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, 2019

☐ 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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	**BHTG**	**NASDAQ Capital Market**

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 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 28, 2019 (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 $18.9 million based on the closing sales price of $1.78 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 May 19, 2020 there were 17,437,288 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.

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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.

BioHiTech Global, Inc. and Subsidiaries (the “Company” or “we” or “BioHiTech” or “Registrant”) refers to BioHiTech Global, Inc, and its subsidiaries as a whole or to individual components thereof as applicable based upon the context in which the term is used.

ITEM I: BUSINESS

Our Business

The Company’s mission is to reduce the environmental impact of the waste management industry through the development and deployment of cost-effective technology solutions. The Company’s suite of technologies includes on-site biological processing equipment for food waste, patented processing facilities for the conversion of municipal solid waste into an E.P.A. recognized renewable fuel, and proprietary real-time data analytics tools to reduce food waste generation. These unique proprietary solutions can enable certain businesses and municipalities of all sizes to lower disposal costs while having a positive impact on the environment. When used individually or in combination, the Company’s solutions can reduce the carbon footprint associated with waste transportation, repurpose non-recyclable plastics, and significantly reduce landfill usage.

Revolution Series™ Digesters

The Company currently markets an aerobic digestion technology solution for the disposal of food waste at the point of generation. Its line of Revolution Series Digesters, launched in the second half of 2017, have been described as self-contained, robotic biological digestive systems that are as easy to install as a standard dishwasher with no special electrical or plumbing requirements. The units range in size depending upon capacity, with the smallest unit approximately the size of a residential washing machine. The digesters utilize a biological process to convert food waste into a liquid that is safe to discharge down an ordinary drain. This process can result in a substantial reduction in costs for customers including restaurants, grocery stores, and hotel/hospitality companies by eliminating the transportation and logistics costs associated with food waste disposal. The process also reduces the greenhouse gases associated with food-waste transportation and decomposition in landfills that have been linked to climate change. The Company offers its Revolution Series Digesters in several sizes targeting small to mid-sized food waste generators with both sale and rental options that are often more economical than traditional disposal methods. The Revolution Series Digesters are manufactured and assembled in the United States.

In an effort to expand the capabilities of its digesters, the Company developed a sophisticated IoT technology platform to provide its customers with transparency into their waste generation and operational practices. This patented process collects weight related data from the digesters to deliver real-time data that provides valuable information that when analyzed, can improve efficiency and validate corporate sustainability efforts. The Company provides its IoT platform through a SaaS (“Software as a Service”) model that is either bundled in its rental agreements or sold through a separate annual software license. Prior to the launch of its Revolution Series Digesters, the Company marketed earlier generations of its digesters under the Eco-Safe brand. These units were larger sized and typically marketed to mid- and large-sized food waste generators, including the Federal Government. The Company continues to add new capacity sizes to its line of Revolution Series Digesters to meet customer needs.

HEBioT Resource Recovery Technology

The Company expanded its technology business in 2016 through the acquisition of certain development rights to a patented Mechanical Biological Treatment ("MBT") technology developed by a European engineering firm that relies upon High Efficiency Biological Treatment ("HEBioT") to process waste at the municipal or enterprise level. The technology results in a substantial reduction in landfill usage by converting a significant portion of intake, including organic waste and non-recyclable plastics, into a United States EPA recognized alternative fuel that can be used as a partial replacement for coal.

The Company also, through a series of transactions in 2017 and 2018, acquired a controlling interest in the Nation's first municipal waste processing facility utilizing the HEBioT technology located in Martinsburg, West Virginia (the "Martinsburg Facility"). The Martinsburg Facility, which commenced operations in 2019, is capable of processing up to 110,000 tons of mixed municipal waste annually. At full capacity, the Martinsburg Facility can achieve an annual savings of over 2.3 million cubic feet of landfill space and eliminate many of the greenhouse gases associated with landfilling that waste. The Company plans to build additional HEBioT facilities in the coming years and is currently in the permitting process to build a second facility in New York State.

The Company's suite of products and services positions it as a leading provider of cost-effective, technology-based alternatives to traditional waste disposal in the United States. The use of the Company's technology solutions independently or in combination, can help its customers meet sustainability goals by achieving a significant reduction in greenhouse gases associated with waste transportation and landfilling. In addition, the repurposing of municipal waste into a cleaner burning, EPA recognized, renewable fuel can further reduce potentially harmful emissions associated with traditional means of disposal. The overall reduction in carbon and other greenhouse gases that are linked to climate change that could be achieved through the utilization of the Company's technology can serve as a model for the future of waste disposal in the United States.

In addition to its technology business, the Company provides executive oversight services for a traditional waste management and recycling company that is contracted to deliver municipal waste to the Company's Martinsburg Facility.

Digester Technologies, Market, Customers and Competition

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 and methane 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.

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 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 and quick service restaurants), education, and full-service hospitality, including casinos and the cruise industry. 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 200,000 locations worldwide.

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.

Competition

There are a small number of companies that distribute products utilizing a similar anerobic digestion methodology as our Revolution Digester, but lack the technological 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 continue to manufacture their products in Asia and India. We believe these companies may have copied underlying technology of our original 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.

Alternative technologies or processes to digesters 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).

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.

HEBioT Technologies, Market, Customers and Competition

The Company’s first HEBioT facility began commissioning operations in the first 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 was previously unavailable.

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 is presently awaiting New York State approvals.

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. The facility, which began commissioning operations in the first quarter of 2019 is designed 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 up to 50,000 tons per year of EPA recognized renewable fuel.

Technology

The HEBioT technology converts mixed municipal and organic waste (typical residential trash collected) to a US Environmental Protection Agency (the “US EPA”) recognized alternative fuel source. By utilizing a patented process that utilizes 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 nearly equivalent to 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 revenues 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 Apple Valley Waste Conversions, LLC ("AVWC") a license fee, which in turn the Company would receive its pro-rata share of the license fees paid to AVWC.

- Licensing and development services to municipalities or various third party developers for projects that the Company provides consulting and oversight on, in which case, receives one time or annual recurring 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 Company owns a 31% interest in 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 S.p.A., an Italian company. AVWC has licensed its exclusive development rights to the Company.

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.

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

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, more than half of the municipal solid waste generated in the United States is disposed of in landfills with another 12% 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.

Management and Employees

As of December 31, 2019, the Company and its consolidated subsidiaries had 39 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 revenues from the HEBioT technologies. The Company's other known sources of capital are common and 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, 2019 we initiated a private placement offering for redeemable convertible preferred stock and warrants to acquire our common stock and had an initial closing of $1,500,000 on March 18, 2020 and an additional closing of $65,000 on April 6, 2020. We were funded $421,300 on May 13, 2020 through the Paycheck Protection Program and have applied for an additional $200,000, which has not yet been approved. 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

See footnote 20 of the Company's consolidated financial statements filed herewith.

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.

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

Risks Related to Pandemics

The recent COVID-19 coronavirus pandemic ("COVID-19") may adversely affect our business, results of operations, financial condition, liquidity, and cash flow.

While the full impact on our business from the recent outbreak of COVID-19 is unknown at this time and difficult to predict, various aspects of our business have been impacted and could be adversely affected by it.

As of the date of this Annual Report, COVID-19 has been declared a pandemic by the World Health Organization, has been declared a National Emergency by the United States Government and has resulted in all states being designated disaster zones. COVID-19 has caused significant volatility in global markets, including the market price of our securities. The spread of COVID-19 has caused public health officials to recommend precautions to mitigate the spread of the virus, especially as to travel and congregating in large numbers. In addition, states and municipalities have enacted quarantining and "shelter-in-place" regulations which severely limit the ability of people to move and travel, and require non-essential businesses and organizations to close.

It is unclear how such restrictions, which will contribute to a general slowdown in the global economy, will affect our business, results of operations, financial condition and our future strategic plans.

The digester line of our business has historically been marketed to large organizations such as food distributors, convention centers, hotels, restaurants, stadiums, municipalities and academic institutions. It is unclear how a prolonged outbreak with travel, commercial and other similar restrictions, may adversely affect our business operations and the business operations of our customers and suppliers; a disruption for a prolonged period will have a negative effect on our business operations.

Recent shelter-in-place and essential-only travel regulations have negatively impacted many of our customers. In addition, while our digesters are manufactured in the United States, we still could experience significant supply chain disruptions due to interruptions in operations at any or all of our suppliers' facilities. If we experience significant delays in receiving our products we will experience delays in fulfilling orders and ultimately receiving payment, which could result in loss of sales and a loss of customers, and adversely impact our financial condition and results of operations.

The HEBioT line of our business is classified as a public service in the state in which it is located and is expected to remain operating regardless of restrictions that may be imposed on other businesses in its area. The facility relies upon other entities to pick up and deliver municipal solid waste, which are also classified as public service entities, and is reliant upon customers in the cement kiln industry to purchase its solid recovered fuel. The inability to receive MSW or sell it to its customers would adversely impact our financial condition and results of operations.

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, 2019, the Company had a consolidated net loss of $10,280,061, incurred a consolidated loss from operations of $7,535,214 and used net cash in consolidated operating activities of $7,134,600. At December 31, 2019, consolidated total stockholders' equity amounted to $7,369,725, consolidated stockholders' equity attributable to parent amounted to $2,024,143 and the Company had a consolidated working capital deficit of $5,351,686. 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 fully fund its future operational and strategic plans, although subsequent to December 31, 2019 the Company raised $1,565,000 from the issuance of Series F Redeemable, Convertible Preferred Stock and warrants. The Company was funded $421,300 on May 13, 2020 through the Paycheck Protection Program and has applied for an additional $200,000, which has not yet been approved. 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 for general operations and to support its leasing activities. The Company may also raise capital through its Registration Statement on Form S-3 declared effective on July 11, 2018, by the Securities and Exchange Commission (the "Shelf Registration") for investment in several strategic initiatives. The Shelf Registration was utilized during September 2019 to raise net proceeds of $3,035,557 through a confidentially marketed public offering of common shares. There is no assurance that the Company will be able to raise sufficient capital or debt to sustain operations or to pursue other strategic initiatives or that such financing will be on terms that are favorable to the Company.

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 we 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 products and services.

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 believe the demand for our digester product is created directly in response to recent laws and regulation prohibiting certain large, commercial food manufacturers, retailers and hospitality enterprises from discarding food wastes to landfills. Our digesters are just one solution for these businesses to comply with these regulations and other 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 be negatively impacted by landfills and certain long-term disposal trends.

In connection with the MBT line of business, there is competition from other landfills, including large, out-of-state landfills to secure municipal solid waste (“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 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.

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.

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 additional MBT plants

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

We are currently 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 expanding companies. 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 and Brian C. Essman, our Chief Financial 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 operating 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.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was not effective as of December 31, 2019. If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

We are subject to reporting obligations under the U.S. securities laws. The Securities and Exchange Commission or the SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring every public company to include a management report on the effectiveness of such company’s internal control over financial reporting in its annual report. Effective internal control over financial reporting is necessary for us to provide reliable financial reports, effectively prevent fraud and operate as a public company.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was not effective as of December 31, 2019. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of our company's financial statements will not be prevented, or detected and corrected 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 December 31, 2019 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.

Our failure to remediate the material weakness or our failure to discover and address any other material weaknesses or deficiencies may result in inaccuracies in our financial statements, delay in the preparation of our financial statements, and the loss of investor confidence in the reliability of our financial statements, which in turn could negatively influence the trading price of our Common Stock. Ineffective internal control over financial reporting could also expose us to increased risk of fraud or misappropriations of corporate assets and subject us to potential delisting from the stock exchange on which our Common Stock is listed, regulatory investigations or civil or criminal sanctions. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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 and expand its lines of business, customer base and recurring revenues and it is anticipated that it may 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 MBT line 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. 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.

Risks Related to Securities Markets and Investments in Our Securities

General securities market uncertainties resulting from COVID-19.

Since the outset of COVID-19 the US and worldwide national securities markets have undergone unprecedented stress due to the uncertainties of COVID-19 and the resulting reactions and outcomes of government, business and the general population. These uncertainties have resulted in declines in all market sectors, increases in volumes due to flight to safety and governmental actions to support the markets. As a result, until COVID-19 has stabilized, the markets may not be available to the Company for purposes of raising required capital. 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.

Our executive officers and certain stockholders possess significant voting power, and through this ownership, could influence our Company and our corporate actions.

Our current executive officers, directors and their affiliates, hold approximately 27% of the voting power of the outstanding shares as of the date of December 31, 2019. These officers, directors, affiliates and certain stockholders may 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 significant influence 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 the 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;
- 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.

Approximately 41% 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 Common Stock 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.

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. 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 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 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. The trial was scheduled to begin in August 2020. Subsequent to year end and prior to the start of the trial, on March 12, 2020 the Company entered into a settlement agreement that detailed the full and final mutual release. The settlement agreement provides that the Company pay Lemartec $775,000 in installments of $475,000 within 60 days of the execution of the settlement agreement and $25,000 each month thereafter for 12 months. The Company's consolidated financial statements as of December 31, 2019 reflects this liability given the nature of the subsequent event.

It is management's opinion that the resolution of this claim will not materially effect the Company's future 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, 2019, 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, 2019, there were five series of preferred stock designated:

Designation	Designated Shares	Par Value	Stated Value	Shares Outstanding December 31, 2019	Shares Outstanding December 31, 2018
Series A Convertible Preferred Stock	333,401	$ 0.0001	$ 5.00	145,312	163,312
Series B Convertible Preferred Stock	1,111,200	0.0001	$ 5.00	-	-
Series C Convertible Preferred Stock	1,000,000	0.0001	$ 10.00	427,500	427,500
Series D Convertible Preferred Stock	20,000	0.0001	$ 100.00	18,850	-
Series E Convertible Preferred Stock	714,519	0.0001	$ 2.64	264,519	564,519

RECENT SALES OF UNREGISTERED SECURITIES

On April 23, 2019 the Company settled a legal matter. In connection with the settlement, the Registrant issued to the plaintiff 75,000 unregistered shares of its common stock.

From May 10, 2019 through June 28, 2019, the Registrant entered into a series of Investor Subscription Agreements with 24 accredited investors (the "Investors"), pursuant to which the Registrant agreed to sell and the Investors agreed to purchase in a private placement offering units (the "Units") in the aggregate offering amount of $1,885,000. Each Unit, which may be offered in fractions, amount of $100,000, is comprised of 1,000 Shares of the Registrant's Series D Convertible Preferred Stock (the "Series D Preferred Shares") and warrants (the "Warrants") to purchase a number of shares of the Company's common stock, $0.0001 par value per share (the "Common Stock"), up to such 50% of the number of shares of Common Stock issuable upon conversion of the Series D Preferred Share at an exercise price of $3.50 per share of Common Stock.

Each share of Series D Preferred Shares has a stated value of $100.00 and is convertible into shares of Common Stock at the price of $3.50 per share based on the stated value of the Series D Preferred being converted. The Series D Preferred Shares has usual dividends at the rate of 9% payable annually in arrears in cash or, at the Company's option, in Common Stock based upon the then in effect conversion price. The Series D Preferred Shares also have an alternative dividend provision based upon the cash flow distributed to the parent from the Company's next HEBioT facility, excluding the Company's plant in Martinsburg, West Virginia, ("the Next Facility") based upon the Series D Preferred Shares proportional investment in the facility. The Series D Preferred Shares also has an alternative conversion based upon a multiple of the annualized EBITDA of the Next Facility converted at the higher of the conversion rate in effect or the market price of the Company's common stock if higher.

The Units, the Series D Preferred Shares and the Warrants 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 Units, the Series D Preferred Shares and the Warrants and the Common Stock issuable upon conversion of the Series D Preferred Shares and 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 Registrant paid placement agent fees of $97,500 and $15,000 in cash to Network 1 Financial Securities, Inc. and ViewTrade Securities Inc., respectively.

On September 6, 2019, 18,000 shares of Series A Convertible Preferred Stock were converted for 50,000 shares of Common Stock.

From September 26, 2019 through March 10, 2020, in a series of transactions $225,000 of accrued dividends of Series A Convertible Preferred Stock were paid for with 125,000 shares of Common Stock.

On March 9, 2020 the Registrant designated a new series of preferred stock and subsequently on March 18, 2020 had an initial closing of $1,500,000 on 13,045 shares of the new series of preferred stock and 178,597 common stock warrants. This initial closing was followed by an additional closing on April 6, 2020 of $65,000 on 566 shares of the new series of preferred stock and 7,750 common stock warrants. The newly designated series, the Series F Redeemable, Convertible Preferred Stock (the Sr. F Preferred Stock) is comprised of 30,090 shares with a par value of $0.0001 per share and a stated value per share of $115.00 that has a dividend rate of 9%. The Sr. F Preferred Stock is convertible by the holder at any time at a conversion rate of $2.10, subject to certain antidilution adjustments and is redeemable by the Registrant after 24 months at its stated value, plus any outstanding accrued or accumulated dividends for cash, or if the Registrant's common stock is trading over $3.00 per share and has daily trading volume of over 50,000 shares, for the Registrant's common stock at the conversion rate in effect at the time. In connection with the offering of the Sr. F Preferred Stock, the Registrant also issued warrants that expire in five years to acquire the Registrant's common stock at $2.30 per share.

The Series F Shares are convertible into shares of Common Stock at a fixed conversion price of $2.10 per share of Common Stock subject to certain anti-dilution adjustments (the "Conversion Price") and redeemable by the Company twenty-four (24) months after issuance for cash, provided that such cash payment is permissible under the Company's existing indebtedness and obligations, or for shares of Common Stock at the Stated Value, plus any outstanding accrued or accumulated dividends if the closing price of the Common Stock is over $3.00 per share and the average daily, trading volume is over 50,000 shares. The Series F Shares will also accrue dividends at the rate of nine percent (9%) per annum, payable in semi-annual installments of cash, provided such cash payment is permitted, or at the option of the Purchaser, in shares of Common Stock at the Conversion Price. In addition, the Series F Shares, plus any accrued and unpaid dividends, may be converted at any time by the Investors into Common Stock at the Conversion Price.

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. All of the foregoing securities as well the Common Stock issuable upon conversion or exercise of such securities, have not been registered under the Securities Act or any other applicable securities laws and are deemed restricted securities, 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, 2019:				
Frank E. Celli	5,000	$ 1.69	-	-
James Chambers	17,000	1.79	-	-
Harriet Hentges	2,000	1.64	-	-
Robert Joyce	2,000	1.81	-	-
Total	26,000	$ 1.76	-	-
Year ended December 31, 2018:				
None	-	$ -	-	-

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, 2019. 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.

Company Overview

The Company's mission is to reduce the environmental impact of the waste management industry through the development and deployment of cost-effective technology solutions. The Company's suite of technologies includes on-site biological processing equipment for food waste, patented processing facilities for the conversion of municipal solid waste into an E.P.A. recognized renewable fuel, and proprietary real-time data analytics tools to reduce food waste generation. These unique proprietary solutions can enable certain businesses and municipalities of all sizes to lower disposal costs while having a positive impact on the environment. When used individually or in combination, the Company's solutions can reduce the carbon footprint associated with waste transportation, repurpose non-recyclable plastics, and significantly reduce landfill usage.

Revolution Series™ Digesters

The Company currently markets an aerobic digestion technology solution for the disposal of food waste at the point of generation. Its line of Revolution Series Digesters, launched in the second half of 2017, have been described as self-contained, robotic biological digestive systems that are as easy to install as a standard dishwasher with no special electrical or plumbing requirements. The units range in size depending upon capacity, with the smallest unit approximately the size of a residential washing machine. The digesters utilize a biological process to convert food waste into a liquid that is safe to discharge down an ordinary drain. This process can result in a substantial reduction in costs for customers including restaurants, grocery stores, and hotel/hospitality companies by eliminating the transportation and logistics costs associated with food waste disposal. The process also reduces the greenhouse gases associated with food-waste transportation and decomposition in landfills that have been linked to climate change. The Company offers its Revolution Series Digesters in several sizes targeting small to mid-sized food waste generators with both sale and rental options that are often more economical than traditional disposal methods. The Revolution Series Digesters are manufactured and assembled in the United States.

In an effort to expand the capabilities of its digesters, the Company developed a sophisticated IoT technology platform to provide its customers with transparency into their waste generation and operational practices. This patented process collects weight related data from the digesters to deliver real-time data that provides valuable information that when analyzed, can improve efficiency and validate corporate sustainability efforts. The Company provides its IoT platform through a SaaS ("Software as a Service") model that is either bundled in its rental agreements or sold through a separate annual software license. Prior to the launch of its Revolution Series Digesters, the Company marketed earlier generations of its digesters under the Eco-Safe brand. These units were larger sized and typically marketed to mid- and large-sized food waste generators, including the Federal Government. The Company continues to add new capacity sizes to its line of Revolution Series Digesters to meet customer needs.

HEBioT Resource Recovery Technology

The Company expanded its technology business in 2016 through the acquisition of certain development rights to a patented Mechanical Biological Treatment ("MBT") technology developed by a European engineering firm that relies upon High Efficiency Biological Treatment ("HEBioT") to process waste at the municipal or enterprise level. The technology results in a substantial reduction in landfill usage by converting a significant portion of intake, including organic waste and non-recyclable plastics, into a United States EPA recognized alternative fuel that can be used as a partial replacement for coal.

The Company also, through a series of transactions in 2017 and 2018, acquired a controlling interest in the Nation's first municipal waste processing facility utilizing the HEBioT technology located in Martinsburg, West Virginia (the "Martinsburg Facility"). The Martinsburg Facility, which commenced operations in 2019, is capable of processing up to 110,000 tons of mixed municipal waste annually. At full capacity, the Martinsburg Facility can achieve an annual savings of over 2.3 million cubic feet of landfill space and eliminate many of the greenhouse gases associated with landfilling that waste. The Company plans to build additional HEBioT facilities in the coming years and is currently in the permitting process to build a second facility in New York State.

Combined Offering

The Company's suite of products and services positions it as a leading provider of cost-effective, technology-based alternatives to traditional waste disposal in the United States. The use of the Company's technology solutions independently or in combination, can help its customers meet sustainability goals by achieving a significant reduction in greenhouse gases associated with waste transportation and landfilling. In addition, the repurposing of municipal waste into a cleaner burning, EPA recognized, renewable fuel can further reduce potentially harmful emissions associated with traditional means of disposal. The overall reduction in carbon and other greenhouse gases that are linked to climate change that could be achieved through the utilization of the Company's technology can serve as a model for the future of waste disposal in the United States.

In addition to its technology business, the Company provides executive oversight services for a traditional waste management and recycling company that is contracted to deliver municipal waste to the Company's Martinsburg Facility.

Results of operations for the year ended December 31, 2019
compared to the year ended December 31, 2018

The following summarizes our operating results for the year ended December 31, 2019 and 2018. For comparison purposes the results of Entsorga West Virginia, LLC have been separated, resulting in the remaining BioHiTech entities, which are presented as “Comparable Units”.

	Year Ended December 31,			
	2019			
	Consolidated	HEBiot Facility	Comparable Units	2018
Revenues	$ 4,219,448	$ 1,111,071	$ 3,108,377	$ 3,359,324
Operating expenses	11,754,662	4,263,782	7,490,880	8,432,514
Loss from operations	(7,535,214)	(3,152,711)	(4,382,503)	(5,073,190)
Non-operating expenses (income)	2,744,847	2,056,226	688,621	9,604,528
Net loss	(10,280,061)	(5,208,937)	(5,071,124)	(14,677,718)
Less net loss attributable to non-controlling interests	(2,657,113)	(2,482,444)	(174,669)	(36,890)
Net loss attributable to Parent	$ (7,622,948)	(2,726,493)	$ (4,896,455)	(14,640,828)

HEBioT Facility

The year ended December 31, 2019 include financial results from the Entsorga West Virginia HEBioT facility (“EWV”). EWV is not included in the comparable 2018 period, as BioHiTech did not have a controlling interest and the facility was under construction and was not operational during that time. During the year ended December 31, 2019, the EWV initiated operations that included continued modifications and adjustments to the facility and the process, which contributed to a longer than anticipated commissioning process. During commissioning the facility increased incoming Municipal Solid Waste (“MSW”) and Commercial & Industrial (“C&I”) volumes resulting revenues for the year ended December 31, 2019 of $1,111,071, which is significantly less than its design capacity. During this commissioning period, revenues were primarily driven by fees associated with the receipt of inbound waste materials (“Tip” fees). During this period, the facility continued to further refine the solid recovered fuel (“SRF”) and quality assurance practices and as such the delivery of SRF and the associated revenues were not significant during this period. As a result of the protracted commissioning period, additional disposal fees were incurred as compared to management’s expectations. In mid-December of 2019, the company’s primary SRF customer, a local cement manufacturer (“Argos”), successfully completed the installation of its SRF feedline, allowing the company the ability to consistently accept SRF as an alternative to bituminous coal. Despite the completion of the feedline in Mid-December 2019, the delivery of SRF was delayed until 2020 as Argos experienced an operational shut down for routine scheduled maintenance and therefore could not accept any SRF during the month of December. The shutdown ran through Mid-February of 2020 with the feedline operational in late February 2020. In addition to experiencing higher than anticipated disposal costs during 2019, the EWV’s operating expenses, which amounted to $4,263,782 for the year ended December 31, 2019, were higher as compared to revenues, as the expenses related to operating the facility at full capacity (i.e. full labor support as well as full utilities) without the benefit of the operation achieving maximum inbound waste capacity and the sale of SRF. Consistent deliveries of SRF to Argos commenced toward the end of the first quarter of 2020 and is anticipated to lead to a normalization of revenues and disposal costs as the facility operates at designed levels of activities.

Comparable Units

The following summarizes the revenues for the year ended December 31, 2019 and 2018.

	Year Ended December 31,	
	2019	2018
Revenue		
Rental, service and maintenance	$ 1,946,597	$ 1,801,435
Equipment sales	186,780	547,737
Management advisory and other fees (related entity)	975,000	1,010,152
Total revenue	**$ 3,108,377**	**$ 3,359,324**

Overall comparable unit revenue decreased by $250,947 (7.5%), driven by a $360,957 (65.9%) decrease in equipment sales resulting from our strategic decision to not aggressively market the Revolution digesters to smaller deployment customers. Rental, service and maintenance increased by $145,162 (8.1%) as a result of an increase of $309,080 (26.3%) in rental revenues, which accounts for 76.2% and 65.2%, respectively of rental, service and maintenance for the years ended December 31, 2019 and 2018, offset by a decrease in billable service and parts that is the result of improved product design and quality. Management advisory and other fees decreased by $35,152 (3.5%) as a result of a decrease in project related special projects.

The product contribution from rental, service and maintenance increased by $245,213 (26.7%) from 2018 to 2019 as a result of improved margin rates of 59.7% in 2019, as compared to 50.9% in 2018. The product contribution from equipment sales decreased by $71,399 (49.2%) as a result of decreased sales offset by improved margins of 39.5% and 26.5% in 2019 and 2018, respectively. These increased margins were the result of higher margins on the Revolution digesters and the sale of used equipment that had lower cost basis.

The following summarizes selling, general and administrative expenses for the year ended December 31, 2019 and 2018:

	Year Ended December 31,	
	2019	**2018**
Selling, general and administrative expenses		
Personnel, excluding stock based compensation	$ 3,005,045	$ 3,789,417
Stock based compensation	1,083,789	813,734
Professional fees	751,523	859,892
Facility and office costs	392,298	378,758
Sales, marketing and other	518,507	835,522
Impairment on development site	346,654	-
Total selling, general and administrative expenses	**$ 6,097,816**	**$ 6,677,323**

Overall, selling, general and administrative expenses decreased by $579,507 (8.7%).

Personnel, excluding stock based compensation decreased by $784,372 (20.7%) as a result of decreased staffing that was initiated in late 2018 and continued into the first half of 2019 based on business needs, as well as decreases initiated during the second half of 2019. Stock based compensation increased by $270,054 (33.2%) as a result accelerating vesting of some personnel offset by forfeitures of unvested awards of separated employees.

Professional fees decreased by $108,369 (12.6%) primarily due to decreases of $258,957 (30.1%) in legal fees resulting from transactional and patent work decreases, a decrease of $44,500 in strategy consulting resulting from the settlement of a legal dispute, and a $5,421 (16.7%) decrease in public relations contract, offset by an increase of $135,073 (45.6%) in accounting fees resulting from the increase in our operations and tax research related to the Section 382 evaluation of net operating loss carry forwards and an increase of $65,437 (66.7%) in general investor relations ahead of our September 2019 common stock offering as well as after in improving stock liquidity.

Facility and office costs increased by $13,540 (3.6%) primarily as a result of an increase in service fees.

Sales, marketing and other decreased by $317,015 (37.9%) primarily as a result of decreases in travel and entertainment of $102,980 (12.6%), trade shows and other marketing of $28,274 (34.5%), regulatory costs, including those related to the 2018 uplisting to NASDAQ, of $63,004 (30.6%) and a net improvement in foreign currency exchange of $145,913 to a net benefit in 2019 from a net loss in 2018 as a result of the swing in the USD – GBP between the periods.

Impairment expenses of $346,654 were recognized in 2019 as the result of the abandonment of a HEBioT site prior to permitting.

Consolidated Company

Depreciation and amortization

Depreciation and amortization increased from the year ended December 31, 2018 to the year ended December 31, 2019 by $1,261,251 due primarily to $1,233,769 of depreciation and amortization related to the HEBioT facility, which came online in 2019.

Other (income) expenses

The following summarizes other (income) expenses for the year ended December 31, 2019 and 2018:

	Year Ended December 31,	
	2019	**2018**
Other (income) expenses		
Gain on sale of affiliate investment	$ (562,617)	$ -
Equity loss in affiliate	-	601,927
Interest income	(69,930)	-
Interest expense	3,377,394	2,582,896
Expense incurred in warrant valuation and conversions	-	6,424,970
Total other (income) expenses	**$ 2,744,847**	**$ 9,609,793**

Other net expenses decreased from the year ended December 31, 2018 compared to the year ended December 31, 2019 by $6,864,946 due to a decrease of $6,424,970 in warrant valuation expense and a $1,164,544, increase in net gain on the sale of an affiliate investment, as compared to equity losses in affiliates in 2018. Net interest expense increased by $724,568, which is the result of $2,050,961 of net interest related to the HEBioT facility offset by $1,326,393 decrease in interest expense primarily as the result of conversions of debt to equity in February and April 2018 and from the completion of discount amortizations of the Company's Series A preferred stock in late 2018.

Income tax

For the years ended December 31, 2019 and 2018 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 carryforward. As of December 31, 2019, the Company had net operating loss carryforwards of approximately $28,572,000 and $14,325,000 for federal and state income tax purposes, respectively. For purposes of Internal Revenue Code Section 382, the annual utilization of net operating loss carryovers are subject to limitation resulting from a more than 50% ownership change as determined under the regulations, which occurred during the year ended December 31, 2019. The federal net operating losses of approximately $14,200,000, 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 $14,372,000 do not expire.

Liquidity and Capital Resources

The Company currently generates revenues from rental and sales of its digesters and related goods and services and revenues from the HEBioT technologies and management fees charged to an affiliate. 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.

The Company 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, 2019, the Company designated a new series of preferred stock and raised $1,565,000 on 13,611 shares of the new series of preferred stock and 186,347 common stock warrants through April 6, 2020. The Company was funded $421,300 on May 13, 2020 through the Paycheck Protection Program and has applied for an additional $200,000, which has not yet been approved. 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, 2019, the Company had a consolidated net loss of $10,280,061, incurred a consolidated loss from operations of $7,535,214 and used net cash in consolidated operating activities of $7,134,600. At December 31, 2019, consolidated total stockholders' equity amounted to $7,369,725, consolidated stockholders' equity attributable to parent amounted to $2,024,143 and the Company had a consolidated working capital deficit of $5,351,686. 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 fully fund its future operational and strategic plans, although subsequent to December 31, 2019 the Company raised $1,565,000 from the issuance of Series F Redeemable, Convertible Preferred Stock and warrants. The Company was funded $421,300 on May 13, 2020 through the Paycheck Protection Program and has applied for an additional $200,000, which has not yet been approved. 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 equity and/or debt 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 for general operations and to support its leasing activities. The Company may also raise capital through its Registration Statement on Form S-3 declared effective on July 11, 2018, by the Securities and Exchange Commission (the "Shelf Registration") for investment in several strategic initiatives. The Shelf Registration was utilized during September 2019 to raise net proceeds of $3,035,557 through a confidentially marketed public offering of common shares. There is no assurance that the Company will be able to raise sufficient capital or debt to sustain operations or to pursue other strategic initiatives or that such financing will be on terms that are favorable to the Company.

Cash

As of December 31, 2019 and December 31, 2018, the Company had unrestricted cash balances of $1,847,526 and $2,410,709, respectively.

Borrowings and Debt

The table below presents borrowings as of December 31, 2019 at net carrying amount and at face amount as due at their future maturities.

		Due in:					
	December 31, 2019	**2020**	**2021**	**2022**	**2023**	**2024 and thereafter**	**Total**
Line of credit	$ 1,479,848	$ 1,500,000	$ -	$ -	$ -	$ -	$ 1,500,000
Advance from related party	210,000	210,000	-	-	-	-	210,000
Notes payable	100,000	100,000	-	-	-	-	100,000
Junior note	949,434	-	-	-	-	1,044,477	1,044,477
Senior note payable	4,160,490	-	1,875,000	2,500,000	625,000	-	5,000,000
West Virginia EDA Bond	31,207,426	1,390,000	1,470,000	1.175,000	1,265,000	27,700,000	33,000,000
Vehicle loans	12,806	4,605	4,380	3,821	-	-	12,806
Total	**$ 38,120,004**	**$ 3,204,605**	**$ 3,349,380**	**$ 3,678,821**	**$ 1,890,000**	**$ 28,744,477**	**$ 40,867,283**

Cash Flows

Cash Flows from Operating Activities

We used $7,134,600 of cash in operating activities during the year ended December 31, 2019, an increase of $1,090,456 over $ 6,044,144 of cash used in operating activities during the year ended December 31, 2018. Our net loss during the year ended December 31, 2019 of $10,280,061 was reduced by $3,274,240 of non-cash income and expenses resulting in $7,005,821 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 $4,846,910 for the year ended December 31, 2018. This $2,158,911 increase in usage before changes in operational assets and liabilities was primarily driven by an increase of $3,721,990 at EWV offset by an improvement of $1,563,079 at the Comparable units.

Cash Flows from Investing Activities

Net Cash used in investing activities amounted to $2,879,385 for the year ended December 31, 2019, which was principally comprised of $5,111,209 of facility investments at the HEBioT plant, offset by the sale proceeds of $2,250,000 from the sale of our investment in affiliate. 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

Cash Flows from Financing Activities

Cash provided by financing activities amounted to $6,346,741 for the year ended December 31, 2019, compared to $8,151,235 for the year ended December 31, 2018, a decrease of $1,804,494. During the year ended December 31, 2018, we received $4,808,057 of proceeds from the issuance of common and preferred stock. In 2019 and 2018, we also had non-controlling member contributions to a consolidated subsidiary of $1,400,000 and $3,500,000, respectively.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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, valuation of deferred tax assets, share based compensation, allowance for uncollectible accounts receivable, obsolete, slow moving and excess inventory, asset valuations, including intangibles, and useful lives and other provisions and contingencies.

Product and Services Revenue Recognition — 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, and; 5. Recognize revenue when the performance obligations are met or delivered.

When revenue is earned based on product sales, such as sales of digester equipment and parts, solid recovered fuel and recycled materials, the Company's performance obligations are satisfied at the point in time when products are shipped to the customer, which is when the customer has title and control. Therefore, the Company's contracts have a single performance obligation (shipment of product). The Company primarily receives fixed consideration for sales of products. When revenue is earned on services, such as management advisory fees and digester maintenance and repair services fees are recognized over the period the services are performed based on service milestones.

Lease Revenue Recognition — 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.

The Company selected the practical expedient not to separate non-lease components from lease components. 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 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 provisions which would indicate sales type lease treatment.

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.

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.

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.

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.

Recently Issued Accounting Standards

During the year ended December 31, 2019, the Company adopted the following recent accounting standards:

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. As a lessor of digester equipment under operating leases, the new guidance did not have a material impact on the financial statements. As a lessee under operating leases the adoption did not have a material impact on our financial statements, resulting in an increase of 2% to each of our total assets and total liabilities on our balance sheet, and had an immaterial impact to retained earnings as of the beginning of 2019.

In March 2019, the FASB issued ASU 2019-01, Leases (Topic 842, *Codification Improvements*), which removed the requirement for an entity to disclose in the interim periods after adoption, the effect of the change on income from continuing operations, net income, any other affected financial statement line item, or per share amount. For lessors, the new leasing standard requires leases to be classified as sales-type, direct financing or operating leases. These criteria focus on the transfer of control of the underlying asset. This standard and related updates were effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted ASU 2019-01 on January 2019. See Note 19 for disclosures related to this amended guidance.

The Company has not yet implemented the following accounting standard:

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. This standard requires an allowance to be recorded for all expected credit losses for certain financial assets. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments. ASU 2016-13 is effective for public companies for interim and annual period beginning December 15, 2020. Entities are required to apply the standard’s provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company has not yet adopted this update and is currently evaluating the effect this new standard will have on its financial condition and 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, 2019. 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, 2019, 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.

Because of our limited operations we have a small number of employees which prohibits a segregation of duties, which results in a material weakness over disclosure controls and procedures, as well as internal control over financial reporting. 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

As reported above, 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 was last expected to begin in August 2020. Subsequent to year end, on March 12, 2020 the Company entered into a settlement agreement and full and final mutual release with Lemartec that provides that the Company pay Lemartec $775,000 in installments of $475,000 upon entering into the agreement and $25,000 each month thereafter for 12 months. The effect of this settlement has been reflected in the Company's consolidated financial statements as of December 31, 2019.

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 2019 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 2020 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 2020 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 2020 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 2020 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).
4.8	Certificate of Designation of Series D Convertible Preferred Stock (previously filed as Exhibit 4.8 of the Quarterly Report on Form 10-Q filed on May 15, 2019 and incorporated herein by reference).
4.9	Certificate of Amendment of Certificate of Designation of Series D Convertible Preferred Stock (previously filed as Exhibit 4.9 of the Quarterly Report on Form 10-Q filed on May 15, 2019 and incorporated herein by reference).
4.10	Certificate of Designation of Series F Redeemable, Convertible Preferred Stock of BioHiTech Global, Inc. (previously filed as Exhibit 4.1 on the Current Report on Form 8-K filed March 18, 2020 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).
10.25	Form of Investor Subscription Agreement Series D Convertible Preferred Stock (previously filed as Exhibit 10.25 on the Quarterly Report on Form 10-Q filed on May 15, 2019 and incorporated herein by reference).
10.26	Form of Common Stock Warrant Issued with Series D Convertible Preferred Stock (previously filed as Exhibit 10.26 on Quarterly Report on Form 10-Q filed on May 15, 2019 and incorporated herein by reference).

10.27	Form of Securities Purchase Agreement dated September 5, 2019 between BioHiTech Global, Inc. and certain purchasers (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 6, 2019 and incorporated herein by reference).
10.28	Placement Agent Agreement dated September 5, 2019 by and between BioHiTech Global, Inc. and Spartan Capital Securities, LLC (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 6, 2019 and incorporated herein by reference).
10.29	Form of Placement Agent Warrant (previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 6, 2019 and incorporated herein by reference).
10.30	Product and Service Supply Agreement between BioHiTech America LLC and Carnival Corporation, Carnival plc and specified operating companies dated December 18, 2019. (Certain portions of this Exhibit have been omitted) (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 30, 2020and incorporated herein by reference).
10.31	Form of Securities Purchase Agreement of the Registrant's Series F Redeemable, Convertible Preferred Stock and Warrants (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 18, 2020 and incorporated herein by reference).
10.32	Form of Common Stock Purchase Warrant to be issued together with the Registrant's Series F Redeemable, Convertible Preferred Stock and Warrants (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 18, 2020 and incorporated herein by reference).
10.33	Loan Agreement under the SBA Paycheck Protection Program dated May 12, 2020 of BioHiTech America, LLC and Comerica Bank (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 14, 2020 and incorporated herein by reference).
10.34	Note under the SBA Paycheck Protection Program dated May 12, 2020 of BioHiTech America, LLC and Comerica Bank (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed May 14, 2020 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: May 22, 2020

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:

May 22, 2020	*/s/ Frank E. Celli* Name: Frank E. Celli Title: Chairman, Chief Executive Officer (Principal Executive Officer)
May 22, 2020	*/s/ Brian C. Essman* Name: Brian C. Essman Title: Chief Financial Officer and Treasurer (Principal Financial Officer)
May 22, 2020	*/s/ James D. Chambers* Name: James D. Chambers Title: Director
May 22, 2020	*/s/ Anthony Fuller* Name: Anthony Fuller Title: Director
May 22, 2020	*/s/ Robert A. Graham* Name: Robert A. Graham Title: Director
May 22, 2020	*/s/ Harriet Hentges* Name: Harriet Hentges Title: Director
May 22, 2020	*/s/ Douglas M. VanOort* Name: Douglas M. VanOort Title: Director

BioHiTech Global, Inc. and Subsidiaries

Index to Consolidated Financial Statements

BioHiTech Global, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss

	Year Ended December 31,	
	2019	**2018**
Revenue		
Rental, service and maintenance	$ 1,946,597	$ 1,801,435
Equipment sales	186,780	547,737
HEBioT (related entity)	1,111,071	-
Management advisory and other fees (related entity)	975,000	1,010,152
Total revenue	4,219,448	3,359,324
Operating expenses		
HEBioT processing (related entity)	2,064,139	-
Rental, service and maintenance	784,291	884,342
Equipment sales	113,063	402,621
Selling, general and administrative	7,063,691	6,741,561
Depreciation and amortization	1,729,478	468,227
Total operating expenses	11,754,662	8,496,751
Loss from operations	(7,535,214)	(5,137,427)
Other (income) expenses		
Gain on sale of affiliate investment	(562,617)	-
Equity loss in affiliate	-	601,927
Interest income	(69,930)	-
Interest expense	3,377,394	2,582,896
Expense incurred in warrant valuation and conversions	-	6,424,970
Total other (income) expenses	2,744,847	9,609,793
Net loss	(10,280,061)	(14,747,220)
Net loss attributable to non-controlling interests	(2,657,113)	(76,890)
Net loss attributable to Parent	(7,622,948)	(14,670,330)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(48,159)	43,611
Comprehensive loss	$ (7,671,107)	$ (14,626,719)
Net loss attributable to Parent	$ (7,622,948)	$ (14,670,330)
Preferred stock dividends	(721,987)	(492,639)
Deemed dividend on down round feature	(405,324)	-
Net loss attributable to common shareholders	(8,750,259)	(15,162,969)
Net loss per common share - basic and diluted	$ (0.56)	$ (1.11)
Weighted average number of common shares outstanding - basic and diluted	15,668,679	13,616,268

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31,	
	2019	**2018**
Assets		
Current Assets		
Cash	$ 1,847,526	$ 2,410,709
Restricted cash	1,133,581	4,195,148
Accounts receivable, net (related entity $1,370,867 and $168,588 as of December 31, 2019 and 2018, respectively)	2,155,921	403,298
Inventory	467,784	499,848
Prepaid expenses and other current assets	126,357	66,425
Total Current Assets	**5,731,169**	**7,575,428**
Restricted cash	2,555,845	2,520,523
Equipment on operating leases, net	1,724,998	1,748,887
HEBioT facility, equipment, fixtures and vehicles, net	37,421,333	49,028
HEBioT facility under construction, net	-	33,104,007
Operating lease right of use assets	945,047	-
Investment in unconsolidated affiliates	-	1,687,383
MBT facility development and license costs	8,049,929	8,475,408
Goodwill	58,000	58,000
Other assets	53,726	97,433
Total Assets	**$ 56,540,047**	**$ 55,316,097**

Continued on following page.

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Consolidated Balance Sheets, continued:

	December 31, 2019	December 31, 2018
Liabilities and Stockholders' Equity		
Current Liabilities:		
Line of credit, net of financing costs of $20,152 and $30,670 as of December 31, 2019 and 2018, respectively	$ 1,479,848	$ 1,469,330
Advance from related party	210,000	-
Accounts payable (related entity $2,531,034 and $160,761 as of December 31, 2019 and 2018, respectively)	4,688,339	1,310,998
Accrued interest payable	1,148,570	959,927
Accrued expenses and liabilities	1,926,965	3,354,124
Deferred revenue	89,736	98,596
Customer deposits	44,792	7,683
Note payable	100,000	-
Current portion of WV EDA Senior Secured Bonds payable	1,390,000	-
Current portion of long term debt	4,605	9,165
Total Current Liabilities	**11,082,855**	**7,209,823**
Note payable	-	100,000
Junior note due to related party, net of unamortized discounts of $95,043 and $118,266 as of December 31, 2019 and 2018, respectively	949,434	926,211
Accrued interest (related party)	1,510,193	1,305,251
WV EDA Senior Secured Bonds payable, net of financing costs of $1,792,574 and $1,914,098 as of December 31, 2019 and 2018, respectively	29,817,426	31,085,902
Senior Secured Note, net of financing costs of $113,268 and $160,017 and unamortized discounts of $726,242 and $988,678, as of December 31, 2019 and 2018, respectively	4,160,490	3,851,305
Non-current lease liabilities	915,170	-
Long-term debt, net of current portion	8,201	12,806
Total Liabilities	**48,443,769**	**44,491,298**
Series A redeemable convertible preferred stock, 333,401 shares designated and issued, and 145,312 and 163,312 outstanding as of December 31, 2019 and 2018, respectively, net of current portion	726,553	816,553
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; 3,179,120 and 3,159,120 designated as of December 31, 2019 and 2018, 1,922,603 issued and 856,181 outstanding as of December 31, 2019 and 1,922,603 issued and 1,155,331 outstanding as of December 31, 2018:		
Series B Convertible preferred stock, 1,111,200 shares designated: 428,333 shares issued, no shares outstanding as of December 31, 2019 and 2018	-	-
Series C Convertible preferred stock, 1,000,000 shares designated, 427,500 shares issued and outstanding as of December 31, 2019 and 2018	3,050,142	3,050,142
Series D Convertible preferred stock, 20,000 shares designated: 18,850 shares issued and outstanding as of December 31, 2019 and no shares issued and outstanding as of December 31, 2018	1,505,262	-
Series E Convertible preferred stock, 714,519 shares designated: 714,519 shares issued, 264,519 and 564,519 outstanding as of December 31, 2019 and 2018, respectively	698,330	1,490,330
Common stock, $0.0001 par value, 50,000,000 shares authorized, 17,300,899 and 14,802,956 shares issued and outstanding as of December 31, 2019 and 2018, respectively	1,730	1,480
Additional paid in capital	49,597,059	43,452,963
Accumulated deficit	(52,785,242)	(44,594,385)
Accumulated other comprehensive income (loss)	(43,138)	5,021
Stockholders’ equity attributable to Parent	2,024,143	3,405,551
Stockholders’ equity attributable to non-controlling interests	5,345,582	6,602,695
Total Stockholders’ Equity	**7,369,725**	**10,008,246**
Total Liabilities and Stockholders’ Equity	**$ 56,540,047**	**$ 55,316,097**

See accompanying notes to consolidated financial statements.

BioHiTech Global, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2019	**2018**
Cash flows used in operating activities:		
Net loss	**$ (10,280,061)**	**$ (14,747,220)**
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	1,729,478	468,228
Provision for bad debts	89,897	25,477
Share based employee compensation	1,099,567	836,372
Fees paid in stock and warrants	-	45,461
Interest resulting from amortization of financing costs and discounts	522,101	1,497,875
Gain on sale of affiliate investment	(562,617)	-
Equity loss in affiliate	-	601,927
Interest resulting from warrants valued upon conversion of host debt instruments	-	6,424,970
Warrants modification	49,160	-
Loss resulting from abandonment of MBT site	346,654	-
Changes in operating assets and liabilities	(128,779)	(1,197,234)
Net cash used in operating activities	**(7,134,600)**	**(6,044,144)**
Cash flows used in investing activities:		
Construction in-progress and purchases of equipment, fixtures and vehicles	(5,111,209)	(329,575)
Cash acquired from control acquisition of Entsorga West Virginia, LLC	-	6,773,384
Proceeds from sale of investment in affiliate	2,250,000	-
MBT facility development costs incurred	(84,176)	(361,641)
MBT facility development costs refunded	66,000	-
Net cash provided by (used in) investing activities	**(2,879,385)**	**6,082,168**
Cash flows from financing activities:		
Proceeds from common stock issuance, net of offering costs	3,035,557	-
Proceeds from issuance of senior secured credit facility and common stock	-	5,000,000
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 the sale of Series D convertible preferred stock units	1,772,500	-
Payment of financing costs	(62,151)	(246,131)
Repayments of long-term debt	(9,165)	(8,875)
Proceeds from issuance of preferred stock and warrants	-	1,125,000
Investment in subsidiary by non-controlling interest	1,400,000	3,500,000
Redemption of Series A preferred stock	-	(317,000)
Advance from related party, net	210,000	-
Net cash provided by financing activities	**6,346,741**	**8,151,235**
Effect of exchange rate on cash	77,816	36,009
Net change in cash (restricted and unrestricted)	**(3,589,428)**	**8,225,268**
Cash - beginning of period (restricted and unrestricted)	9,126,380	901,112
Cash - end of period (restricted and unrestricted)	**$ 5,536,952**	**$ 9,126,380**

Note 22 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
Consolidated Statements of Changes in Stockholders' Equity

Statement of Stockholders' Equity Attributable to Parent for the Years Ended December 31, 2019 and 2018:

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Comprehensive Other Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, January 1, 2018	**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**
Issuance of registered common shares, net of offering costs	-	-	1,877,666	188	3,035,369	-	-	3,035,557
Series D preferred stock issuance	18,850	1,505,262	-	-	267,238	-	-	1,772,500
Series E preferred stock conversion	(300,000)	(792,000)	300,000	30	791,970	-	-	-
Share-based employee and director compensation	-	-	84,166	8	1,099,559	-	-	1,099,567
Issuance of restricted stock	-	-	75,000	8	205,492	-	-	205,500
Series A preferred stock conversion into common shares	-	-	50,000	5	89,995	-	-	90,000
Warrant modification	-	-	-	-	49,160	-	-	49,160
Deemed dividend on down round feature	-	-	-	-	405,324	-	(405,324)	-
Preferred stock dividends	-	-	111,111	11	199,989	-	(162,585)	37,415
Net loss	-	-	-	-	-	-	(7,622,948)	(7,622,948)
Foreign currency translation adjustment	-	-	-	-	-	(48,159)	-	(48,159)
Balance at December 31, 2019	710,869	$ 5,253,734	17,300,899	$ 1,730	$ 49,597,059	$ (43,138)	$ (52,785,242)	$ 2,024,143

Statement of Stockholders' Equity Attributable to Non-Controlling Interests in Consolidated Subsidiaries for the Years Ended December 31, 2019 and 2018:

	Non-Controlling Equity Interest	Accumulated Deficit	Total
Balance, January 1, 2018	**$ -**	**$ -**	**$ -**
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**
Investment by non-controlling interest	1,400,000	-	1,400,000
Net loss	-	(2,657,113)	(2,657,113)
Balance at December 31, 2019	**$ 8,079,585**	**$ (2,734,003)**	**$ 5,345,582**

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, 2019 and 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 subsidiary was 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 (88.7% and 78.2% as of December 31, 2019 and 2018, respectively).

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, 2019, the Company had a consolidated net loss of $10,280,061, incurred a consolidated loss from operations of $7,535,214 and used net cash in consolidated operating activities of $7,134,600. At December 31, 2019, consolidated total stockholders' equity amounted to $7,369,725, consolidated stockholders' equity attributable to parent amounted to $2,024,143 and the Company had a consolidated working capital deficit of $5,351,686. 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 fully fund its future operational and strategic plans, although subsequent to December 31, 2019 the Company raised $1,565,000 from the issuance of Series F Redeemable, Convertible Preferred Stock and warrants. The Company was funded $421,300 on May 13, 2020 through the Paycheck Protection Program (See Note 24) and has applied for an additional $200,000, which has not yet been approved. 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 equity and/or debt 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 for general operations and to support its leasing activities. The Company may also raise capital through its Registration Statement on Form S-3 declared effective on July 11, 2018, by the Securities and Exchange Commission (the "Shelf Registration") for investment in several strategic initiatives. The Shelf Registration was utilized during September 2019 to raise net proceeds of $3,035,557 through a confidentially marketed public offering of common shares. There is no assurance that the Company will be able to raise sufficient capital or debt to sustain operations or to pursue other strategic initiatives or that such financing will be on terms that are favorable to the Company.

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, valuation of deferred tax assets, share based compensation, allowance for uncollectible accounts receivable, obsolete, slow moving and excess inventory, asset valuations, including intangibles, and useful lives 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 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.

When revenue is earned based on product sales, such as sales of digester equipment and parts, solid recovered fuel and recycled materials, the Company's performance obligations are satisfied at the point in time when products are shipped to the customer, which is when the customer has title and control. Therefore, the Company's contracts have a single performance obligation (shipment of product). The Company primarily receives fixed consideration for sales of products.

When revenue is earned based on receipt of disposal waste, the Company's performance obligations are satisfied at the point in time when disposal waste products are received from the customer, which is when the Company has title and control. Therefore, the Company's contracts have a single performance obligation (receipt of disposal waste).

When revenue is earned on services, such as management advisory fees and digester maintenance and repair services fees are recognized over the period the services are performed based on service milestones.

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.

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

Lease Revenue Recognition — 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.

The Company selected the practical expedient not to separate non-lease components from lease components. 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 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:

- The lease transfers ownership of the underlying asset to the lessee by the end of the lease term,
- The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise,
- The Lease term is for the major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end of the economic life of the underlying asset, this criterion shall not be used for purposes of classifying the lease,
- The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset or
- The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

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 and operation 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.

Buildings, Equipment, Fixtures and Vehicles, Including Equipment Leased to Others — Buildings, 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
HEBioT facility	30
HEBiot equipment	15
Equipment leased to others	5 - 7
Computer software and hardware	3 - 5
Vehicles	5
Furniture and fixtures	7 - 15

The Company's High Efficiency Biological Treatment ("HEBioT") facility located in West Virginia was under construction through March 31, 2019. Included in the capitalized costs are construction, legal, leasehold improvements, and interest.

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. These site specific costs generally include external costs generally relating to legal, engineering and other costs relating to the acquisitions of land, permits and licenses. Upon commencement of construction, to the extent that costs relate to the facility, they are transferred to the construction in progress.

Investments in Unconsolidated Entities —The Company has utilized 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 where the Company does not have the ability to exercise significant influence or control over the operating and financial policies of the investee, the investment is carried at cost, less impairment, adjusted for subsequent changes to estimated fair value up to the original cost.

***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.

***Shipping Costs* —** Shipping and handling charges are recorded gross in both the revenue and in cost of revenue and amounted to $96,481 and $100,059 for the years ended December 31, 2019 and 2018, respectively.

***Advertising* —** The Company expenses advertising costs as incurred. Advertising expense amounted to $56,742 and $81,901 for the years ended December 31, 2019 and 2018, respectively.

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

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." Dividends attributable to preferred stock, whether declared or accrued, and deemed dividends on down round feature are deducted from income attributable to common shareholders for purposes of earnings per share.

The Company's potential dilutive instruments include convertible preferred stock, 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. Acquisition and Contribution Agreement

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). At the time, EWV was 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, which has since commenced operations. 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 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 presents unaudited pro forma information as if the acquisition had occurred as of January 1, 2018. The pro forma results do not include any anticipated cost synergies or other effects of the integration of the acquired company. Pro forma amounts are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on the dates indicated, nor is it indicative of future operating results of the combined company.

	(Unaudited)	
	2019	2018
Revenue	$ 4,219,448	$ 3,359,324
Net loss attributable to Parent	(7,622,948)	(15,062,634)
Proforma earnings per share – basic and diluted	(0.56)	(1.13)

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.

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 $193,102 for the year ended December 31, 2018, 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.

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.

As of December 31, 2019, the Company had no investments in unconsolidated investments as a result of its July 3, 3019 sale of its investment in Gold Medal Group, LLC (“GMG”), which was comprised of 2,250,000 GMG Investment Preferred Units and 2,250,000 Class A Common Units, to Gold Medal Equity, LLC (“GME”), the parent entity to GMG for total compensation of $2,250,000. As of July 3, 2019 these investments were carried by the Company with an adjusted cost of $1,687,383 resulting in a gain of $562,617 on July 3, 2019, which was recorded as gain on sale of affiliate investment in the accompanying consolidated statements of operations and comprehensive loss.

Note 5. Accounts Receivable, net

Accounts receivable consists of the following as of December 31:

	2019	2018
Accounts receivable	$ 2,325,959	$ 513,336
Less: allowance for doubtful accounts receivable	(170,038)	(110,038)
	$ 2,155,921	**$ 403,298**

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

	2019	2018
Balance at beginning of year	**$ (110,038)**	**$ (134,288)**
Provision for doubtful accounts	(103,499)	(25,477)
Amounts written off	43,499	49,727
Balance at end of year	**$ (170,038)**	**$ (110,038)**

Note 6. Inventory

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

	2019	2018
Equipment	$ 119,996	$ 169,540
Parts and assemblies	347,788	330,308
	$ 467,784	**$ 499,848**

Note 7. Equipment on Operating Leases, net

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

	2019	2018
Leased equipment	$ 3,138,951	$ 3,054,097
Less: accumulated depreciation	(1,413,953)	(1,305,210)
	$ 1,724,998	**$ 1,748,887**

During the year ended December 31, 2019 and 2018, depreciation expense on equipment on operating lease, amounted to $431,833 and $353,189, respectively.

The Company is a lessor of digester units under non-cancellable operating lease agreements expiring through June 2025. These leases generally have terms of three to five years and do not contain stated extension periods or options for the lessee to purchase the underlying assets. At the end of the leases, the lessee may enter into a new lease or return the asset, which would be available to the Company for releasing. During the year ended December 31, 2019 and 2018, revenue under the agreements, which is included in rental, service and maintenance revenue, amounted to $1,483,852 and $1,174,772, respectively.

The minimum future estimated contractual payments to be received under these leases as of December 31, 2019 is as follows:

Year ending December 31,	
2020	$ 1,357,645
2021	984,500
2022	684,095
2023	446,460
2024 and thereafter	127,209
	$ 3,599,909

Note 8. HEBioT Facility, Equipment, Fixtures and Vehicles, net

HEBioT facility, equipment, fixtures and vehicles consist of the following as of December 31:

	2019	2018
HEBioT facility	$ 31,142,974	$ -
HEBioT equipment	7,388,896	-
Computer software and hardware	112,629	112,500
Furniture and fixtures	48,196	48,196
Vehicles	50,319	50,319
	38,743,014	**211,015**
Less: accumulated depreciation and amortization	(1,321,681)	(161,987)
	$ 37,421,333	**$ 49,028**

During the year ended December 31, 2019, depreciation expense relating to the HEBioT facility and equipment amounted to $1,139,269. During the years ended December 31, 2019 and 2018, depreciation expense relating to computers software and hardware, furniture and fixtures and vehicles amounted to $20,343 and $24,838, respectively.

The Company's HEBioT facility in Martinsburg, West Virginia accepted its first test loads of solid municipal waste on March 29, 2019 to commence commissioning and equipment calibration. 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 $618,706 for the year ended December 31, 2019. The facility, while continuing commissioning, was placed in service on April 1, 2019.

Note 9. MBT Facility Development and License Costs

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

	2019	2018
MBT Projects		
New Windsor, New York:		
Land acquisition	$ -	$ 66,000
Legal	-	46,030
Survey and engineering	-	300,624
	-	**412,654**
Rensselaer, New York:		
Survey and engineering	235,229	153,554
Total MBT projects	**235,229**	**566,208**
Technology Licenses		
Future site	6,019,200	6,019,200
Martinsburg, West Virginia, net of $94,500 of amortization as of December 31, 2019	1,795,500	1,890,000
Total Technology Licenses	**7,814,700**	**7,909,200**
Total MBT Facility Development and License Costs	**$ 8,049,929**	**$ 8,475,408**

MBT Facility Development Costs

New Windsor, New York

As of December 31, 2018, the Company was pursuing local and state permits, and other approvals required to continue development of the project. On February 28, 2019, the Company elected to rescind an 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. While the Company is presently investigating several other sites for the project, as a result of abandoning the initial site, the Company has reflected an impairment expense of $346,654 relating to the site during 2019 in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss.

Rensselaer, New York

During 2018, the Company commenced initial development of a project in Rensselaer, NY. As of December 31, 2019, the Company has received local permits and has filed the required state permit applications, which are undergoing review by the New York State Department of Environmental Conservation.

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. 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. During the year ended December 31, 2019 amortization expense amounted to $94,500, based on an estimated fifteen year life.

Note 10. Intangibles Assets, net

Other assets, as of December 31, 2019 and 2018, include net digester distribution agreements amounting to $40,399 and $83,933, respectively. During the years ended December 31, 2019 and 2018, amortization expense, included in depreciation and amortization of operating expenses, amounted to $43,533 and $90,200, respectively. The agreements expire in 2021.

Note 11. Goodwill

As of December 31, 2019 and 2018, the Company has goodwill of $58,000 resulting from the Entsorga West Virginia, LLC acquisition on December 14, 2018.

Note 12. 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 are as follows:

	United States	International	Total
2019:			
Revenue, for the year ended December 31, 2019	$ 3,751,676	$ 467,772	$ 4,219,448
Non-current tangible assets, as of December 31, 2019	38,803,333	355,825	39,159,658
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

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. Through December 31, 2019, 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, 2019, one customer represented at least 10% of revenues, accounting for 48.2% (Gold Medal Group, LLC, an affiliated entity, "GMG") of revenues. During the year ended December 31, 2018, one customer represented at least 10% of revenues, accounting for 30.7% (GMG) of revenues.

As of December 31, 2019 one customer represented at least 10% of accounts receivable, accounting for 58.9% (GMG) of accounts receivable. As of December 31, 2018, one customer represented at least 10% of accounts receivable, accounting for 32.8% (GMG) of accounts receivable.

Vendor concentration — During the year ended December 31, 2019, one vendor represented at least 10% of costs of revenue, accounting for 23.1% (GMG) of costs of revenue. 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% costs of revenue.

As of December 31, 2019, one vendor represented at least 10% of accounts payable accounting for 54.4% (GMG) of accounts payable. 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.

Affiliate relationship — GMG owns a 40% interest in Refuel America, LLC, a consolidated subsidiary of the Company. GMG's subsidiaries, which are not consolidated in the Company's financial statements have several business relationships with the Company and its subsidiaries that result in revenues and expenses noted above. See Note 20. Related Party Transactions.

Note 13. Line of Credit, Notes Payable, Advances, Promissory Note and Long-Term Debt

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

	2019		2018	
	Total	**Related Party**	**Total**	**Related Party**
Line of credit	$ 1,479,848	$ -	$ 1,469,330	$ -
Senior secured promissory note	4,160,490	-	3,851,305	-
Junior promissory note	949,434	949,434	926,211	926,211
Note payable	100,000	-	100,000	-
Advance from related party	210,000	210,000	-	-
Long term debt - current and long-term portion	12,806	-	21,971	-

Line of Credit — 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, (5.71% and 6.52% as of December 31, 2019 and December 31, 2018, respectively) and matured on January 1, 2020, which was subsequently extended to March 31, 2020 and remains outstanding as of the date of this filing. The Company expects to obtain an amended agreement through the remainder of 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, 2019, the $1,500,000 balance outstanding is presented net of $34,948 in issuance costs associated with the financing, net of $14,796 in amortization. As December 31, 2018, the $1,500,000 balance outstanding is presented net of $34,948 in issuance costs associated with the financing, net of $4,278 in amortization. Amortization is 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, 2019 and 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, 2019 and 2018, the carrying balance of the Note is comprised of $5,000,000 face value, less $1,212,121 allocated to the common stock issued based upon the market value on the date issued, less associated amortization of $485,878 and $223,443, respectively, on the stock discount, less deferred financing costs of $211,187, less $97,920 and $51,170, respectively, of associated deferred financing cost amortization. All amortization is computed on the effective 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 $40,780 and $17,557 as of December 31, 2019 and 2018, respectively. 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.

Note Payable — As of December 31, 2019 and 2018, the note, with interest at 10%, had a remaining balance outstanding of $100,000 and matured on January 1, 2020 and remains outstanding as of the date of this filing. The Company expects to amend the agreement to extend the maturity date through the remainder of 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 Senior Secured, Junior Promissory, Notes Payable and Long Term Debt— as of December 31, 2019, excluding discounts and deferred finance costs, which are being amortized as interest expense, are as follow:

Year Ending December 31,	Amortizing	Non-Amortizing	Total
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	-	625,000	625,000
2024 and thereafter	-	1,044,477	1,044,477
Total	**$ 12,806**	**$ 6,144,477**	**$ 6,157,283**

Note 14. 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 was 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, 2019 and 2018 is $33,000,000, which is presented net of unamortized debt issuance costs amounting to $2,207,759 and $2,145,608, less associated amortization of $415,185 and $231,510, respectively, which includes amortization prior to the Company's control acquisition in 2018. Amortization is calculated on the effective interest method, which is included in interest expense in the accompanying consolidated statements of operations and comprehensive loss.

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, which became effective on September 30, 2019. As of December 31, 2019 the Company was not in compliance with all of the financial covenants and subsequently was in default on a principal repayment due in February 2020 and has entered into a forbearance agreement with the bond trustee that provides they will not accelerate the repayment of the bonds due to the defaults through April 2, 2021.

The future sinking fund payments by the Borrower as of December 31, 2019 are as follow:

Year Ending December 31,	2016 Issue 2026 Series	2016 Issue 2036 Series	2018 Issue 2036 Series	Total
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	965,000	-	300,000	1,265,000
2024 and thereafter	3,295,000	17,465,000	6,940,000	27,700,000
Total	$ 7,535,000	$ 17,465,000	$ 8,000,000	$ 33,000,000

In connection with the November 1, 2018 amendment and restatement of the WVEDA Bonds, Comerica Bank issued a standby letter of credit in the amount of $1,250,000 (the "SbyLoC") for the benefit of the WVEDA Bond trustee that is collateralized by the Company's cash.

Note 15. Equity and Equity Transactions

The Company has 50,000,000 shares of its $0.0001 par common stock and 10,000,000 shares of blank check preferred stock authorized by its shareholders. As of December 31, 2019 and December 31, 2018, 17,300,899 and 14,802,956 shares of common stock have been issued; and 3,179,120 and 3,159,120 shares, respectively, of preferred stock have been designated in five series of shares, which have a total of $1,042,287 in accumulated, but undeclared preferential dividends as of December 31, 2019, as follows:

Designation	Designated Shares	Par Value	Stated Value	Shares Outstanding December 31, 2019	Shares Outstanding December 31, 2018
Series A Convertible Preferred Stock	333,401	$ 0.0001	$ 5.00	145,312	163,312
Series B Convertible Preferred Stock	1,111,200	0.0001	5.00	-	-
Series C Convertible Preferred Stock	1,000,000	0.0001	10.00	427,500	427,500
Series D Convertible Preferred Stock	20,000	0.0001	100.00	18,850	-
Series E Convertible Preferred Stock	714,519	0.0001	2.64	264,519	564,519

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 or stock dividends on common stock.

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.

On September 9, 2019 the Company issued 1,877,666 registered shares of its $0.0001 par common stock through its Registration Statement on Form S-3 declared effective on July 11, 2018, by the Securities and Exchange Commission. The shares were offered through a confidentially marketed public offering and were sold at a per share price of $1.80 per share. The gross proceeds of the offering amounted to $3,379,799, which net of placement fees of $195,461, legal fees of $135,359, regulatory filing fees of $8,000 and $5,422 of other costs resulted in net proceeds to the Company of $3,035,557. In connection with the placement agent fees, the Company issued warrants for 56,330 shares, exercisable between March 11, 2020 and September 10, 2019 at an exercise price of $2.25 per warrant share.

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). 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 Company 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 during the year ended December 31, 2018 and is reflected in the accompanying consolidated statements of operations and comprehensive loss as interest expense.

On September 9, 2019 the holder of Series A Preferred Stock converted 18,000 shares of Series A preferred stock for 50,000 shares of the Company’s $0.0001 par common stock.

On September 26, 2019, November 4, 2019, November 14, 2019, December 2, 2019 and December 16, 2019 the Company paid $50,000, $50,000, $50,000, $35,000 and $15,000 of Series A preferred stock accrued dividend through the issuance of 27,778, 27,778, 27,778, 19,444 and 8,333 shares of the Company’s $0.0001 par common stock, respectively.

As of December 31, 2019 the outstanding shares of Series A Preferred Stock amounted to 145,312 with a stated value of $726,553 and the accrued dividends amounted to $56,886.

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 an initial 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, 2019 and 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, initially 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, initially 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.

Series D Convertible Preferred Stock — On February 11, 2019 the Company filed a Certificate of Designation for 20,000 shares of Series D Convertible Preferred Stock that was amended on May 1, 2019 ("Sr. D CPS"). The Sr. D CPS is initially convertible into shares of the Company's common stock at the price of $3.50 per share based on the Sr. D CPS's stated value being converted. Each share of the Sr. D CPS has a stated value of $100 and has dividends at the rate of 9% payable annually in arrears in cash or at the Company's option, in common stock based upon the then in effect conversion price. The Sr. D CPS also has an alternative dividend provision based upon the cash flow distributed to the parent from the Company's next HEBioT facility, excluding the plant in Martinsburg, West Virginia, (the "Next Facility") based upon the Sr. D CPS proportional investment in the facility. The Sr. D CPS also has an alternative conversion based upon a multiple the annualized EBITDA of the Next Facility converted at the higher of the conversion rate in effect or the market price of the Company's common stock if higher.

During 2019, the Company received subscriptions and investments totaling $1,885,000, which were issued 18,850 shares of Sr D CPS. In addition to the Sr. D CPS, each holder received warrants to acquire 50% of the shares that the Sr. D CPS is convertible into with an initial exercise price of $3.50 per share and an expiration on the fifth year anniversary. A total of 269,296 five-year warrants with an exercise price of $3.50 were issued to the Sr. D CPS holders that were valued utilizing the Black-Scholes modelling technique utilizing stock prices ranging from $1.88 to $2.70, a standard deviation (volatility) ranging from 44.55% to 46.38% and a risk-free rate interest rate ranging from 1.74% to 2.56% based on the date of the investment. The model includes subjective input assumptions that can materially affect the fair value estimates. The allocated fair value of the warrants amounting to $190,299 has been reflected in additional paid in capital. In connection with the offering and issuance of the Sr D CPS, the holder of the Series A convertible preferred stock was issued 116,651 warrants in the form issued to the Sr D CPS holders. These warrants, which were reflected as a cost of issuing the Sr D CPS, were valued utilizing the Black-Scholes modelling technique utilizing a stock price of $2.25, a standard deviation (volatility) of 46.23% and a risk-free interest rate of 1.89% on the date of issuance.

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. During the year ended December 31, 2019, an additional 300,000 Series E Shares were converted into 300,000 common shares resulting in 264,419 Series E Shares outstanding as of December 31, 2019.

Warrants — In connection with the issuance of convertible debt, preferred and common stock and in connection with services provided, the Company has the 4,674,261 warrants to acquire the Company's common stock outstanding as of December 31, 2019, as follows:

Expiring During the Year Ending December 31,	Warrant Shares	Exercise Price per Share	Weighted Average Exercises Price per Share
2020	22,860	$3.50	$ 3.50
2021	1,768,516	$1.80 to $3.30	$ 3.25
2022	1,699,861	$1.80 to $5.00	$ 2.60
2023	740,749	$1.80	$ 1.80
2024	385,945	$1.80	$ 1.80
2025	56,330	$2.25	$ 2.25

The following table summarizes the outstanding warrant activity for the year ended December 31, 2019:

Outstanding, January 1, 2019	**4,201,736**
Issued	442,275
Issued as a result of common stock offering at $1.80 per share	30,250
Exercised	-
Expired	-
Outstanding, December 31, 2019	**4,674,261**

In connection with the confidentially marketed public offering that closed on September 9, 2019 at a price per common share of $1.80, 70 warrants representing the right to acquire 1,992,325 shares with down-deal exercise price features were re-priced to an exercise price of $1.80. In connection with the modification the value of the warrants was recalculated based upon the value immediately prior to the modification and immediately after the modification. In connection therewith the Company utilized Black Scholes valuation models utilizing volatility of 50.56% and a risk free rate of 1.51% together with the contractual remaining terms of each warrant. This revaluation increased the value of the warrants by $405,324, which has been reflected as an increase in accumulated deficit and additional paid in capital. In accordance with Accounting Standards Update No. 2017-11, this increased valuation is not charged to the consolidated statement of operations and comprehensive loss however, it is included as an adjustment to net loss attributable to parent in arriving at net loss per common share – basic and diluted.

Also in connection with the confidentially marketed public offering that closed on September 9, 2019, the holder of the Series A preferred stock had the option to require that the Company redeem shares of Series A preferred stock up to an amount representing 50% of the offering. In connection therewith, the holder agreed to not require the redemption in exchange for an extension of one year to the warrants originally issued in connection with the Series A preferred stock; all other contractual terms of the Series A preferred stock remained unchanged. Utilizing the same Black Scholes valuation model variables as utilized in connection with the down deal, above, the change in valuation amounted to $49,160. As the redemption features remained unchanged, the Series A preferred stock continues to be accounted for as temporary equity, which require that the modification be charged to the consolidated statement of operations and comprehensive loss.

Note 16. 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 shareholders approved the 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 stock for the years ended December 31, was:

	2019	**2018**
Stock options	$ 138,673	$ 164,906
Restricted stock units	960,894	671,466
	$ 1,099,567	**$ 836,372**

The following summarizes the Company's stock option activity for the year ended December 31, 2019:

	Number of Options	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (in Years)**	**Aggregate Intrinsic Value**
Outstanding – January 1, 2019	482,082	3.71	7.80	-
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited, Canceled or Expired	(118,256)	3.71	-	-
Outstanding – December 31, 2019	**363,826**	**3.71**	**7.34**	-
Exercisable – December 31, 2019	**233,475**	**3.73**	**6.73**	-

Total unrecognized compensation expense related to the unvested options at December 31, 2019 and 2018 amounts to $159,657 and $462,297, which the weighted average period that the expense is expected to be recognized is 1.77 and 2.44 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

There were no grants of non-qualified stock options during 2019.

Restricted Stock Units – There were no grants of restricted stock units ("RSU") during 2019. During 2018, the Company granted or modified 768,572 RSUs 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, 2019 and 2018, 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 $495,941 and $1,203,240, respectively.

Total unrecognized compensation expense related to the unvested RSUs at December 31, 2019 and 2018 amounts to $766,555 and $1,884,479, respectively, and is expected to be recognized over a weighted average period of 1.43 and 2.34 years, respectively.

The following summarizes the Company's RSU activity for the years ended December 31, 2019 and 2018:

	Number of Shares
Unvested balance at January 1, 2018	**171,112**
Granted	768,572
Vested	(114,997)
Forfeited or Canceled	(81,946)
Unvested balance at December 31, 2018	**742,741**
Granted or modified	-
Vested	(410,891)
Forfeited or Canceled	(40,120)
Unvested balance at December 31, 2019	**291,730**

Note 17. Income Taxes

The components of income tax expense (benefit) from operations for the year ended December 31, was:

	2019	**2018**
US Federal:		
Deferred	$ 1,664,794	$ 1,992,255
State and local:		
Deferred	256,238	(618,573)
Non-US:		
Deferred	7,693	58,880
Change in valuation allowance	(1,928,725)	(1,432,562)
Income tax provision	**$** -	**$** -

The reconciliation of differences between the Federal statutory tax rate and the Company's effective income tax rate for the year ended December 31, was:

	2019	2018
U. S. Federal Statutory rate	(21.0)%	(21.0)%
Non-U.S. losses	-	0.1
Impact of US statutory tax rate change	-	-
Impact of US statutory tax rate change on valuation allowance	-	-
Local taxes, net of benefit	(2.5)	4.2
Nondeductible expenses	5.9	9.6
Other	(1.2)	(2.6)
	(18.8)	**(9.7)**
Change in valuation allowance	18.8	9.7
Effective income tax rate	**-%**	**-%**

The Company's net deferred tax assets and valuation allowance as of December 31, was:

	2019	2018
Deferred tax assets:		
Net operating losses - Federal	$ 6,000,170	$ 3,984,049
Net operating losses - State	1,055,936	802,934
Net operating losses - Non-US	185,556	177,864
Stock-based compensation	649,907	434,487
Accrued expenses	536,348	441,756
Interest	-	524,677
Lease liability	212,177	-
Other, net	242,793	88,157
	8,882,887	**6,453,924**
Deferred tax liabilities:		
Property and equipment - Federal	(366,413)	(86,344)
Right of use asset	(220,169)	-
	(586,582)	**(86,344)**
Net deferred tax assets	8,296,305	6,367,580
Valuation allowance	(8,296,305)	(6,367,580)
Net deferred tax assets	**$ -**	**$ -**

For the years ended December 31, 2019 and 2018 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 carryforward. As of December 31, 2019, the Company had net operating loss carryforwards of approximately $28,572,000 and $14,325,000 for federal and state income tax purposes, respectively.

For purposes of Internal Revenue Code Section 382, the annual utilization of net operating loss carryovers are subject to limitation resulting from a more than 50% ownership change as determined under the regulations, which occurred during the year ended December 31, 2019.

The federal net operating losses of approximately $14,200,000, 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 $14,372,000 do not expire.

Note 18. Commitments and Contingencies

During the year ended December 31, 2019 the Company was involved in the following legal matters.

The Company had accrued their contractual obligations but disputed 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. This matter was settled on April 23, 2019. In connection with the settlement, the Company issued to the plaintiff 75,000 shares of its common stock.

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. The trial was scheduled to begin in August 2020. Subsequent to year end and prior to the start of the trial, on March 12, 2020 the Company entered into a settlement agreement that detailed the full and final mutual release. The settlement agreement provides that the Company pay Lemartec $775,000 in installments of $475,000 within 60 days of the execution of the settlement agreement and $25,000 each month thereafter for 12 months. The Company's consolidated financial statements as of December 31, 2019 reflects this liability given the nature of the subsequent event.

It is management's opinion that the resolution of these known claims will not materially effect the Company's future financial position, results of operations, or cash flows.

From time to time, the Company may be involved in other legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that 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 19. Leases

Effective January 1, 2019, the Company implemented Accounting Standards Codification 842, Leases. The guidance requires lessees to recognize most leases on the balance sheet but does not change the presentation of expenses on the income statement. The two permitted transition methods under the guidance are the modified retrospective transition approach, which requires application of the guidance for all comparative periods presented, and the cumulative effect adjustment approach, which requires prospective application at the adoption date.

The Company utilized the optional transition method to assess the impact of this guidance on the Company's financial statements and related disclosures, including the increase in the assets and liabilities on our balance sheet from lessee perspective. The Company completed a comprehensive review of its leases that were impacted by the new guidance.

As part of the adoption, the Company elected the 'package of practical expedients,' which permits the Company not to reassess under the new standard the Company's prior conclusions about lease identification, lease classification and initial direct costs, therefore the Company did not restate prior comparative periods.

The Company rents its headquarters and attached warehousing space from a related party (see Note 16) and has a land lease relating to the Martinsburg, WV HEBioT facility under operating leases. The HEBioT facility land lease has an initial term of 30 years, plus four 5-year extensions. For purposes of our determination of lease liabilities, extensions were not included. As the leases do not provide an implicit rate, the Company used incremental borrowing rates in determining the present value of lease payments. For the HEBioT facility land lease a rate of 11% was utilized and a rate of 10.25% was used on the other leases. The current portion of the lease liabilities of $146,926 is included in accrued expenses and liabilities. Total lease costs under operating leases amounted to $221,423 and $155,060 for the years ended December 31, 2019 and 2018. Maturities of lease liabilities under these leases, which have a weighted average remaining term of 25.3 years, as of December 30, 2019 is:

Year Ending December 31,		
2020	$	146,926
2021		109,000
2022		113,000
2023		113,000
2024 and thereafter		2,980,750
Total lease payments		**3,462,676**
Less imputed interest		(2,401,682)
Present value of lease liabilities	**$**	**1,060,994**

During the year ended December 31, 2019, the Company recognized operating lease right of use assets in exchange for lease liabilities amounting to $1,045,755 and had operating cash flows for operating leases amounting to $195,003 for the year then ended.

Note 20. 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. Related parties also include GMG and its subsidiaries.

As of December 31, 2019, GMG is controlled by several private equity funds managed by Kinderhook Industries. The Company initially invested in GMG on January 25, 2018. On July 3, 2019 the Company sold its ownership interests in GMG to an entity controlled by Kinderhook Industries. As discussed in Note 3, on December 14, 2018 the Company formed a new consolidated subsidiary, Refuel America, LLC (“Refuel”) into which the Company contributed specified assets, including its ownership interest in Entsorga West Virginia, LLC (“EWV”) and other HEBioT development assets. In exchange for a 40%, but non-controlling interest in Refuel, GMG contributed its ownership interests in EWV and $3,500,000 in cash. During the year ended December 31, 2019, GMG made an additional capital contribution into Refuel. In connection with GMG’s additional investment, the Company made an additional $2,100,000 investment in Refuel.

During 2018 GMG acquired as regional waste management entity, Apple Valley Waste (“AVW”), with operations located in West Virginia, Maryland and Pennsylvania. As part of this acquisition, GMG also acquired its interests in EWV that were contributed to Refuel. Prior to GMG’s acquisition of AVW and the Company’s investments and control acquisition of EWV, in order for EWV to receive the proceeds from the Entsorga West Virginia, LLC WVEDA Solid Waste Disposal Revenue Bonds (Note 14), EWV and AWV had entered into several agreements.

***Business Services Agreement* –** On February 2, 2016, EWV and AVW entered into an agreement that whereby AVW provides solicitation, logistics management, human resources, accounting and financial management, and other general administrative and support services. This agreement has a ten-year term with automatic renewals for five-year periods, subject to prior notice of non-renewal. The agreement provides for a fee of $72,000 annually during construction and $367,600 annually upon commencement of operations. External costs incurred on behalf of EWV that are paid by AVW are rebilled at cost to EWV.

***Solid Waste Delivery / Disposal Agreements* –** On November 30, 2015 EWV and several AVW subsidiaries (the “Subsidiaries”) entered into agreements that provide that the Subsidiaries will deliver a minimum tonnage of municipal solid waste (52,000 tons) and that EWV will accept up to 66,250 tons of municipal solid waste. The contracts with minimum delivery tonnage have disposal fees (tipping fees) with a weighted average price of $56.37 per ton, subject to change annually. The contracts also provide that if the Subsidiaries fail to deliver the minimum tonnage, they will pay a fee of $20 for each shortfall ton. The contracts also provide that if EWV refuses to accept tonnage presented for disposal within the minimum tonnage that EWV will pay the Subsidiaries a fee of $20 per each refused ton. Each of the agreements has a ten-year term with automatic renewals for five-year periods, subject to prior notice of non-renewal.

The face amount of direct related party assets and liabilities and other transactions or conditions as of or for the year ended December 31, was:

		2019	2018
Assets:			
Accounts receivable	*(a) (b) (c)*	$ 1,370,867	$ 168,588
Intangible assets, net, included in other assets	*(d)*	40,399	83,933
Liabilities:			
Accounts payable	*(d) (e) (f) (g)*	2,531,034	160,761
Accrued interest payable		46,796	46,796
Long term accrued interest	*(h)*	1,510,193	1,305,251
Advance from related party	*(i)*	210,000	-
Junior promissory note	*(h)*	949,434	926,211
Other:			
Line of credit guarantee	*(j)*	1,479,848	1,469,330

The table below presents direct related party expenses or transactions for the year ended December 31, 2019. Compensation and related costs for employees of the Company are excluded from the table below.

		2019	2018
Management advisory and other fees	*(a) (b)*	$ 975,000	$ 1,072,947
HEBioT revenue	*(c)*	1,056,875	-
Operating expenses - HEBioT	*(e)*	683,647	-
Operating expenses – Rental Expenses	*(f)*	137,145	98,148
Operating expenses - Selling, general and administrative	*(d) (g)*	368,700	179,166
Interest expense	*(h)*	242,357	271,498
Debt guarantee fees	*(j)*	67,500	56,250
Cost of revenue, digester inventory or equipment on operating leases acquired		-	15,704

(a) ***Management Advisory Fees*** - The Company provides management advisory services to Gold Medal Holdings, Inc., a subsidiary of GMG.

(b) ***Project Fees –*** In addition to Management Advisory Fees, the Company also has provided to GMG subsidiaries non-management advisory services related to projects relating to technology and operations.

(c) ***HEBioT Disposal Revenues –*** Entsorga West Virginia, LLC has a series of agreements with GMG subsidiaries entities that provide for specified fees for each ton of municipal waste delivered to the HEBioT facility.

(d) ***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. 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.

(e) ***Disposal costs –*** A GMG subsidiary has provided logistics and disposal of non-recovered municipal solid waste to the HEBioT facility.

(f) ***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, 2019 under these operating leases total $41,926, which are due in 2020.

(g) ***Business Services Fees –*** A GMG subsidiary provides certain general management and administrative support to the HEBioT facility.

(h) ***Junior Promissory Note –*** See Note 13.

(i) ***Advance from Related Party*** - The Company's Chief Executive Officer (the "Officer") on occasion advances 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.

(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 line of credit, 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) ***Consulting Revenue*** - The Company provided 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.

Note 21. 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 year ended December 31, 2018. During the year ended December 31, 2019 the Company made contributions of $9,339 to the plan.

Note 22. 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:

	2019	2018
Changes in operating assets and liabilities:		
Accounts receivable	$ (2,049,366)	$ (160,694)
Inventory	(342,447)	(842,944)
Prepaid expenses and other assets	4,083	23,019
Accounts payable	3,265,920	333,633
Accrued interest payable	431,001	446,710
Accrued expenses	(1,463,398)	(982,369)
Deferred revenue	(11,681)	17,225
Customer deposits	37,109	(31,814)
Net change in operating assets and liabilities	**$ (128,779)**	**$ (1,197,234)**
Supplementary cash flow information:		
Cash paid during the periods for:		
Interest	$ 2,775,715	$ 484,259
Income taxes	-	-

	2019	2018
Supplementary Disclosure of Non-Cash Investing and Financing Activities:		
Transfer of inventory to leased equipment	$ 393,795	$ 666,251
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
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
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 dividends	162,584	85,578
Payment of Series A preferred stock dividends in common stock	200,000	-
Conversion of Series A preferred stock into common stock	90,000	533,445
Common stock issued in settlement of accounts payable	205,500	-
Reconciliation of Cash and Restricted Cash:		
Cash	$ 1,847,526	$ 2,410,709
Restricted cash (short term)	1,133,581	4,195,148
Restricted cash (non-current)	2,555,845	2,520,523
Total cash and restricted cash at the end of the period	**$ 5,536,952**	**$ 9,126,380**

Note 23. Recent Accounting Standards

During the year ended December 31, 2019, the Company adopted the following recent accounting standards:

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. As a lessor of digester equipment under operating leases, the new guidance did not have a material impact on the financial statements. As a lessee under operating leases the adoption did not have a material impact on our financial statements, resulting in an increase of 2% to each of our total assets and total liabilities on our balance sheet, and had an immaterial impact to retained earnings as of the beginning of 2019. See Note 19.

In March 2019, the FASB issued ASU 2019-01, Leases (Topic 842, *Codification Improvements*), which removed the requirement for an entity to disclose in the interim periods after adoption, the effect of the change on income from continuing operations, net income, any other affected financial statement line item, or per share amount. For lessors, the new leasing standard requires leases to be classified as sales-type, direct financing or operating leases. These criteria focus on the transfer of control of the underlying asset. This standard and related updates were effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted ASU 2019-01 on January 2019. See Note 15 for disclosures related to this amended guidance.

The Company has not yet implemented the following accounting standard:

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. This standard requires an allowance to be recorded for all expected credit losses for certain financial assets. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments. ASU 2016-13 is effective for public companies for interim and annual period beginning December 15, 2020. Entities are required to apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company has not yet adopted this update and is currently evaluating the effect this new standard will have on its financial condition and results of operations.

Note 24. 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.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and globally. The Company is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, and its impact on operations, financial position, cash flows, inventory, supply chains, purchasing trends, customer payments, and the industry in general, in addition to the impact on its employees. Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the Company's operations and liquidity is uncertain as of the date of this report. While there could ultimately be a material impact on operations and liquidity of the Company, at the time of issuance of this annual report on Form 10-K, the impact could not be determined.

In mid-March, the Company began migrating to a work-from-home model in compliance with local guidance and as party of an overall cost reduction program, reduced certain staff, primarily related to field services to reduce operating costs.

The Company has applied for funds under the Paycheck Protection Program in May 2020 for two of its subsidiaries. The application for these funds requires the Company to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Company. This certification further requires the Company to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. One of the two applications has been approved, amounting to $421,300 and was funded on May 13, 2020. The forgiveness of the loan attendant to these funds, is dependent on the Company qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. The other application in the amount $200,000 has not yet been approved.

On January 30, 2020 the Chief Executive Officer and another officer advanced $1,050,000 and $200,000 to the Company, which the Company repaid $275,000 and $200,000 on April 27, 2020, respectively.

On March 9, 2020 the Company designated a new series of preferred stock and subsequently on March 18, 2020 had an initial closing of $1,500,000 on 13,045 shares of the new series of preferred stock and 178,597 common stock warrants. This initial closing was followed by an additional closing on April 6, 2020 of $65,000 on 566 shares of the new series of preferred stock and 7,750 common stock warrants. The newly designated series, the Series F Redeemable, Convertible Preferred Stock (the Sr. F Preferred Stock) is comprised of 30,090 shares with a par value of $0.0001 per share and a stated value per share of $115.00 that has a dividend rate of 9%. The Sr. F Preferred Stock is convertible by the holder at any time at a conversion rate of $2.10, subject to certain antidilution adjustments and is redeemable by the Company after 24 months at its stated value, plus any outstanding accrued or accumulated dividends for cash, or if the Company’s common stock is trading over $3.00 per share and has daily trading volume of over 50,000 shares, for the Company’s common stock at the conversion rate in effect at the time. In connection with the offering of the Sr. F Preferred Stock, the Company also issued warrants that expire in five years to acquire the Company’s common stock at $2.30 per share.

Note 25. 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, 2019 and 2018 and its condensed consolidating statement of operations and cash flows for the years ended December 31, 2019 and 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 following condensed consolidating financial information should be read in conjunction with the Company's consolidated financial statements.

Condensed Consolidating Balance Sheet as of December 31, 2019

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Assets				
Cash	$ 1,847,526	$ -	$ -	$ 1,847,526
Restricted cash	-	1,133,581	-	1,133,581
Other current assets	1,697,910	1,116,821	(64,669)	2,750,062
Current assets	**3,545,436**	**2,250,402**	**(64,669)**	**5,731,169**
Restricted cash	-	2,555,845	-	2,555,845
HEBioT facility and other fixed assets	1,753,730	37,392,601	-	39,146,331
Operating lease right of use assets	48,021	897,026	-	945,047
MBT facility development and license costs	6,254,429	1,795,500	-	8,049,929
Investment in subsidiaries	10,864,783	-	(10,864,783)	-
Goodwill	-	58,000	-	58,000
Other assets	53,726	-	-	53,726
Total assets	**$ 22,520,125**	**$ 44,949,374**	**$ (10,929,452)**	**$ 56,540,047**
Liabilities and stockholders' equity				
Line of credit	$ 1,479,848	$ -	$ -	$ 1,479,848
Current portion of WV EDA Bonds	-	1,390,000	-	1,390,000
Other current liabilities	2,387,916	6,475,985	(650,894)	8,213,007
Current liabilities	**3,867,764**	**7,865,985**	**(650,894)**	**11,082,855**
Notes payable and other debts	5,118,125	-	-	5,118,125
Accrued interest	1,510,193	-	-	1,510,193
Non-current lease liabilities	-	915,170	-	915,170
WV EDA bonds	-	29,817,426	-	29,817,426
Total liabilities	**10,496,082**	**38,598,581**	**(650,894)**	**48,443,769**
Redeemable preferred stock	726,553	-	-	726,553
Stockholder's equity:				
Attributable to parent	2,024,143	-	-	2,024,143
Attributable to non-controlling interests	9,273,347	6,350,793	(10,278,558)	5,345,582
Stockholders' equity	**11,297,490**	**6,350,793**	**(10,278,558)**	**7,369,725**
Total liabilities and stockholders' equity	**$ 22,520,125**	**$ 44,949,374**	**$ (10,929,452)**	**$ 56,540,047**

Condensed Consolidating Statement of Operations for the year ended December 31, 2019

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Revenue	**$ 3,108,377**	**$ 1,111,071**	$ -	**$ 4,219,448**
Operating expenses				
HEBioT	-	2,064,139	-	2,064,139
Rental, service and maintenance expense	784,291	-	-	784,291
Equipment sales	113,063	-	-	113,063
Selling, general and administrative	6,097,817	965,874	-	7,063,691
Depreciation and amortization	495,709	1,233,769	-	1,729,478
Total operating expenses	7,490,880	4,263,782	-	**11,754,662**
Loss from operations	(4,382,503)	(3,152,711)	-	**(7,535,214)**
Other (income) expenses, net	688,621	2,056,226	-	2,744,847
Net loss	**$ (5,071,124)**	**$ (5,208,937)**	**$ -**	**$ (10,280,061)**

Condensed Consolidating Statement of Cash Flows for the year ended December 31, 2019

	Parent and other Subsidiaries	Entsorga West Virginia LLC	Eliminations	Consolidated
Cash flows used in operating activities:				
Net loss	$ (5,071,124)	$ (5,208,937)	$ -	$ (10,280,061)
Non-cash adjustments to reconcile net loss to net cash used in operations	1,856,795	1,417,445	-	3,274,240
Changes in operating assets and liabilities	(1,447,676)	1,318,897	-	(128,779)
Net cash used in operations	**(4,662,005)**	**(2,472,595)**	-	**(7,134,600)**
Cash flow used in investing activities:				
Construction of HEBioT facility and acquisitions of equipment	(33,346)	(5,077,863)	-	(5,111,209)
Capital contribution to Entsorga West Virginia, LLC	(4,586,362)	-	4,586,362	-
Other investing activities	2,231,824	-	-	2,231,824
Net cash used in investing activities	**(2,387,884)**	**(5,077,863)**	**4,586,362**	**(2,879,385)**
Cash flows from financing activities:				
Issuances of debt and equity	6,418,057	4,586,362	(4,586,362)	6,418,057
Repayments of debt	(9,165)	-	-	(9,165)
Deferred financing costs incurred	-	(62,151)	-	(62,151)
Net cash provided by financing activities	**6,408,892**	**4,524,211**	**(4,586,362)**	**6,346,741**
Effect of exchange rate on cash	77,816	-	-	77,816
Cash – beginning of period (restricted and unrestricted)	2,410,708	6,715,672	-	9,126,380
Cash – end of period (restricted and unrestricted)	**$ 1,847,527**	**$ 3,689,425**	**$ -**	**$ 5,536,952**

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**

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, 2019 and 2018, the related consolidated statements of operations and comprehensive loss**,** cash flows and changes in stockholders' equity for each of the two years in the period ended December 31, 2019, 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, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, 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 a significant working capital deficiency, 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.

Adoption of New Accounting Standards- ASU No. 2016-02

As discussed in Note 19 to the consolidated financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of ASU No. 2016-02, Leases (Topic 842), as amended, effective January 1, 2019 using the modified retrospective approach.

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
May 22, 2020

Exhibit 21.1

Subsidiaries – December 31, 2019	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)	88%
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 Nos. 333-225999 and 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 May 22, 2020, with respect to our audits of the consolidated financial statements of BioHiTech Global, Inc. and Subsidiaries as of December 31, 2019 and 2018 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, 2019.

Our report on the consolidated financial statements refers to a change in the method of accounting for leases in 2019 due to the adoption of ASU No. 2016-02, Leases (Topic 842), as amended, effective January 1, 2019 using the modified retrospective approach.

/s/ Marcum LLP

Marcum LLP
Melville, NY
May 22, 2020

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, 2019 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: May 22, 2020

/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, 2019 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: May 22, 2020

/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, 2019, 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: May 22, 2020

/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, 2019, 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: May 22, 2020

/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.