

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Twelve Months Ended December 31, 2021

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Twelve Months Ended December 31, 2021

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Bahamas Waste Limited

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

	December 31 2021	December 31 2020
Assets		
Current assets		
Cash	\$ 4,764,581	\$ 3,579,680
Accounts receivable, net	2,257,974	1,760,550
Inventories	956,155	823,930
Prepaid expenses and other receivables	175,963	211,947
Total current assets	<u>8,154,673</u>	<u>6,376,107</u>
Non-current assets		
Loan Receivable	0	0
Investment in associates	25,982	38,485
Property, plant, and equipment, net	4,884,731	5,641,474
Total non-current assets	<u>4,910,713</u>	<u>5,679,959</u>
Total assets	<u><u>\$ 13,065,386</u></u>	<u><u>\$ 12,056,066</u></u>
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 687,063	\$ 534,687
Total current liabilities	<u>687,063</u>	<u>534,687</u>
Non-current liabilities		
Security deposits	740,873	721,964
Total liabilities	<u>1,427,935</u>	<u>1,256,651</u>
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(796,582)	(706,800)
Retained earnings	9,639,919	8,712,102
Total shareholders' equity	<u>11,637,450</u>	<u>10,799,415</u>
Total liabilities and shareholders' equity	<u><u>\$ 13,065,386</u></u>	<u><u>\$ 12,056,066</u></u>

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 December 31	
	2021	2020
Sales and services rendered	\$ 12,009,884	\$11,399,754
Cost of sales and direct expenses	(7,051,516)	(6,671,035)
Gross profit	4,958,368	4,728,719
Expenses		
Operating	2,948,562	3,982,261
Interest and bank charges	50,354	44,102
Total operating expenses	2,998,916	4,026,363
Net income being comprehensive income for the period	\$ 1,959,452	\$ 702,356
Earnings per share (<i>Note 3</i>)	\$ 0.49	\$ 0.18

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, 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	—	—	—	—	702,356	702,356
Purchase of treasury shares				(6,600)	-	(6,600)
Dividends	—	—	—	—	(397,781)	(397,781)
Balance at December 31, 2020	4,200,000	\$ 42,000	\$ 2,752,113	\$ (706,800)	\$ 8,712,102	\$10,799,415

	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	—	—	—	—	1,959,452	1,959,452
Purchase of treasury shares				(89,782)	-	(89,782)
Dividends	—	—	—	—	(1,031,635)	(1,031,635)
Balance at December 31, 2021		\$	\$	\$	\$	
	4,200,000	42,000	2,752,113	(796,582)	8,712,102	\$ 10,799,415

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 December 31	
	2021	2020
Operating activities		
Net income being comprehensive income for the period	\$ 1,959,452	\$ 702,356
Adjustments for items not involving use of cash:		
Depreciation	1,256,579	1,255,908
Bad debt expense	(315,474)	842,056
Write down of obsolete inventory	(20,701)	-
(Gain)/Loss on sale of fixed assets	(21,006)	(10,000)
Share in loss from investment in associates	12,502	31,305
	<u>2,871,033</u>	<u>2,821,625</u>
Change in non-cash working capital items:		
Increase in accounts receivable	(181,950)	(140,191)
Increase in inventories	(111,524)	(7,391)
Decrease in prepaid expenses and other receivables	35,985	90,747
Decrease in Loan receivable	-	118,827
Increase in accounts payable and accrued liabilities	152,375	(126,558)
Increase in security deposits	18,909	19,027
Net cash flow provided by operating activities	<u>2,785,147</u>	<u>2,776,081</u>
Investing activities		
Purchases of property, plant and equipment	(499,834)	(409,282)
Proceeds from sale of fixed assets	21,006	10,000
Net cash flow used in investing activities	<u>(478,828)</u>	<u>(399,282)</u>
Financing activities		
Purchases of treasury stock	(89,782)	(6,600)
Dividends	(1,031,635)	(397,781)
Net cash flow used in financing activities	<u>(1,121,417)</u>	<u>(404,381)</u>
Net change in cash	1,184,902	1,972,419
Cash, at beginning of the period	3,579,679	1,607,261
Cash, at end of the period	<u>\$ 4,764,581</u>	<u>\$ 3,579,680</u>

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

Bahamas Waste Limited

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

December 31, 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 December 31, 2021 were authorized for issue by the Directors on February 9, 2022.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for December 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)

December 31, 2020

3. Earnings per Share

Earnings per share of \$0.49 (December 2020 – \$0.18) 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	3,971,610	3,978,722

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 twelve months ended December 31, 2021 and 2020.

5. Treasury Stock

On November 3, 2021, the Board of Directors renewed the authorization for the purchase of up to 10% (420,000) of the Company's outstanding common shares over the 36-month period ending October 31, 2024. During the twelve months ended December 31, 2021, 12,555 common shares were repurchased (December 31, 2020: 1,000).

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.