

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Nine Months Ended September 30, 2021

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Nine Months Ended September 30, 2021

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Bahamas Waste Limited

Interim Statement of Financial Position (Unaudited) (Expressed in Bahamian Dollars)

	September 30	December 31
	2021	2020
Assets		
Current assets		
Cash	\$ 4,854,100	\$ 3,579,680
Accounts receivable, net	2,259,859	1,760,550
Inventories	896,611	823,930
Prepaid expenses and other receivables	316,903	211,947
Total current assets	8,327,473	6,376,107
Non-current assets		
Loan Receivable	-	-
Investment in associates	42,828	38,485
Property, plant, and equipment, net	5,053,552	5,641,474
Total non-current assets	5,096,380	5,679,959
Total assets	\$ 13,423,853	\$ 12,056,066
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 654,962	\$ 534,688
Total current liabilities	654,962	534,688
Non-current liabilities		
Security deposits	737,047	721,963
Total liabilities	1,392,009	1,256,651
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(787,332)	(706,800)
Retained earnings	10,025,062	8,712,102
Total shareholders' equity	12,031,844	10,799,415
Total liabilities and shareholders' equity	\$ 13,423,853	\$ 12,056,066

Commitments and contingencies (Note 6)

See accompanying notes to interim condensed financial statements (unaudited).

Bahamas Waste Limited

Interim Condensed Statement of Comprehensive Income (Unaudited) (Expressed in Bahamian Dollars)

	Nine Months Ended September 30	
	2021	2020
Sales and services rendered	\$ 8,822,664	\$ 8,468,805
Cost of sales and direct expenses	(5,092,153)	(4,946,520)
Gross profit	3,730,511	3,522,285
Expenses		
Operating	1,981,948	2,460,426
Interest and bank charges	38,408	31,761
Total operating expenses	2,020,356	2,492,187
Net income being comprehensive income for the period	\$ 1,710,155	\$ 1,030,098
Earnings per share (<i>Note 3</i>)	\$ 0.43	\$ 0.26

See accompanying notes to interim condensed financial statements (unaudited).

Bahamas Waste Limited

Interim Statement of Changes in Shareholders' Equity (Unaudited) (Expressed in Bahamian Dollars)

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
Balance at December 31, 2020	4,200,000	\$ 42,000	\$ 2,752,113	\$ (706,800)	\$ 8,712,102	\$ 10,799,415
Net income being comprehensive income for the period	-	-	-	-	1,710,155	1,710,155
Purchase of treasury shares	-	-	-	(80,532)	-	(80,532)
Dividends	-	-	-	-	(397,195)	(397,195)
-Balance at September 30, 2021	4,200,000	\$ 42,000	\$ 2,752,113	\$ (787,332)	\$ 10,025,062	\$ 12,031,843

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares	Retained Earnings	Total
Balance at December 31, 2019	4,200,000	\$ 42,000	\$ 2,752,113	\$ (700,200)	\$ 8,407,526	\$ 10,501,439
Net income being comprehensive income for the period	-	-	-	-	1,030,098	1,030,098
Purchase of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Balance at September 30, 2020	4,200,000	\$ 42,000	\$ 2,752,113	\$ (700,200)	\$ 9,437,624	\$ 11,531,537

See accompanying notes to interim condensed financial statements (unaudited)

Bahamas Waste Limited

Interim Statements of Cash Flows (Unaudited) (Expressed in Bahamian Dollars)

	Nine Months Ended September 30	
	2021	2020
Operating activities		
Net income being comprehensive income for the period	\$ 1,710,155	\$ 1,030,098
Adjustments for items not involving use of cash:		
Depreciation	924,226	952,121
Bad debt expense	(447,394)	115,550
Write down of obsolete inventory	-	-
Gain on sale of fixed assets	-	(10,000)
Share in loss from investment in associates	(4,344)	13,042
	2,186,643	2,100,811
Change in non-cash working capital items:		
Increase in accounts receivable	(51,915)	54,374
Increase in inventories	(72,681)	(5,564)
Increase in prepaid expenses and other receivables	(104,956)	(100,246)
Decrease in Loan receivable	-	12,983
(Decrease) Increase in accounts payable and accrued liabilities	120,274	155,866
Increase in security deposits	15,084	14,562
Net cash flow provided by operating activities	2,088,449	2,232,786
Investing activities		
Purchases of property, plant and equipment	(336,303)	(293,671)
Proceeds from sale of fixed assets	-	10,000
Net cash flow used in investing activities	(336,303)	(283,671)
Financing activities		
Purchases of treasury stock	(80,532)	-
Dividends	(397,195)	-
Net cash flow used in financing activities	(477,727)	-
Net change in cash	1,274,420	1,949,115
Cash, at beginning of the period	3,579,680	1,607,261
Cash, at end of the period	\$ 4,854,100	\$ 3,556,376

See accompanying notes to interim condensed financial statements (unaudited).

Bahamas Waste Limited

Notes to Interim Condensed Financial Statements (Unaudited) (Expressed in Bahamian Dollars)

September 30, 2021

1. Corporate Information

Bahamas Waste Limited (the Company) was incorporated under the laws of the Commonwealth of The Bahamas on August 18, 1987. It is engaged in the business of solid and medical waste collection and disposal, including the sale, installation, rental, and maintenance of waste compactors and containers. The Company has publicly traded shares which are registered on the Bahamas International Stock Exchange (BISX).

The quarter ends of the Company fall on March 31, June 30, and September 30, with the year-end of the Company being December 31. The latest audited accounts of the Company were prepared as at December 31, 2020 and for the year then ended. Its reporting currency is Bahamian Dollars.

The interim condensed financial statements (unaudited) for September 30, 2021 were authorized for issue by the Directors on November 3, 2021.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for September 30, 2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed financial statements (unaudited) do not include all of the information and Company's disclosures required in the annual financial statements, and should be read in conjunction with the December 31, 2020 audited financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements (unaudited) are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2020.

Bahamas Waste Limited

Notes to Interim Condensed Financial Statements (Unaudited) (continued) (Expressed in Bahamian Dollars)

September 30, 2021

3. Earnings per Share

Earnings per share of \$0.43 (September 2020 – \$0.26) were calculated based on the shares outstanding at the end of the period, which approximated average shares outstanding during the period.

	<u>2021</u>	<u>2020</u>
Shares outstanding at end of period	3,967,167	3,979,305

4. Related-Party Transactions and Balances

During the period, the Company entered into transactions with related parties. All transactions and balances were conducted at arm's length. There were no significant obligations to the related parties for the nine months ended September 30, 2021 and 2020.

5. Treasury Stock

On October 30, 2018, the Board of Directors authorized the purchase of up to 10% (420,000) of the Company's outstanding common shares over the 36 month period ending October 31, 2021. During the nine months ended September 30, 2021, 11,555 common shares were repurchased (September 30, 2020: Nil).

6. Commitments and Contingencies

The Company guarantees its compactors sales for a 60-day period from the date of purchase. The Company is reimbursed by the manufacturer for any claims paid under such guarantees.