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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2018

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

For the transition period from ______________to ______________

Commission File Number **001-36843**

biohitech

BioHiTech Global, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**46-2336496**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
80 Red Schoolhouse Rd. Chestnut Ridge, NY	**10977**
(Address of Principal Executive Offices)	(Zip Code)

(845) 262-1081
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 29, 2018 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $38.2 million based on the closing sales price of $3.84 on the Nasdaq Capital Market. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of March 25**,** 2019 there were 14,822,956 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's Definitive Proxy Statement relating to its 2019 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission are incorporated by reference in Part III, Items 10-14 of this Annual Report on Form 10-K as indicated herein.

TABLE OF CONTENTS

		Page
PART I		
Item 1.	Business	3
Item 1A	Risk Factors	13
Item 1B	Unresolved Staff Comments	20
Item 2.	Properties	20
Item 3.	Legal Proceedings	21
Item 4.	Mine Safety Disclosures	21
PART II		
Item 5.	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	22
Item 6.	Selected Financial Data	24
Item 7.	Management's Discussion and Analysis of Plan of Operation and Results of Operations	24
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	32
Item 8.	Financial Statements and Supplementary Data	32
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	32
Item 9A	Controls and Procedures	32
Item 9B.	Other Information	33
PART III		
Item 10.	Directors, Executive Officers, Promoters and Corporate Governance.	34
Item 11.	Executive Compensation	34
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	34
Item 13.	Certain Relationships and Related Transactions and Director Independence	34
Item 14.	Principal Accountant Fees and Services	34
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	35
SIGNATURES		38

PART I

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

The information in this report contains forward-looking statements. All statements other than statements of historical fact made in this report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "intends", "plans", "could," "possibly," "probably," anticipates," "projects," "expects," "may," "will," or "should," "designed to," "designed for," or other variations or similar words or language. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations.

Although these forward-looking statements reflect the good faith judgment of our management, such statements can only be based upon facts and factors currently known to us. Forward-looking statements are inherently subject to risks and uncertainties, many of which are beyond our control. As a result, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth below under the caption "Risk Factors." For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You should not unduly rely on these forward-looking statements, which speak only as of the date on which they were made. They give our expectations regarding the future but are not guarantees. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

ITEM I: BUSINESS

Products and Services

BioHiTech Global, Inc. ("BioHiTech", the "Company", "we", or "us") was incorporated on March 20, 2013 under the laws of the state of Delaware as Swift Start Corp. On August 6, 2015, Swift Start Corp. entered into and consummated an Agreement of Merger and Plan of Reorganization with BioHiTech Global, Inc. and Bio Hi Tech America, LLC, after which it adopted the business plan of Bio Hi Tech, America, LLC, and changed its name to BioHiTech Global, Inc. Also on August 6, 2015, the Company amended its Certificate of Incorporation to change its name to BioHiTech Global, Inc. and to increase the number of its authorized shares of capital stock.

The Company's vision since the merger has been to disrupt the waste management industry in North America through the development and utilization of our own practices and proprietary technologies, as well as successful practices and technologies acquired from other worldwide areas, to create the next level of a commercially viable, fully integrated, sustainable waste management company. The Company offers a suite of technologies and services that can be utilized separately or in tandem. The Company provides cost-effective technologies for on-site food waste reduction and elimination, as well as proprietary technology for the processing of solid waste from municipalities and large organizations through a mechanical and biological process that recovers certain recyclables, reduces weight and produces an E.P.A. recognized alternative fuel commodity, with significantly less materials destined for landfill.

After the merger, the Company's initial focus was primarily on its on-going Digester business. During 2014 and 2015, the Company expanded its Eco-Safe Digester offering for mid- to large-level food waste generators through the development of technologies that transformed the digester market from just food waste diversion to one that provides information that can allow customers to reduce and eliminate or minimize their food waste through improved supply chain management and other efficiencies.

During 2015, the Company initiated development of proprietary technologies to improve the operation and monitoring of our digesters, as well as initiated development of IoT (Internet of Things) to allow customers access to critical data and information that can help our clients change their waste generation practices with a view of reducing the generation of waste at the source.

During 2016, the Company initiated development of its Revolution Series of Digesters, a technologically advanced digester targeting smaller food waste generators, that is smaller in size, easy to install, and offered at a lower price point. The Revolution Series of Digesters became commercially available in the second half of 2017.

Also during 2016 and 2017, the Company expanded from its technology-digester single product line by starting strategic initiatives in Mechanical Biological Treatment ("MBT") facilities that rely upon High Efficiency Biological Treatment ("HEBioT") to process waste at the municipal or enterprise level converting a significant portion of intake into an United States EPA recognized alternative commodity fuel.

During 2018, the Company made an investment in a traditional waste management company with the view of providing management services and to leveraging its operating base to deploy both our digesters and HEBioT facilities.

Also during 2018, the Company completed a step transaction that allowed the Company to control the first HEBioT facility under construction in the United States. This facility has been undergoing commissioning during the first quarter of 2019 and will commence commercial operation in the second quarter of 2019.

The combination of on-site digester and the facility based HEBioT technology results in a unique offering that provides a turn-key solution for customers seeking to achieve zero waste. The Company envisions use of its digesters for disposal of food waste at certain retail customer's locations, with regional disposal services being directed to the Company's HEBioT facilities. The digester cost effective technology can reduce 100% of a customer's food waste at the source and the HEBioT process is a cost effective solution that can result in less than 20% of each customer's waste being directed to landfills, hence resulting in a near-zero footprint.

Digester Based Products and Services

Our digesters, together with our developed applications and technology, are a data-driven, network-based mechanical/biological technology which transforms food waste into nutrient-neutral water that can safely be disposed of via conventional sanitary sewer systems. Our digesters reduce greenhouse gas emissions by reducing the volume of food waste being disposed of in landfills and eliminating the corresponding transportation of this waste. In addition, the technology saves users money by avoiding disposal costs ("tip fees") and transportation charges. This process allows waste producing organizations to actively contribute to environmental sustainability and the preservation of resources in a cost-effective manner.

Our digesters are high technology appliances that provide a safe, clean and odorless process for converting organic waste to a nutrient neutral discharge that is introduced to the typical sewage drain. Each digester utilizes technology similar to municipal sewage treatment plants in a scaled down, friendly point of generation format. It is an ecologically friendly solution for processing food waste directly at its source.

Our digesters continuously process organic food waste including vegetables, fruits, meat, fish, poultry, grains, coffee grinds, egg shells and dairy products, with decomposition typically occurring within 24 hours. Our digesters rapidly digest food waste into a nutrient neutral liquid effluent using the following steps:

- A proprietary blend of microorganisms and bio-media are loaded into the Eco-Safe Digester;
- Heat, agitation and moisture help enable the microorganisms to reduce the food waste into liquefied grey water, also called effluent;
- Food waste is continuously added into the machine; and
- The effluent drains into a conventional sanitary sewer system.

The BioHiTech BioBrain™ Cloud™, Cirrus™ Mobile Application and Alto™ Application

The Company leverages its existing technology, including our digester's on-board patented weighing system, by collecting, accumulating and providing empirical data that can aid in improving the efficiency of the upstream supply chain. By streaming data from the digesters, collecting information from system users and integrating business application data, BioHiTech's internet enabled system known as the BioHiTech Cloud™ can provide necessary data to aid customers in reshaping their purchasing decisions and positively affect employee behavior. In its simplest form, the BioHiTech Cloud quantifies food waste in a fashion that has historically not been available. It enables users to understand food waste generation habits and to improve operational efficiencies.

The BioHiTech Cloud data is used to help educate customers as to where, when and how waste is being created. Tracking and analyzing waste based on creation time, food type, preparation stage, origin of waste or other key metrics may provide a clear picture of the food waste lifecycle. While our digesters already provide significant economic savings and decreases in carbon footprint, the addition of the BioHiTech Cloud increases that impact by helping the customer to more accurately manage inventory, preparation practices and staff efficiencies.

The Company believes that its combined offering of technology and its digesters provide customers with information that has not been readily available to consumers in the past that has the potential for improved management and reduction of waste at the point of generation on a real-time basis.

BioHiTech believes its digester products remove organic waste from the overcrowded and costly landfills of the world and provide significant benefits to both business organizations and the community including:

- Eliminating the transportation of organic waste,
- Reducing carbon emissions associated with landfilling and truck transportation,
- Complying with municipal laws banning organic waste from landfills,
- Contributing to corporate and regulatory targets for diverting waste from landfills,
- Extending the lifespan of the country's disposal facilities,
- Reducing groundwater and soil contamination at landfills,
- Reducing harmful greenhouse gases that contribute to global climate change, and

· Recycling food waste into renewable resources (clean water, biogas, bio-solids).

Our solution is not based solely on the removal of waste, but also provides real time information and metrics to improve the efficiency of an organization. Such information has not been readily available to consumers in the past. By providing a cloud-based dashboard and mobile application, the BioHiTech Cloud gives real-time visibility to the status of the device itself and provides insight to the efficiencies of the operations of food preparation and consumption of the user. Using leading edge cloud technologies, the systems allow for deep visibility into the process on an individual, regional, or national level. BioHiTech currently has a provisional patent pending on this technology.

The BioHiTech Cirrus™ application allows customers more immediate access to analytical data provided by the Eco-Safe Digester and more efficient monitoring across a number of network connected devices. The mobile application is available to existing BioHiTech Cloud customers and is available through the iTunes Store, as well as Google Play.

Alto™, which is a key component of BioHiTech's comprehensive food waste solution that uses data and analytics to help drive smarter business decisions. The Alto software is designed to enhance the productivity of the Company's digesters by enabling easy to understand, real-time interactive communication to improve unit performance levels, processing statistics, and maintenance routines via a secured internet connection on any standard computer or mobile device.

In addition to enhancing the productivity of its own equipment, the platform has been expanded to allow people to intelligently communicate actionable information with any internet-enabled industrial equipment in order to achieve significant performance optimization. BioHiTech currently has a provisional patent pending on this technology.

Digester Lines

Revolution Series Digester ®

The Revolution Series Digester®, which became commercially available in the second half 2017, is the Company's sustainable food waste disposal solution designed for lower volume food waste generators. Our Revolution Series of Digesters may be used by full and quick service restaurants, coffee shops, hospitality companies and other specialty food service establishments that generate smaller volumes of waste than those that the Eco-Safe Digester is more suitable for. This sub-segment of the food services industry is estimated to have more than 1.5 million locations.

The Revolution Series Digesters leverages the success of the underlying technologies of our current line of Eco-Safe Digesters designed for the mid-to-large volume waste generators. This new line has a compact design, operates on standard 115 volt power and is easily connected to existing plumbing, while providing all the user technology, including the Cloud™, Cirrus™ Mobile Application and Alto™ applications associated with the larger digesters.

The Revolution Series Digesters are available in three models, the Seed, the Sprout and the Sapling, each offering a compact footprint. The Company has also developed an add-on pre-processer that allows certain food waste that were experiencing slowness in digestion rates to be greatly enhanced and thereby improving the rates of digestion and allowing for a broader range of food waste feed stocks. The Series is capable of handling 100 to 800 pounds per day depending on the model size. The Compact footprint allows access through standard doorways, eliminating one barrier to entry of our larger Eco-Safe units. The units can be delivered through standard shipping and installed efficiently in less than two hours with no need for specialty utilities or hook-ups required.

The Revolution Series Digesters are mainly available on a rental basis except in certain international markets where they are offered for direct sale. Under our rental model, we bundle the digester, customary maintenance service, consumables and an annual cloud license for one monthly charge. These contracts generally range from three to five years in duration.

Eco-Safe Digester®

Prior to 2017, the Company provided a simple, environmentally friendly, and cost-effective solution for food waste disposal through its Eco-Safe Digester® line. The Company has a global distribution license to sell, lease, use, distribute, and manufacture the Eco-Safe Digester®. The Eco-Safe Digester® targets businesses that generate a high volume of waste including food service, hospitality, healthcare, government, conference centers, education centers, and stadiums. The Company estimates that the US addressable market for this type of digester is in excess of 250,000 locations and an additional 250,000 internationally. The Eco-Safe Digester® can digest up to 3,500 pounds of food waste every day.

The Eco-Safe Digester is currently available in three sizes to fit varying customer requirements. The appliance is manufactured using the high-quality components and materials. It is wrapped in durable stainless steel to complement industrial kitchen equipment, provide long life and resist corrosion.

Target Markets

BioHiTech's target market for its digesters includes any producers of consistent volumes of food waste.

In addition to the US domestic marketplace, the Company anticipates growth internationally with a primary focus on the United Kingdom, Singapore, Mexico and Latin America. As international communities continue to strive toward more sustainable options, the Company has identified a need for its digester platforms and BioHiTech Cloud, which is serviced by our London office and various qualified resellers in the target markets.

As municipalities continue to enact ordinances prohibiting commercial food waste from being disposed of in landfills, the Company will focus its efforts on targeting those businesses most affected by such ordinances. Many cities and states have already banned landfill disposal of food waste generated by large, commercial food waste generators, with pending legislation in numerous others. The Company anticipates this trend to continue as sustainability efforts advance.

Customers

Customers for BioHiTech's digesters are primarily any consistent producers of food waste. Industries served include but are not limited to healthcare, grocery, prisons, retail food services (including traditional restaurants, quick service restaurants and coffee shops), education, and full-service hospitality. Volume of food waste, as well as traditional waste disposal costs, are the primary drivers of return on investment for customers. BioHiTech also sells its products to governmental agencies including correctional facilities and hospitals, as well as large private sector companies throughout the United States and abroad.

It is estimated that the addressable market for our digesters is over two million locations worldwide.

Patent and Trademarks

On May 22, 2018, the Company received its patent for the "Network Connected Weight Tracking System for a Food Waste Disposal Machine", which expires on July 23, 2036. The Company has also filed a provisional patent application for "A Chatbot System for Industrial Machinery". These patents provide barriers to other entities wishing to copy the success that the Company has achieved in our digester offerings.

The Company has an exclusive license from BioHiTech International to sell, lease, use, distribute, and manufacture the Eco-Safe Digester (and the patents related thereto) model in areas that the Company operates and has deployed digesters. The license will expire on December 31, 2023, unless extended by mutual agreement.

The Company is the owner of the registered trademark Revolution Series Digester, Eco-Safe Digester, and has trademarks on BioHiTech, BioBrain, the BioHiTech Cloud, Cirrus and Alto.

Mechanical Biological Treatment Line of Business

The Company owns a 31% interest in Apple Valley Waste Conversions, LLC ("AVWC"). Frank E. Celli, the Company's CEO also owns a 20.9% interest in AVWC. In March 2017, Mr. Celli assigned his voting rights in AVWC so that, collectively, the Company would have voting control of over 51% of AVWC. AVWC currently holds the exclusive license for the development throughout 11 northeast U.S. states and the District of Columbia of the technology known as High Efficiency Biological Treatment ("HEBioT"), which is owned by Entsorgafin, an Italian company that provides cost effective environmental technologies throughout the world. HEBioT is a proprietary form of Mechanical Biological Treatment ("MBT") that is used widely throughout Europe. Since 2016, the Company's MBT activities have been limited to project development.

The HEBioT technology converts mixed municipal and organic waste to a US Environmental Protection Agency (the "US EPA") recognized alternative fuel source. By utilizing a combination of mechanical and biological processes to accelerate the decomposition of the organic fraction of waste, the end product produced, known as solid recovered fuel ("SRF") has a carbon value equivalent to approximately 75-80% of traditional coal and can be used as a replacement and/or supplement to coal. After receipt and processing of waste at the facility, approximately 80% of the incoming waste is reduced, recycled or converted into the approved alternative fuel, with the remaining 20% of the incoming waste being disposed of via traditional methods.

The US EPA has issued a "comfort letter" stating that any fuel produced utilizing the HEBioT technology is deemed an engineered fuel and can be marketed as a commodity rather than the fuel being marketed as RDF, refuse derived fuel, which has significant regulation and additional costs relating to its consumption and use.

In 2018, the Company entered into a transaction forming Refuel America, LLC ("Refuel"), a subsidiary of the Company, with Gold Medal Group, LLC. This transaction consolidated HEBioT related assets of both entities, including interests in Entsorga West Virginia, LLC. The Company controls Refuel and owns 60% of its membership interests. Gold Medal Group, LLC owns the remaining 40% of its membership interests. Refuel will continue new and ongoing project development and marketing throughout 11 northeast U.S. states and the District of Columbia. This project development may consist of construction, ownership and operation of actual facilities, such as the Entsorga West Virginia facility or possible sub-licenses to third parties to utilize the technology. Refuel may realize revenue's in various ways:

- Construction and operation of actual facilities, in which case Refuel would identify an opportunity to develop a plant, facilitate its permitting and construction and ultimately operate the facility. In this case Refuel will realize all revenue and costs associated with the development of the project and will pay to AVWC a license fee, which in turn the Company would receive its pro-rata share of the license fees paid to AVWC.

- Charged services to AVWC for projects that it brings to fruition where AVWC receives annual license fees. In this case, along with the charged services, the Company would receive its pro-rata share of the license fees paid to AVWC.

The development license agreement between Entsorgafin (technology owner) and AVWC is perpetual in nature, with certain performance standards relating to the volume of facilities developed during the initial five years of the agreement.

The Company's first HEBioT facility began commissioning operations in the first quarter of 2019 and will commence commercial operation in the second quarter of 2019. The deployment of this technology is consistent with the Company's vision of providing disruptive technologies to the traditional waste industry. With the ability to accept up to approximately 20 to 30% of each plant's capacity in the form of pure food waste, the Company adds an option of municipal level solutions in the food waste industry that it does not currently possess.

The Company is also at varying levels of preliminary discussion regarding several other sites, including one located in Rensselaer, New York, which it received its local permits for in 2018 and has filed for New York State approvals in 2019.

Entsorga West Virginia Facility

Entsorga West Virginia, LLC ("EWV"), located in Martinsburg, WV, represents the first deployment of the Entsorga HEBioT technology in the United States. EWV has its own intellectual property agreement with Entsorgafin S.p.A. that is not part of the agreement that Apple Valley Waste Conversions, LLC has with Entsorgafin S.p.A. The EWV plant has received its necessary permits and EWV has closed on its financing to construct the facility. The facility, which began commissioning operations in the first quarter of 2019 and will commence commercial operation in the second quarter of 2019, will be able to accept up to 110,000 tons per year of municipal solid waste delivered from the surrounding areas. The facility consists of a 54,000 square foot industrial building located on approximately 12 acres of leased property. The facility, equipped with HEBioT technology, will be able to produce approximately 50,000 tons per year of EPA recognized renewable fuel.

This first operational plant utilizing the patented HEBioT technology in the United States will serve as the Company's "showplace" to help expedite future deployments.

Traditional Waste Management Services Business

Participating in traditional waste management services provides several integration opportunities for the Company to integrate with our other lines of business. Traditional services providers typically have existing direct relationships with customers we target for our digesters. By being aligned with the traditional waste collector, the Company can leverage those existing relationships through customized service agreements that can result in installations of our digesters that benefit the Company, the waste collector and their customers. Additionally, municipal solid waste that is typically delivered to transfer stations or directly to landfills can provide a reliable source feedstock for our planned MBT plants.

On January 25, 2018, the Company made its first investment in waste collection by entering into a Membership Interest Purchase Agreement (the "Purchase Agreement") to a non-controlling number of membership units (the "Units") of Gold Medal Group, LLC ("GM Group"), a traditional waste collection company with a materials recovery facility located in southern New Jersey and eastern Pennsylvania, which through subsequent acquisitions at the GM Group level have been expanded to West Virginia and Maryland.

The Company also entered into an Advisory Services Agreement (the "Advisory Agreement") with Gold Medal Holdings, Inc. ("Holdings"). Pursuant to the Advisory Services Agreement, the Company will provide Holdings with advisory services relating to corporate development, strategic planning, operational and sales oversight and other general administrative and support services, as more particularly described within the Advisory Agreement. As consideration for providing these services, the Company, will be compensated with an annual advisory services fee equal to the greater of (i) $750,000 and (ii) 10% of Holdings' annual ordinary earnings before interest, taxes, depreciation and amortization. The initial term of the Advisory Agreement is for one year. During 2018, this Advisory Agreement has subsequently been renegotiated to provide for annual fees of $1,000,000 per year and renewal beyond the initial term.

Marketing, Sales and Distribution

Digester Marketing Strategy

The Company markets through two channels, "in-house" direct sales and "reseller" sales. Domestic and international resellers are granted a non-exclusive license to sell and market products and services. All resellers are required to purchase all products and consumables directly from the Company. In some cases, we also provide annual service to customers of our resellers at an additional charge.

As regulations continue to be passed regarding the disposal of food waste, we will leverage both our internal and external marketing sources to communicate to and inform the target market of the increasing level of need for our products and services.

Since 2016, the Company has operated on a United States based manufacturing model. Each product goes through a rigorous quality control process before it is delivered to the customer. At our headquarters facility, each product is equipped with our proprietary hardware and software to enable our BioHiTech Cloud connectivity. The new Revolution series of digesters is also manufactured in the United States, is also equipped with our proprietary hardware and software to enable our BioHiTech Cloud connectivity.

MBT Marketing Strategy

The Company has focused our initial marketing efforts of our HEBioT technology within the 11 northeast states and the District of Columbia by identifying potential opportunities based on various criteria including, disposal costs within a region, proximity to end users of alternative fuels, lack of long-term disposal alternatives, and access to adequate feedstock.

Disposal Costs: We pursue opportunities where disposal costs within a certain radius of a prospective project are high enough to provide adequate returns on capital. Since "tip fees" received by a facility represent the majority of a facility's revenue, areas with tip fees in excess of $50 per ton are highly attractive markets. This is the case, in the majority of regions covered by the Company's licensing rights.

Proximity to End Users: The second largest component of a facility's revenue is realized through the sale of renewable fuel to be used in conjunction with or as a substitute for coal. With cement kilns being the second largest user of coal in the United States and with the continual regulatory pressure to reduce emissions associated with coal combustion, we target markets where there is reasonable access to cement manufacturing facilities to maximize revenue and minimize transportation costs of the manufactured fuel. The HEBioT technology has received an EPA comfort letter stating that all fuel manufactured from municipal solid waste in an Entsorga plant shall be categorized as an engineered fuel and can be used in cement kilns to offset up to 30% of their total fuel consumption.

Lack of Long-Term Disposal: With landfill capacity in the northeast United States diminishing, and large quantities of solid waste being exported from numerous states, many municipalities and/or private waste companies are in need of long-term disposal options. The HEBioT technology can divert up to 80% of the incoming municipal solid waste from landfills resulting in a prolonged life expectancy or a 500% capacity increase of existing landfills, as well as, new long-term cost-effective disposal options for the future.

Access to Adequate Feedstock: Based on the fixed cost nature of a HEBioT facility, to maximize its revenue and earnings it must be operated near its design capacity. The Company focuses its marketing efforts on areas where population density provides adequate feedstock supply within a reasonable radius of a proposed plant. The HEBioT facility's proximity to feedstock will allow municipalities and haulers to dispose of their waste (municipal solid waste or "MSW") at an HEBioT facility without incurring significant logistical costs to do so.

We currently employ one full time executive focused on the marketing of the HEBioT technology. The executive has over 20 years of experience in the solid waste and recycling facility management industry and has held multiple positions at some of the leading recycling companies. The executive's focus is on identifying opportunities where each of the aforementioned criteria apply, initial presentation of the Company and technology, evaluating possible joint ventures, initiating early stage permitting, project development cost estimating and ultimate contract and project execution.

We present the technology at industry trade shows and events, as well as make direct proposals to interested parties that have become familiar with the HEBioT technology via public press releases, trade publications, the Company website and marketing materials, or industry referrals.

Competition

Digester Products

There are a small number of companies that distribute products utilizing similar digestion technology to the Eco-Safe Digester, but lack the depth of data collection, analytics and reporting. With our receiving our patent Network Connected Weight Tracking System for a Food Waste Disposal Machine, there is a barrier to competitors providing similar technology to their customers. Further, we believe that these companies do not have a competitive product to the Revolution Series of digesters based on price point, size, throughput, power and plumbing requirements and data collection, analytics and reporting.

Most of these companies originated in Korea and we believe may have copied underlying technology of the Eco-Safe digester units. We are aware of one company that has claimed to be developing competitive data collection and some level of web enablement but are unaware of the deployment and functionality of their technology offering. Of our competitors, our machine has the smallest footprint, requires the least amount of water to operate and we believe is an industry leader in terms of installations and efficiency. Currently we are not aware of any direct competitor with the ability to capture and deliver real time data. We believe that our pending patent, if granted, will provide BioHiTech the right to exclude competitors from making, using or selling technology on a food waste disposal device within the scope of the patent claims, in the countries in which the patent or patents are granted.

Some of these competitive companies are:

Totally Green: Totally Green develops and markets an ORCA Green Machine™. The “ORCA” (stands for Organic Refuse Conversion Alternative) allows for rapid composting of most organic material in institutional and commercial end-user applications. The liquid compost is channeled through the sewer system.

PowerKnot: Based in California, PowerKnot markets a Korean manufactured product similar to other digesters.

Grind2Energy®: A non-sewer food waste recycling system in which food waste is ground, stored in a tank, collected and transported to an anaerobic digester facility where it is converted into renewable energy. Grind2Energy is a product from InSinkErator, a business unit of Emerson Electric Company.

WISErg: The Harvester marketed by WISErg is a self-contained system that processes and stabilizes food scraps to be transported to a WISErg facility where it is further processed into liquid fertilizer.

Alternative technologies or processes to the Eco-Safe Digester or similar equipment are:

Traditional Composting: Composting has been in existence for many years and has historically been the only option for organics disposal. Composting:

- Relies heavily on truck collection and transportation.
- Uses facilities that can be considered public nuisances.
- Is very difficult to provide accurate metrics on waste volumes and generation.
- Facilities are difficult to site and are often long distances from waste generation.
- Is neither cost effective nor environmentally friendly.

Anaerobic Digestion: Anaerobic digesters are readily used throughout Europe. Anaerobic digestion (“AD”) is the decomposition of organic waste in the absence of oxygen. The beneficial by-product is gas to be used to generate electricity. AD is generally accomplished on a large municipal or commercial scale and is not believed to be readily available as an “at the source” solution. AD facilities are beginning to be sited in the United States and are thought of as a viable disposal option for organic waste. While the technology is sound, AD facilities face various challenges in the United States. Management believes that AD facilities will continue to be developed and will be a part of the total solution for organic waste disposal. Many private equity funds have made investments in companies that own or are permitting AD facilities. The challenges to AD include:

- Capital intensity of sizeable plants;
- Difficult to site with proximity to feedstock;
- Need steady, homogenous waste source (pre-processing is necessary);
- Relies on traditional collection and transportation of waste (significant costs);
- Rely on "tip fee" to subsidize operating expenses; and
- Difficult to provide data to consumers (similar to composting).

Mechanical Biological Treatment

Competition in the Mechanical Biological Treatment ("MBT") area is more diverse than with our digester products, as High Efficiency Biological Treatment ("HEBioT"), which is just one of many forms of MBT, is a new technology to the United States. The U.S. waste industry significantly lags Europe, which has over 300 MBT operational plants, in its achievements of improving environmental protection, diverting waste from landfills, development and utilization of alternative energies, and other green initiatives. There is an increasing push to pursue alternative waste disposal options as landfill capacity continues to dwindle and environmental consciousness continues to increase. In addition, the U.S. continues to pursue initiatives mitigating reliance on foreign energy and the EPA is increasing mandates to reduce air pollutants and use of fossil fuels. There are also many large corporations that have set zero waste targets that could utilize HEBioT as the one source to reduce landfill disposal of waste to under 20%.

Utilizing traditional waste management, approximately 70% of the municipal solid waste generated in the United States is disposed of in landfills with another 7% being directed to waste to energy facilities and balance being recycled or composted. This figure is compared to only 38% of MSW being landfilled in the European Union resulting in the U.S. contributing significantly more greenhouse gas emissions from waste disposal than the European Union. Recently in the U.S., regulators and corporate leaders have led an effort to lower greenhouse gas emissions by finding disposal alternatives to landfills and exploring the deployment of "next generation" waste disposal technologies. The ongoing challenges to the evolution of these alternatives include but are not limited to capital intensity requiring subsidies, emerging technology risk, access to feedstock, long term off-take partners and inability to accept multiple waste streams.

Alternative technologies or processes to MBT are:

Anaerobic Digestion: Anaerobic digesters are readily used throughout Europe and deployed in the U.S. on a more limited basis. Anaerobic digestion is the decomposition of organic waste in the absence of oxygen. The beneficial by-product is gas to be used to generate electricity. AD is limited to accepting only the organic fraction of waste and not capable of processing mixed municipal waste.

Traditional Waste to Energy or Incineration Facilities: Incineration is a waste treatment process that involves the combustion of organic substances contained in waste materials. Incineration and other high-temperature waste treatment systems are described as "thermal treatment". Incineration of waste materials converts the waste into ash, flue gas, and heat. The ash is mostly formed by the inorganic constituents of the waste and may take the form of solid lumps or particulates carried by the flue gas. The flue gases must be cleaned of gaseous and particulate pollutants before they are dispersed into the atmosphere. In some cases, the heat generated by incineration can be used to generate electric power. There have been very few of these facilities built in the U.S. in the past 20 years. The challenges to Incineration include:

- Capital intensity of sizeable plants;
- Difficult to site (NIMBYism);
- Extreme capital intensity;
- Expensive to operate;
- High level of emissions

Gasification Facilities: Gasification is a process that converts organic or fossil fuel based carbonaceous materials into carbon monoxide, hydrogen and carbon dioxide. This is achieved by reacting the material at high temperatures (>700 °C), without combustion, with a controlled amount of oxygen and/or steam. The resulting gas mixture is called syngas (from synthesis gas or synthetic gas) or producer gas and is itself a fuel. The power derived from gasification and combustion of the resultant gas is considered to be a source of renewable energy if the gasified compounds were obtained from biomass. The challenges to gasification include but are not limited to:

- Early stage technology risk

- Need for homogenous feedstock
- Difficulty in siting (NIMBYism)

Pyrolysis: Pyrolysis is a thermochemical decomposition of organic material at elevated temperatures in the absence of oxygen (or any halogen). It involves the simultaneous change of chemical composition and physical phase that is irreversible. Pyrolysis is a type of thermolysis that is most commonly observed in organic materials exposed to high temperatures. Pyrolysis has been recently explored as an option for municipal solid waste incineration but has not been deployed in the U.S. due to various challenges, including:

- Capital intensity
- Significant early stage technology risk
- Need for homogenous feedstock
- Difficulty in siting (NIMBYism)

Landfilling: A landfill site (also known as a tip, dump, rubbish dump, garbage) is a site for the disposal of waste materials by burial and is the oldest form of waste treatment (although the burial part is modern; historically, refuse was just left in piles or thrown into pits). Historically, landfills have been the most common method of organized waste disposal and remain so in many places around the world and currently represent approximately 70% of the disposal of municipal solid waste in the U.S. There has been a recent movement toward diverting waste from landfills in the U.S. including the passing of various pieces of legislation in certain states banning certain materials from being deposited in landfills. Landfilling continues to be faced with challenges such as;

- Capital Intensity
- Difficulty siting (NIMBYism)
- Potential groundwater contamination
- Methane gas emissions
- Poor use of natural resource
- Post closure liabilities (future monitoring, etc.)

Other MBT Providers. The terms mechanical biological treatment or mechanical biological pre-treatment relate to a group of solid waste treatment systems. These systems enable the recovery of materials contained within the mixed waste and facilitate the stabilization of the biodegradable component of the material. There are currently over 300 operational MBT plants throughout Europe. Most of the current plants produce Refuse Derived Fuel, which differs from the engineered solid recovered fuel produced by the Entsorga HEBioT technology, which is deemed as an “engineered fuel” by the U.S. EPA. A2A is a company based in Italy that has historically deployed a similar technology to that of Entsorga; however, A2A no longer makes it commercially available to merchant plant operators and does not currently have any facilities located or planned for the U.S. market.

Traditional Waste Management Services

The traditional waste collection industry has several major competitors and a large number small to mid-sized competitors, including counties and municipalities. While they compete against each other for direct customer sales and for sales resulting from contracting with waste management consulting firms, their offering generally does not include utilizing digesters in place of collections and their alternatives to landfill are limited.

Research and Development

BioHiTech is continually investing in research and development in an effort to enhance and expand upon our existing products and services, and derivatives thereof. The base of our technology has been an entire re-writing of all software technology, from industrial machine PLC (Programmable Logic Controller) to the IoT (Internet of Things) that are based on the industrial machines to our Cloud and analytics. Our technology expertise and ability to extract data from PLCs in a true database and computing environment is unique.

There are several research and development initiatives underway.

- Our technology to extract data and proactively communicate with PLCs is not limited to digesters and can be deployed on substantially all industrial equipment that is operated by PLCs. In that regard, we are working within the waste industry on applying the technology to other waste equipment that does not infringe on our target markets and with a hydroponics entity to improve their ability to improve crop yields.

- During 2017, the Company introduced its Smart Mode technology, which continues to be enhanced. Smart Mode technology uses sophisticated algorithms, data analytics, and machines learning to optimize the operation of the Digester equipment. The smart mode technology allows BioHiTech greater control of operation of equipment, allowing the system to detect irregularities and to optimize processes.

- As customers gain an appreciation for the transparency provided by the BioHiTech Cloud on their food waste, they have expressed an interest to track other recyclable and waste products using our existing dashboard. As the core technology already exists, we have successfully tested the process of adapting our weight capture and presentation to various other waste equipment. The success of this pilot project provides for the ability to expand our software as a service offering under additional license fees for each piece of equipment in the future. While not actively marketed, the addition of this service to pieces of equipment that have been utilized for many years provides for a potential new market in the future.

- With the ability to extract data and proactively communicate with PLCs, we are actively deploying machine learning technology to improve operational efficiencies of our digester products. In addition to machine learning, the ChatBot technology allows the use of conversational dialogue through chat or text messaging to ascertain the status of equipment, instruct the equipment to work differently or to interactively diagnose and correct issues with the equipment.

Management and Employees

As of December 31, 2018, the Company and its consolidated subsidiaries had 27 full time employees. We believe we enjoy good employee relations. None of our employees are members of any labor union, and we are not a party to any collective bargaining agreement.

Liquidity and Capital Resources

The Company currently generates revenues from rental and sales of its digesters and related goods and services and anticipates revenues from the HEBioT technologies in the future and returns from its unconsolidated investments, including those under management agreements. The Company's other known sources of capital are common and preferred stock offerings, proceeds from private placements, issuance of notes payable, convertible notes payable, and investments, loans and advances from related and unrelated parties and cash from future revenues.

We will require additional financing in order to execute our business expansion and development plans and we may require additional financing in order to sustain substantial future business operations for an extended period of time. Subsequent to December 31, 2018 we initiated a private placement offering for up to $2,000,000 in convertible preferred stock and warrants to acquire our common stock but have not yet closed on this offering. Beyond that offering, while the Company has a history of obtaining adequate capital and maintaining liquidity, it is actively soliciting other forms of financing but do not have any firm commitments for additional financing. Should we not be able to obtain financing when required, in the amounts necessary to execute on our plans in full, or on terms which are economically feasible we may be unable to sustain the necessary capital to pursue our strategic plan and may have to reduce the planned future growth and scope of our operations.

Potential Future Projects and Conflicts of Interest

Members of the Company’s management may serve in the future as an officer, director or investor in other entities. Neither BioHiTech nor any of its shareholders would have any interest in these other companies’ projects. Management believes that it has sufficient resources to fully discharge its responsibilities to the Company.

Government Regulation

We believe we are in compliance with applicable federal, state and other regulations and that we have compliance programs in place to ensure compliance going forward. There are no regulatory notifications or actions pending.

Related Party Transactions

The Company currently rents its corporate headquarters and, its warehousing space, from BioHitech Realty LLC, a company partially owned by Frank E. Celli, our Chief Executive Officer and Chairman, and Michael Franco, a stockholder and employee of the Company. The initial lease expired on October 31, 2014 and was replaced by an office and a warehouse leases that were executed in July 2015 and expire in 2020. Each lease contains a renewal option for an additional five-year period. Rent expense under these leases for the years ended December 31, 2018 and 2017 amounted to $98,148 and $97,066, respectively.

The Company has an Exclusive License and Distribution Agreement (the "License Agreement") with BioHiTech International (a company owned by Chun-Il Koh, a Company stockholder) Chun-Il Koh, Joyce Taeya Koh and Bong Soon Hwang. The License Agreement, originally executed on May 2, 2007 and as amended, most recently on October 17, 2018, provides the Company exclusive rights to sell, lease, use, distribute and manufacture the Eco-Safe Digester products through December 31, 2023 in the areas that the Company operates (unless extended by mutual agreement). Acquisition of digesters and parts, as well as expenses under the distribution agreement amounted to $ 194,870 and $222,240 for the years ended December 31, 2018 and 2017, respectively.

During 2018, the Company made a 9.2% interest investment in Gold Medal Group, LLC ("GMG") that was diluted to 2.9% due to additional GMG acquisitions and investments made by GMG that the Company did not participate in. GMG is controlled by Kinderhook Industries, LLC, a private investment firm that manages over $2 billion of committed capital. The Company entered into a Contribution and Transaction Agreement ("CTA") with GMG and a newly formed subsidiary Refuel America, LLC ("Refuel") whereby GMG contributed $3,500,000 in cash and its 34.1% ownership interest in EVW (owned by GMG's wholly owned subsidiary Apple Valley Waste Technologies, LLC) into Refuel and the Company contributed it's 44.1% interest in EWV, a technology license for a future HEBioT facility and capitalized costs relating to two separate HEBioT facility on-going projects. In exchange for the assets contributed, the Company and GMG acquired 60% and 40%, respectively, of the membership units of Refuel, which approximate the carrying value of each of the Company and GMG assets contributed. As a result of there being a continuation in proportional ownership of the significant assets and the affiliate nature of the Company and GMG through a non-controlling interest of GMG being owned by the Company and there being a management agreement between GMG's largest subsidiary, Gold Medal Holdings, LLC ("GMH") whereby the Company provides executive management to GMH, the CTA transaction has been accounted for without separate acquisition accounting applied to the CTA elements. During 2018, the Company recognized $1,010,152 in management advisory and project fees related to GMH and its subsidiaries.

Available Information

We will make available free of charge any of our filings as soon as reasonably practicable after we electronically file these materials with, or otherwise furnish them to, the Securities and Exchange Commission ("SEC"). We are not including the information contained in our website as part of, or incorporating it by reference into, this report on Form 10-K.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

We maintain a website at http://www.biohitech.com/. Within our website's "Investor" section, "SEC Filings" tab, all of our filings with the Commission and all amendments to these reports are available as soon as reasonably practicable after filing.

Website

Our website address is www.biohitech.com.

Our Information

Our principal executive offices are located at 80 Red Schoolhouse Road, Suite 101, Chestnut Ridge, NY 10977 and our telephone number is (845) 262-1081. We can be contacted by email at info@biohitech.com.

ITEM 1A. RISK FACTORS

Our business, financial condition, operating results and prospects are subject to the following risks. Additional risks and uncertainties not presently foreseeable to us may also impair our business operations. If any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In such case, the trading price of our common stock could decline, and our stockholders may lose all or part of their investment in the shares of our common stock.

This Form 10-K contains forward-looking statements that involve risks and uncertainties. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "intends", "plans", "could," "possibly," "probably," anticipates," "projects," "expects," "may," "will," or "should," "designed to," "designed for," or other variations or similar words or language. Actual results could differ materially from those discussed in the forward-looking statements as a result of certain factors, including those set forth below and elsewhere in this Form 10-K.

Risks Specific to Our Business

We have a history of operating losses and there can be no assurance that we can achieve or maintain profitability.

We have a history of operating losses and may not achieve or sustain profitability due to the competitive and evolving nature of the industries in which we operate. Our failure to sustain profitability could adversely affect the Company's business, including our ability to raise additional funds.

We may not be able to continue as a going concern.

For the year ended December 31, 2018, the Company had a consolidated net loss of $14,747,220, incurred a consolidated loss from operations of $5,137,427 and used net cash in consolidated operating activities of $6,044,144. For the year ended December 31, 2017, the Company had a consolidated net loss of $8,350,527, incurred a consolidated loss from operations of $6,564,070 and used net cash in consolidated operating activities of $4,772,950. At December 31, 2018, consolidated stockholders' equity amounted to $10,008,246 and the Company had a consolidated working capital of $365,605. The Company does not yet have a history of financial profitability. Historically the principal source of liquidity has been the issuance of debt and equity securities. Presently, the Company does not have firm commitments to fund its present operational and strategic plans. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company is presently in the process of raising additional debt and capital for general operations and for investment in several strategic initiatives, as well as commercial debt to support its leasing activities. There is no assurance that the Company will be able to raise sufficient debt or capital to sustain operations or to pursue other strategic initiatives.

We face substantial competition in the waste services industry, and if we cannot successfully compete in the marketplace, our business, financial condition and results of operations may be materially adversely affected.

The waste services industry is highly competitive, has undergone a period of consolidation and requires substantial labor and capital resources. Some of the markets in which we compete are served by one or more of large, established companies, that are more well-known and better financed than we are. Intense competition exists not only to provide services to customers, but also to develop new products and services and acquire other businesses within each market. Some of our competitors have significantly greater financial and other resources than we do.

In our waste disposal markets, we also compete with operators of alternative disposal and recycling facilities. We also increasingly compete with companies that seek to use waste as feedstock for alternative uses. Public entities may have financial advantages because of their ability to charge user fees or similar charges, impose tax revenues, access tax-exempt financing and, in some cases, utilize government subsidies.

If our digesters are unable to successfully compete in the marketplace, our business and financial condition could be materially adversely affected.

The waste services industry is subject to extensive and rapidly-changing government regulation. Changes to one or more of these regulations could cause a decrease in the demand for our digester systems.

Stringent government regulations at the federal, state and local level in the U.S. have a substantial impact on the waste industry and compliance with such regulations is costly. A large number of complex laws, rules, orders and interpretations govern environmental protection, health, safety, land use, zoning, transportation and related matters. Among other things, governmental regulations and enforcement actions may restrict operations within the waste industry and may adversely affect our financial condition, results of operations and cash flows.

We currently have only a single operational waste processing product generating revenues. We believe the demand for our digester product is created directly in response to recent municipal laws and regulation prohibiting certain large, commercial food manufacturers, retailers and catering halls from discarding food wastes to landfills. Our digesters are just one solution for these businesses to comply with these regulations. If there was a change to or elimination of these regulations, the demand for our product would almost certainly be greatly reduced and our income would, as a result, be adversely affected.

Currently, the microorganisms we employ in our digesters are approved for use to reduce food waste and to be poured into conventional sewer systems. However, if it was determined that we could no longer use these microorganisms, there is no guarantee that we could develop a replacement process to assure that we could continue to sell our products. Also, we would likely face claims from current customers were they unable to use our digesters for food waste disposal.

We may also incur the costs of defending against environmental litigation brought by governmental agencies and private parties. We may be in the future a defendant in lawsuits brought by parties alleging environmental damage, personal injury, and/or property damage, or which seek to overturn or prevent authorization of our products, all of which may result in us incurring significant liabilities.

We may engage in acquisitions in the future with the goal of complementing or expanding our business, including developing additional disposal products and complementary services. However, we may be unable to complete these transactions and, if executed, these transactions may not improve our business or may pose significant risks and could have a negative effect on our operations.

We may in the future, make acquisitions in order to acquire or develop additional disposal products and complementary services. In addition, from time to time we may acquire businesses that are complementary to our core business strategy. We may not be able to identify suitable acquisition candidates. If we identify suitable acquisition candidates, we may be unable to successfully negotiate acquisitions at a price or on terms and conditions acceptable to us, including as a result of the limitations imposed by our debt obligations. Further, we may be unable to obtain the necessary regulatory approval to complete potential acquisitions.

Our ability to achieve the benefits of any potential future acquisition, including cost savings and operating efficiencies, depends in part on our ability to successfully integrate the operations of such acquired businesses with our operations. The integration of acquired businesses and other assets may require significant management time and resources that would otherwise be available for the ongoing management of our existing operations. In addition, to the extent any future acquisitions are completed, we may be unsuccessful in integrating acquired companies or their operations, or if integration is more difficult than anticipated, we may experience disruptions that could have a material adverse impact on future profitability. Some of the risks that may affect our ability to integrate, or realize any anticipated benefits from, acquisitions include:

- unexpected losses of key employees or customer of the acquired company;
- difficulties integrating the acquired company's standards, processes, procedures and controls;
- difficulties coordinating new product and process development;
- difficulties hiring additional management and other critical personnel;
- difficulties increasing the scope, geographic diversity and complexity of our operations;
- difficulties consolidating facilities, transferring processes and know-how;
- difficulties reducing costs of the acquired company's business;
- diversion of management's attention from our management; and
- adverse impacts on retaining existing business relationships with customers.

Our business and strategic plans may require funding.

Our current business and strategic plans require additional funding. Our ultimate success may depend on our ability to raise additional financing and capital. In the absence of additional financing or significant revenues and profits, the Company will have to approach its business plan from a much different and much more restricted direction, attempting to secure additional funding sources to fund its growth, borrowing money from lenders or elsewhere or to take other actions to attempt to provide funding. We cannot guarantee that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us.

We expect that we will need to raise additional capital to meet our business requirements in the future, and such capital raising may be costly or difficult to obtain and can be expected to dilute current stockholders' ownership interests if converted.

Based upon present strategic investment plans, we expect that we will need to raise additional capital in the future. Such additional capital may not be available on reasonable terms or at all. We may need to raise additional funds through borrowings or public or private debt or equity financings to meet various objectives including, but not limited to:

- accomplish growth through enhanced sales and marketing efforts;
- effect new products and services development;
- complete business acquisitions; and
- build inventory

Our limited operating history does not afford investors a sufficient history on which to base an investment decision.

We are currently in the early stages of expanding our businesses. Our operations are subject to all the risks inherent in the establishment of an expanding business enterprise. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays that are frequently encountered in a newly-formed company. There can be no assurance that at this time that we will operate profitably or will have adequate working capital to meet our obligations as they become due.

Investors must consider the risks and difficulties frequently encountered by expanding companies, particularly in rapidly evolving markets. Such risks include the following:

- increasing awareness of our brand names;
- meeting customer demand and standards;
- attaining customer loyalty;
- developing and upgrading our product and service offerings;
- implementing our advertising and marketing plan;
- maintaining our current strategic relationships and developing new strategic relationships;

- responding effectively to competitive pressures; and
- attracting, retaining and motivating qualified personnel.

We cannot be certain that our business strategy will be successful or that we will successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition, and results of operations could be materially and adversely affected, and we may not have the resources to continue or expand our business operations.

We rely on highly skilled personnel and, if we are unable to retain or motivate key personnel or hire additional qualified personnel, we may not be able to grow effectively.

Our performance is largely dependent on the talents and efforts of highly skilled individuals. Our future success depends on our continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of our organization. Our continued ability to compete effectively depends on our ability to retain and motivate existing employees. Due to our reliance upon its skilled professionals and laborers, the failure to attract, integrate, motivate, and retain current and/or additional key employees could have a material adverse effect on our business, operating results and financial condition.

If we fail to manage growth or to prepare for product scalability and integration effectively, it could have an adverse effect on our employee efficiency, product quality, working capital levels and results of operations.

Any significant growth in the market for our products or our entry into new markets may require an expansion of our employee base for managerial, operational, financial, and other purposes. During any period of growth, we may face problems related to our operational and financial systems and controls, including quality control and delivery and service capacities. We would also need to continue to expand, train and manage our employee base. Continued future growth will impose significant added responsibilities upon the members of management to identify, recruit, maintain, integrate, and motivate new employees.

Aside from increased difficulties in the management of human resources, we may need increased liquidity to finance the expansion of our existing business, the development of new products, and the hiring of additional employees. For effective growth management, we will be required to continue improving our operations, management, and financial systems and controls. Our failure to manage growth effectively may lead to operational and financial inefficiencies that will have a negative effect on our profitability. We cannot assure investors that we will be able to timely and effectively meet that demand and maintain the quality standards required by our existing and potential customers.

Our management team may not be able to successfully implement our business strategies.

If our management team is unable to execute on its business strategies, then our development, including the establishment of revenues and our sales and marketing activities, would be materially and adversely affected. In addition, we may encounter difficulties in effectively managing the budgeting, forecasting and other process control issues presented by any future growth. We may seek to augment or replace members of our management team or we may lose key members of our management team, and we may not be able to attract new management talent with sufficient skill and experience.

If we are unable to retain key executives and other key affiliates, our growth could be significantly inhibited, and our business harmed with a material adverse effect on our business, financial condition and results of operations.

Our success is, to a certain extent, attributable to the management, sales and marketing, and operational and technical expertise of certain key personnel. Frank E. Celli, our Chief Executive Officer, Robert Joyce, our Chief Operating Officer, Brian C. Essman, our Chief Financial Officer and William Kratzer, our Chief Technology Officer, perform key functions in the operation of our business. The loss of any of these could have a material adverse effect upon our business, financial condition, and results of operations. If we lose the services of any senior management, we may not be able to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects.

Our financial results may not meet the expectations of investors and may fluctuate because of many factors and, as a result, investors should not rely on our revenue and/or financial projections as indicative of future results.

Fluctuations in operating results or the failure of operating results to meet the expectations investors may negatively impact the value of our securities. Operating results may fluctuate due to a variety of factors that could affect revenues or expenses in any particular quarter. Fluctuations in operating results could cause the value of our securities to decline. Investors should not rely on revenue or financial projections or comparisons of results of operations as an indication of future performance. As a result of the factors listed below, it is possible that in future periods results of operations may be below the expectations of investors. This could cause the market price of our securities to decline and negatively impact our ability to raise debt and capital. Factors that may affect our quarterly results include:

- delays in sales resulting from potential customer sales cycles;
- variations or inconsistencies in return on investment models and results;
- changes in competition; and
- changes or threats of significant changes in legislation or rules or standards that would change the drivers for product adoption.

We are operating in a highly competitive market and we are unsure as to whether there will be any consumer demand for our services.

Some of our competitors are much larger and better capitalized than we are. It may be that our competitors will better address the same market opportunities that we are addressing. These competitors, either alone or with collaborative partners, may succeed in developing business models that are more effective or have greater market success than our own. The Company is especially susceptible to larger companies that invest more money in marketing. Moreover, the market for our services is potentially large but highly competitive. There is little or no hard data that substantiates the demand for our services or how this demand will be segmented over time.

There is no assurance that the Company will operate profitably or will generate positive cash flow.

The Company is continuing to develop its lines of business, customer base and recurring revenues and it is anticipated that it will continue to incur losses in the future as it carries on this process. In addition, the Company's operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as the level of competition, regulatory changes and general economic conditions.

We may be unsuccessful in our efforts to use digital and other viral marketing to expand consumer awareness of our service.

If we are unable to maintain or increase the efficacy of our digital and other viral marketing strategy or if we otherwise decide to expand the reach of our marketing through use of costlier marketing campaigns, we may experience an increase in marketing expenses that could have an adverse effect on our results of operations. We cannot assure you that we will be successful in maintaining or expanding our customer base and failure to do so would materially reduce our revenue and adversely affect our business, operating results and financial condition.

We may be negatively impacted by permitting and construction risks.

In connection with the waste collections and MBT lines of business, the Company will have to maintain or acquire specialized permits and have regulatory approvals from various state and local regulatory authorities for their operations or the construction of facilities. The failure of having such may delay or prevent the construction or operation of the planned MBT facilities and the maintenance and expansion of the waste collections line of business. In addition, there are significant risks related to the construction of a specialized facility. These risks may delay, postpone or cause a negative impact to the anticipated financial performance of the projects.

We may be negatively impacted by landfills and certain long-term disposal trends.

In connection with the MBT line of business, there will be competition from other landfills, including large, out-of-state landfills to secure MSW feedstock. Such facilities may legally drop prices to maintain market share forcing the Company to compete on price for feedstock delivered by suppliers, which may cause a negative impact to the anticipated financial performance of the projects.

Waste policies may incentivize additional renewable energy plants to be built, in such an event, the MBT facilities would be competing with such future renewable energy plants for feedstock. Furthermore, other zero waste policies, increased local recycling and reuse, augmented by composting and other future waste policies intended to eliminate and/or reduce the waste may mean less MSW will be available for the Company's MBT projects.

The recovered recycled materials market is volatile.

The Company's MBT projects and its waste collections business anticipate a minimum return on recycled materials. Should conditions change such that the minimum returns cannot be recovered, they may have a negative impact on the anticipated financial performance of the projects and businesses.

The market for solid recovered fuel ("SRF") is not developed.

The Company's MBT projects rely upon the ability to sell SRF to appropriate industrial users at economically reasonable prices. There is no assurance that the Company will be able to contract on either a long-term or spot-market basis with such consumers.

Risks Related to Securities Markets and Investments in Our Securities

Our executive officers and certain stockholders possess the majority of our voting power, and through this ownership, control our Company and our corporate actions.

Our current executive officers, directors and five large stockholders of the Company, hold approximately 50.5% of the voting power of the outstanding shares as of December 31, 2018. Our current executive officers and directors hold 30.9% of the voting power of the outstanding shares as of December 31, 2017. These officers, directors and certain stockholders have a controlling influence in determining the outcome of any corporate transaction or other matters submitted to our stockholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, election of directors, and other significant corporate actions. As such, our executive officers have the power to prevent or cause a change in control; therefore, without their consent we could be prevented from entering into transactions that could be beneficial to us. The interests of our executive officers and certain shareholders may give rise to a conflict of interest with the Company and the Company's stockholders. For additional details concerning voting power please refer to the section below entitled "Description of Securities."

Liquidity of our common stock has been limited.

On February 12, 2016 the Company uplisted from OTCBB (also known as OTC Pink) to the OTCQB. On April 9, 2018 the Company uplisted from OTCQB to Nasdaq Capital Market. The liquidity of our common stock has been mixed and there is no assurance that liquidity will continue or that the trade prices of our securities could not be reduced due to excess sellers of our stock over buyers. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. Absence of an active trading market reduces the liquidity of the shares traded.

The trading volume of our common stock may be limited and sporadic. This situation is attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they may tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods when trading activity in our shares is minimal, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained.

Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- the concentration of the ownership of our shares by a limited number of affiliated stockholders may limit interest in our securities;
- limited "public float" with a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market price for our common stock;
- additions or departures of key personnel;
- loss of a strategic relationship;
- variations in operating results from the expectations of securities analysts or investors;
- announcements of new products or services by us or our competitors;
- reductions in the market share of our products;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- investor perception of our industry or prospects;
- insider selling or buying;
- investors entering into short sale contracts;
- regulatory developments affecting our industry; and
- changes in our industry;
- competitive pricing pressures;

- our ability to obtain working capital financing;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- revisions in securities analysts' estimates or reductions in security analysts' coverage; and
- economic and other external factors.

Many of these factors are beyond our control and may decrease the market price of our common stock, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain current market prices, or as to what effect that the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

Our common stock is subject to price volatility unrelated to our operations.

The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of other companies in the same industry, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting the Company's competitors or the Company itself.

A decline in the price of our common stock could affect our ability to raise working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. A decline in the price of our common stock could be especially detrimental to our liquidity, our operations and strategic plans. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to develop new services and continue our current operations. If our common stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

Concentrated ownership of our common stock creates a risk of sudden changes in our common stock price.

The sale by any shareholder of a significant portion of their holdings could have a material adverse effect on the market price of our common stock.

Sales of our currently issued and outstanding stock may become freely tradable pursuant to Rule 144 and may dilute the market for your shares and have a depressive effect on the price of the shares of our common stock.

A substantial majority of the outstanding shares of Common Stock are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act") ("Rule 144"). As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act and as required under applicable state securities laws. Rule 144 provides in essence that a non-affiliate who has held restricted securities for a period of at least six months may sell their shares of common stock. Under Rule 144, affiliates who have held restricted securities for a period of at least six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1% of a company's outstanding shares of common stock or the average weekly trading volume during the four calendar weeks prior to the sale. A sale under Rule 144 or under any other exemption from the Securities Act, if available, or pursuant to subsequent registrations of our shares of common stock, may have a depressive effect upon the price of our shares of common stock in any active market that may develop.

If we issue additional shares or derivative securities in the future, it will result in the dilution of our existing stockholders.

Our Certificate of Incorporation, as amended, authorizes the issuance of up to 50,000,000 shares of common stock, $0.0001 par value per share. Our board of directors may choose to issue some or all of such shares, or derivative securities to purchase some or all of such shares, to provide additional financing in the future.

We do not plan to declare or pay any dividends to our stockholders in the near future.

We have not declared any dividends in the past, and we do not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend.

The requirements of being a public company may strain our resources and distract management.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Securities Act of 1933 and as well as the governance rules of Nasdaq. These rules, regulations and requirements are extensive. We may incur significant costs associated with our public company corporate governance and reporting requirements. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers.

Future changes in financial accounting standards or practices may cause adverse unexpected financial reporting fluctuations and affect reported results of operations.

A change in accounting standards or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting standards and varying interpretations of accounting standards have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct business.

"Penny Stock" rules may make buying or selling our common stock difficult.

Trading in our common stock has previously been subject to the "penny stock" rules. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. These rules require that any broker-dealer that recommends our common stock to persons other than prior customers and accredited investors, must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our common stock, which could severely limit the market price and liquidity of our common stock.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED

ITEM 1B: UNRESOLVED STAFF COMMENTS.

None.

ITEM 2: PROPERTIES.

The Company does not own any physical location.

The Company currently leases its corporate headquarters and warehouse in Chestnut Ridge, NY as well as its technology development office in Harrisburg, PA. We believe that our current headquarters and warehouse facility are sufficient in size for current and future operations. The current leases for the headquarters and warehouse expire in 2020 and each contain a renewal option for an additional five-year period. The current lease for the Harrisburg, PA technology development office expired in 2018 and continues on a monthly basis.

The United Kingdom operations are managed from employee based virtual offices in the UK.

The Entsorga Plant is located in Martinsburg, West Virginia has a 30-year initial term land lease with a municipal authority for industrial property adjacent to its previously closed landfill site with four separate renewal periods of 5-years each.

ITEM 3: LEGAL PROCEEDINGS.

On or about April 21, 2017, the Company was served with a Summons and Complaint in an action captioned Tusk Ventures LLC v. BioHiTech Global, Inc., in the Supreme Court of the State of New York, New York County. The Plaintiff alleges that it is owed $250,000 pursuant to a Consulting Services Agreement. While the Company has accrued all contractual amounts, it intends to defend the action vigorously.

On February 7, 2018, Lemartec Corporation ("Lemartec") filed a complaint against the Entsorga West Virginia, LLC in the United States District Court for the Northern District of West Virginia arising out of the construction of the Company's resource recovery facility in Martinsburg, West Virginia alleging breach of contract and unjust enrichment. The Company has filed its answer and counterclaims for damages against Lemartec and cross claims against Lemartec's performance bond surety, Philadelphia Indemnity Insurance Company. Trial is expected to begin in August 2019 and the Company intends to vigorously defend the complaint. The Company cannot provide assurances that, the amount, and ultimate liability, if any, with respect to the remaining actions will not materially effect the Company's financial position, results of operations, or cash flows.

From time to time, we are a party to, or otherwise involved in, legal proceedings arising in the normal and ordinary course of business. As of the date of this report, we are not aware of any other proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position.

ITEM 4: MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) Market Information

Our common stock first became quoted on the Over-the-Counter Bulletin Board, or "OTCBB" under the trading symbol "SWFR" on March 27, 2014. On September 16, 2015, our common stock began trading under the name BioHiTech Global, Inc. and under the trading symbol "BHTG". On February 12, 2016, the common stock was uplisted to the OTCQB Venture Marketplace. On April 9, 2018 the common stock was uplisted to the Nasdaq Capital Market.

(b) Holders

The number of record holders of our common stock as of December 31, 2018, was approximately 55 based on information received from our transfer agent. This amount excludes an indeterminate number of shareholders whose shares are held in "street" or "nominee" name with a brokerage firm or other fiduciary.

(c) Dividends

We have not paid or declared any cash dividends on our common stock, and we do not anticipate paying dividends on our common stock for the foreseeable future.

(d) Securities authorized for issuance under equity compensation plans

The information set forth under Item 5(d) is incorporated herein by reference to our Definitive Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2019 Annual Meeting of Shareholders.

DESCRIPTION OF SECURITIES

General

The Company's authorized capital stock consists of 60,000,000 shares of capital stock, par value $0.0001 per share, of which 50,000,000 shares are common stock, par value $0.0001 per share and 10,000,000 shares are "blank check" preferred stock, par value $0.0001 per share.

Common Stock

Holders of Company's common stock are entitled to one vote per share on each matter submitted to vote of the Company's stockholders. Holders of common stock do not have cumulative voting rights. Stockholders do not have any preemptive rights or other similar rights to acquire additional shares of Company's common stock or other securities. Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to share in all dividends that the board of directors, in its discretion, declares from legally available funds. In the event of liquidation, dissolution or winding up, subject to preferences that may be applicable to any then-outstanding preferred stock, each outstanding share of common stock entitles its holder to participate ratably in all remaining assets of the Company that are available for distribution to stockholders after providing for each class of stock, if any, having preference over the common stock.

Preferred Stock

The Company is authorized to issue from time to time, in one or more series, 10,000,000 shares of "blank check" preferred stock, par value $0.0001 per share, subject to any limitations prescribed by law, without further vote or action by the shareholders. Each such series of preferred stock shall have such number of shares, designations, preferences, voting powers, qualifications, and special or relative rights or privileges as shall be determined by the Company's board of directors, which may include, among others, dividend rights, voting rights, liquidation preferences, conversion rights and preemptive rights. As of December 31, 2018, there were four series of preferred stock designated:

Designation	Authorized Shares	Par Value	Stated Value
Series A Convertible Preferred Stock	333,401	$ 0.0001	$ 5.00
Series B Convertible Preferred Stock	1,111,200	0.0001	$ 5.00
Series C Convertible Preferred Stock	1,000,000	$ 0.0001	$ 10.00
Series E Convertible Preferred Stock	714,519	$ 0.0001	$ 2.64

RECENT SALES OF UNREGISTERED SECURITIES

In connection with obtaining consent from the Company's senior lender, Michaelson Capital Special Finance Fund II, L.P., allowing for the increase of the line of credit from Comerica Bank, on November 7, 2018, we issued MCSFF warrants to acquire 100,000 shares of the Company's common stock at an exercise price of $5.00 per share.

From June 13, 2018 to October 12, 2018, in a series of transactions 106,689 shares of Series A Convertible Preferred Stock were converted for 118,542 shares of Common Stock.

All of the securities referred to, above, were offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act as provided in Rule 506(b) of Regulation D promulgated thereunder. The Common Stock, Warrants and the Common Stock issuable upon conversion of the Notes and exercise of the Warrants, have not been registered under the Securities Act or any other applicable securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

The sale of securities did not involve a public offering; the Company made no solicitation in connection with the sale other than communications with the investors; the Company obtained representations from the investors regarding their investment intent, experience and sophistication; and the investors either received or had access to adequate information about the Company in order to make an informed investment decision.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PARTIES

The following table presents information with respect to purchases made by or on behalf of the issuer or any "affiliated party" of shares or other units of any class of the Company's equity securities. The Company has no announced plans or programs to acquire its equity securities.

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Number of Shares that May Yet be Purchased Under the Plan or Program
	(a)	(b)	(c)	(d)
Year ended December 31, 2018:				
None	-	$ -	-	-
Year ended December 31, 2017:				
None	-	-	-	-
Total	-	$ -	-	-

ITEM 6: SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by 17 C.F.R. 229(10)(f)(i) and are not required to provide the information under this heading.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the information contained in the consolidated financial statements of the Company and the notes thereto appearing elsewhere herein and in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Readers should carefully review the risk factors disclosed in this Form 10-K and other documents filed by the Company with the SEC.

As used in this report, the terms "Company", "we", "our", and "us" refer to BioHiTech Global, Inc., a Delaware corporation.

PRELIMINARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "intends", "plans", "could," "possibly," "probably," anticipates," "projects," "expects," "may," "will," or "should," "designed to," "designed for," or other variations or similar words or language. The forward-looking statements are based on the current expectations of the Company and are subject to certain risks, uncertainties and assumptions, including those set forth in the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this report. Actual results may differ materially from results anticipated in these forward-looking statements. We base the forward-looking statements on information currently available to us, and we assume no obligation to update them.

Overview

The Company was incorporated on March 20, 2013 under the laws of the state of Delaware as Swift Start Corp. On August 6, 2015, Swift Start Corp. entered into and consummated an Agreement of Merger and Plan of Reorganization with BioHiTech Global, Inc. and Bio Hi Tech America, LLC, after which it adopted the business plan of Bio Hi Tech, America, LLC, and changed its name to BioHiTech Global, Inc.

The Company's vision since the merger has been to disrupt the waste management industry in North America through the development and utilization of our own practices and proprietary technologies, as well as successful practices and technologies acquired from other worldwide areas, to create the next level of a commercially viable, fully integrated, sustainable waste management company. The Company offers a suite of technologies and services that can be utilized separately or in tandem. The Company provides cost-effective technologies for on-site food waste reduction and elimination, as well as proprietary technology for the processing of solid waste from municipalities and large organizations through a mechanical and biological process that recovers certain recyclables, reduces weight and produces an E.P.A. recognized alternative fuel commodity, with significantly less materials destined for landfill.

After the merger, the Company's initial focus was primarily on its on-going Digester business and related technologies.

During 2016 and 2017, the Company expanded from its technology-digester single product line by starting strategic initiatives in Mechanical Biological Treatment ("MBT") facilities that rely upon High Efficiency Biological Treatment ("HEBioT") to process waste at the municipal or enterprise level converting a significant portion of intake into an United States EPA recognized alternative commodity fuel.

During 2018, the Company made an investment in a traditional waste management company with the view of providing management services and to leveraging its operating base to deploy both our digesters and HEBioT facilities.

Also during 2018, the Company completed a step transaction that allowed the Company to control the first HEBioT facility under construction in the United States. This facility has been undergoing commissioning during the first quarter of 2019 and will commence commercial operation in the second quarter of 2019.

The combination of on-site digester and the facility based HEBioT technology results in a unique offering that provides a turn-key solution for customers seeking to achieve zero waste. The Company envisions use of its digesters for disposal of food waste at certain retail customer's locations, with regional disposal services being directed to the Company's HEBioT facilities. The digester cost effective technology can reduce 100% of a customer's food waste at the source and the HEBioT process is a cost effective solution that can result in less than 20% of each customer's waste being directed to landfills, hence resulting in a near-zero footprint.

Results of operations for the Year ended December 31, 2018
compared to the year ended December 31, 2017

The following summarizes our operating results for the years ended December 31, 2018 and 2017:

	Year Ended December 31,			
	2018		2017	
Revenues	$ 3,359,324	100%	$ 2,421,205	100%
Cost of revenue	1,640,152	49	1,686,443	70
Gross profit	1,719,172	51	734,762	30
Operating expenses	6,856,599	204	7,298,832	301
Loss from operations	(5,137,427)	(153)	(6,564,070)	(271)
Non-operating expenses	9,609,793	286	1,786,457	74
Net loss	(14,747,220)	(439)	(8,350,527)	(345)
Net loss attributable to non-controlling interests	(76,890)	(2)	-	-
Net loss attributable to Parent	$ (14,670,330)	(437)%	$ (8,350,527)	(345)%

Revenues increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $938,119, or 38.7% primarily due to the $1,010,152 in management fees for Gold Medal Holdings, which commenced in 2018, and an increase in rental, services and maintenance of $179,321, or 11.1%, offset by a decrease of $251,344, or 31.5% in equipment sales resulting from the Company's change in strategic goals of emphasizing rental units.

Gross profit increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $984,410, or 134.0% primarily as a result of the management fees for which no costs are allocated to as these services are provided by existing management, who are reflected in selling, general and administrative expenses. Gross profit on rental, service and maintenance also increased by $148,840, or 35.9% due to continued growth in the portfolio. Gross profit from equipment sales decreased by $174,582, or 54.6% as a result of reduced sales and lower margins.

Operating expenses decreased from the year ending December 31, 2017 to the year ending December 31, 2018 by $442,233, or 6.1% primarily as a result of a $1,384,546, or 60.2% decrease in professional fees, offset in part by a $739,884, or 19.1% increase in labor costs, of which $496,437 related to an increase in stock-based compensation.

Other expenses increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $7,823,336, or 437.9% primarily due to interest expense relating to the valuation of warrants (a non-cash expense) increasing by $6,422,971, combined with a $816,203 increase in interest expense and a $584,162 increase in equity method based investments in affiliate losses (a non-cash expense).

The following summarizes revenues, cost of revenues and gross profit for the years ended December 31, 2018 and 2017:

	Year Ended December 31,					
	2018			2017		
Revenue:						
Rental, service and maintenance	$	1,801,435	54%	$	1,622,114	67%
Equipment sales		547,737	16		799,091	33
Management advisory and other fees		1,010,152	30		-	-
Total revenue		**3,359,324**	100		**2,421,205**	100
Cost of revenue:						
Rental, service and maintenance		1,237,531	75%		1,207,050	72%
Equipment sales		402,621	25		479,393	28
Total Cost of revenue		**1,640,152**	100		**1,686,443**	100
Gross profit	**$**	**1,719,172**		**$**	**734,762**	
Rental, service and maintenance	$	563,904	33%	$	415,064	56%
Equipment sales		145,116	8		319,698	44
Management advisory and other fees		1,010,152	59		-	
Total gross profit	**$**	**1,719,172**	**100%**	**$**	**734,762**	**100%**
Gross margins:						
Rental, service and maintenance		*31.3%*			*25.6%*	
Equipment sales		*26.5*			*40.0*	
Management advisory and other fees		*100.0*			-	
Total gross margin		***51.2%***			***30.4%***	

Revenue

Rental, service and maintenance revenue increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $179,321, or 11.1% primarily due to the larger overall number of units deployed. As of December 31, 2018, the Company has 170 units under lease, while only 91 as of December 31, 2017. This increase of 79 units is primarily related to the Revolution Series of digesters that have lower customer costs. The shift in unit mix reflects the Company's sales focus on its Revolution Series of digesters following the launch of the new product series in the second half of 2017. The Revolution Series is offered at a lower price point than the Eco Safe Series and targets what the Company believes is a much larger segment of the market in terms of potential deployable units.

The management fees relate to services provided to Gold Medal Holding, LLC resulting from an Advisory Services Agreement (the "ASA") on January 25, 2018. Under the ASA, the Company provides services relating to corporate development, strategic planning, operational and sales oversight and other general administrative and support services in exchange for fees annually amounting to the greater of $750,000, which was subsequently changed to $1,000,000, or 10% of GM Group's ordinary earnings before interest, taxes, depreciation and amortization.

Cost of Revenue

Cost of revenue mainly consists the cost of acquiring digester units that are leased or sold, and depreciation, warehousing, installation, maintenance, parts and shipping costs, as well as related salary and employee costs related to rental units. Total costs of revenue decreased from the year ending December 31, 2017 to the year ending December 31, 2018 by $46,291, or 2.7%, primarily due to a decrease in digester sales offset in part by a 2.5% increase in costs associated with rental, service and maintenance.

Gross Margins

The gross margin for rental, service and maintenance increased from 25.6% to 31.3%, from the year ending December 31, 2017 to the year ending December 31, 2018 by an increase of 5.7 percentage points and an 22.3% overall increase in the rate. This is primarily the result of less scheduled costs related to the Revolution Series of digesters.

The gross margin for equipment sales decreased from 40.0% to 26.5% from the year ending December 31, 2017 to the year ending December 31, 2018 due to the de-emphasis of unit sales, with most unit sales being made with resellers that result in lower rates for the Company, as compared to customer direct sales.

As previously discussed, as the management advisory and other fees are primarily the result of service by existing Company management, no costs are directly associated with the services.

Operating expenses

The following table breaks down our operating expenses by type:

	Year Ended December 31,			
	2018		2017	
Personnel related:				
Salaries and non-stock compensation	$ 3,239,792	47%	$ 3,063,928	42%
Stock based compensation	813,734	12	317,297	4
Taxes and fringe benefits	554,001	8	486,418	7
Total labor related	**4,607,527**	**67**	**3,867,643**	**53**
Professional fees:				
Legal	487,274	7	329,951	5
Accounting	296,562	4	246,155	3
Investor relations and investment banking	98,068	1	1,639,025	23
Marketing	32,438	1	83,757	1
Total professional fees	**914,342**	**13**	**2,298,888**	**32**
Marketing	331,946	5	304,012	4
Office operations	384,170	6	363,874	5
Other	503,576	7	350,631	4
Total Selling, general and administrative	**6,741,561**	**98**	**7,185,048**	**98**
Depreciation and amortization	115,038	2	113,784	2
Total operating expenses	**$ 6,856,599**	**100%**	**$ 7,298,832**	**100%**

Selling, general and administrative expenses

Operating expenses decreased from the year ending December 31, 2017 to the year ending December 31, 2018 by $442,233, or 6.1% primarily as a result of a $1,384,546, or 60.2% decrease in professional fees, offset in part by a $739,884, or 19.1% increase in personnel costs, of which $496,437 related to an increase in stock-based compensation.

Personnel related expenses increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $739,884, or 19.1% in total. Base salaries and payroll increased by $175,864, or 5.7% due to staff hiring in late 2017 and early 2018, offset by staff turn-over. Taxes and fringe expenses increased by $67,583, or 13.9% due to increases in tax rates and healthcare insurance. Stock based compensation (a non-cash expense) increased by $496,437, which comprised 67.1% of the total increase in personnel related increases, are the result of new grants in 2018.

Professional fees decreased from the year ending December 31, 2017 to the year ending December 31, 2018 by $1,384,546, or 60.2%. The largest decrease was in the area of investor relations and investment banking. Legal and accounting each increased by $157,323 and $50,407, 47.7% and 20.5%, respectively as a result of the Company's uplisting to Nasdaq in April 2018 and the level of strategic initiatives.

Marketing and office operations each increased from the year ending December 31, 2017 to the year ending December 31, 2018 by 9.2% and 5.6%, respectively as a result of the focus on national accounts, promotion of the Revolution Series of digesters and general inflation.

Other expenses increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $152,945, or 43.6%. This increase is the combination of a $146,880 swing in un-hedged foreign currency translation for dollar denominated liabilities of our London unit moving from a negative expense in 2017 to an expense in 2018. This is generally driven by the uncertainties relating to the UK's withdrawal from the European union and general worldwide currency fluctuations. In addition, our non-professional fees increased by $71,586, or 223.0% primarily due to Nasdaq fees and fees relating to the uplisting.

Other (income) expense

	Year Ended December 31,			
	2018		2017	
Equity loss in affiliate	$ 601,927	6%	$ 17,765	1%
Interest expense, net	2,582,896	27	1,766,693	99
Interest expense incurred in warrant valuation and conversions	6,424,970	67	1,999	-
Total other expense	$ 9,609,793	100%	$ 1,786,457	100%

Other expense increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $7,823,336. This increase is primarily driven by a $6,422,971 increase in interest expense resulting from warrant valuations that could not be calculated until maturity of the convertible instruments they were issued with due to multiple uncertainties. Interest expense increased by $816,203 from the year ended December 31, 2017 to the year ended December 31, 2018 due to increased amortization of discounts and bifurcations related to debt and redeemable preferred stock. Equity loss in affiliate increased from the year ending December 31, 2017 to the year ending December 31, 2018 by $548,162 primarily due to the use of equity method accounting for Gold Medal Group, LLC ("GMG") during 2018, the initial year that the entity had acquired the underlying operations and experienced a high level of transaction and one-time costs relating to the underlying operations. GMG ceased being recognized utilizing the equity method of accounting in late 2018 due to dilution of the Company's ownership interest resulting from the primary investor increasing their investment in GMG.

Income tax

For the year ended December 31, 2018 and 2017 there was no net provision for income tax due to the losses incurred and management's evaluation of the recovery of the tax asset resulting in net operating loss carry-forward.

The Tax Cuts & Jobs Act ("TCJA") was enacted in December 2017. Among other things, the TCJA reduces the U.S. federal corporate tax rate from 35% to 21%. The result of the TCJA was to reduce gross deferred tax assets and the corresponding valuation allowance resulting in no net changes in financial position or in the overall tax provision.

Liquidity and Capital Resources

The Company currently generates revenues from rental and sales of its digesters and related goods and services and anticipates revenues from the HEBioT technologies in the future and returns from its unconsolidated investments, including those under management agreements. The Company's other known sources of capital are common and preferred stock offerings, proceeds from private placements, issuance of notes payable, convertible notes payable, and investments, loans and advances from related and unrelated parties and cash from future revenues.

We will require additional financing in order to execute our business expansion and development plans and we may require additional financing in order to sustain substantial future business operations for an extended period of time. Subsequent to December 31, 2018 we initiated a private placement offering for up to $2,000,000 in convertible preferred stock and warrants to acquire our common stock but have not yet closed on this offering. Beyond that offering, while the Company has a history of obtaining adequate capital and maintaining liquidity, it is actively soliciting other forms of financing but do not have any firm commitments for additional financing. Should we not be able to obtain financing when required, in the amounts necessary to execute on our plans in full, or on terms which are economically feasible we may be unable to sustain the necessary capital to pursue our strategic plan and may have to reduce the planned future growth and scope of our operations.

For the year ended December 31, 2018, the Company had a consolidated net loss of $14,747,220, incurred a consolidated loss from operations of $5,137,427 and used net cash in consolidated operating activities of $6,044,144. For the year ended December 31, 2017, the Company had a consolidated net loss of $8,350,527, incurred a consolidated loss from operations of $6,564,070 and used net cash in consolidated operating activities of $4,772,950. At December 31, 2018, consolidated stockholders' equity amounted to $10,008,246 and the Company had a consolidated working capital of $365,605. The Company does not yet have a history of financial profitability. Historically the principal source of liquidity has been the issuance of debt and equity securities. Presently, the Company does not have firm commitments to fund its present operational and strategic plans. These factors raise substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that the plans and actions proposed by management will be successful or that we will generate profitability and positive cash flows in the future. We are exploring a number of options to provide working capital including seeking equity and/or debt financings. We cannot assure you that we will consummate a financing that will enable us to meet our working capital needs. Future efforts to raise additional funds may not be successful or they may not be available on acceptable terms, if at all.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should we be unable to continue as a going concern. The ability of the Company to continue as a going concern is dependent on management's plans, which include further implementation of its business plan and continuing to raise capital.

Cash

As of December 31, 2018 and December 31, 2017, the Company had unrestricted cash balances of $2,410,709 and $901,112, respectively.

Borrowings and Debt

The table below presents borrowings as of December 31, 2018 at net carrying amount and at face amount as due at their future maturities.

	December 31,	**Due in:**				
	2018	**2019**	**2020**	**2021**	**2022**	**2023 and thereafter**
Line of credit	$ 1,469,330	$ 1,500,000	$ -	$ -	$ -	$ -
Notes payable	100,000	-	100,000	-	-	-
Junior note	926,211	-	-	-	-	1,044,477
Senior note payable	3,851,305	-	-	1,875,000	2,500,000	625,000
West Virginia EDA Bond	31,085,902	-	1,390,000	1,470,000	1,175,000	28,965,000
Vehicle loans	21,971	9,165	4,605	4,380	3,821	-
Total	**$ 37,454,719**	**$ 1,509,165**	**$ 1,494,605**	**$ 3,349,380**	**$ 3,678,821**	**$ 30,634,477**

Cash Flows

Cash Flows from Operating Activities

We used $6,044,144 of cash in operating activities during the year ended December 31, 2018, an increase of $1,271,194 over $ 4,772,950 of cash used in operating activities during the year ended December 31, 2017. Our net loss during the year ended December 31, 2018 of $14,747,220 was reduced by $9,900,310 of non-cash expenses resulting in $4,846,910 of operational cash usage before changes in operational assets and liabilities, as compared to operational cash usage before changes in operational assets and liabilities of $5,890,307 for the year ended December 31, 2017, a $1,043,397 improvement.

Cash Flows from Investing Activities

Net Cash used in investing activities amounted to $691,216 for the year ended December 31, 2018, before recognizing the $6,773,384 in cash provided by the control acquisition of Entsorga West Virginia, LLC. Net Cash used in investing activities amounted to $2,070,743 for the year ended December 31, 2017, including an investment of $1,034,028 Entsorga West Virginia, LLC, which in 2017 was an unconsolidated investment.

Cash Flows from Financing Activities

Cash provided by financing activities amounted to $8,151,235 for the year ended December 31, 2018, compared to $7,404,585 for the year ended December 31, 2017, an increase of $746,650. During the year ended December 31, 2017, we received $ 7,616,056 of proceeds from the issuance of senior debt, notes, and preferred stock, which is consistent the prior year's amount of $7,437,029. In 2018, we also had a non-controlling member contribution to a consolidated subsidiary of $3,500,000.

Off Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements during the year ended December 31, 2018.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Use of Estimates — The preparation of consolidated financial statements, in conformity with generally accepted accounting principles (GAAP) requires the extensive use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates. Estimates are used when accounting for items and matters including, but not limited to, allowance for uncollectible accounts receivable, obsolete, slow moving and excess inventory, asset valuations, including intangibles, and useful lives, employee benefits, taxes and other provisions and contingencies.

Foreign Operations — Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates existing at the respective balance sheet dates. Income and expense items are translated at the average rates during the respective periods. Translation adjustments resulting from fluctuations in exchange rates are recorded as a separate component of other comprehensive income (loss) while transaction gains and losses are recorded in net earnings (loss). Deferred taxes are not provided on cumulative foreign currency translation adjustments as the Company presently expects foreign earnings to be permanently reinvested.

Lease Revenue Recognition — The Company recognizes revenue from the rental of the digester units ratably on a monthly basis over the term of the lease, as it has determined that the rental agreements entered into in connection with its Eco Safe Digester units qualify as operating leases, for which the Company is the operating lessor. In order to determine lease classification as operating, the Company evaluates the terms of the rental agreement to determine if the lease includes any of the following provisions which would indicate sales type lease treatment:

- Transfer of ownership of the digester unit,
- Bargain purchase option at the end of the term of the lease,
- Lease term is greater than 75% of the economic life of the digester unit, or
- Present value of minimum lease payments exceed 90% of the fair value of the digester unit at inception of the lease.

In addition, the Company also considers the following:

- Collectability of the minimum lease payments is reasonably predictable, and
- No important uncertainties surround the amount of unreimbursable costs yet to be incurred by the Company under the lease.

***HEBioT Facility under Construction* —** HEBioT facility under construction include all costs incurred to bring an asset to the condition and location necessary for its intended use. Included in the capitalized costs are construction, legal, leasehold improvements, and interest. Once placed into service, these costs will be depreciated over their estimated useful lives on a straight-line basis.

***MBT Facility Development Costs* —** The Company defers costs relating to on-going MBT facility development costs commencing upon the Company's determination that the project will be completed based upon data available at the time. These site specific costs generally include external costs generally relating to legal, engineering and other costs relating to the acquisitions of real estate, permits and licenses. Upon commencement of construction, to the extent that costs relate to the facility, they are transferred to the construction in progress.

Long-Lived Assets **—** The Company assesses potential impairments to its long-lived assets if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. An impaired asset is written down to its estimated fair value based upon the most recent information available. Estimated fair market value is generally measured by discounting estimated future cash flows.

Investments in Unconsolidated Entities —The Company utilizes the equity method of accounting for investments in companies if the investment provides the ability to exercise significant influence, but not control, over operating and financial policies of the investee. The Company's proportionate share of net income or loss is included in the Company's consolidated operations as earning or loss from unconsolidated equity basis investments.

Income Taxes — Deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities given provisions of enacted laws. Deferred income tax provisions and benefits are based on changes to the asset or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates the future taxable income and available tax planning strategies. If tax regulations, operating results or the ability to implement tax planning and strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the "more than likely" criteria.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Stock-Based Compensation — The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation." ASC 718 requires generally that all equity awards be accounted for at their "fair value." This fair value is measured on the grant date for stock-settled awards. Fair value is equal to the underlying value of the stock for "full-value" awards such as restricted stock and performance shares, and is estimated using an option-pricing model with traditional inputs for "appreciation" awards such as stock options and stock appreciation rights.

Costs equal to these fair values are recognized as expense ratably over the requisite service period based on the number of awards that are expected to vest, or in the period of the grant for awards that vest immediately and have no future service condition. For awards that vest over time, cumulative adjustments in later periods are recorded to the extent actual forfeitures differ from the Company's initial estimates; previously recognized compensation cost is reversed if the service or performance conditions are not satisfied and the award is forfeited. The expense resulting from share-based payments is recorded in the accompanying consolidated statements of operations based upon the classification of the underlying employees or service providers with a corresponding increase to additional paid in capital.

Recently Issued Accounting Standards

During the year ended December 31, 2018, the Company implemented the following recent accounting standards:

Revenue from Contracts with Customers — In April 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-10, "Revenue from Contracts with Customers - Identifying Performance Obligations and Licensing" (Topic 606). The amendments clarify two aspects of ASU No. 2014-09, "Revenue from Contracts with Customers," by providing (1) guidance for identifying performance obligations and (2) licensing implementation guidance. Public business entities should apply the guidance similar to Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09). ASU 2014-09 provides guidance for revenue recognition and affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition," and most industry-specific guidance. The core principle of ASU 2014-09 is the recognition of revenue when a company transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, companies will need to use more judgment and make more estimates than under the current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. This standard had an effective date of January 1, 2018, and the Company used the modified retrospective implementation method, whereby a cumulative effect adjustment would have been recorded to retained earnings as of the date of initial application, if needed. In the initial implementation, the Company evaluated the terms, conditions and performance obligations under our existing contracts with customers and determined that a cumulative adjustment to retained earnings was not necessary, and that the new standard has not had a material impact on its financial condition, results of operations or cash flows.

Statement of Cash Flows — In November 2016, the FASB issued (ASU No. 2016-18,*Statement of Cash Flows*), regarding the presentation of restricted cash on the statement of cash flows. The standards update requires that the reconciliation of the beginning and end of period cash amounts shown in the statement of cash flows include restricted cash. When restricted cash is presented separately from cash and cash equivalents on the balance sheet, a reconciliation is required between the amounts presented on the statement of cash flows and the balance sheet. Also, the new guidance requires the disclosure of information about the nature of the restrictions. The standards update is effective retrospectively for fiscal years and interim periods beginning after December 15, 2017, with early adoption permitted. The Company has implemented ASU 2016-18, "Statement of Cash Flows" in the accompanying consolidated financial statements.

The Company has not yet implemented the following recent accounting standards:

Leases — In February 2016, the FASB issued new lease accounting guidance (ASU No. 2016-02, *Leases)*, which has subsequently been amended by ASU No. 2018-11, *Leases* in July 2018. Under the new guidance, at the commencement date, lessees will be required to recognize a lease liability, which is a lessee‘s obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new guidance is not applicable for leases with a term of 12 months or less. Lessor accounting is largely unchanged. Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted upon issuance. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. ASU 2018-11 provides that under certain instances lessors may not be required to separate the components of the contracts. The Company will evaluate the effects, if any, that adoption of these ASUs will have on its consolidated financial position or results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by 17 C.F.R. 229 (10)(f)(i) and are not required to provide information under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by Item 8 appears after the signature page to this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), the Company carried out an evaluation, with the participation of the Company's management, including the Company's Chief Executive Officer (the Company's principal executive officer) and Chief Financial Officer (the Company's principal financial and accounting officer), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are not effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Our internal control system was designed to, in general, provide reasonable assurance to the Company's management and board regarding the preparation and fair presentation of published financial statements, but because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. The framework used by management in making that assessment was the criteria set forth in the document entitled "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, our management has determined that as of December 31, 2018, the Company's internal control over financial reporting was not effective for the purposes for which it is intended and determined there to be a material weakness.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Because of our limited operations we have a small number of employees which prohibits a segregation of duties. As we grow and expand our operations, we will engage additional employees and experts as needed. However, there can be no assurance that our operations will expand.

Changes in Internal Controls Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information set forth under Item 10 is incorporated herein by reference to our Definitive Proxy Statement to be filed with the Securities and Exchange Commission (“SEC”) within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2018 Annual Meeting of Shareholders.

Code of Conduct and Ethics

We have adopted Codes of Business Conduct and Ethics that applies to our employees, including our principal executive officer, principal financial officer and persons performing similar functions, and our directors. Our codes of ethics and business conduct can be found posted in the investor relations sections on our website at http://investors.biohitechglobal.com/corporate-governance. None of the websites referenced in this Annual Report on or the information contained therein is incorporated herein by reference.

Item 11. Executive Compensation

The information set forth under Item 11 is incorporated herein by reference to our Definitive Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2019 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information set forth under Item 12 is incorporated herein by reference to our Definitive Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2019 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information set forth under Item 13 is incorporated herein by reference to our Definitive Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2019 Annual Meeting of Shareholders.

Item 14. Principal Accountant Fees and Services

The information set forth under Item 14 is incorporated herein by reference to our Definitive Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year covered by this Form 10-K with respect to our 2019 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS

Number	Description
2.1	Agreement of Merger and Plan of Reorganization between Swift Start Corp., BioHiTech Global, Inc. and Bio Hi Tech America, LLC, dated August 6, 2015 (previously filed as Exhibit 2.1 of the Current Report on Form 8-K filed on August 11, 2015 and incorporated herein by reference).
3.1	Amended and Restated Certificate of Incorporation of BioHiTech Global, Inc., dated August 6, 2015 (previously filed as Exhibit 3.1 of the Current Report on Form 8-K filed on August 11, 2015 and incorporated herein by reference).
3.2	Certificate of Amendment to Certificate of Incorporation of BioHiTech Global, Inc., dated June 12, 2017 (previously filed as Exhibit 3.1 of the Current Report on Form 8-K filed on June 15, 2017 and incorporated herein by reference).
3.3	Bylaws (previously filed as Exhibit 3.2 of the Registration Statement on Form S-1 filed on November 7, 2013 and incorporated herein by reference).
3.4	Certificate of Formation of Bio Hi Tech America, LLC (previously filed as Exhibit 3.3 of the Current Report on Form 8-K filed on August 11, 2015 and incorporated herein by reference).
3.5	Second Amended and Restated Operating Agreement of Bio Hi Tech America, LLC (previously filed as Exhibit 3.4 of the Current Report on Form 8-K filed on August 11, 2015 and incorporated herein by reference).
4.1	2015 Equity Incentive Plan (previously filed as Exhibit 4.1 of the Annual Report on Form 10-K filed on March 29, 2016 and incorporated herein by reference).
4.2	2017 Executive Equity Incentive Plan (previously filed as Appendix A to the Proxy Statement filed on May 15, 2017 and incorporated herein by reference).
4.3	Specimen stock certificate for common stock (previously filed as Exhibit 4.1 to the Registration Statement on Form S-8 filed on June 11, 2018 and incorporated herein by reference).
4.4	Certificate of Designation of Series A Convertible Preferred Stock (previously filed as Exhibit 4.1 of the Current Report on Form 8-K filed on November 3, 2017 and incorporated herein by reference).
4.5	Certificate of Designation of Series B Convertible Preferred Stock (previously filed as Exhibit 4.1 of the Current Report on Form 8-K filed on January 4, 2018 and incorporated herein by reference).
4.6	Certificate of Designation of Series C Convertible Preferred Stock (previously filed as Exhibit 10.4 of the Current Report on Form 8-K filed on February 6, 2018 and incorporated herein by reference).
4.7	Certificate of Designation of Series E Convertible Preferred Stock (previously filed as Exhibit 4.1 of the Current Report on Form 8-K filed on December 18, 2018 and incorporated herein by reference).
10.1	Form of Securities Purchase Agreement (previously filed as Exhibit 10.1 of the Current Report on Form 8-K filed on April 4, 2017 and incorporated herein by reference).
10.2	Form of Convertible Note (previously filed as Exhibit 4.1 of the Current Report on Form 8-K filed on August 2, 2016 and incorporated herein by reference).
10.3	Form of Convertible Promissory Note (previously filed on Exhibit 10.1 of the Current Report on Form 8-K filed on October 6, 2016 and incorporated herein by reference).

10.4	Form of Warrant (previously filed on Exhibit 10.1 of the Current Report on Form 8-K filed on October 6, 2016 and incorporated herein by reference).
10.5	Form of Convertible Promissory Note (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on April 4, 2017 and incorporated herein by reference).
10.6	Form of Warrant (previously filed as Exhibit 10.3 of the Current Report on Form 8-K filed on April 4, 2017 and incorporated herein by reference).
10.7	Form of Convertible Promissory Note (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on May 26, 2017 and incorporated herein by reference).
10.8	Form of Warrant (previously filed as Exhibit 10.3 of the Current Report on Form 8-K filed on May 26, 2017 and incorporated herein by reference).
10.9	Form of Convertible Promissory Note (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on July 12, 2017 and incorporated herein by reference).
10.10	Form of Warrant (previously filed as Exhibit 10.3 of the Current Report on Form 8-K filed on July 12, 2017 and incorporated herein by reference).
10.11	Technology License Agreement between BioHiTech Global, Inc., E.N.A. Renewables LLC and Entsorgafin S.P.A., dated November 1, 2017 (previously filed as Exhibit 10.1 of the Current Report on Form 8-K filed on November 2, 2017 and incorporated herein by reference).
10.12	Registration Rights Agreement between BioHiTech Global, Inc., E.N.A. Renewables LLC and Entsorgafin S.p.A., dated November 1, 2017 (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on November 2, 2017 and incorporated herein by reference).
10.13	Form of Warrant (previously filed as Exhibit 4.2 of the Current Report on Form 8-K filed on January 4, 2018 and incorporated herein by reference).
10.14	Membership Interest Purchase Agreement for Gold Medal Group, LLC, dated January 25, 2018 (previously filed as Exhibit 10.1 of the Current Report on Form 8-K filed on January 30, 2018 and incorporated herein by reference).
10.15	Note Purchase and Security Agreement between the Company and Michaelson Capital Special Finance Fund II, L.P., dated February 2, 2018 (previously filed as Exhibit 10.1 of the Current Report on Form 8-K filed on February 6, 2018 and incorporated herein by reference).
10.16	Senior Secured Term Note in favor of Michaelson Capital Special Finance Fund II, L.P., dated February 2, 2018 (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on February 6, 2018 and incorporated herein by reference).
10.17	Securities Exchange and Note Purchase Agreement between the Company and Frank E. Celli, dated February 2, 2018 (previously filed as Exhibit 10.3 of the Current Report on Form 8-K filed on February 6, 2018 and incorporated herein by reference).
10.18	Junior Promissory Note in favor of Frank E. Celli, dated February 2, 2018 (previously filed as Exhibit 10.5 of the Current Report on Form 8-K filed on February 6, 2018 and incorporated herein by reference).
10.19	Credit Agreement between Comerica Bank and BHT Financial, LLC, dated February 2, 2018 (previously filed as Exhibit 10.1 of the Current Report on Form 8-K filed on February 8, 2018 and incorporated herein by reference).

10.20	Master Revolving Note in favor of Comerica Bank, dated February 2, 2018 (previously filed as Exhibit 10.2 of the Current Report on Form 8-K filed on February 8, 2018 and incorporated herein by reference).
10.21	First Amendment to Original Issue Discount Convertible Promissory Note between the Company and holders of the Series C Original Issue Discount Convertible Promissory Notes, dated February 2, 2018 (previously filed as Exhibit 10.3 of the Current Report on Form 8-K filed on February 8, 2018 and incorporated herein by reference).
10.22	Common Stock Purchase Warrant in favor of the holders of the Series C Original Issue Discount Convertible Promissory Notes dated February 2, 2018 (previously filed as Exhibit 10.4 of the Current Report on Form 8-K filed on February 8, 2018 and incorporated herein by reference).
10.23	Membership Interest Purchase and Sale Agreement between the Company, Entsorga USA, Inc. and Entsorga West Virginia LLC, dated November 28, 2018 (previously filed as Exhibit 99.1 on the Current Report on Form 8-K filed on December 4, 2018 and incorporated herein by reference).
10.24	Contribution and Transaction Agreement among Refuel America, LLC, Gold Medal Group, LLC, the Company and E.N.A. Renewables, LLC, dated December 14, 2018 (previously filed as Exhibit 99.4 on the Current Report on Form 8-K filed on December 20, 2018 and incorporated herein by reference).
14.1	Code of Business Conduct and Ethics (previously filed as Exhibit 14.1 on the Annual Report on Form 10-K filed on March 29, 2017 and incorporated herein by reference).
21.1	List of Subsidiaries.*
23.1	Consent of Marcum LLP, Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended.*
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document.*
101.SCH	XBRL Schema Document.*
101.CAL	XBRL Calculation Linkbase Document.*
101.DEF	XBRL Definition Linkbase Document.*
101.LAB	XBRL Label Linkbase Document.*
101.PRE	XBRL Presentation Linkbase Document.*

* Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 1, 2019

BIOHITECH GLOBAL, INC.

By: /s/ *Frank E. Celli*
Name: Frank E. Celli
Title: Chairman Chief Executive Officer
(Principal Executive Officer)

By: /s/ *Brian C. Essman*
Name: Brian C. Essman
Title: Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

April 1, 2019	*/s/ Frank E. Celli* Name: Frank E. Celli Title: Chairman, Chief Executive Officer (Principal Executive Officer)
April 1, 2019	*/s/ Brian C. Essman* Name: Brian C. Essman Title: Chief Financial Officer and Treasurer (Principal Financial Officer)
April 1, 2019	*/s/ James D. Chambers* Name: James D. Chambers Title: Director
April 1, 2019	*/s/ Anthony Fuller* Name: Anthony Fuller Title: Director
April 1, 2019	*/s/ Robert A. Graham* Name: Robert A. Graham Title: Director
April 1, 2019	*/s/ Harriet Hentges* Name: Harriet Hentges Title: Director
April 1, 2019	*/s/ Douglas M. VanOort* Name: Douglas M. VanOort Title: Director

BioHiTech Global, Inc. and Subsidiaries

Index to Consolidated Financial Statements

	Page
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2018 and 2017	1
Consolidated Balance Sheets as of December 31, 2018 and 2017	2
Consolidated Statements of Cash Flows for the years ended December 31, 2018 and 2017	3
Consolidated Statements of Stockholders’ Equity (Deficit) for the years ended December 31, 2018 and 2017	4
Notes to Consolidated Financial Statements	5
Report of Independent Registered Public Accounting Firm	36

BioHiTech Global, Inc. and Subsidiaries
Statements of Operations and Comprehensive Loss
For the Years ended December 31, 2018 and 2017

	2018	2017
Revenue		
Rental, service and maintenance	$ 1,801,435	$ 1,622,114
Equipment sales	547,737	799,091
Management advisory and other fees	1,010,152	-
Total revenue	**3,359,324**	**2,421,205**
Cost of revenue		
Rental, service and maintenance	1,237,531	1,207,050
Equipment sales	402,621	479,393
Total Cost of revenue	**1,640,152**	**1,686,443**
Gross profit	**1,719,172**	**734,762**
Operating expenses		
Selling, general and administrative	6,741,561	7,185,048
Depreciation and amortization	115,038	113,784
Total operating expenses	**6,856,599**	**7,298,832**
Loss from operations	**(5,137,427)**	**(6,564,070)**
Other expense (income)		
Equity loss in affiliate	601,927	17,765
Interest expense, net	2,582,896	1,766,693
Interest expense incurred in warrant valuation and conversions	6,424,970	1,999
Total other expense, net	**9,609,793**	**1,786,457**
Net loss	**(14,747,220)**	**(8,350,527)**
Net loss attributable to non-controlling interests	(76,890)	-
Net loss attributable to Parent	(14,670,330)	(8,350,527)
Foreign currency translation adjustment	43,611	(47,509)
Comprehensive loss	**$ (14,626,719)**	**$ (8,398,036)**
Net loss per common share - basic and diluted	$ (1.11)	$ (0.98)
Weighted average number of common shares outstanding - basic and diluted	13,616,268	8,541,167

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2018 and 2017

	2018	2017 *(Revised)*
Assets		
Current Assets		
Cash	$ 2,410,709	$ 901,112
Restricted cash	4,195,148	-
Accounts receivable, net	403,298	274,405
Inventory	499,848	332,101
Prepaid expenses and other current assets	66,425	79,686
Total Current Assets	**7,575,428**	**1,587,304**
Restricted cash	2,520,523	-
Equipment on operating leases, net	1,748,887	1,451,144
Equipment, fixtures and vehicles, net	49,028	63,509
HEBioT facility under construction	33,104,007	-
Intangible assets, net	83,933	174,133
Investment in unconsolidated affiliates	1,687,383	1,016,263
MBT facility development and license costs	8,475,408	6,223,766
Goodwill	58,000	-
Other assets	13,500	23,500
Total Assets	**$ 55,316,097**	**$ 10,539,619**
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Line of credit, net of financing costs of $30,670 as of December 31, 2018	$ 1,469,330	$ 1,000,000
Accounts payable	1,310,998	1,287,740
Accrued interest payable	959,927	29,431
Accrued expenses and liabilities	3,354,124	892,136
Deferred revenue	98,596	84,686
Customer deposits	7,683	39,498
Long-term debt, current portion	9,165	8,874
Total Current Liabilities	**7,209,823**	**3,342,365**
Notes payable	100,000	375,000
Line of credit	-	1,463,736
Junior note due to related party, net of discounts of $118,266 as of December 31, 2018	926,211	4,500,000
Advance from related party	-	544,777
Accrued interest	1,305,251	1,860,591
Convertible unsecured note	-	103,885
Convertible subordinated secured notes	-	1,021,916
Unsecured subordinated mandatorily convertible series notes	-	7,698,819
WV EDA Senior Secured Bonds payable, net of financing costs of $1,914,098	31,085,902	-
Senior Secured Note Payable, net of financing costs of $160,017 and discounts of $988,678	3,851,305	-
Long-term debt, net of current portion	12,806	21,971
Total Liabilities	**44,491,298**	**20,933,060**
Series A redeemable convertible preferred stock, 333,401 shares designated and issued, and 163,312 and 333,401 outstanding as of December 31, 2018 and 2017, respectively	816,553	623,283
Commitments and Contingencies		-
Stockholders' Equity (Deficit)		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; 3,159,120 and 1,444,601 designated, 1,903,753 and 493,401 issued, and 1,155,331 and 493,401 outstanding as of December 31, 2018 and 2017, respectively:		
Series B Convertible preferred stock, 1,111,200 shares designated: 428,333 and 160,000 shares issued, and 0 and 160,000 outstanding as of December 31, 2018 and 2017, respectively	-	699,332
Series C Convertible preferred stock, 1,000,000 shares designated, 427,500 shares issued and outstanding as of December 31, 2018	3,050,142	-
Series E Convertible preferred stock, 714,519 shares designated: 714,519 shares issued and 564,519 outstanding as of December 31, 2018	1,490,330	
Common stock, $0.0001 par value, 50,000,000 shares authorized, 14,802,956 and 9,598,208 shares issued and outstanding as of December 31, 2018 and 2017, respectively, at par	1,480	960
Additional paid in capital	43,452,963	17,752,990
Accumulated deficit	(44,594,385)	(29,431,416)
Accumulated other comprehensive income (loss)	5,021	(38,590)
Stockholders' equity (deficit) attributable to Parent	3,405,551	(11,016,724)
Stockholders' equity (deficit) attributable to non-controlling interests	6,602,695	-
Total Stockholders' Equity (Deficit)	**10,008,246**	**(11,016,724)**
Total Stockholders' Equity (Deficit) and Liabilities	**$ 55,316,097**	**$ 10,539,619**

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net loss:	$ (14,747,220)	$ (8,350,527)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	468,228	402,548
Provision for bad debts	25,477	105,418
Stock based employee compensation	836,372	329,782
Fees paid in stock and warrants	45,461	1,156,105
Interest resulting from amortization of financing costs and discounts	1,497,875	446,603
Equity loss in affiliate	601,927	17,765
Change in fair value of warrant liability	-	1,999
Interest resulting from warrants valued upon conversion of host debt instruments	6,424,970	-
Changes in operating assets and liabilities	(1,197,234)	1,117,357
Net cash used in operations	**(6,044,144)**	**(4,772,950)**
Cash flow from investing activities:		
Sale of used machinery and equipment	-	16,762
Cash acquired from control acquisition of Entsorga West Virginia, LLC	6,773,384	-
Acquisition of MBT license rights	-	(839,678)
Investment in Entsorga West Virginia, LLC	-	(1,034,028)
MBT facility development costs incurred	(361,641)	(204,566)
Purchases of construction in-progress, equipment, fixtures and vehicles	(329,575)	(9,233)
Net cash used in investing activities	**6,082,168**	**(2,070,743)**
Cash flows from financing activities:		
Proceeds from issuance of senior secured credit facility and common stock	5,000,000	-
Cash investment in Refuel America, LLC by non-controlling interest	3,500,000	
Repayment of line of credit facility	(2,463,736)	-
Proceeds from new line of credit facility	1,500,000	-
Exercise of employee stock options	61,977	-
Proceeds from convertible notes, including warrants and beneficial conversion features	-	2,683,000
Deferred financing costs incurred	(246,131)	(23,000)
Repayments of long-term debt	(8,875)	(9,444)
Proceeds from the issuance of preferred stock and warrants	1,125,000	2,270,300
Redemption of Series A preferred stock	(317,000)	-
Related party:		
Net increases of advances	-	1,120,756
Proceeds from promissory notes	-	786,973
Proceeds from convertible notes	-	576,000
Net cash provided by financing activities	**8,151,235**	**7,404,585**
Effect of exchange rate on cash	36,009	14,233
Net change in cash	**8,225,268**	**575,125**
Cash - beginning of period	901,112	325,987
Cash - end of period (restricted and unrestricted)	**$ 9,126,380**	**$ 901,112**

Note 24 includes supplemental cash flow information, non-cash investing and financing activities and changes in operating assets and liabilities.

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Statements of Stockholders' Equity (Deficit)

Statement of Stockholders' Equity Attributable to Parent:

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance at January 1, 2017	**-**	**-**	**8,229,712**	**$ 823**	**$ 9,604,324**	**$ 8,919**	**$ (21,072,166)**	**$ (11,458,100)**
Issuance of Series B preferred stock	160,000	$ 699,332	-	-	-	-	-	699,332
Common stock issued for MBT intellectual property rights	-	-	1,035,905	104	5,179,418	-	-	5,179,522
Share-based employee and director compensation	-	-	-	-	329,782	-	-	329,782
Share-based professional services compensation	-	-	208,000	21	1,156,084	-	-	1,156,105
Common stock warrants issued in connection with debt and preferred stock	-	-	-	-	688,285	-	-	688,285
Beneficial conversion feature of debt *(revised)*	-	-	-	-	679,815	-	-	679,815
Conversion of promissory notes	-	-	40,454	4	115,290	-	-	115,294
Exercise of warrants	-	-	84,137	8	(8)	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	(47,509)	-	(47,509)
Series A preferred stock dividend	-	-	-	-	-	-	(8,723)	(8,723)
Net loss	-	-	-	-	-	-	(8,350,527)	(8,350,527)
Balance at December 31, 2017 *(revised)*	**160,000**	**699,332**	**9,598,208**	**960**	**17,752,990**	**(38,590)**	**(29,431,416)**	**(11,016,724)**
Issuance of Series B preferred stock	268,333	1,068,039	-	-	273,626	-	-	1,341,665
Issuance of Series C preferred stock	427,500	3,050,142	-	-	1,360,681	-	-	4,410,823
Issuance of Series E preferred stock	714,519	1,886,330	-	-	-			1,886,330
Common stock issued for acquisition of Gold Medal Group	-	-	500,000	50	2,249,950	-	-	2,250,000
Share-based employee and director compensation	-	-	-	-	836,372	-	-	836,372
Exercise of employee options	-	-	16,527	2	61,975	-	-	61,977
Share-based professional services compensation	-	-	96,179	10	170,784	-	-	170,794
Conversion of debt into common stock	-	-	3,304,140	330	9,090,045	-	-	9,090,375
Interest on converted debt in common stock	-	-	196,050	20	915,680	-	-	915,700
Conversion of Series B preferred stock into common stock	(428,333)	(1,767,371)	480,067	48	1,767,323	-	-	-
Conversion of Series A preferred stock into common stock	-	-	118,542	11	533,434	-	-	533,445
Conversion of Series E preferred stock into common stock	(150,000)	(396,000)	150,000	15	395,985			-
Common stock issued in connection with debt financings	-	-	320,000	32	1,212,089	-	-	1,212,121
Warrants valued in connection with debt conversions and amendments	-	-	23,243	2	6,424,968	-	-	6,424,970
Foreign currency translation adjustment	-	-	-	-	-	43,611	-	43,611
Preferred stock dividends	-	-	-	-	407,061	-	(492,639)	(85,578)
Net loss	-	-	-	-	-	-	(14,670,330)	(14,670,330)
Balance at December 31, 2018	**992,019**	**$ 4,540,472**	**14,802,956**	**$ 1,480**	**$ 43,452,963**	**$ 5,021**	**$ (44,594,385)**	**$ 3,405,551**

Statement of Stockholders' Equity Attributable to Non-Controlling Interests in Consolidated Subsidiaries:

	Non-Controlling Equity Interest	Accumulated Deficit	Total
Balance at January 1, 2017	$ -	$ -	$ -
Balance at December 31, 2017	-	-	-
Equity interest of non-controlling equity holders of Entsorga West Virginia, LLC and Refuel America LLC and subsidiaries through December 13, 2018	6,679,585	-	6,679,585
Net loss from December 14, 2018 to December 31, 2018	-	(76,890)	(76,890)
Balance at December 31, 2018	**$ 6,679,585**	**$ (76,890)**	**$ 6,602,695**

See accompanying notes to consolidated financial statements.

Note 1. Basis of Presentation and Going Concern

Nature of Operations - BioHiTech Global, Inc. (the "Company" or "BioHiTech") through its wholly-owned and its controlled subsidiaries offers cost-effective and technologically innovative advancements integrating technological, biological and mechanical engineering solutions for the control, reduction and / or reuse of organic and municipal waste.

As of December 31, 2018, the Company's active wholly-owned subsidiaries were BioHiTech America, LLC, BioHiTech Europe Limited, BHT Financial, LLC and E.N.A. Renewables LLC, and its controlled subsidiaries were Refuel America LLC (60%) and its wholly-owned subsidiaries Apple Valley Waste Technologies Buyer, Inc., Apple Valley Waste Technologies, LLC, New Windsor Resource Recovery LLC and Rensselaer Resource Recovery LLC and its controlled subsidiary Entsorga West Virginia LLC (78.2%).

As of December 31, 2017, the Company's active wholly-owned subsidiaries were BioHiTech America, LLC, BioHiTech Europe Limited, BHT Financial, LLC, E.N.A. Renewables LLC and New Windsor Resource Recovery LLC.

Basis of Presentation - The accompanying consolidated financial statements include the accounts of the Company and its wholly owned and controlled subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany transactions have been eliminated in consolidation. Under Financial Accounting Standards Board Accounting Standards Codification ("ASC") 280, segment reporting, the Company reports as a single segment company. Reclassifications to certain prior period amounts have been made to conform to current period presentation. These reclassifications have no effect on previously reported net loss.

Going Concern and Liquidity - For the year ended December 31, 2018, the Company had a consolidated net loss of $14,747,220, incurred a consolidated loss from operations of $5,137,427 and used net cash in consolidated operating activities of $6,044,144. For the year ended December 31, 2017, the Company had a consolidated net loss of $8,350,527, incurred a consolidated loss from operations of $6,564,070 and used net cash in consolidated operating activities of $4,772,950. At December 31, 2018, consolidated stockholders' equity amounted to $10,008,246 and the Company had a consolidated working capital of $365,605. The Company does not yet have a history of financial profitability. Historically the principal source of liquidity has been the issuance of debt and equity securities. Presently, the Company does not have firm commitments to fund its present operational and strategic plans. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern. The ability of the Company to continue as a going concern is dependent on management's further implementation of the Company's on-going and strategic plans, which include continuing to raise funds through debt and/or equity raises. Should the Company be unable to raise adequate funds, certain aspects of the on-going and strategic plans may require modification.

The Company is presently in the process of raising additional debt and capital for general operations and for investment in several strategic initiatives, as well as commercial debt to support its leasing activities. There is no assurance that the Company will be able to raise sufficient debt or capital to sustain operations or to pursue other strategic initiatives.

Note 2. Summary of Significant Accounting Policies

Use of Estimates — The preparation of consolidated financial statements, in conformity with GAAP requires the extensive use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates. Estimates are used when accounting for items and matters including, but not limited to, allowance for uncollectible accounts receivable, obsolete, slow moving and excess inventory, asset valuations, including intangibles, and useful lives, employee benefits, taxes and other provisions and contingencies.

Foreign Operations — Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates existing at the respective balance sheet dates. Income and expense items are translated at the average rates during the respective periods. Translation adjustments resulting from fluctuations in exchange rates are recorded as a separate component of other comprehensive income (loss) while transaction gains and losses are recorded in net earnings (loss). Deferred taxes are not provided on cumulative foreign currency translation adjustments as the Company presently expects foreign earnings to be permanently reinvested.

The Company pays Value Added Tax ("VAT") or similar taxes ("input VAT") within the normal course of its business in in the United Kingdom on merchandise and/or services it acquires. The Company also collects VAT or similar taxes on behalf of the government ("output VAT") for merchandise and/or services it sells. If the output VAT exceeds the input VAT, then the difference is remitted to the government, usually on a monthly basis. If the input VAT exceeds the output VAT, this creates a VAT receivable. The Company either requests a refund of this VAT receivable or applies the balance to expected future VAT payables.

Product and Services Revenue Recognition —The Company's accounting policy relating to revenue recognition reflects the impact of the adoption of Accounting Standards Codification ("ASC") 606, implemented on January 1, 2018. The Company records revenue based on a five-step model in accordance with ASC 606, Revenue from Contracts with Customers, which require that we:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to the performance obligations in the contract;
5. Recognize revenue when the performance obligations are met or delivered.

Product sales are on terms which transfer title and risk of loss at a specified location, which may be the Company's warehouse, a destination designated by the customer, port of loading or port of discharge, depending on the final destination of the goods. Other than standard product warranty provisions, the Company's sales arrangements provide for no other post-shipment obligations.

Rental, service and maintenance revenues relating to the Company's rental agreements involve providing use of the Company's digesters at customer locations, access to our software as a service and preventative maintenance over the term. The agreements generally provide for flat monthly payments that the Company believes are consistent with our costs and obligations underlying the agreements.

Management advisory fees are based upon the passage of time and do not have any measurable performance measures that would require the Company to recognize revenues and costs other than on a passage of time and as incurred basis.

The adoption of Topic 606 did not have a material impact on the timing or amounts of revenue and costs recognized in the Company's consolidated financial statements and therefore did not have a material impact on our financial position, results of operations, equity or cash flows as of the adoption date or for the year ended December 31, 2018. The Company did not recognize any cumulative-effect adjustment to retained earnings upon adoption as the impact was immaterial. Also, the comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The Company records taxes collected from customers and remitted to governmental authorities on a net basis.

Lease Revenue Recognition — The Company recognizes revenue from the rental of the digester units ratably on a monthly basis over the term of the lease, as it has determined that the rental agreements entered into in connection with its Eco Safe Digester units qualify as operating leases, for which the Company is the operating lessor. In order to determine lease classification as operating, the Company evaluates the terms of the rental agreement to determine if the lease includes any of the following provisions which would indicate sales type lease treatment:

- Transfer of ownership of the digester unit,
- Bargain purchase option at the end of the term of the lease,
- Lease term is greater than 75% of the economic life of the digester unit, or
- Present value of minimum lease payments exceeds 90% of the fair value of the digester unit at inception of the lease

In addition, the Company also considers the following:

- Collectability of the minimum lease payments is reasonably predictable, and
- No important uncertainties surround the amount of unreimbursable costs yet to be incurred by the Company under the lease.

Restricted Cash — Includes Restricted cash that is restricted as to its use, as it is held by a trustee in accordance with the West Virginia Economic Development Authority bond agreement. These amounts are held by the Company's trustee in various bank accounts segregated for specific uses related to the construction of the resource recovery facility. Amounts required to meet current operations of the Company have been classified as current in the accompanying consolidated balance sheets.

Accounts Receivable, net — Receivables are stated net of allowances for doubtful accounts and primarily include trade receivables and miscellaneous receivables. Specific customer provisions are made when a review of significant outstanding amounts, utilizing information about customer creditworthiness and current economic trends, indicates that collection is doubtful. In addition, provisions are made at differing rates, based upon the age of the receivable and the Company's historical collection experience.

Inventory — Inventory include parts, assemblies and finished equipment, which are stated at the lower of cost, based on the First-In, First-Out (FIFO) or specific identification methods or net realizable value, net of excess and slow-moving reserves. Provisions, if required, for excess and obsolete inventories are made at differing rates, utilizing historical data and current economic trends, based upon the age and type of the inventory.

Equipment, Fixtures and Vehicles, Including Equipment Leased to Others — Equipment, fixtures and vehicles, including equipment leased to others, is stated at cost less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, as follows:

	Years
Equipment leased to others	5 - 7
Computer software and hardware	3 - 5
Vehicles	5
Furniture and fixtures	7 - 15

HEBioT Facility under Construction — High Efficiency Biological Treatment ("HEBioT") facility under construction include all costs incurred to bring an asset to the condition and location necessary for its intended use. Included in the capitalized costs are construction, legal, leasehold improvements, and interest. Once placed into service, these costs will be depreciated over their estimated useful lives on a straight-line basis.

MBT Facility Development Costs — The Company defers costs relating to on-going Mechanical Biological Treatment ("MBT") facility development costs commencing upon the Company's determination that the project will be completed based upon data available at the time. These site specific costs generally include external costs generally relating to legal, engineering and other costs relating to the acquisitions of real estate, permits and licenses. Upon commencement of construction, to the extent that costs relate to the facility, they are transferred to the construction in progress.

Long-Lived Assets — The Company assesses potential impairments to its long-lived assets if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. An impaired asset is written down to its estimated fair value based upon the most recent information available. Estimated fair market value is generally measured by discounting estimated future cash flows.

Goodwill — The Company records as goodwill the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquired entity over the (ii) fair value of the net identifiable assets acquired. The Company does not amortize goodwill; however, annually, or whenever there is an indication that goodwill may be impaired, qualitative factors are evaluated to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. The Company's test of goodwill impairment includes assessing qualitative factors and the use of judgment in evaluating economic conditions, industry and market conditions, cost factors, and entity specific events, as well as overall financial performance. Annual goodwill impairment analysis may include, but is not limited to the discounted cash flow method.

Amortization **—** Certain costs to acquire and develop computer software are capitalized and amortized over their estimated useful life using the straight-line method, up to a maximum of five years. Other intangible assets, except for those intangible assets with indefinite lives, are recognized separately and are amortized over their estimated useful lives.

Shipping Costs **—** Shipping and handling charges are recorded gross in both the revenue and in cost of revenue and amounted to $100,059 and $107,265 for the years ended December 31, 2018 and 2017, respectively.

Advertising **—** The Company expenses advertising costs as incurred. Advertising expense amounted to $81,901 and $63,060 for the years ended December 31, 2018 and 2017, respectively.

Research and Development **—** All research and development costs incurred by the Company are expensed as incurred.

Fair Value Measurements — Certain assets and liabilities are required to be recorded at fair value on a recurring basis. Fair value is determined based on 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. Assets measured at fair value on a nonrecurring basis include long-lived assets held and used, long-lived assets held for sale, goodwill and other intangible assets. The fair value of cash and cash equivalents, accounts receivable, short-term debt and accounts payable approximate their carrying values. The three-tier value hierarchy, which prioritizes valuation methodologies based on the reliability of the inputs, is:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.
Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
Level 3 — Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants.

The Company had no financial instruments measured at fair value on a recurring basis as of December 31, 2018 and 2017.

Investments in Unconsolidated Entities —The Company utilizes the equity method of accounting for investments in companies if the investment provides the ability to exercise significant influence, but not control, over operating and financial policies of the investee. The Company's proportionate share of net income or loss is included in the Company's consolidated operations as earning or loss from unconsolidated equity basis investments. In circumstances were the Company does not have the ability to exercise significant influence or control over the operating and financial policies of the investee, the cost basis of accounting is utilized whereby revenue is only recognized upon receipt and the investment is periodically reviewed for impairment.

Deferred Financing Costs — Deferred financing costs relating to issued debt are included as a reduction to the applicable debt and amortized as interest expense over the term of the related debt instruments.

Financial Instruments, Convertible Instruments, Warrants and Derivatives — The Company reviews its convertible instruments for the existence of embedded conversion features that may require bifurcation. If certain criteria are met, the bifurcated derivative financial instrument is required to be recorded at fair value. The Company also reviews and re-assesses, at each reporting date, any common stock purchase warrants and other freestanding derivative financial instruments and classifies them on the consolidated balance sheet as equity, assets or liabilities based upon the nature of the instruments.

Comprehensive Income (Loss) — Comprehensive income (loss) for the Company consists of net earnings (loss) and foreign currency translation.

Income Taxes — Deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities given provisions of enacted laws. Deferred income tax provisions and benefits are based on changes to the asset or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates the future taxable income and available tax planning strategies. If tax regulations, operating results or the ability to implement tax planning and strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the "more than likely" criteria.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Stock-Based Compensation — The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation." ASC 718 requires generally that all equity awards be accounted for at their "fair value." This fair value is measured on the grant date for stock-settled awards. Fair value is equal to the underlying value of the stock for "full-value" awards such as restricted stock and performance shares, and is estimated using an option-pricing model with traditional inputs for "appreciation" awards such as stock options and stock appreciation rights.

Costs equal to these fair values are recognized as expense ratably over the requisite service period based on the number of awards that are expected to vest, or in the period of the grant for awards that vest immediately and have no future service condition. For awards that vest over time, cumulative adjustments in later periods are recorded to the extent actual forfeitures differ from the Company's initial estimates; previously recognized compensation cost is reversed if the service or performance conditions are not satisfied and the award is forfeited. The expense resulting from share-based payments is recorded in the accompanying consolidated statements of operations based upon the classification of the underlying employees or service providers with a corresponding increase to additional paid in capital.

Subsequent modifications to outstanding awards result in incremental cost if the fair value is increased as a result of the modification. Thus, a value-for-value stock option repricing or exchange of awards in conjunction with an equity restructuring does not result in additional compensation cost.

Loss per Share — The Company computes basic loss per share using the weighted-average number of shares of common stock outstanding and diluted loss per share, while the diluted loss per share also includes the effects of dilutive instruments using the "treasury method." Dividend attributable to preferred stock, whether declared or accrued, are deducted from income attributable to common shareholders, as are net loss attributable to non-controlling interests for purposes of earnings per share.

The Company's potential dilutive instruments include options, convertible debt and warrants. These instruments have not been considered in the calculation of diluted loss per share as they are anti-dilutive for the reported periods.

Note 3. Acquisitions

On November 28, 2018, Company entered into a definitive agreement (the "MIPS") with Entsorga USA, Inc. ("EUSA") whereby EUSA agreed to sell, transfer and convey to BioHiTech 2,687 membership units of Entsorga West Virginia, LLC ("EWV") (the "Membership units") in consideration of 714,519 shares of BioHiTech's newly created Series E convertible preferred stock (the "Sr. E CPS). EWV is a facility under construction that is intended to utilize HEBioT technology to divert municipal solid waste from landfills and to create an EPA recognized alternative commodity fuel.

On December 14, 2018, the EUSA transaction was consummated. The 714,519 shares of Sr. E CPS were valued at $1,886,630 based on the underlying common shares into which the Sr. E CPS is convertible into. The total acquisition price of $2,863,583 is comprised of the aforementioned transaction, plus $976,953 of previously held equity in EWV.

Upon consummation of the MIPS agreement BioHiTech owned a total of 4,410.4 membership units of EWV, comprised of the 2,687 units resulting from the MIPS agreement and 1,723.4 units previously acquired by BioHiTech during 2017. The 4,410.4 membership units represented 44.1% of the total membership units issued by EWV, which combined with BioHiTech's control of EWV's board, management and having the largest ownership block of EUSA, with the next largest block, which represents 34.1%, an entity over which BioHiTech has controlling financial interest, results in the investment being recognized in the Company's financial statements on a consolidated basis. The estimated fair values of the assets acquired, and the liabilities assumed at the acquisition date are:

	December 14, 2018
Restricted cash	$ 6,773,384
HEBioT facility under construction	32,784,920
MBT license	1,890,000
Total identified assets acquired	**41,448,304**
Account payable	65,943
Accrued liabilities	4,311,591
Long-term debt	31,085,902
Total liabilities assumed	**35,463,436**
Identifiable net assets acquired	5,984,868
Goodwill	58,000
Net assets acquired	**6,042,868**
Less non-controlling interest	(3,179,285)
Net identifiable assets acquired by Company	**$ 2,863,583**

The following represents the unaudited pro forma consolidated statement of operations as if the EWV transaction had been consummated on January 1, 2017 and included in the consolidated results of the Company for the entire years ended December 31, 2018 and 2017:

	(Unaudited)	
	2018	**2017**
Revenue	$ 3,359,324	$ 2,421,205
Net loss	(15,062,634)	(8,512,511)

Following the consummation of the MIPS, on December 14, 2018, BioHiTech entered into a Contribution and Transaction Agreement ("CTA") with Gold Medal Group, LLC ("GMG") and a newly formed subsidiary Refuel America, LLC ("Refuel") of the Company whereby GMG contributed $3,500,000 in cash and its 34.1% ownership interest in EVW (owned by GMG's wholly owned subsidiary Apple Valley Waste Technologies, LLC) into Refuel and BioHiTech contributed it's 44.1% interest in EWV, a technology license for a future HEBioT facility that BioHiTech carried at a value of $6,019,200 and $316,207 in capitalized costs relating to two separate HEBioT facility on-going projects. In exchange for the assets contributed, BioHiTech and GMG acquired 60% and 40%, respectively, of the membership units of Refuel, which approximate the carrying value of each of the BioHiTech and GMG assets contributed. As a result of there being a continuation in proportional ownership of the significant assets and the affiliate nature BioHiTech and GMG through a non-controlling interest of GMG being owned by BioHiTech and there being a management agreement between GMG's largest subsidiary, Gold Medal Holdings, LLC ("GMH") whereby BioHiTech provides executive management of GMH with control over the strategic and operational activities of GMH, the CTA transaction has been accounted for without separate acquisition accounting applied to the CTA elements.

During 2018, there were no revenues recognized as a result of these transactions as operations have not yet commenced. The total net loss recognized in the consolidated financial statements in 2018 from the date of the transaction was $169,502, which include $100,000 in legal fees related to the transactions that have been included in selling, general and administrative expenses.

Note 4. Investments in Unconsolidated Entities

Entsorga West Virginia LLC - Effective March 21, 2017, the Company acquired a 17.2% interest in Entsorga West Virginia LLC EWV from the original investors at their original purchase price of $60,000 for each 1% of interest in EWV ($1,034,028). From March 21, 2017 through December 14, 2018 the Company recognized the investment utilizing the equity method of accounting due to its investment and its ability to influence operations and activities of EWV. On December 14, 2018, the Company consummated an additional acquisition of 2,687 membership units that resulted in the Company gaining control of EWV. As December 14, 2018, EWV is consolidated in the accompanying statement of operations and comprehensive loss.

Through December 14, 2018, the Company had recognized losses through equity accounting of $17,765 and $193,102 for the years ended December 31, 2017 and 2018, respectively, resulting in a carrying balance amounting to $823,161 as of December 14, 2018. As a result of the acquisition of additional membership units and change in control, this previously held equity investment was valued at fair value amounting to $976,953 with the corresponding gain of $153,792 reflected as in equity loss in affiliate in the accompanying consolidated statement of operations and comprehensive loss.

Gold Medal Group, LLC – On January 25, 2018, the Company entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) to acquire 9.2% of the outstanding membership units (the “Units”) of Gold Medal Group, LLC (“GMG”), which is the owner of a traditional waste management entity. Pursuant to the Purchase Agreement, the Company acquired the Units from two unrelated parties in consideration $2,250,000 paid through the issuance of 500,000 shares of the Company’s common stock.

Also, on January 25, 2018, the Company entered into a Letter Agreement (the “Option Agreement”) with GM Group. Pursuant to the Option Agreement, ENA may purchase up to 5,000,000 additional Units of GM Group at an aggregate purchase price of $5,000,000, provided that the Company’s Common Stock, if it is still publicly traded, is listed on a national exchange, which occurred on April 9, 2018 with the Company’s listing on The Nasdaq Capital Market.

Additionally, on January 25, 2018, the Company entered into an Advisory Services Agreement (the “ASA”). Under the ASA, the Company provides services relating to corporate development, strategic planning, operational and sales oversight and other general administrative and support services in exchange for fees annually amounting to the greater of $750,000, which was subsequently changed to $1,000,000, or 10% of GM Group’s ordinary earnings before interest, taxes, depreciation and amortization. As a result of the investment and its ability to control operations and activities of GM Group, the Company initially recognized its investment utilizing the equity method of accounting.

During 2018, the Company’s investment in GMG was diluted from 9.2% to 2.9% due to additional GMG acquisitions and investments, including the CTA with the Company. As a result of the reduction in the ownership level and accordingly, a reduction in influence, effective December 14, 2018 the Company changed its prospective accounting for GMG from the equity method to the cost method.

During the year ended December 31, 2018, the initial $2,250,000 investment in GMG was reduced by $562,617 in losses recognized prior to the change to cost basis accounting.

Note 5. Accounts Receivable, net

Accounts receivable consists of the following as of December 31:

	2018	2017
Accounts receivable	$ 513,336	$ 408,693
Less: allowance for doubtful accounts receivable	(110,038)	(134,288)
	$ 403,298	**$ 274,405**

Allowance for doubtful accounts activities are as follows for the years ended December 31:

	2018	2017
Balance at beginning of year	**$ (134,288)**	**$ (66,089)**
Provision for doubtful accounts	(25,477)	(105,418)
Amounts written off	49,727	37,219
Balance at end of year	**$ (110,038)**	**$ (134,288)**

Note 6. Inventory

Inventory, comprised of finished goods and parts or assemblies, consist of the following as of December 31:

	2018	2017
Equipment	$ 169,540	$ 139,939
Parts and assemblies	330,308	192,162
	$ 499,848	**$ 332,101**

Note 7. Equipment on Operating Leases, net

Equipment on operating leases consist of the following as of December 31:

	2018	2017
Leased equipment	$ 3,054,097	$ 2,558,423
Less: accumulated depreciation	(1,305,210)	(1,107,279)
	$ 1,748,887	**$ 1,451,144**

During the year ended December 31, 2018 and 2017, depreciation expense included in cost of revenue, amounted to $353,189 and $288,792, respectively.

The Company is a lessor of Revolution and Eco Safe Series digester units under non-cancellable operating lease agreements expiring through December 2023. During the year ended December 31, 2018 and 2017, revenue under the agreements, which is included in rental, service and maintenance revenue, amounted to $1,174,772 and $864,013, respectively. The minimum future estimated contractual payments to be received under these leases as of December 31, 2018 is as follows:

Year ending December 31,	
2019	$ 1,291,932
2020	992,622
2021	694,560
2022	448,930
2023 and thereafter	174,630
Total minimum lease income as of December 31, 2018	**$ 3,602,674**
Total minimum lease income as of December 31, 2017	**$ 2,782,755**

Note 8. Equipment, Fixtures and Vehicles, net

Equipment, fixtures and vehicles consist of the following as of December 31:

	2018	2017
Computer software and hardware	$ 112,500	$ 102,195
Furniture and fixtures	48,196	48,196
Vehicles	50,319	71,918
	211,015	**222,309**
Less: accumulated depreciation and amortization	(161,987)	(158,800)
	$ 49,028	**$ 63,509**

During the years ended December 31, 2018 and 2017, depreciation expense amounted to $24,838 and $20,875, respectively.

Note 9. HEBioT Facility Under Construction

The Company is presently constructing a HEBioT facility in Martinsburg, West Virginia that is anticipated to become fully operational in 2019. The Company capitalizes all costs incurred to bring an asset to the condition and location necessary for its intended use. Included in the capitalized costs are construction, specialized equipment, legal, leasehold improvements, and interest. Capitalized interest relates to the State of West Virginia Revenue Bonds and amounted to $109,992 for the period from December 14, 2018 to December 31, 2018. Once placed into service, these costs will be depreciated over their estimated useful lives on a straight-line basis.

Note 10. MBT Facility Development and License Costs

MBT Facility Development and License Costs consist of the following as of December 31:

	2018	2017
MBT Projects		
New Windsor, New York:		
Land acquisition	$ 66,000	$ 48,000
Legal	46,030	10,371
Survey and engineering	300,624	146,195
	412,654	**204,566**
Rensselaer, New York:		
Survey and engineering	153,554	-
Total MBT projects	**566,208**	**204,566**
Technology Licenses		
Future site	6,019,200	6,019,200
Martinsburg, West Virginia	1,890,000	-
Total Technology Licenses	**7,909,200**	**6,019,200**
Total MBT Facility Development and License Costs	**$ 8,475,408**	**$ 6,223,766**

MBT Facility Development Costs

New Windsor, New York
On March 1, 2017, the Town Counsel of New Windsor, NY approved, the sale of 12 acres of property to the Company for the development of a Mechanical Biological Treatment ("MBT") facility, for which the agreement was executed on April 10, 2017. The purchase price of the property is $1,092,000, subject to reduction for option payments made by the Company in the monthly amount of $3,500 for the first 12 months and $6,000 per month for the following 12 months, until the closing. The purchase of the property is contingent upon the Company obtaining: necessary permits to allow construction of a Mechanical Biological Treatment ("MBT") facility; approvals from state and local authorities; financing for the construction of the MBT facility; contracts for offtake of solid recovered fuel; and the satisfaction of the Company's due diligence investigation of the property. As of December 31, 2018, the Company was pursuing local and state permits, and other approvals required to continue development of the project. Subsequent to December 31, 2018, the Company elected to rescind their agreement for the purchase of real property with the Town of New Windsor in exchange for a return of the $66,000 paid by the Company under the rescinded contract and to relocate the project. As the parties were actively pursuing the project as of December 31, 2018, any costs relating to the relocation and loss on development costs will be reflected in 2019.

Rensselaer, New York
During 2018, the Company commenced initial development of a project in Rensselaer, NY. As of December 31, 2018, the Company has received local permits and is pursuing state permits and other approvals required to continue development of the project.

HEBioT Technology Licenses

Technology License Agreement – Future Facility
On November 1, 2017, the Company entered into a Technology License Agreement (the "License Agreement") with Entsorgafin S.p.A. ("Entsorga") whereby the Company acquired a license for the design, development construction, installation and operation of a High Efficiency Biological Treatment ("HEBioT") renewable waste facility with a capacity of 165,000 tons per year. The patented HEBioT technology converts mixed municipal and organic waste to a US Environmental Protection Agency recognized alternative fuel source.

The royalty payment for the license amounted to $6,019,200, which was comprised of 1,035,905 shares of the Company's common stock, par value $0.0001 per share and cash payments in an amount up to $839,678 for Entsorga's withholding taxes in the Unites States and Italy. The Company also entered into a Registration Rights Agreement with Entsorga whereby the Company granted Entsorga certain piggy-back and demand registration rights with respect to the Shares. This Technology License Agreement can be utilized at a future project and will be amortized once the facility is in operation.

Technology License Agreement – Martinsburg, West Virginia
In connection with the acquisition accounting applied to Entsorga West Virginia acquisition consummated on December 14, 2018, the facility License Agreement was valued at $1,890,000.

Note 11. Intangibles Assets, net

Intangible assets consist of the following as of December 31:

	Useful Lives (Years)	Remaining Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2018:					
Digester distribution agreements	10	0.9	902,000	(818,067)	83,933
Website	3	-	23,388	(23,388)	-
Intangible assets, net			**$ 925,388**	**(841,455)**	**83,933**
December 31, 2017:					
Digester distribution agreements	10	1.9	$ 902,000	$ (727,867)	$ 174,133
Website	3	-	23,388	(23,388)	-
Intangible assets, net			**$ 925,388**	**$ (751,255)**	**$ 174,133**

During the years ended December 31, 2018 and 2017, amortization expense, included in depreciation and amortization of operating expenses, amounted to $90,200 and $92,909, respectively.

At December 31, 2018, future annual estimated amortization expense is summarized as follows:

Year Ending December 31,	
2019	$ 43,533
2020	20,200
2021	20,200
Total	**$ 83,933**

Note 12. Goodwill

As of December 31, 2018, the Company has goodwill of $58,000 resulting from the Entsorga West Virginia, LLC acquisition on December 14, 2018. It is not anticipated that this goodwill will be tax deductible.

Note 13. Risk Concentrations

The Company operates as a single segment on a worldwide basis through its subsidiaries, resellers and independent sales agents. Gross revenues and net non-current tangible assets on a domestic and international basis is as follows:

	United States	International	Total
2018:			
Revenue, for the year ended December 31, 2018	$ 2,952,038	$ 407,286	$ 3,359,324
Non-current tangible assets, as of December 31, 2018	34,630,978	284,444	34,915,422
2017:			
Revenue, for the year ended December 31, 2017	$ 1,801,168	$ 620,037	$ 2,421,205
Non-current tangible assets, as of December 31, 2017	1,349,461	188,692	1,538,153

Credit risk — Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable.

The Company minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institutions. At times, the Company's cash may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation ("FDIC") in the USA and the Financial Conduct Authority ("FCA") in the UK insurance limits. During the years ended December 31, 2018 and 2017, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Major customers — During the year ended December 31, 2018, one customer represented at least 10% of revenues, accounting for 30.7% (Gold Medal Holdings, Inc., an unconsolidated affiliate) of revenues. During the year ended December 31, 2017 no customers represented at least 10% of revenues.

As of December 31, 2018, one customer represented at least 10% of accounts receivable, accounting for 32.8% (Gold Medal Holdings, Inc., an unconsolidated affiliate) of accounts receivable. As of December 31, 2017, no customers represented at least 10% of accounts receivable.

Vendor concentration — During the year ended December 31, 2018, two vendors represented at least 10% of costs of revenue, accounting for 25.1% (a 1.4% shareholder) and 11.0% of the combined cost of revenues and change in inventory. During the year ended December 31, 2017, two vendors represented at least 10% of costs of revenue, accounting for 26% (a 1.4% shareholder) and 14% of the combined cost of revenues and change in inventory.

As of December 31, 2018, one vendor represented at least 10% of accounts payable, accounting for 12.0% (a 1.4% shareholder) of accounts payable. As of December 31, 2017, three vendors represented at least 10% of accounts payable, accounting for 19% (BioHiTech International, Inc., a related party), 19% and 18% (a 1.4% shareholder) of accounts payable.

Note 14. Line of Credit, Notes Payable, Advances, Promissory Note, Convertible Promissory Notes and Long-Term Debt

Notes, lines, advances and long-term debts are comprised of the following as of December 31:

	2018		2017	
	Total	Related Party	Total	Related Party
Line of credit	$ 1,469,330	$ -	$ 2,463,736	$ -
Unsecured subordinated convertible notes:				
Series A	-	-	3,393,116	2,250,000
Series B	-	-	1,885,955	1,750,000
Series D	-	-	1,994,748	325,000
Series V	-	-	425,000	300,000
Series C – Subordinated secured convertible notes	-	-	1,021,916	450,000
Convertible note	-	-	103,885	-
Senior secured promissory note	3,851,305	-	-	-
Junior promissory note	926,211	926,211	-	-
Promissory note - related party	-	-	4,500,000	4,500,000
Notes payable	100,000	-	375,000	275,000
Advances	-	-	544,777	544,777
Long term debt - current and long-term portion	21,971	-	30,845	-

Line of Credit — In a series of transactions, on February 2, 2018, in connection with its $5,000,000 gross proceeds financing with Michaelson Capital Special Finance Fund II, L.P., the Company utilized a portion of the proceeds to pay off, in-full, and close out an existing line of credit with Comerica Bank ("Comerica") that was payable and secured by the assets of the Company's subsidiary, BioHiTech America, LLC. Also, in connection with and in accordance with the MCSFF financing, on February 2, 2018, the Company's subsidiary, BHT Financial, LLC ("BHTF") entered into a new Credit Agreement (the "Credit Agreement") and a Master Revolving Note (the "Note") with Comerica that provides for a facility of up to $1,000,000, secured by the assets of BHTF. The Credit Agreement and Note were amended on November 9, 2018 to increase the facility to $1,500,000. The Note does not have any financial covenants, carries interest at the rate of 3%, plus either the Comerica prime rate or a LIBOR-based rate, (6.52% as of December 31, 2018) and matures on January 1, 2020. The line of credit is secured by the assets of BHTF and is personally guaranteed by the Company's Chief Executive Officer, Frank E. Celli and James C Chambers, a director.

As of December 31, 2018, the $1,500,000 balance outstanding is presented net of $34,945 in gross costs associated with the financing, net of $4,275 in amortization calculated on the effective interest method, which is included in interest expense in the accompanying consolidated statements of operations and comprehensive loss.

Michaelson Senior Secured Term Promissory Financing – On February 2, 2018, the Company and several of the Company's wholly-owned subsidiaries entered into and consummated a Note Purchase and Security Agreement (the "Purchase Agreement") with Michaelson Capital Special Finance Fund II, L.P. (" MCSFF ") to issue a senior secured term promissory note in the principal amount of $5,000,000 (the "Note"). The Note is not convertible and accrues interest at the rate of 10.25% per annum. The Note provides for certain financial covenants that were not met as of December 31, 2018 and a waiver of such was granted by MCSFF. The Note is to be repaid in eight, equal, quarterly installments of $625,000 commencing on May 15, 2021 and ending February 2, 2023 (the "Maturity Date"). Additionally, the Note is secured by a general security interest in all of the Company's assets as well all of the assets of the Company's subsidiaries, excluding those of Entsorga West Virginia LLC which is subject to superior security interests relating to the Entsorga West Virginia LLC WVEDA bonds. Further, the Company's Chief Executive Officer, guaranteed a portion of the Registrant's obligations to MCSFF. In connection with the issuance of the Note, the Company issued MCSFF 320,000 shares of the Registrant's common stock, par value $0.0001 per share. As of December 31, 2018, the carrying balance of the note is comprised of $5,000,000 face, less $1,212,121 allocated to the common stock issued based upon the market value on the date issued, less associated amortization of $223,443 on the stock discount, less deferred financing costs of $211,187, less $51,170 of associated deferred financing cost amortization. All amortization is computed on the interest method and included in interest expense in the accompanying consolidated statements of operations and comprehensive loss.

Junior Promissory Note – On February 2, 2018, the Company entered into a Securities Exchange and Note Purchase Agreement (the "Exchange Agreement") with Frank E. Celli, the Company's Chief Executive Officer, whereby Celli exchanged $4,500,000 in a note receivable from the Company and $544,777 in advances made to the Company for $4,000,000 of the Registrant's Series C Convertible Preferred Stock, par value $0.0001 (the "Series C Preferred Stock") and a junior promissory note (the "Junior Note") amounting to $1,044,477, which is carried net of discounts amounting to $135,823, less associated amortization of $17,557. The Junior Note, which is subordinated to the senior secured note, is not convertible, accrues interest at the rate of 10.25% per annum and matures on February 2, 2024.

Series A Unsecured Subordinated Convertible Promissory Notes — During 2016, the Company entered into a series of Securities Purchase Agreements (the "Purchase Agreement") with certain accredited investors (the "Investors"), pursuant to which the Company agreed to sell and the Investors agreed to purchase in a private placement offering (the "Private Placement") units (the "Units") in the aggregate offering amount of $3,400,000, of which $2,250,000 was with related parties.

In accordance with the terms of the notes, on the maturity date of February 10, 2018, the entire $3,400,000 in notes were converted into shares of the Company's common stock at a price per share of $2.75. At the time of issuance, the warrants did not meet the definition of a derivative and therefore the warrants were not recorded as a derivative liability. As a result of the mandatory conversion the number of warrant shares and exercise price became fixed. The warrants for 1,236,369 shares of common stock were valued utilizing the Black-Scholes modelling technique utilizing stock prices of $4.90 on the dates of the debt conversion, an exercise price of $3.30, a standard deviation (volatility) of 40.79%, a risk-free interest rate of 3.07% with a term equal to the remaining term of the initial 5-year warrants. The model includes subjective input assumptions that can materially affect the fair value estimates. The total value of the warrants amounted to $2,812,989, which has been recognized as other interest expense and as additional paid in capital. In addition to the 1,236,369 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $523,788 in accrued interest on the notes with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 104,889 shares of common stock.

Series B Unsecured Subordinated Convertible Promissory Notes — During 2017 and 2016, the Company entered into a series of Securities Purchase Agreements (the "Purchase Agreement") with certain accredited investors (the "Investors"), who were also shareholders of the Company, pursuant to which the Company agreed to sell and the Investors agreed to purchase in a private placement offering (the "Private Placement") units (the "Units") in the aggregate offering amount of $650,000 and $1,250,000, respectively.

In accordance with the terms of the notes, upon the Company's uplisting to Nasdaq on April 9, 2018, the entire $1,900,000 in notes were converted into shares of the Company's common stock at a price per share of $2.75. At the time of issuance, the warrants did not meet the definition of a derivative and therefore the warrants were not recorded as a derivative liability. As a result of the mandatory conversion the number of warrant shares and exercise price became fixed. The warrants for 690,914 shares of common stock were valued utilizing the Monte Carlo modelling technique utilizing stock prices of $4.55 on the dates of the debt conversion, an exercise price of $3.30, a standard deviation (volatility) of 49.2% to 51.2%, a risk-free interest rate of 2.6% with a term equal to the remaining term of the initial 5-year warrants. The model includes subjective input assumptions that can materially affect the fair value estimates. The total value of the warrants amounted to $1,611,133, which has been recognized as other interest expense and as additional paid in capital. In addition to the 690,914 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $199,383 in accrued interest on the notes with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 46,372 shares of common stock. In connection with the conversion, the Company expensed the remaining $10,214 unamortized deferred financing costs as interest expense.

Series D Subordinated Convertible Promissory Notes — During the third quarter of 2017, the Company entered into a series of Securities Purchase Agreements (the "Purchase Agreement") with accredited investors (the "Investors"), pursuant to which the Company agreed to sell and the Investors agreed to purchase units (the "Units") in the aggregate offering amount of $2,000,000. Units aggregating $325,000 were with related parties.

In accordance with the terms of the notes, upon the Company's uplisting to Nasdaq on April 9, 2018, the outstanding $1,800,000 in notes were converted into shares of the Company's common stock at a price per share of $2.75. At the time of issuance, the warrants did not meet the definition of a derivative and therefore the warrants were not recorded as a derivative liability. As a result of the mandatory conversion the number of warrant shares and exercise price became fixed. The warrants for 654,553 shares of common stock were valued utilizing the Monte Carlo modelling technique utilizing stock prices of $4.55 on the dates of the debt conversion, an exercise price of $3.30, a standard deviation (volatility) of 47.5% to 48.0%, a risk-free interest rate of 2.6% with a term equal to the remaining term of the initial 5-year warrants. The model includes subjective input assumptions that can materially affect the fair value estimates. The total value of the warrants amounted to $1,520,224, which has been recognized as other interest expense and as additional paid in capital. In addition to the 654,553 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $105,289 in accrued interest on the notes with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 24,493 shares of common stock.

Series V Subordinated Convertible Promissory Notes — During 2016, the Company entered into a series of convertible promissory notes. In accordance with the terms of the notes, upon the Company's uplisting to Nasdaq on April 9, 2018, the outstanding $425,000 in notes were converted into shares of the Company's common stock at a price per share of $2.75. In addition to the 154,546 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $51,017 in accrued interest on the notes with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 11,868 shares of common stock.

Series C – Subordinated secured convertible notes — From May 24, 2017 through August 11, 2017, the Company entered into a series of Securities Purchase Agreements (the "Purchase Agreement") with certain accredited investors (the "Investors"), pursuant to which the Company agreed to sell, and the Investors agreed to purchase units (the "Units") in the aggregate offering amount of $1,250,000.

On February 2, 2018, in connection with and as a condition precedent to the closing of the MCSFF Financing, all of the holders of the Company's Series C agreed to amend the Series C notes to change the maturity date from May 24, 2018 to May 24, 2019. The Series C notes were also amended to provide for a mandatory conversion of the outstanding and unpaid principal amount of the Series C notes upon the Company's listing on the Nasdaq stock market or the NYSE American into shares of the Company's common stock. In consideration for the amendment, the Registrant issued the Holders additional warrants (the "Warrants") to purchase a number of shares of Common Stock equal to 10% of the number of shares such Series C Note is convertible into at an exercise price of $4.50 per share of Common Stock and expiring in five (5) years. The warrants for 45,459 shares of common stock were valued utilizing the Black-Scholes modelling technique utilizing stock prices of $4.95, an exercise price of $4.50, a standard deviation (volatility) of 40.5%, a risk-free interest rate of 2.95% with a term of 5 years. The resulting $96,446 value has been recognized as other interest expense and as additional paid in capital.

In accordance with the terms of the amended notes, upon the Company's uplisting to Nasdaq on April 9, 2018, the outstanding $1,250,000 in notes were converted into shares of the Company's common stock at a price per share of $2.75. In addition to the 454,549 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $36,223 in accrued interest on the notes with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 8,428 shares of common stock. In connection with the conversion, the Company expensed the remaining $133,539 unamortized discounts as interest expense.

Convertible Note — Effective March 31, 2017 the Company entered into a Securities Purchase Agreement, a Convertible Note with a maximum funding amount of $550,000 and Warrants with Vista Capital Investments LLC ("Vista"), of which $220,000 was funded. The funding which would have matured on October 31, 2017 was converted prior to maturity. During the first quarter of 2018, the funding maturing on January 26, 2018 was converted prior to maturity.

During the third quarter of 2017, the holder exercised 24,750 warrants in a cashless exercise, resulting in the issuance of 14,093 shares of common stock.

As of December 31, 2018, the holder has warrants outstanding that provide for the acquisition of up to 24,750 shares of common stock at $4.00 per share and expire in five years from the date of issuance (June 26, 2022).

Notes Payable — During the year ended December 31, 2015, the Company entered into two unsecured promissory notes that have been amended during 2016 and 2017, which do not contain any financial covenants. As of December 31, 2017, the notes each had a remaining balance outstanding of $100,000 and $275,000 with interest at the rate of 10.0% and each mature on January 1, 2020.

On March 23, 2018, the Company entered into a Securities Exchange Agreement (the "Exchange Agreement") with Frank J. Celli, the father of the Company's Chief Executive Officer, whereby Celli exchanged $275,000 in a note receivable, above, for $275,000 of the Registrant's Series C Convertible Preferred Stock, par value $0.0001 (the Series C Preferred Stock"). The Series C Preferred Stock has a stated value of $10.00 per share and is convertible, at the holder's option, into the Registrant's common stock, par $0.0001, at a conversion price of $4.75 per share. The Series C Preferred Stock is non-redeemable, has voting rights together with the common stock, par $0.0001, at the rate of 4 votes to 1 and accrues dividends at 10.25% of the stated value outstanding. In connection with this transaction, the Registrant also issued Celli warrants to purchase 28,948 shares of Common Stock, exercisable at $5.50 per share which expire in five (5) years. The warrants for 28,948 shares of common stock were valued utilizing the Black-Scholes modelling technique utilizing stock prices of $4.05, an exercise price of $5.50, a standard deviation (volatility) of 41.8%, a risk-free interest rate of 2.9% with a term of 5 years. The resulting $36,128 value has been recognized as additional paid in capital.

As of December 31, 2018, an unsecured note of $100,000 with an unrelated party remains outstanding. The note provides for interest at 10.0% and matures on January 1, 2020.

Long Term Debt — Represents two loans collateralized by vehicles with interest ranging from 1.9% to 4.99%, each with amortizing principal payment requirements through 2020 and 2022, respectively.

Maturities of Non-Current Promissory Note, Long Term Debt and Unsecured Subordinated Convertible Notes — as of December 31, 2018, excluding discounts and deferred finance costs, which are being amortized as interest expense, are as follow:

Year Ending December 31,	Amortizing	Non-Amortizing	Total
2019	$ 9,165	$ -	$ 9,165
2020	4,605	100,000	104,605
2021	4,380	1,875,000	1,879,380
2022	3,821	2,500,000	2,503,821
2023 and thereafter	-	1,669,477	1,669,477
Total	**$ 21,971**	**$ 6,144,477**	**$ 6,166,448**

Interest Expense — All interest on the Company's various debts are recognized as interest expense in the accompanying consolidated financial statements.

Note 15. Entsorga West Virginia, LLC WVEDA Solid Waste Disposal Revenue Bonds

During 2016, Entsorga West Virginia LLC (the "Borrower") was issued $25,000,000 in Solid Waste Revenue Bonds from the West Virginia Economic Development Authority (the "WVEDA Bonds"). The WVEDA Bonds were issued in two series with one for $7,535,000 bearing interest at 6.75% per annum with a maturity date of February 1, 2026 and the second for $17,465,000 bearing interest at 7.25% per annum with a maturity of February 1, 2036. Both series were issued at par. The 2026 series is payable with interest-only payments through February 1, 2019 then annual payments of principal and semi-annual payments of interest through maturity. The 2036 series is payable with interest-only payments through February 1, 2019 then annual payments of principal and semi-annual payments of interest through maturity. Repayment of principal is by way of sinking fund.

During 2018, the 2016 Indenture Trust and Loan Agreement were amended and restated effective November 1, 2018. These amendments provided for a third series of bonds amounting to $8,000,000 bearing interest at 8.75% per annum with a maturity date of February 1, 2036, with special event triggered pre-payment requirements. This series was issued at par. The 2036 series is payable with interest-only payments through February 1, 2020 then annual payments of principal and semi-annual payments of interest through maturity. Repayment is by way of sinking fund.

The outstanding balance of the WVEDA Bonds as of December 31, 2018 is $33,000,000, which is presented net of unamortized debt issuance amounting to $1,914,098, costs of $2,145,608, less associated amortization of $231,510, which includes amortization prior to the Company's control acquisition in 2018.

The loan agreement and Indenture of trust place restrictions on the Borrower and its members regarding additional encumbrances on the property, disposition of the property, and limitations on equity distributions. The loan agreement also provides for financial covenants that will become effective two quarters following the completion of the facility or two quarters following March 31, 2019, whichever is earlier.

The future sinking fund payments by the Borrower as of December 31, 2018 are as follow:

	2016 Issue 2026 Series	2016 Issue 2036 Series	2018 Issue 2036 Series	Total
2019	$ -	$ -	$ -	$ -
2020	1,160,000	-	230,000	1,390,000
2021	1,215,000	-	255,000	1,470,000
2022	900,000	-	275,000	1,175,000
2023 and thereafter	4,260,000	17,465,000	7,240,000	28,965,000
Total	**$ 7,535,000**	**$ 17,465,000**	**$ 8,000,000**	**$ 33,000,000**

Note 16. Revision of Stockholders' Equity in Financial Statements

During the preparation of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, the Company determined that it had incorrectly recorded beneficial conversion features associated with the Company's Series A Redeemable Convertible Preferred Stock (the "Sr. A Preferred Stock") as of December 31, 2017. The error resulted in an understatement of additional paid in capital and over statement of the Sr. A Preferred Stock. The Company assessed the materiality of the misstatement in accordance with Accounting Standards Codification ("ASC") 250, Accounting Changes and Error Corrections, SEC Staff Accounting Bulletins No. 99, Materiality, and No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, and concluded that the misstatement was not material to the Company's consolidated financial position for the prior periods and that amendments of previously filed reports were not required. However, the Company determined that the impact of the corrections would be too significant to record in the first quarter of fiscal 2018. As such, the revision for the correction is reflected in the balance sheet as of December 31, 2017. Disclosure of the revised amounts will also be reflected in future filings containing the applicable periods.

The effect of the revision on line items within the Company's condensed consolidated balance sheet as of December 31, 2017 was as follows:

	As Previously Reported	Adjustment	As Revised
Series A redeemable convertible preferred stock	$ 1,095,577	$ (472,294)	$ 623,283
Additional paid in capital	17,280,696	472,294	17,752,990
Total Stockholders' (Deficit)	(11,489,018)	472,294	(11,016,724)

The error did not have a material impact on the Company's results of operations or cash flows in the prior period and, accordingly, no revision was made thereto.

Note 17. Equity and Equity Transactions

The Company has 50,000,000 shares of its $0.001 par common stock and 10,000,000 shares of blank check preferred stock authorized by its shareholders. As of December 31, 2018, 14,802,956 shares of common stock have been issued and 3,159,120 shares of preferred stock have been designated in four series of shares, as follows:

Designation	Authorized Shares	Par Value	Stated Value
Series A Convertible Preferred Stock	333,401	$ 0.0001	$ 5.00
Series B Convertible Preferred Stock	1,111,200	0.0001	$ 5.00
Series C Convertible Preferred Stock	1,000,000	$ 0.0001	$ 10.00
Series E Convertible Preferred Stock	714,519	$ 0.0001	$ 2.64

Under the terms of the Company's senior lender agreements, the Company is restricted from paying dividends in cash, but is allowed to pay dividends in common stock. The Company, since its merger in 2015 has not paid any cash dividends.

The consolidated financial statements include less than 100% owned and controlled subsidiaries and include equity attributable to non-controlling interests that take the form of the underlying legal structures of the less than 100% owned subsidiaries. Entsorga West Virginia LLC through its limited liability agreement and the agreements related to its WVEDA Bonds have restrictions on distributions to and loans to owners while the WVEDA Bonds are outstanding.

The Company has had the following equity related transactions during the two years ended December 31, 2018 and prior to the extent they are continuing and not disclosed elsewhere in the financial statements:

Series A Redeemable Convertible Preferred Stock — Due to the existence of redemption features, the stock is accounted for as temporary equity (similar accounting treatment to debt). As of December 31, 2017, the Series A Preferred Stock reflect: stated amount of $1,666,999, net of original issue discount of $166,699, bifurcated warrants of $403,630, bifurcated beneficial conversion feature of $535,630, net of amortization of discounts of $86,657. In addition, as of December 31, 2017, the Series A Preferred Stock is presented net of deferred issuance costs of $30,000, net of amortization of $5,586, respectively. Amortization of discounts and deferred issuance costs are reflected as interest expense in the accompanying consolidated statements of operations and comprehensive loss.

On March 30, 2018, the Company and holders of the Series A Convertible Preferred Stock ("Series A Preferred") amended and restated to provide the holders with the option to redeem their shares anytime following the first anniversary if the Company consummates an equity financing in an amount equal to the stated value of the Series A Preferred, plus any and all accrued dividends. In addition, the dividend on the Series A Preferred was amended to nine percent (9%), the first dividend payment date was amended to June 30, 2018 and the conversion price, by the terms of the Certificate of Designation, was set at $4.50 per share of the Company's common stock. In addition, the Company agreed to issue the holders, within 5 business days after the first day of trading of the Company's common stock on an Eligible Market, warrants to purchase up to 180,000 shares of Common Stock at an exercise price of $5.00 per share and expiring in four (4) years on a pro-rata basis to the holders of record of the Series A Preferred Shares at the time of such issuance. The warrants for 180,000 shares of common stock were valued utilizing the Black-Scholes modelling technique utilizing stock prices of $4.05, an exercise price of $5.00, a standard deviation (volatility) of 41.8%, a risk-free interest rate of 2.9% with a term of 4 years. The resulting $246,319 value has been recognized as other interest expense and additional paid in capital.

In connection with the amendment, the holder subsequently redeemed $317,000 in stated value shares at stated value, which resulted in the Company reflecting an additional interest expense of $157,455 to write off unamortized discounts and costs relating to the shares redeemed.

During June of 2018, the holder converted 40,000 shares with an aggregate stated value of $200,000 of stated value for 44,444 shares of common stock. In connection with the conversion the Company reflecting an additional interest expense of $73,461 to adjust unamortized discounts and costs relating to the shares converted.

During August of 2018, the holder converted 46,689 shares with an aggregate stated value of $233,445 of stated value for 51,876 shares of common stock. In connection with the conversion the Company reflecting an additional interest expense of $47,767 to adjust unamortized discounts and costs relating to the shares converted.

During October of 2018, the holder converted 20,000 shares with an aggregate stated value of $100,000 of stated value for 22,222 shares of common stock.

As of December 31, 2018, the net Series A Preferred Stock balance of $816,553 is comprised of 163,312 shares at stated value. The original issue discount of $166,699, bifurcated warrants of $403,630, bifurcated beneficial conversion feature of $535,630 and deferred issuance costs of $30,000 have been fully amortized through December 31, 2018. Interest expense resulting from the amortization amounted to $1,043,715 and $92,244 during the years ended December 31, 2018 and 2017, respectively and is reflected in the accompanying consolidated statements of operations and comprehensive loss as interest expense. As of December 31, 2018, the cumulative unpaid dividends for the Series A Preferred Stock amounted to $94,300.

Series B Convertible Preferred Stock — On December 28 and 29, 2017, the Company entered into a series of Securities Purchase Agreements (individually, the "Purchase Agreement") with certain accredited investors (the "Investors"), pursuant to which the Registrant agreed to sell and the Investors agreed to purchase, in a private placement offering (the "Offering"), an aggregate of 160,000 shares of the Company's Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Shares") at the price of $5.00 per Series B Preferred Share and warrants (the "Warrants") that are exercisable for five years to purchase 88,888 shares of the Registrant's common stock, par value $0.0001 per share (the "Common Stock") at an exercise price of $5.00 per share, for an aggregate offering amount of $800,000.

As of December 31, 2017, the Series B Preferred Stock reflect the stated amount of $800,000, net of bifurcated warrants of $100,688. The warrants for 88,889 shares of common stock were valued utilizing the Monte Carlo modelling technique utilizing stock prices of $3.92 to $4.09 on the dates of the grants, an exercise price of $5.00, a standard deviation (volatility) of 39.4%, a risk-free interest rate of 2.65% to 2.67% based on the date of issue, with a term of 5 years. The model includes subjective input assumptions that can materially affect the fair value estimates. Conversion options are recorded as instrument discounts and are not being amortized due to the mandatory conversion features.

From January 1, 2018 through March 31, 2018 the Company entered into a series of Purchase Agreements with certain accredited Investors, pursuant to which the Company agreed to sell and the Investors agreed to purchase, in the Offering, an aggregate of 268,333 shares of the Company's Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Shares") at the price of $5.00 per Series B Preferred Share and warrants (the "Warrants") that are exercisable for five years to purchase 149,074 shares of common stock, par value $0.0001 per share (the "Common Stock") at an exercise price of $5.00 per share, for an aggregate offering amount of $1,341,665.

The warrants issued in 2018 for 149,074 shares of common stock were valued utilizing the Monte Carlo modelling technique utilizing stock prices of $4.05 to $4.31 on the dates of the grants, an exercise price of $5.00, a standard deviation (volatility) of from 41.1 to 41.8%, a risk-free interest rate of 2.91% to 3.14% based on the date of issue, with a term of 5 years. The model includes subjective input assumptions that can materially affect the fair value estimates. Conversion options are recorded as instrument discounts and are not being amortized due to the mandatory conversion features.

Due to the lack of redemption features and the presence of mandatory conversion features, the Series B Preferred stock has been presented as a component of shareholders' equity.

In accordance with the terms of the stock, upon the Company's uplisting to Nasdaq on April 9, 2018, all 428,333 outstanding shares were converted into shares of the Company's common stock at a price per share of $4.50 In addition to the 475,935 shares of common stock issued in the conversion, under the agreements, the Company exercised its rights to pay all $17,733 in accumulated dividends on the preferred shares with shares of common stock based on the market price of the shares on the day prior to the conversion, which resulted in the issuance of 4,132 shares of common stock.

Series C Convertible Preferred Stock — The Series C Preferred Stock has a stated value of $10.00 per share and is convertible, at the holder's option, into the Registrant's common stock, par $0.0001, at a conversion price of $4.75 per share. The Series C Preferred Stock is non-redeemable, has voting rights together with the common stock, par $0.0001, at the rate of 4 votes to 1 and accrues dividends at 10.25% of the stated value outstanding. As of December 31, 2018, the Series C Preferred Stock is comprised of $4,275,000 face value, less $556,283 warrant valuation and beneficial conversion features of $668,575 reflected in additional paid in capital.

On February 2, 2018, in connection with and as a condition precedent to the closing of the MCSFF Note, the Company entered into a Securities Exchange and Note Purchase Agreement (the "Exchange Agreement") with Frank E. Celli, the Company's Chief Executive Officer, whereby Celli exchanged $4,500,000 in a note receivable and $544,777 in advances made to the Company for $4,000,000 of the Company's Series C Preferred Stock and a junior promissory note (the "Junior Note"). The Junior Note, which is subordinated to the MCSFF Note, is not convertible, accrues interest at the rate of 10.25% per annum and matures on February 2, 2024. In connection with this transaction, the Registrant also issued Celli warrants to purchase 421,053 shares of Common Stock, exercisable at $5.50 per share which expire in five (5) years. The warrants for 421,053 shares of common stock were valued utilizing the Black Scholes modelling technique utilizing stock price of $4.95, an exercise price of $5.50, a standard deviation (volatility) of 40.48%, a risk-free interest rate of 2.95% based on the date of issue, with a term of 5 years.

On March 23, 2018, the Company entered into a Securities Exchange Agreement (the "Exchange Agreement") with Frank J. Celli, the father of the Company's Chief Executive Officer, whereby Frank J. Celli exchanged $275,000 in a note receivable from the Company for $275,000 of the Company's Series C Preferred Stock. In connection with this transaction, the Registrant also issued Frank J. Celli warrants to purchase 28,948 shares of Common Stock, exercisable at $5.50 per share which expire in five (5) years. The warrants for 28,948 shares of common stock were valued utilizing the Black Scholes modelling technique utilizing stock price of $4.05, an exercise price of $5.50, a standard deviation (volatility) of 41.77%, a risk-free interest rate of 2.91% based on the date of issue, with a term of 5 years.

As of December 31, 2018, the net Series C Preferred Stock balance of $3,050,142 is comprised of 427,500 shares at stated cost. The bifurcated warrants of $556,283 and bifurcated beneficial conversion feature of $668,575, which are not being amortized due to the Series C Preferred Stock being classified as permanent equity. As of December 31, 2018, the cumulative unpaid dividends for the Series C Preferred Stock amounted to $426,000.

Series E Convertible Preferred Stock — On December 14, 2018, the Company consummated a transaction with Entsorga USA, Inc. whereby EUSA agreed to sell, transfer and convey to the Registrant Two Thousand Six Hundred Seventy-Six and 60/100 (2,676.60) common membership units of EWV in consideration for 714,519 newly issued shares of stock of the Company's newly created Series E Preferred Stock, par value $0.0001, (the "Series E Shares") convertible into 714,539 shares (the "Conversion Shares") of the Registrant's common stock, par value $0.0001 per share (the "Common Stock").

The Series E Shares with a stated value of $2.64 per share is convertible into shares of the Registrant's common stock, par value $0.0001 per share and does not earn any dividends and has no special voting rights. The Series E Shares are convertible at the rate of one share of common stock for each Series E Share converted, subject to adjustment for stock splits and reclassifications. Immediately following the issuance of the Series E Shares, 150,000 Series E Shares were converted into 150,000 shares of common stock.

Maxim Warrants — In connection with the issuance of the Series A Unsecured Subordinated Convertible Promissory Notes, the Company agreed to issue warrants to Maxim Group LLC, the placement agent, that are exercisable into 10% of the total number of shares of common stock that the notes are convertible under the notes at an exercise price of $3.75 per share. The warrants expire 5 years from the date of issuance of the underlying notes, which was February 10, 2016.

As a result of the maturity of the Series A unsecured subordinated convertible promissory notes on February 10, 2018, the contingency that had prevented the valuation of the warrants has been resolved, resulting in warrants to purchase 10,909 shares of common stock that have been valued at $25,133, which has been expensed as other interest during the first quarter of 2018 and credited to additional paid in capital.

Barksdale Warrants — In connection with an Offering of BHTA in October 2013 of Class B Common Interests BHTA agreed to issue Barksdale Global Holdings, LLC ("Barksdale") warrants to purchase a number of Class B Common Interests of BHTA, as now converted into Common Stock of the Company. The warrants were subsequently issued on June 30, 2015, whereby Barksdale was issued a warrant to purchase up to $140,000 of BHTA's Class B Common Interests on or before the expiration date of June 30, 2020. The warrant is exercisable during the period commencing upon the consummation of the Company's next successive equity raise in which the Company receives gross proceeds of a minimum of $5,000,000 ("Qualified Financing"). If the Company does not consummate a Qualified Financing prior to the expiration date, the warrant shall never be exercisable.

Series Debt and Series Preferred Stock Offerings — In connection with the various series debt and preferred stock offerings, warrants issued have been disclosed as part of the description of the debt and preferred stock offerings.

2014 and 2015 Debt Offerings — In connection with prior debt offerings that have been converted into equity, warrants expiring between May and July of 2020 representing an $80,000 purchase equity interest remain outstanding. The warrants allow the holders to acquire up to $80,000 of the Company's common stock at a price of 120% of the closing price of the Company's first issuance of equity in one, or a series of related transactions, through which the Company receives gross process of $5,000,000 or more from one or more financial institutions or "accredited investors". Should the Company not consummate such an issuance of equity by the expiration of the warrants, the warrants shall never be exercisable.

Shareholder Awareness Consulting Agreement **—** During 2017, the Company initially entered into a ninety-day consulting agreement for shareholder awareness. The contract provided for 100,000 shares of the Company's restricted common stock that will vest over the ninety-day period. During 2017, 100,000 shares were earned at a cost of $302,368 and are reflected as professional fees and an increase to additional paid in capital. The contract also provided for the granting of a warrant for 100,000 shares of common stock. The warrant was valued at $105,188 utilizing the Black–Scholes–Merton model utilizing a stock price of $3.00 on the date of the initial estimation of the liability in the second quarter of 2017 utilizing the Black–Scholes–Merton model utilizing, an exercise price of $2.75, a standard deviation (volatility) of 31.11%, a risk-free interest rate of 2.75% with a term of 5 years. The costs reflect the vesting of such shares based upon the daily closing prices of the Company's common stock and the estimated valuation of the warrant, which are reflected as professional fees and an increase to additional paid in capital. During the second quarter of 2017, the warrant was issued and the valuation at the time of issuance resulted in a $1,999 change in the fair value of the warrant, which has been expensed as a non-operational expense. During the third quarter of 2017, the consultant exercised 100,000 warrants in a cashless exercise, resulting in the issuance of 70,044 shares of common stock.

During the third quarter of 2017, the Company and the consultant amended the terms to extend the contract through December 31, 2017. Under the terms of the extension, in addition to cash fees, the Company agreed to grant the consultant an additional 75,000 shares that will be earned over the term of the contract, from the date that the initial contract expired. During 2017, 75,000 shares were earned at a cost of $325,172. The costs reflect the vesting of such shares based upon the daily closing prices of the Company's common stock and reflected as professional fees and an increase to additional paid in capital.

During the fourth quarter of 2017, the Company and consultant further amended and restated the terms of the agreement, which terminated on December 31, 2017, to provide for cash payments in the fourth quarter of $90,000 and for the issuance of a warrant to purchase 10,000 shares of the Company's common stock. The warrant was valued at $23,851 utilizing the Black–Scholes–Merton model utilizing a stock price of $5.80 on the date of the issuance, an exercise price of $5.00, a standard deviation (volatility) of 35.6%, a risk-free interest rate of 2.74% with a term of 5 years. The costs are reflected as professional fees and an increase to additional paid in capital.

Shareholder Information and Marketing Agreement — During 2016, the Company entered into a service agreement for an initial three-month term, subject to a termination option after the initial 30-day period. In addition to monthly cash fees, the Company will issue 8,000 shares of restricted common stock that will vest over the three-month period. During the three months ended March 31, 2017, 3,200 shares were earned at a cost of $8,053. During 2016, 4,800 shares were earned with a related cost of $12,952. The costs reflect the vesting of such shares based upon the daily closing prices of the Company's common stock and reflected as professional fees and an increase to additional paid in capital. The 8,000 shares were issued in the second quarter of 2017.

Senior Lender Consent — In connection with obtaining consent from the Company's senior lender, MCSFF allowing for the increase of the line of credit from Comerica, on November 7, 2018, MCSFF were granted warrants to acquire 100,000 shares of the Company's common stock at an exercise price of $5.00 per share. The value of the warrants was determined utilizing the modelling technique utilizing stock prices of $2.92 on the date of issuance, an exercise price of $5.00, a standard deviation (volatility) of 32.5%, a risk-free interest rate of 3.05% with a term equal five year warrants. The model includes subjective input assumptions that can materially affect the fair value estimates. The total value of the warrants amounted to $45,462, which has been recognized as other interest expense and as additional paid in capital.

Note 18. Equity Incentive Plans

The Company has two equity incentive plans:

2015 Equity Incentive Plan — During 2015, the Company established the BioHiTech Global, Inc. 2015 Equity Incentive Plan, which is available to eligible employees, directors, consultants and advisors of the Company and its affiliates. The plan allows for the granting of incentive stock options, nonqualified stock options, reload options, stock appreciation rights, and restricted stock representing up to 750,000 shares. The Plan is administered by the Compensation Committee of the Board of Directors.

2017 Executive Incentive Plan — During 2017, the Company established the BioHiTech Global, Inc. 2017 Executive Incentive Plan, which is available to eligible employees, directors, consultants and advisors of the Company and its affiliates. The plan allows for the granting of incentive stock options, nonqualified stock options, reload options, stock appreciation rights, and restricted stock representing up to 1,000,000 shares. The Plan is administered by the Compensation Committee of the Board of Directors.

The shares underlying the plans, which total 1,750,000, have been registered by the Company under a Form S-8 Registration Statement declared effective July 7, 2018 by the Securities and Exchange Commission.

Compensation expense related to stock options and restricted units was:

	2018	2017
Stock options	$ 164,906	$ 99,975
Restricted stock units	671,466	229,807
	$ 836,372	**$ 329,782**

Stock Options **–** The fair value of options is estimated on the date of grant using the Black-Scholes option pricing model. The valuation determined by the Black-Scholes pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The risk-free rate is based on the U.S. Treasury rate for the expected life at the time of grant, volatility is based on the average long-term implied volatilities of peer companies, the expected life is based on the estimated average of the life of options using the simplified method, and forfeitures are estimated on the date of grant based on certain historical data. The Company utilizes the simplified method to determine the expected life of its options due to insufficient exercise activity during recent years as a basis from which to estimate future exercise patterns. The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

The following summarizes the Company's stock option activity for the years ended December 31, 2018 and 2017:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding – January 1, 2017	**363,750**	**$ 3.75**	**9.17**	**$ -**
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or Canceled	(51,041)	3.75	-	-
Outstanding – December 31, 2017	**312,709**	**3.75**	**8.17**	**53,161**
Exercisable – December 31, 2017	**153,121**	**3.75**	**8.17**	**26,081**
Outstanding – January 1, 2018	312,709	3.75	9.17	-
Granted	297,790	3.68	9.5	-
Exercised	(16,527)	3.75	-	4,779
Forfeited, Canceled or Expired	(111,890)	3.72	-	-
Outstanding – December 31, 2018	**482,082**	**3.71**	**7.80**	-
Exercisable – December 31, 2018	**209,589**	**$ 3.75**	**5.85**	**$ -**

The following summarizes the Company's stock option activity for non-vested options for the years ended December 31, 2018 and 2017:

	Number of Options	Weighted Average Exercise Price
Balance at January 1, 2017	**273,332**	**$ 3.75**
Granted	-	-
Vested	(79,091)	(3.75)
Forfeited or Canceled	(34,653)	(3.75)
Balance at December 31, 2017	**159,588**	**3.75**
Granted	297,790	3.68
Vested	(72,995)	(3.75)
Forfeited, Canceled or Expired	(111,890)	(3.72)
Balance at December 31, 2018	**272,493**	**$ 3.75**

Total unrecognized compensation expense related to the unvested options at December 31, 2018 and 2017 amounts to $462,297 and $117,928, which the weighted average period that the expense is expected to be recognized is 2.44 and 1.15 years, respectively.

On June 7, 2018 the Company granted 297,790 non-qualified stock options with an exercise price of $3.68 per share with a total value of $595,563 based upon using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.81%
Expected dividend yield	0.00%
Expected volatility	53.35%
Expected term in years	6.36

Restricted Stock Units **–** During 2018, the Company granted or modified 768,572 restricted stock units ("RSU") to certain employees generally vesting over a three-year period, subject to continued service on each applicable vesting date. The RSUs have no voting or dividend rights. The unamortized cost of the modified RSUs at the time of modification is being amortized over the modified vesting periods. The fair value of the common stock on the date of the grant ranged from $3.50 to $4.05 per share based upon the quoted closing price of the Company's common stock on the grant date. The aggregate grant date fair value of the award amounted to $2,472,246 which will be recognized as compensation expense over the vesting period. As of December 31, 2018 and 2017, the aggregate intrinsic value of the unvested RSUs, determined by multiplying the anticipated number of RSUs that will vest by the closing market price of the underlying common stock, was $1,203,240 and $670,759, respectively.

Total unrecognized compensation expense related to the unvested RSUs at December 31, 2018 and 2017 amounts to $1,884,479 and $446,740, respectively, and is expected to be recognized over a weighted average period of 2.34 and 1.16 years, respectively.

The following summarizes the Company's RSU activity for the years ended December 31, 2018 and 2017:

	Number of Shares
Unvested balance at January 1, 2017	**331,667**
Granted	-
Vested	(75,000)
Forfeited or Canceled	(85,555)
Unvested balance at December 31, 2017	**171,112**
Granted or modified	768,572
Vested	(114,997)
Forfeited or Canceled	(81,946)
Unvested balance at December 31, 2018	**742,741**

Note 19. Income Taxes

The U.S. Tax Cuts and Jobs Act (the "Tax Act") was enacted on December 22, 2017 and introduces significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35% to 21%, transitions the U.S international taxation from a worldwide tax system to a territorial system, and creates new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as the global intangible low-taxed income tax and the base erosion tax, respectively. The Company recognized a deferred tax expense of $2,144,139 to reflect the reduced U.S. tax rate of the Tax Act and a corresponding deferred tax benefit to reflect the reduction of the valuation allowance. As of December 31, 2017, the Company did not have accumulated foreign subsidiary earnings, accordingly, while the Tax Act provides for a one-time transition tax on accumulated foreign subsidiary earnings not previously subject to U.S. income tax, there was no tax expense related to that part of the Tax Act.

The following table presents the components of income tax expense (benefit) from operations for the year ended December 31, 2018 and 2017.

	Year Ended December 31,	
	2018	2017
US Federal:		
Deferred	$ 1,992,255	$ (230,242)
State and local:		
Deferred	(618,573)	(701,299)
Non-US:		
Deferred	58,880	(49,781)
Change in valuation allowance	(1,432,562)	981,322
Income tax provision	**$ -**	**$ -**

The following table presents a reconciliation of differences between the Federal statutory tax rate and the Company's effective income tax rate for the year ended December 31, 2018 and 2017:

	Year Ended December 31,	
	2018	2017
U. S. Federal Statutory rate	(21.0)%	(34.0)%
Non-U.S. losses	0.1	0.5
Impact of US statutory tax rate change	-	25.7
Impact of US statutory tax rate change on valuation allowance	-	(25.7)
Local taxes, net of benefit	4.2	(7.4)
Nondeductible expenses	9.6	2.3
Other	(2.6)	1.1
	(9.7)	**(37.5)**
Change in valuation allowance	9.7	37.5
Effective income tax rate	**-%**	**-%**

The following table presents the Company's net deferred tax assets and valuation allowance as of December 31, 2018 and 2017:

	December 31,	
	2018	2017
Deferred tax assets:		
Net operating losses - Federal	$ 3,984,049	$ 2,722,166
Net operating losses - State	802,934	1,365,898
Net operating losses - Non-US	177,864	118,984
Stock-based compensation	434,487	325,262
Accrued expenses	441,756	601,515
Interest	524,677	-
Other, net	88,157	-
	6,453,924	**5,133,825**
Deferred tax liabilities:		
Property and equipment - Federal	(86,344)	(198,807)
	(86,344)	**(198,807)**
Net deferred tax assets	6,367,580	4,935,018
Valuation allowance	(6,367,580)	(4,935,018)
Net deferred tax assets	**$ -**	**$ -**

The net operating loss carryovers may be subject to limitation under Internal Revenue Code Section 382 should there be greater than a 50% ownership change as determined under the regulations. As of December 31, 2018, the Company had net operating loss carryforwards of approximately $18,900,000 and $10,300,000 for federal and state income tax purposes, respectively. The federal net operating losses of approximately $14,200,000 which were generated in tax years beginning before January 1, 2018, will begin to expire in 2036 if not utilized. The balance of the net operating losses, approximately $4,700,000 do not expire. The state net operating losses expire at various times depending on the state with a majority beginning to expire in 2036 if not utilized. There were no net operating losses for federal corporate income tax purposes prior to the year ended December 31, 2015. US Federal corporate income tax returns for the years ended December 31, 2015 and later are open for examination and audit.

Note 20. Commitments and Contingencies

From time to time, the Company is involved in legal matters arising in the ordinary course of business, as of December 31, 2018 the Company is involved in the following matters.

The Company has accrued their contractual obligations, but are disputing payment for a consulting services agreement with Tusk Ventures LLC ("Tusk"), in which Tusk claim that it is owed $250,000 pursuant to an agreement. This matter was filed in the Supreme Court of the State of New York, New York County in April 2017 and while the Company has accrued all contractual amounts, it intends to defend the action vigorously. The Company and legal counsel believe this matter does not present a material risk to the Company.

On February 7, 2018, Lemartec Corporation ("Lemartec") filed a complaint against the Company in the United States District Court for the Northern District of West Virginia arising out of the construction of the Company's resource recovery facility in Martinsburg, West Virginia alleging breach of contract and unjust enrichment. The Company has filed its answer and counterclaims for damages against Lemartec and cross claims against Lemartec's performance bond surety, Philadelphia Indemnity Insurance Company. Trial is expected to begin in August 2019 and the Company intends to vigorously defend the complaint. The Company cannot provide assurances that, the amount, and ultimate liability, if any, with respect to the remaining actions will not materially effect the Company's financial position, results of operations, or cash flows.

It is management's opinion that the resolution of these known claims should not have a material adverse impact on the financial position of the Company. There can be no assurance, however, that unforeseen circumstances will not result in significant costs. While the Company believes that these such matters are currently not a risk material to the Company's financial position, there can be no assurance that these or other matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

Note 21. Related Party Transactions

Related parties include Directors, Senior Management Officers, and shareholders, plus their immediate family, who own a 5% or greater ownership interest at the time of a transaction. The table below presents the face amount of direct related party assets and liabilities and other transactions or conditions as of or during the periods indicated.

		December 31, 2018	December 31, 2017
Assets:			
Accounts receivable	(k, l and m)	$ 168,588	$ -
Intangible assets, net	(a)	83,933	174,133
Liabilities:			
Accounts payable	(a)	160,761	298,942
Accrued interest payable		46,796	9,536
Long term accrued interest		1,305,251	1,545,146
Notes payable		-	275,000
Advance from related party	(b)	-	544,777
Junior promissory note	(c)	926,211	-
Promissory note - related parties	(d)	-	4,500,000
Series A - Unsecured subordinated convertible notes	(e)	-	2,250,000
Series B - Unsecured subordinated convertible notes	(f)	-	1,750,000
Series C - Subordinated secured convertible notes	(g)	-	450,000
Series D - Unsecured subordinated convertible notes	(h)	-	325,000
Series V - Unsecured subordinated convertible notes	(i)	-	300,000
Other:			
Line of credit guarantee	(j)	1,469,330	2,463,736

The table below presents direct related party expenses or transactions for the years ended December 31. Compensation and related costs for employees of the Company are excluded from the table below.

		2018	2017
Management advisory fees	(k)	$ 847,717	$ -
Project fees	(l)	162,435	-
Consulting revenue	(m)	62,795	81,110
S, G & A - Rent expense	(n)	54,180	53,447
Cost of revenues - Rent expense	(n)	43,968	43,619
S, G & A - Consulting expense	(a)	179,166	200,000
Interest expense		271,498	1,027,787
Debt guarantee fees	(j)	56,250	-
Cost of revenue, inventory or equipment on operating leases acquired	(a)	15,704	362,497

(a) ***Distribution Agreement*** - BioHiTech has an exclusive license and distribution agreement (the "License Agreement") with BioHiTech International, Inc., a company owned by James Koh, a BioHiTech shareholder and other unrelated parties. The License Agreement provides distribution rights to the Eco-Safe Digester through December 31, 2023 (unless extended by mutual agreement) and for annual payments to Mr. Koh in the amount of $200,000 for the term of the License Agreement and a 2.5% additional commission on all sales closed by Mr. Koh. Effective October 17, 2018, the agreement was amended to reduce the annual payments to $75,000 and to remove several international locations that the Company does not actively market.

(b) ***Advance from Related Party*** - The Company's Chief Executive Officer (the "Officer") has in the past advanced the Company funds for operating and capital purposes. The advances bear interest at 13% and are unsecured and due on demand. There are no financial covenants related to this advance and there are no formal commitments to extend any further advances. On February 2, 2018 the advances were part of an exchange that resulted in the issuance of Series C preferred stock, warrants and a new junior promissory note, see (c) below.

(c) ***Junior Promissory Note*** - On February 2, 2018, the Company entered into a Securities Exchange and Note Purchase Agreement (the "Exchange Agreement") with Frank E. Celli, the Company's Chief Executive Officer, whereby Celli exchanged $4,500,000 in a note receivable from the Company and $544,777 in advances made to the Company for $4,000,000 of the Registrant's Series C Convertible Preferred Stock, par value $0.0001 (the Series C Preferred Stock") and a junior promissory note (the "Junior Note"). The Junior Note, which is subordinated to the senior secured note, is not convertible, accrues interest at the rate of 10.25% per annum and matures on February 2, 2024.

(d) ***Promissory Note - Related Party –***On June 25, 2014, the Company initially entered into a secured promissory note with the Company's Chief Executive Officer in the aggregate amount of $1,000,000 (the "Promissory Note"). This note has been amended effective July 31, 2015, January 1, 2016 and February 1, 2017. The amended note, which had an outstanding balance of $4,500,000 as of December 31, 2017 and on the date of conversion, was converted into a series of the Company's preferred stock on February 2, 2018.

(e) ***Series A Unsecured Subordinated Convertible Notes and Warrants*** - In connection with the Company's issuance of unsecured subordinated convertible notes and warrants in 2016, certain related parties participated in such offering. In accordance with the terms of the notes, all of the outstanding balances were converted into the Company's common stock on February 10, 2018 at $2.75 per share.

(f) ***Series B Unsecured Subordinated Convertible Notes and Warrants*** - In connection with the Company's issuance of unsecured subordinated convertible notes and warrants in 2016, certain related parties participated in such offering. As a result of the Company's listing on Nasdaq, all of outstanding balances were converted into the Company's common stock on April 9, 2018 at $2.75 per share.

(g) ***Series C – Subordinated secured convertible notes*** - In connection with the Company's issuance of subordinated secured convertible notes and warrants in 2017, certain related parties participated in such offering. As a result of the Company's listing on Nasdaq, all of outstanding balances were converted into the Company's common stock on April 9, 2018 at $2.75 per share.

(h) Series D** - **Unsecured subordinated convertible notes - In connection with the Company's issuance of unsecured subordinated convertible notes and warrants in 2016, certain related parties participated in such offering. As a result of the Company's listing on Nasdaq, all of outstanding balances were converted into the Company's common stock on April 9, 2018 at $2.75 per share.

(i) Series V Unsecured Subordinated Convertible Notes - In connection with the Company's issuance of unsecured subordinated convertible notes in 2016, as further disclosed in Note 11, BioHiTech International, see note a, above, exchanged $300,000 in accounts payable by the Company for a $300,000 note. As a result of the Company's listing on Nasdaq, all of outstanding balances were converted into the Company's common stock on April 9, 2018 at $2.75 per share.

(j) Line of Credit - Under the terms of the line of credit, several related parties have personally guaranteed the line and are contingently liable should the Company not meet its obligations under the line. In connection with the new line of credit entered into on February 2, 2018, the Chief Executive Officer and a Director have provided a guarantee of the line of credit in exchange for a fee representing 4.5% of the debt.

(k) Management Advisory Fees - The Company provides management advisory services to Gold Medal Holdings, Inc., an entity that the Company accounted for as an equity investment effective February 2018. The accounting for the investment was changed to cost method in December 2018.

(l) Project Fees **–** In addition to Management Advisory Fees, the Company also has provided to Gold Medal Holdings, Inc. non-management advisory services related to projects relating to technology and operations.

(m) Consulting Revenue - The Company provides environmental and project consulting to Entsorga West Virginia LLC, an entity that the Company accounted for as an equity investment from March 2017 through December 14, 2018, the date of its control acquisition.

(n) Facility Lease - The Company leases its corporate headquarters and warehouse space from BioHiTech Realty LLC, a company owned by two stockholders of the Company, one of whom is the Chief Executive Officer. The lease expires in 2020, with a renewal option for an additional five-year period. Minimum lease payments as of December 31, 2018 under these operating leases are:

Year ending December 31,		
2019	$	100,003
2020		41,926
2021		-
Total	**$**	**141,929**

Note 22. Employee 401(k) Savings Plan

Effective January 1, 2016, the Company established a defined contribution retirement savings plan qualified under Section 401(k) of the Internal Revenue Code. Under the plan, employees may contribute a percentage of eligible compensation on both a before-tax and after-tax basis. The Company may match a percentage of employee's before-tax contributions, but is not required to do so, as the annual matching contributions are discretionary. No contributions have been made to the plan by the Company during the years ended December 31, 2018 and 2017.

Note 23. Operating Leases

The Company rents its headquarters and attached warehousing space from a related party (see Note 10) and has a land lease relating to the Martinsburg, WV HEBioT facility party under operating leases. The total future minimum lease payments under these leases as of December 31, 2018 is:

Year Ending December 31,		
2019	$	195,003
2020		150,926
2021		113,000
2022		113,000
2023 and thereafter		3,095,500
Total	**$**	**3,667,429**

Total rent expense under all operating leases amounted to $155,060 and $137,802 for the years ended December 31, 2018 and 2017, respectively.

Note 24. Supplemental Consolidated Statement of Cash Flows Information

Changes in non-cash operating assets and liabilities, as well as other supplemental cash flow disclosures, are as follows for the years ended December 31:

	2018	2017
Changes in operating assets and liabilities:		
Accounts and note receivable	$ (160,694)	$ (236,249)
Inventory	(842,944)	(330,699)
Prepaid expenses and other assets	23,019	(56,732)
Accounts payable	333,633	221,462
Accrued interest payable	446,710	1,223,105
Accrued expenses	(982,369)	274,266
Deferred revenue	17,225	18,837
Customer deposits	(31,814)	3,367
Net change in operating assets and liabilities	**$ (1,197,234)**	**$ 1,117,357**
Supplementary cash flow information:		
Cash paid during the year for:		
Interest	$ 484,259	$ 113,801
Income taxes	-	-
Supplementary Disclosure of Non-Cash Investing and Financing Activities:		
Transfer of inventory to leased equipment	$ 666,251	$ 747,993
Control acquisition of Entsorga West Virginia, LLC with common stock (Note 3)	1,886,330	
Common stock issued in settlement of accrued interest	915,700	-
Common stock issued in acquisition of Gold Medal Group, LLC	2,250,000	-
Acquisition of MBT facility development and technology license	-	5,179,522
Conversion of notes into common stock	9,090,375	-
Conversion of Series B preferred stock into common stock	1,767,371	-
In-Kind payments by investors for common and preferred stock	341,998	140,000
Vehicle acquisition with long-term debt	-	20,716
Exchange of related party notes payable and advances for Series C preferred stock, warrants and notes payable	5,319,777	-
Accrual of Series A preferred stock dividend	85,578	-
Conversion of Series A preferred stock into common stock	533,445	-
Conversion of advances from related party to promissory notes	-	576,000

Note 25. Recent Accounting Standards

During the year ended December 31, 2018, the Company implemented the following recent accounting standards:

Revenue from Contracts with Customers — In April 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-10, "Revenue from Contracts with Customers - Identifying Performance Obligations and Licensing" (Topic 606). The amendments clarify two aspects of ASU No. 2014-09, "Revenue from Contracts with Customers," by providing (1) guidance for identifying performance obligations and (2) licensing implementation guidance. Public business entities should apply the guidance similar to Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09). ASU 2014-09 provides guidance for revenue recognition and affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition," and most industry-specific guidance. The core principle of ASU 2014-09 is the recognition of revenue when a company transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, companies will need to use more judgment and make more estimates than under the current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. This standard had an effective date of January 1, 2018, and the Company used the modified retrospective implementation method, whereby a cumulative effect adjustment would have been recorded to retained earnings as of the date of initial application, if needed. In the initial implementation, the Company evaluated the terms, conditions and performance obligations under our existing contracts with customers and determined that a cumulative adjustment to retained earnings was not necessary, and that the new standard has not had a material impact on its financial condition, results of operations or cash flows.

Statement of Cash Flows — In November 2016, the FASB issued (ASU No. 2016-18,*Statement of Cash Flows*), regarding the presentation of restricted cash on the statement of cash flows. The standards update requires that the reconciliation of the beginning and end of period cash amounts shown in the statement of cash flows include restricted cash. When restricted cash is presented separately from cash and cash equivalents on the balance sheet, a reconciliation is required between the amounts presented on the statement of cash flows and the balance sheet. Also, the new guidance requires the disclosure of information about the nature of the restrictions. The standards update is effective retrospectively for fiscal years and interim periods beginning after December 15, 2017, with early adoption permitted. The Company has implemented ASU 2016-18, "Statement of Cash Flows" in the accompanying consolidated financial statements.

The Company has not yet implemented the following recent accounting standards:

Leases — In February 2016, the FASB issued new lease accounting guidance (ASU No. 2016-02, *Leases)*, which has subsequently been amended by ASU No. 2018-11, *Leases* in July 2018. Under the new guidance, at the commencement date, lessees will be required to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new guidance is not applicable for leases with a term of 12 months or less. Lessor accounting is largely unchanged. Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted upon issuance. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. ASU 2018-11 provides that under certain instances lessors may not be required to separate the components of the contracts. The Company does not expect to have a cumulative adjustment to retained earnings, and does not anticipate that the new standard will have a material impact on its financial condition, results of operations or cash flows.

Note 26. Condensed Consolidating Financial Information

The WVEDA Solid Waste Disposal Revenue Bond obligations of Entsorga West Virginia LLC are not guaranteed by its members, including the Company, however the membership interests of Entsorga West Virginia LLC are pledged, and the debt agreements provide restrictions prohibiting distributions to the members, including equity distributions or providing loans or advances to the members.

The following presents the Company's consolidating balance sheet as of December 31, 2018 and its condensed consolidating statement of operations and cash flows for the year ended December 31, 2018, for Entsorga West Virginia LLC and the Parent and other Company subsidiaries not subject to the WVEDA Solid Waste Disposal Revenue Bond restrictions and the elimination entries necessary to present the Company's financial statements on a consolidated basis. These condensed consolidating financial information should be read in conjunction with the Company's consolidated financial statements.

Condensed Consolidating Balance Sheet as of December 31, 2018

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Assets				
Cash	$ 2,410,709	$ -	$ -	$ 2,410,709
Restricted cash	-	4,195,148	-	4,195,148
Other current assets	969,571	-	-	969,571
Current assets	**3,380,280**	**4,195,148**	**-**	**7,575,428**
Restricted cash	-	2,520,523	-	2,520,523
HEBioT facility under construction	-	33,104,007	-	33,104,007
Other fixed assets	1,797,915	-	-	1,797,915
MBT facility development and license costs	6,585,408	1,890,000	-	8,475,408
Intangible assets, net and investment in subsidiaries	7,626,268	-	(5,854,952)	1,771,316
Goodwill	-	58,000	-	58,000
Other assets	13,500	-	-	13,500
Total assets	**$ 19,403,371**	**$ 41,767,678**	**$ (5,854,952)**	**$ 55,316,097**
Liabilities and stockholders' equity				
Line of credit	$ 1,469,330	$ -	$ -	$ 1,469,330
Other current liabilities	2,032,083	3,708,410	-	5,740,493
Current liabilities	**3,501,413**	**3,708,410**	**-**	**7,209,823**
Notes payable and other debts	4,890,322	-	-	4,890,322
Accrued interest	1,305,251	-	-	1,305,251
WV EDA bonds	-	31,085,902	-	31,085,902
Total liabilities	**9,696,986**	**34,794,312**	**-**	**44,491,298**
Redeemable preferred stock	816,553	-	-	816,553
Stockholder's equity:				
Attributable to parent	3,405,551	5,854,952	(5,854,952)	3,405,551
Attributable to non-controlling interests	5,484,281	1,118,414	-	6,602,695
Stockholders' equity	**8,889,832**	**6,973,366**	**(5,854,952)**	**10,008,246**
Total liabilities and stockholders' equity	**$ 19,403,371**	**$ 41,767,678**	**$ (5,854,952)**	**$ 55,316,097**

Condensed Consolidating Statement of Operations for the Year Ended December 31, 2018

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Revenue	$ 3,359,324	$ -	$ -	$ 3,359,324
Cost of revenue	1,640,152	-	-	1,640,152
Gross profit	**1,719,172**	**-**	**-**	**1,719,172**
Selling, general and administrative	6,677,324	64,237	-	6,741,561
Depreciation and amortization	115,038	-	-	115,038
Total operating expenses	**6,792,362**	**64,237**	**-**	**6,856,599**
Loss from operations	**(5,073,190)**	**(64,237)**	**-**	**(5,137,427)**
Other expenses	9,604,528	5,265	-	9,609,793
Net loss	**$ (14,677,718)**	**$ (69,502)**	**$ -**	**$ (14,747,220)**

Condensed Consolidating Statement of Cash Flows for the Year Ended December 31, 2018

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Cash flows from operating activities:				
Net loss	$ (14,677,718)	$ (69,502)	$ -	$ (14,747,220)
Adjustments to reconcile net loss to net cash used in operations	9,900,310	-	-	9,900,310
Changes in operating assets and liabilities	(528,110)	(669,124)	-	(1,197,234)
Net cash used in operations	**(5,305,518)**	**(738,626)**	**-**	**(6,044,144)**
Cash flow from investing activities:				
Cash acquired from control acquisition of Entsorga West Virginia, LLC	-	6,773,384	-	6,773,384
Capital contribution to Entsorga West Virginia, LLC	(1,000,000)	-	1,000,000	-
Other investing activities	(372,130)	(319,086)	-	(691,216)
Net cash used in investing activities	**(1,372,130)**	**6,454,298**	**1,000,000**	**6,082,168**
Cash flows from financing activities:				
Issuances of debt and preferred stock, net of costs incurred	7,378,869	-	-	7,378,869
Repayments of debt	(2,472,611)	-	-	(2,472,611)
Capital contribution to Entsorga West Virginia, LLC	-	1,000,000	(1,000,000)	-
Cash investment in Refuel America, LLC by non-controlling interest	3,500,000	-	-	3,500,000
Other	(255,023)	-	-	(255,023)
Net cash provided by financing activities	**8,151,235**	**1,000,000**	**(1,000,000)**	**8,151,235**
Effect of exchange rate on cash	36,009	-	-	36,009
Cash – beginning of period	901,112	-	-	901,112
Cash – end of period (restricted and unrestricted)	**$ 2,410,708**	**$ 6,715,672**	**$ -**	**$ 9,126,380**

Note 27. Subsequent Events

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements are available to be issued. Any material events that occur between the balance sheet date and the date that the financial statements were available for issuance are disclosed as subsequent events, while the financial statements are adjusted to reflect any conditions that existed at the balance sheet date. Based upon this review, except as disclosed within the footnotes or as discussed below, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

Subsequent to December 31, 2018, the Company created a Series D convertible preferred stock designation for up to $2,000,000 in stated value. Through March 31, 2019, the Company had received subscriptions for $750,000.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
BioHiTech Global, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BioHiTech Global, Inc. and Subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' equity (deficit) for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1, the Company has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2014.

Melville, NY
April 1, 2019

Exhibit 21.1

Subsidiaries	Ownership
Subsidiaries of BioHiTech Global, Inc.:	
Bio Hi Tech America, LLC (Delaware limited liability company)	100%
BioHiTech Europe Limited (A private company limited by shares registered in England and Wales)	100%
E.N.A Renewables LLC (Delaware limited liability company)	100%
BHT Financial LLC (Delaware limited liability company)	100%
Apple Valley Waste Conversions, LLC (Delaware limited liability company)	31%
Refuel America, LLC (Delaware limited liability company)	60%
Subsidiaries of Refuel America LLC:	
Apple Valley Waste Technologies Buyer, Inc. (Delaware Corporation)	100%
Apple Valley Waste Technologies LLC (Delaware limited liability company)	100%
Entsorga West Virginia LLC (Delaware limited liability company)	78%
New Windsor Resource Recovery LLC (Delaware limited liability company)	100%
Rensselaer Resource Recovery LLC (Delaware limited liability company)	50%

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of BioHiTech Global, Inc. on Form S-3 (File No. 333-225999), Form S-3 (File No. 333-229093) and Form S-8 (File No. 333-225555) of our report, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, dated April 1, 2019, with respect to our audits of the consolidated financial statements of BioHiTech Global, Inc. and Subsidiaries as of December 31, 2018 and 2017 and for the years then ended, which report is included in this Annual Report on Form 10-K of BioHiTech Global, Inc. for the year ended December 31, 2018.

/s/ Marcum LLP

Marcum LLP
Melville, NY
April 1, 2019

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank E. Celli, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2018 of BioHiTech Global, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal over financial reporting;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 1, 2019

/s/ Frank E. Celli
Name: Frank E. Celli
Title: Chairman, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian C. Essman, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2018 of BioHiTech Global, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal over financial reporting;

5. The registrant’s other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 1, 2019

/s/ Brian C. Essman
Name: Brian C. Essman
Title: Chief Financial Officer and Treasurer
(Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K (the "Report") of BioHiTech Global, Inc. (the "Company") for the fiscal year ended December 31, 2018, the undersigned Frank E. Celli, the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2019

/s/ Frank E. Celli
Name: Frank E. Celli
Title: Chairman, Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to BioHiTech Global, Inc. and will be retained by BioHiTech Global, Inc. and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K (the "Report") of BioHiTech Global, Inc. (the "Company") for the fiscal year ended December 31, 2018, the undersigned Brian C. Essman, the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2019

/s/ Brian C. Essman
Name: Brian C. Essman
Title: Chief Financial Officer and Treasurer
(Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to BioHiTech Global, Inc. and will be retained by BioHiTech Global, Inc. and furnished to the Securities and Exchange Commission upon request.