

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Bahamas Waste Limited
Six Months Ended June 30, 2022

Bahamas Waste Limited

Interim Condensed Financial Statements (Unaudited)

Six Months Ended June 30, 2022

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Bahamas Waste Limited

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

	June 30 2022	December 31 2021
Assets		
Current assets		
Cash	\$ 5,166,181	\$ 4,764,581
Accounts receivable, net	1,735,389	2,257,974
Inventories	933,509	956,155
Prepaid expenses and other receivables	476,962	175,963
Total current assets	8,312,041	8,154,673
Non-current assets		
Loan Receivable	-	-
Investment in associates	14,735	25,982
Property, plant, and equipment, net	4,756,718	4,884,731
Total non-current assets	4,771,453	4,910,713
Total assets	\$ 13,083,494	\$ 13,065,386
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 580,413	\$ 687,063
Total current liabilities	580,413	687,063
Non-current liabilities		
Security deposits	750,637	740,873
Total liabilities	1,331,050	1,427,936
Shareholders' equity		
Share capital and contributed surplus	2,794,113	2,794,113
Treasury shares	(816,082)	(796,582)
Retained earnings	9,774,413	9,639,919
Total shareholders' equity	11,752,444	11,637,450
Total liabilities and shareholders' equity	\$ 13,083,494	\$ 13,065,386

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)

	Six Months Ended	
	June 30	
	2022	2021
Sales and services rendered	\$ 6,026,608	\$ 5,724,389
Cost of sales and direct expenses	<u>(3,730,982)</u>	<u>(3,301,245)</u>
Gross profit	<u>2,295,626</u>	<u>2,423,144</u>
Expenses		
Operating	1,497,224	1,159,925
Interest and bank charges	<u>29,788</u>	<u>24,490</u>
Total operating expenses	<u>1,527,012</u>	<u>1,184,415</u>
Net income being comprehensive income for the period	<u>\$ 768,614</u>	<u>\$ 1,238,729</u>
Earnings per share (<i>Note 4</i>)	<u>\$ 0.19</u>	<u>\$ 0.31</u>

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, 2021	4,200,000	\$ 42,000	\$ 2,752,113	\$ (796,582)	\$ 9,639,919	\$ 11,637,450
Net income being comprehensive income for the period	–	–	–	–	768,614	768,614
Purchase of treasury shares	–	–	–	(19,500)	–	(19,500)
Dividends	–	–	–	–	(634,120)	(634,120)
Balance at June 30, 2022	4,200,000	\$ 42,000	\$ 2,752,113	\$ (816,082)	\$ 9,774,413	\$ 11,752,444

	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	–	–	–	–	1,238,729	1,238,729
Purchase of treasury shares	–	–	–	(38,990)	–	(38,990)
Dividends	–	–	–	–	(397,195)	(397,195)
Balance at June 30, 2021	4,200,000	\$ 42,000	\$ 2,752,113	\$ (745,790)	\$ 9,553,636	\$ 11,601,959

See accompanying notes to interim condensed financial statements (unaudited)

Bahamas Waste Limited

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

	Six Months Ended June 30	
	2022	2021
Operating activities		
Net income being comprehensive income for the period	\$ 768,614	\$ 1,238,729
Adjustments for items not involving use of cash:		
Depreciation	517,886	617,545
Bad debt expense	(74,896)	(438,208)
Gain on disposal of fixed assets	-	-
Share in loss from investment in associates	11,247	(4,344)
	1,222,851	1,413,722
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	597,480	309,469
Increase in inventories	22,646	(32,163)
Increase in prepaid expenses and other receivables	(300,998)	(217,623)
Decrease in Loan receivable	-	-
(Decrease) Increase in accounts payable and accrued liabilities	(106,650)	123,770
Increase in security deposits	9,764	9,953
Net cash flow provided by operating activities	1,445,093	1,607,129
Investing activities		
Purchases of property, plant and equipment	(389,873)	(69,413)
Gain on disposal of fixed assets	-	-
Net cash flow used in investing activities	(389,873)	(69,413)
Financing activities		
Purchases of treasury stock	(19,500)	(38,990)
Dividends	(634,120)	(397,195)
Net cash flow used in financing activities	(653,620)	(436,185)
Net change in cash	401,600	1,101,531
Cash, at beginning of the period	4,764,581	3,579,680
Cash, at end of the period	\$ 5,166,181	\$ 4,681,211

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

Bahamas Waste Limited

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

June 30, 2022

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, 2021 and for the year then ended. Its reporting currency is Bahamian Dollars.

The interim condensed financial statements (unaudited) for June 30, 2022 were authorized for issue by the directors on August 9, 2022.

2. Summary of Significant Accounting Policies

Basis of Preparation

These interim condensed financial statements (unaudited) for June 30, 2022 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, 2021 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, 2021.

Bahamas Waste Limited

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

3. Earnings per Share

Earnings per share of \$0.19 (June 2020 – \$0.31) were calculated based on the shares outstanding at the end of the period, which approximated average shares outstanding during the period.

	<u>2022</u>	<u>2021</u>
Shares outstanding at end of period	3,969,610	3,978,722

4. Related-Party Transactions and Balances

During the quarter, 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 six months ended June 30, 2022 and 2021.

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 six months ended June 30, 2022, 2,000 common shares were repurchased (June 30, 2021:5,855).

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.