipulates that Mr. Beckham shall be employed as Chief Financial Officer of the Company. This Agreement shall be for a period of four years (the "Initial Term"), commencing upon the date of this Agreement and expiring on midnight of the last night immediately preceding the first day of the fifth (5th) year thereafter, and extended for additional one (1) year "Terms", unless at least six (6) months prior to the expiration of the then-current Term, written notice is delivered by the party desiring to terminate the Agreement to the other party stating that the Agreement will terminate and not be extended. This Agreement is also subject to early termination, as provided for within the agreement. Mr. Beckham shall receive a salary of One Hundred Twenty-Eight Thousand Dollars ($128,000) per annum and shall be increased not less than ten percent (10%) and not more than the greater of (i) twenty percent (20%) of the most recent Base Salary; or (ii) a percentage equal to an increase in the Company's Enterprise Value over the most recently ended calendar year. For purposes of this Agreement, "Enterprise Value" shall mean 1.2 times the Company's gross annual revenue, net only of any taxes collected for and remitted to a governing body, and less the Company's total liabilities, as reflected on the Company's balance sheet. As an inducement to Mr. Beckham to enter into this Agreement, the Company hereby grants the Executive a vesting ownership interest in the Company. The Company shall grant the Executive 800,000 shares of the Company's common stock, 200,000 shares of which will vest immediately upon commencement of employment, and 200,000 shares of which will vest on each of the three subsequent anniversary dates of employment in which the Executive is in the employ of the Company. In addition, on the first anniversary of employment, the Company will pay Mr. Beckham a "Stay" Bonus equal to ten percent (10%) of the Executive's first year salary of $128,000. For each year of the Agreement in which the Company's after-tax profits exceed Five Hundred Thousand Dollars ($500,000.00) the Company will pay the Executive a Discretionary Incentive Bonus of no less than three percent (3%) of the Company's after-tax profits, as determined by the Company's independent certified public accountant(s) in accordance with generally accepted accounting principles. At the Executive's sole and absolute election, any Discretionary Incentive Bonus shall be paid in any combination (i) of cash; (ii) pursuant to a deferred cash compensation arrangement; (iii) in ownership interest; and/or; (iv) in Options

Deep Green Waste & Recycling, Inc. (DGWR) has sold 16 commercial trash compactors in the 1st quarter of 2018. While not historically a significant part of our managed services offerings, we have successfully sold almost $400,000 in compactors, which are scheduled for installation before during 1st and 2nd quarters 2018.

Effective March 15, 2018, Mr. Edmonds and Mr. Bradford agreed to temporarily reduce their salaries in an effort to reduce SG&A and improve operating profitability. Their new salaries are $165,000 and $106,800, respectively. Neither Mr. Edmonds or Mr. Bradford are deferring any of their base salary currently. Other than the temporary salary reductions other terms of their employment agreements remain unchanged.

Effective March 31, 2018, one of our customers that represented 14% of 2017 net revenues, terminated their contract.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes included elsewhere in this Annual Report. This discussion and analysis contains forward-looking statements that are based upon current expectations and involve risks, assumptions and uncertainties.

Highlights

During the last twelve months, the Company focused on the following areas:

- Going public through a reverse merger with the goal of developing additional sources of financing and improving Company visibility to the investor community
- Expanding its geographical coverage and product portfolio within the United States via the acquisitions of CARE and CFSI
- Growing revenue and expanding consolidated margins
- Building an organization structure that will allow us to execute on our growth strategy

Results of Operations

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

The following table sets forth a comparison of consolidated statements of operations by our business segments for the respective years ended December 31, 2017 and 2016. The year 2017 includes the results of our acquisitions (CARE & CFSI) as of the acquisition date - October 1, 2017. In accordance with U.S. generally accepted accounting principles (GAAP), operating results from CARE & CFSI prior to the acquisition date are excluded.

	2017			2016		
	Services	Equipment	Total	Services	Equipment	Total
Net revenues	$ 8,929,185	$ 946,684	$ 9,875,869	$ 7,528,778	$ -	$ 7,528,778
Cost of Revenues	7,273,010	485,766	$ 7,758,776	6,051,988	-	$ 6,051,988
Gross profit	1,656,175	460,918	2,117,093	1,476,790	-	1,476,790
Operating expenses:						
Salary, wages and related expenses	1,533,364	186,161	1,719,525	1,194,457	-	1,194,457
Professional and consulting	191,774	2,775	194,549	44,455	-	44,455
Bad debt	106,964	5,194	112,158	76,855	-	76,855
Other operating	697,064	150,187	847,251	620,286	-	620,286
Depreciation and amortization	74,963	12,138	87,101	39,067	-	39,067
Total operating expenses	2,604,129	356,455	2,960,584	1,975,120	-	1,975,120
Operating income/(loss)	$ (947,954)	$ 104,463	$ (843,491)	$ (498,330)	$ -	$ (498,330)
Other (income) expense:						
Other expense			3,590			85
Loss on debt conversion			922,233			-
(Gain)/loss on disposal of fixed assets			13,212			(4,099)
Interest (income) expense:						
Interest expense			636,008			407,946
Total other (income) expense and interest expense			1,575,043			403,932
Loss before income taxes			$ (2,418,534)			$ (902,262)

Our Services Business

Our services business segment reported operating losses of ($947,954) and ($498,330), respectively, for the years ended December 31, 2017 and 2016, an increase of ($449,624). This increase is primarily due to higher employee related and professional and consulting expenses. Higher employee related costs were mainly related to execution on our plans to put the organizational structure in place to support our long-term growth strategy. Higher professional and consulting expenses were driven by the legal and accounting costs associated with the reverse merger, acquisitions and audits.

Net Revenues

For the years ended December 31, 2017 and 2016, our services business had total sales of $8,929,185 and $7,528,778, respectively. For twelve months ended December 31, 2017, revenues increased by 18.6% or $1,400,407 due to an increase in total number of properties served.

Gross Profits

For the years ended December 31, 2017 and 2016, our services business had total gross profits of $1,656,175 and 18.5% and $1,476,790 and 19.6%, respectively. For the twelve months ended December 31, 2017 gross profits increased by $179,385 primarily due to the increase in revenues offset by increases in servicing costs.

Salaries, Wages and Related Expenses

For the years ended December 31, 2017 and 2016, our services business had salary, wages and related expenses of $1,533,364 and $1,194,458, respectively. For the twelve months ended December 31, 2017 salaries, wages, and related expenses increased by $338,906 mainly due to executing on our plans to put the organizational structure in place to support our long-term growth strategy

Professional and Consulting

For the years ended December 31, 2017 and 2016, our services business had professional and consulting expenses of $191,774 and $44,455, respectively. For the twelve months ended December 31, 2017 professional and consulting expenses increased by $147,319 due to increases in audit related expenses, legal and consulting related to our acquisition, reverse merger and temporary staffing.

Bad Debt

For the years ended December 31, 2017 and 2016, our services business had bad debt expense of $106,964 and $76,855, respectively. For the twelve months ended December 31, 2017 bad debt expense increased by $30,109 due to an increase in dated accounts receivable that we determined were not likely to be collected.

Other Operating Expenses

For the years ended December 31, 2017 and 2016, our services business had other operating expenses of $697,064 and $620,286, respectively. For the twelve months ended December 31, 2017 other operating expenses increased by $76,778 primarily due to expensing research and development costs of $162,336 offset by lower travel related expenses.

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Depreciation and Amortization

For the years ended December 31, 2017 and 2016, our services business had depreciation and amortization expenses of $74,963 and $39,067, respectively. For the twelve months ended December 31, 2017 depreciation and amortization expenses increased by $35,896 due to an increase in equipment installations at a number of properties we are managing.

Our Equipment Business

On October 1, 2017 Deep Green acquired CARE & CFSI (Our Equipment Business). These strategic acquisitions were made to help grow and diversify our product portfolio. CARE sells and services waste and recycling equipment, while CFSI finances the purchases of waste and recycling equipment. Both acquisitions are natural extensions of the Deep Green managed services business. Synergies we expect to realize from these acquisitions include leveraging existing customer relationships to drive new managed service and equipment sales, rental and service cross-sale opportunities, replacing certain Deep Green equipment leased from third parties with acquired CARE equipment inventory and the ability to finance equipment sold by Deep Green through CFSI. From the acquisition date until December 31, 2017, our Equipment business yielded $460,918 in Gross Profit and 48.7% Gross Margin. Net revenues for the same period were $946,684, driven primarily by equipment sales, rentals and service. Operating expenses were $356,455 which yielded Operating Income of $104,463 from the acquisition date until December 31, 2017.

Total Other (Income) /Expense and Interest Expense

For the years ended December 31, 2017 and 2016 our consolidated business had Other and Interest expenses of $1,575,043 and $403,932, respectively. Other expense was $922,233 for the year ended December 31, 2017 vs $0 for the year ended December 31, 2016 driven primarily by the conversion of convertible notes and accrued interest into restricted shares of common stock during 4Q17. Interest expense was $636,008 for the year ended December 31, 2017 vs $407,946 for the year ended December 31, 2016 driven primarily having the AEC facility in place for the full calendar year in 2017.

Trends of the Business

2018 Revenue Trend

For 2018, we expect to see continued revenue growth in both Our Service and Equipment Businesses as we leverage the cross sales opportunities of the existing customer relationships between the two and seek out organic growth opportunities in the markets we already serve.

2018 Gross Profit Trend

For 2018, we expect to see consolidated Gross Profit margins increase as we focus on growing our higher margin Equipment business and continue to focus on margin improvements in our Services business.

2018 SG&A Trend

For 2018, we intend to continue our focus on cost reductions. Areas of focus will include facilities costs, compensation, and driving cost synergies with our acquired companies.

Liquidity and Capital Resources

We had negative working capital of $1,472,203 at December 31, 2017 compared to negative working capital of $2,097,633 at December 31, 2016, an improvement of $625,430. The improvement in negative working capital in 2017 was primarily due to our acquisition of CARE and CFSI.

Net cash used in operating activities for the years ended December 31, 2017, and December 31, 2016 was $551,084 and $411,672, respectively, net of changes in operating assets and liabilities. The increase of $139,412 was primarily due to the increased operating losses partially offset by an increase in accounts receivable related to our acquisition for 2017.

Net cash used in investing activities for the years ended December 31, 2017, and December 31, 2016 was $1,066,821 and $104,867, respectively. The increase was of $961,954 was primarily due to the acquisitions of CARE and CFSI.

Net cash provided in financing activities for the years ended December 31, 2017, and December 31, 2016 was $1,844,509 and $439,826, respectively. The increase was of $1,404,683 was primarily due to borrowings.

We have a history of operating losses as we have focused on building and growing our portfolio. The Company's consolidated financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has never been profitable and has incurred operating losses and negative operating cash flows since inception. For the year ended December 31, 2017 the Company recorded a net loss of $2,418,534 and used $551,084 of cash in operating activities. For the year ended December 31, 2016, the Company recorded a net loss of $902,262 and used $411,672 of cash for operating activities.

As of December 31, 2017, the Company had $282,379 in cash to fund its operations. The Company does not believe its current cash balance will be sufficient to allow the Company to fund its planned operating activities for the next twelve months. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations or substantially curtail some of its planned activities. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities should the Company be unable to continue as a going concern.

As the Company continues to incur losses, achieving profitability is dependent on achieving a level of revenues adequate to support the Company's cost structure. The Company may never achieve profitability, and unless and until it does, the Company will continue to need to raise additional capital. Management intends to fund future operations through additional private or public equity offering and may seek additional capital through arrangements with strategic partners of from other sources. There can be no assurances, however, that additional funding will be available on terms acceptable to the Company, or at all. Any equity financing may be dilutive to existing shareholders.

Cautionary Note Regarding Forward-Looking Statements

This report includes forward-looking statements including statements regarding future equity offerings, cash flow deficits and liquidity. The words "believe", "may", "estimate", "continue", "anticipate", "intend", "should", "plan", "could", "target", "potential", "is likely", "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

The results anticipated by any or all of these forward-looking statements might not occur. Important factors that could cause actual results to differ from those forward-looking statements include the strength of the waste management market, unanticipated events

which adversely impact our growth strategies. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events, or otherwise.

Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Notes to the condensed consolidated financial statements describes the significant accounting policies and methods used in the preparation of the condensed consolidated financial statements. Estimates are used for, but not limited to, contingencies and taxes. Actual results could differ materially from those estimates. The following critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of the condensed consolidated financial statements.

Risk Factors

In addition to the other information set forth in this document, including the matters contained under the caption "Cautionary Note Concerning Forward-Looking Statements," you should carefully read the matters described below. We believe that each of these matters could materially affect our business. We recognize that most of these factors are beyond our ability to control and therefore we cannot predict an outcome.

Risks Related to Our General Business

If we fail to implement our business strategy, our financial performance and our growth could be materially and adversely affected.

Our future financial performance and success are dependent in large part upon our ability to implement our business strategy successfully. Implementation of our strategy will require effective management of our operational, financial and human resources. Failure to raise additional capital to fund operations could harm our business and results of operations.

The Company has experienced net losses from operations since inception, but expects to turn EBITDA positive in 2018. The Company had stockholders' deficiencies at December 31, 2017 and requires additional financing to fund future operations. Currently, we do not have any arrangements for financing and can provide no assurance to investors that we will be able to obtain financing when required. No assurance can be given that the Company will obtain access to capital markets in the future or that financing, adequate to satisfy the cash requirements of implementing our business strategies, will be available on acceptable terms. The inability of the Company to gain access to capital markets or obtain acceptable financing could have an adverse effect upon the results of its operations and upon its financial conditions.

Ability to make profitable acquisitions

Our ability to make strategic acquisitions and to invest in technologies depends on our ability to identify desirable acquisition or investment targets, negotiate advantageous transactions despite competition for such opportunities, fund such acquisitions on favorable terms, and realize the benefits we expect from those transactions, as follows:

Inability to integrate acquisitions in a timely manner;

- Acquisitions may require additional investment; and
- Acquisitions may result in loss of key personnel;

The Company's industry is highly competitive and we have less capital and resources than many of our competitors which may give them an advantage in developing and marketing products similar to ours or make our products obsolete

We are involved in a highly competitive industry where we may compete with numerous other companies who offer alternative methods or approaches, which may have far greater resources, more experience, and personnel more qualified than we do. Such resources may give our competitors an advantage in developing and marketing products similar to ours or products that make our products obsolete. There can be no assurance that we will be able to successfully compete against these other entities.

Our products and services are new and our industry is rapidly evolving

Due consideration must be given to our prospects in light of the risks, uncertainties and difficulties frequently encountered by companies in their early stage of development, particularly companies in the rapidly evolving legal cannabis industry. To be successful in this industry, we must, among other things:

- Continue to acquire and maintain new customers;
- Reduce customer churn;
- Develop and introduce new service offerings;
- Expand gross margins;
- Attract and retain motivated personnel; and
- Maintain our service levels and customer loyalty.

We cannot guarantee that we will succeed in achieving these goals, and our failure to do so would have a material adverse effect on our business, prospects, financial condition and operating results.

The Company's failure to continue to attract, train, or retain highly qualified personnel could harm the Company's business

The Company's success also depends on the Company's ability to attract, train, and retain qualified personnel, specifically those with management and sales skills. In particular, the Company must hire and train additional sales personnel to grow revenue.

Our business depends on our reputation for quality of service

We have developed a reputation for high-quality service, reliability and social and environmental responsibility. Damage to our reputation and loss of brand equity could reduce demand for our services.

A cybersecurity breach could negatively impact our business and our relationships with customers.

We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees and our customers. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information, including customers' personal information, private information about employees, and financial and strategic information about us and our business partners. We also rely on a Payment Card Industry compliant third party to protect our customers' credit card information. Further, as we pursue our strategy to grow through acquisitions and to pursue new initiatives that improve our operations and cost structure, we are also expanding and improving its information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage.

Severe weather events and "one-time" special projects cause our results to fluctuate, and prior performance is not necessarily indicative of our future results.

Service disruptions caused by severe storms, extended periods of inclement weather or climate extremes resulting from climate change can significantly affect the operating results in the affected areas. On the other hand, certain destructive such as the hurricanes can boost operating results.

Dependence on the experience of our executive officers and our business may be severely disrupted in the event that we lose their services and are unable to find replacements with comparable experience and expertise.

We believe that our future success is dependent upon the continued services of our executive officers, as we rely on their industry experience and expertise in our business operations. In particular, we rely heavily on Mr. Edmonds, our Chief Executive

Officer and the Chairman of the Board of Directors and Mr. Bradford, our Chief Operating Officer and member of the Board of Directors, for their business vision, management skills and technical expertise in the waste management industry as well as their working relationships with many of our potential acquisition targets, and other participants in the waste management industry. Their inability to continue in their present positions, or if they left our company, we may not be able to replace them with comparably skilled executives, which would cause severe disruption to our ability to manage our business. If we are unable to retain or replace our key personnel and other key employees, we may not be able to implement our business strategy and our financial condition and results of operations may be materially and adversely affected.

We may be adversely affected by prevailing economic conditions and financial, business and other factors beyond our control.

Our ability to attract and retain customers, invest in and grow our business and meet our financial objectives and obligations depends on our operating and financial performance, which, in turn, is subject to numerous factors, including the prevailing economic conditions and financial, business and other factors beyond our control. We cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact our business.

Risks Related to the Company

We will need additional funding to accomplish our growth strategy, reduce cost of capital and make acquisitions and inability to raise capital on favorable terms could increase our financing costs, dilute your ownership interests, affect our business operations or force us to delay, reduce or our growth and acquisition strategy.

Our growth strategy involves increasing the number of sales personnel and implementing a robust digital marketing effort. Our acquisition strategy is focused on acquiring companies that help us to increase our geographical footprint and add new products and services. To successfully implement these strategies, we will need to raise substantial additional funds. Our ability to arrange financing and the cost of such financing are dependent on numerous factors, including but not limited to:

- general economic and capital market conditions;
- the availability of credit from banks or other lenders;
- investor confidence in us; and
- the continued performance of our core business.

Additional funding from debt financings may make it more difficult for us to operate our business because we would need to make principal and interest payments on the indebtedness and may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit our ability to make business and operational decisions and pay dividends. Furthermore, raising capital through public or private sales of equity to finance acquisitions or expansion could cause earnings or ownership dilution to your shareholding interests in our company.

Uncertainty of profitability

Our revenues and our profitability may be adversely affected by loss of customers, high cost of debt capital, inability to achieve targeted gross profit margins and make accretive acquisitions. Our business is also subject to general economic risks that could adversely impact the results of operations and financial condition.

Because of the anticipated nature of the products and services that we offer and attempt to develop, it is difficult to accurately forecast revenues and operating results and these items could fluctuate in the future due to a number of factors. These factors may include, among other things, the following:

- Our ability to raise sufficient capital to take advantage of opportunities and generate sufficient revenues to cover expenses.
- Our ability to source strong opportunities with sufficient risk adjusted returns.
- Our ability to manage our capital and liquidity requirements based on changing market conditions.
- The nature and extent of competition from other companies that may reduce market share and create pressure on pricing and investment return expectations.
- Adverse changes in the national and regional economies in which we will participate, including, but not limited to, changes in our performance, capital availability, and market demand.
- Adverse changes in the projects in which we plan to invest which result from factors beyond our control, including, but not limited to, a change in circumstances, capacity and economic impacts.

- Our operating results may fluctuate from year to year due to the factors listed above and others not listed. At times, these fluctuations may be significant

Management of growth will be necessary for us to be competitive

Successful expansion of our business will depend on our ability to effectively attract and manage staff, strategic business relationships, and shareholders. Specifically, we will need to hire skilled management and technical personnel as well as manage partnerships to navigate shifts in the general economic environment. Expansion has the potential to place significant strains on financial, management, and operational resources, yet failure to expand will inhibit our profitability goals.