

Audited financial statements of  
**BAHAMAS WASTE LIMITED**

Year Ended December 31, 2025

# **BAHAMAS WASTE LIMITED**

Audited Financial Statements

Year ended December 31, 2025

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P.O. Box N-123  
Nassau, Bahamas

## **Independent Auditors' Report**

To the Shareholders of Bahamas Waste Limited

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Bahamas Waste Limited (“the Company”), which comprise the statement of financial position as at December 31, 2025, the statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (“ISA”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Key Audit Matter***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Impairment of Trade Receivables***

As of December 31, 2025, the Company’s trade receivables and allowance for impairment losses was \$3,248,204 and \$770,645 respectively (see note 5).

<b><i>The key audit matter</i></b>	<b><i>How the matter was addressed in our audit</i></b>
<p>Impairment of trade receivables was a key audit area primarily due to the following:</p> <p>Inadequate allowance for impairment losses could have a material financial impact on the Company’s financial statements, should a material impairment loss occur without adequate allowance for expected credit losses (“ECL”) being made.</p> <p>The impairment assessment of trade receivables i.e. measurement of ECL requires the use of subjective estimates and significant judgments such as estimating probability of default based on the loss-rates adjusted for forward-looking information (interest rates, GDP rates, and unemployment rates).</p>	<p>In assessing the impairment of trade receivables, our procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining an overall understanding of the Company’s methodology, including the associated processes, systems and controls to determine the allowance for ECL;</li> <li>• Using our own Financial Risk Management specialists: <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company’s ECL model and methodology based on the requirements of IFRS Accounting Standards;</li> <li>• Evaluated the reasonableness and reliability of the forward-looking information by comparing assumptions, such as interest rates, GDP rates, and unemployment rates in reference to published information;</li> <li>• Evaluated the reasonableness of the Company’s subjective estimates and significant judgements made in applying the ECL requirements in accordance with the relevant accounting standards, which included the selection and application of significant assumptions and data sources used in the ECL model, including but not limited to, probability of default, loss given default, exposure at default, forward looking information, historical loss rates and effective interest rate;</li> <li>• Performed sensitivity analyses over key assumptions, including the use of different historical data windows for probability of default and alternative loss given default assumptions, and assessing whether changes would result in material misstatement</li> </ul> </li> <li>• Testing the mathematical accuracy of the model along with evaluating the accuracy of data inputs which included validating the monthly gross receivables aging reports, on a sample basis, in reference to invoices and payments; and</li> <li>• Evaluating the completeness, accuracy and relevance of the ECL related disclosures required by the relevant accounting standards, including disclosures related to assumptions concerning the future, and other major sources of estimation uncertainty.</li> </ul>



### ***Other Information***

Management is responsible for the other information. The other information comprises the chairman's report and the managing director's report included in the Company's 2025 Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group (as defined in note 2 of the financial statements) to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Shaneska Kemp.

KPMG (Bahamas) Ltd.  
Nassau, Bahamas  
May 1, 2026

# BAHAMAS WASTE LIMITED

## Statement of Financial Position

December 31, 2025 with corresponding figures for 2024

(Expressed in Bahamian dollars)


	Note	2025	2024
<b>Assets</b>			
Current assets:			
Cash on hand and at banks	4	\$ 3,404,047	3,998,145
Accounts receivable, net	5,14,19	2,477,559	2,353,119
Inventories, net	6	1,291,895	1,417,434
Other assets	7, 14,17	286,731	239,781
Total current assets		7,460,232	8,008,479
Non-current assets:			
Property, plant and equipment, net	9	6,396,879	6,136,573
Total non-current assets		6,396,879	6,136,573
Total assets		\$ 13,857,111	14,145,052
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Security deposits		1,032,354	940,932
Accounts payable and accrued liabilities		664,567	804,035
Provision – Legal Claims	17	137,248	149,242
Value added tax payable		77,071	91,577
Total current liabilities		1,911,240	1,985,786
Shareholders' equity:			
Share capital	10	42,000	42,000
Contributed surplus		2,752,113	2,752,113
Treasury shares reserve	10	(735,669)	(735,669)
Retained earnings		9,887,427	10,100,822
Total shareholders' equity		11,945,871	12,159,266
Total liabilities and shareholders' equity		\$ 13,857,111	14,145,052

Commitments, contingencies and provisions are included in Note 17

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on **May 01 2026**, and are signed on its behalf by:

  
Director:

  
Director:

## BAHAMAS WASTE LIMITED

### Statement of Comprehensive Income

Year ended December 31, 2025, with corresponding figures for 2024

(Expressed in Bahamian dollars)

	Note	2025	2024
<b>Income:</b>			
Sales and services rendered	11, 14	\$ 14,301,840	13,757,166
Less: cost of sales and direct expenses	12, 14	(9,066,383)	(8,568,222)
Gross profit		5,235,457	5,188,944
<b>Expenses</b>			
Salaries and related expenses	14	1,798,314	1,998,156
General and administrative	14	647,920	551,945
Repairs and maintenance		391,459	373,729
Business License		190,011	184,221
Professional Fees	14	180,394	136,205
Depreciation Expense	9	171,644	173,659
External Audit Fees		122,504	114,502
Directors' fees	14	72,000	72,000
Office supplies		55,180	44,092
Donations		54,418	47,938
Advertising and promotion		48,302	40,088
Impairment losses/(reversals and recoveries)		45,970	(272,423)
Registration and transfer fees	5,19	43,237	37,291
Provision – Legal Claims (reversal)	17	(11,994)	-
Interest and bank charges		63,836	52,153
Total operating expenses		3,873,195	3,553,556
Other income	13	211,563	289,550
Operating profit		1,573,825	1,924,938
Share of net loss of associates	8	-	-
Net profit and total comprehensive income for the year		\$ 1,573,825	1,924,938
Earnings per share	15	\$ 0.40	0.49

The accompanying notes are an integral part of these financial statements

**BAHAMAS WASTE LIMITED**

## Statement of Changes in Shareholders' Equity

Year ended December 31, 2025, with corresponding figures for 2024

(Expressed in Bahamian dollars)

	Number of Shares Issued	Share Capital	Contributed Surplus	Treasury Shares Reserve	Retained Earnings	Total
<b>Balance at December 31, 2023</b>	4,200,000	\$42,000	2,752,113	(764,609)	9,445,729	11,475,233
Net profit and total comprehensive income for the year	-	-	-	-	1,924,938	1,924,938
<b>Transactions with shareholders:</b>						
Issuance of treasury shares ( <i>Note 10,14</i> )	-	-	-	28,940	-	28,940
Dividends ( <i>Note 16</i> )	-	-	-	-	(1,269,845)	(1,269,845)
<b>Balance at December 31, 2024</b>	4,200,000	42,000	2,752,113	(735,669)	10,100,822	12,159,266
Net profit and total comprehensive income for the year	-	-	-	-	1,573,825	1,573,825
<b>Transactions with shareholders:</b>						
Issuance of treasury shares	-	-	-	-	-	-
Dividends ( <i>Note 16</i> )	-	-	-	-	(1,787,220)	(1,787,220)
<b>Balance at December 31, 2025</b>	4,200,000	\$42,000	2,752,113	(735,669)	9,887,427	11,945,871

The accompanying notes are an integral part of these financial statements.

**BAHAMAS WASTE LIMITED**

## Statement of Cash Flows

Year ended December 31, 2025, with corresponding figures for 2024

(Expressed in Bahamian dollar)

	Note	2025	2024
<b>Operating activities</b>			
Net profit		\$ 1,573,825	1,924,938
Adjustments for:			
Impairment losses/(reversals and recoveries)	5,7,19	45,970	(272,423)
Depreciation	9	969,788	910,896
(Gain)/Loss on disposal of property, plant and equipment	9	(2,500)	2,026
Share based compensation	14	-	28,940
		2,587,083	2,594,377
Change in operating assets and liabilities:			
Accounts receivable		(170,410)	944,081
Inventories		125,539	(107,874)
Other assets		(46,950)	(17,877)
Accounts payable and accrued liabilities		(151,462)	7,238
Value added tax payable		(14,506)	(355)
Security deposits		91,422	87,647
Cash provided by operating activities		2,420,716	3,507,237
<b>Investing activities</b>			
Purchases of property, plant, and equipment	9	(1,230,094)	(1,993,570)
Proceeds from sale of property, plant and equipment		2,500	4,000
Net cash used in investing activities		(1,227,594)	(1,989,570)
<b>Financing activities</b>			
Dividends paid	16	(1,787,220)	(1,269,845)
Net cash used in financing activities		(1,787,220)	(1,269,845)
Net (decrease)/increase in cash and cash equivalents		(594,098)	247,822
Cash and cash equivalents at beginning of the year		3,998,145	3,750,323
Cash and cash equivalents at end of the year	4	\$ 3,404,047	3,998,145

The accompanying notes are an integral part of these financial statements.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 1. Reporting Entity

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, disposal, and recycling, 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. The Directors considered that the Company is engaged in a single business, waste collection, as such segment reporting is not required. The registered office of the Company is located at Alexiou Knowles & Co., St. Andrews Court, Frederick Street, P. O. Box N-4805, Nassau, Bahamas.

## 2. Basis of preparation

### a) Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

### b) Basis of Preparation

The financial statements include the financial results of the Company and its investments in associated entities disclosed in note 8, which collectively comprise the Group. The financial statements have been prepared on a historical cost basis.

### c) Functional and presentation currency

The financial statements are presented in Bahamian dollars, which is the Company’s functional and presentation currency.

### d) Use of Judgments and Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The information about significant area of estimation uncertainty and critical judgements in applying the Company’s accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in notes 3(a) and 19, related to the impairment of trade receivable i.e. measurement of Expected Credit Losses allowance and key assumptions in determining the probability of default using loss rates adjusted for forward-looking factors specific to the debtors and the economic environment.

# **BAHAMAS WASTE LIMITED**

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## **2. Basis of preparation** *(continued)*

### **e) New standards and interpretations not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective:

- Amendments to IFRS 9 – Financial instruments (January 1, 2026)
- Amendments to IAS 7 – Statement of Cash Flows (January 1, 2026)
- Amendments to IFRS 7 – Financial instruments disclosures (January 1, 2026)
- IFRS 18 – Presentation and Disclosure in financial statements (January 1, 2027)
- IFRS 19 – Subsidiaries without public accountability disclosures (January 1, 2027)
- Amendments to IAS 21 – The effect of changes in foreign exchange rates (January 1, 2027)

The directors have assessed these amendments to the standards and have determined that they will not have a material impact on the Company's financial statements.

The following amended standards which were effective for the financial period beginning on January 1, 2025 did not have a material impact on the Company's financial statements:

- Amendments to IAS 21 – Lack of Exchangeability, the Effects of Changes in Foreign Exchanges Rates

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### a) Financial Instruments

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

#### Financial Assets

##### *Initial Recognition, Classification and Measurement*

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset (other than trade receivables) at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Trade receivables are measured initially at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets can be classified into four categories; Financial assets at amortized cost (debt instruments); FVOCI with recycling of cumulative gains and losses (debt instruments); FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or FVTPL.

##### *Financial assets at amortized cost*

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. As of December 31, 2025, the Company's financial assets at amortized cost include cash on hand and at banks, accounts receivable and other assets.

The Company does not have financial assets at FVOCI or at FVTPL.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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### 3. Summary of Material Accounting Policies *(continued)*

#### a) Financial Instruments *(continued)*

##### *Reclassification*

When, and only when, the Company changes its business model for managing financial assets it shall reclassify all affected financial assets. If the Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Company shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

##### *Impairment*

The Company recognizes an allowance for expected credit losses (“ECLs”). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The Company has identified and documented key drivers of credit risk and credit losses of each segment of trade receivables and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Company applies the “Simplified Approach” under IFRS 9, in calculating ECLs for its trade receivables and uses an allowance matrix to measure the ECL for its trade receivables. The trade receivables are segmented based on the customer type, industry segment, and aging buckets. The Company calculates the loss rates using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company incorporates the forward-looking information into its measurement of ECLs. The ECL model incorporates the forecasts for the key macroeconomic factors (interest rates, unemployment rates and GDP rate) and utilizes probability weighted multiple economic scenarios to derive the final ECL calculations. The Company incorporates both internal views of the future economy and third-party macroeconomic forecasts when determining the forward-looking factors.

In applying its judgement and best estimates in consideration of the current conditions and reasonable and supportable forecasts of future economic conditions, management used estimated percentages of loss rates which were applied to each bucket of its trade receivables. See notes 5 and 19 for details.

Under IFRS 9, the Company is required to measure ECLs of a financial instrument (except for trade receivables with no financing component and/or other instruments with a low credit risk) in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- Reasonable and supportable assumptions that are available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions; and
- The time value of money.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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### 3. Summary of Material Accounting Policies *(continued)*

#### a) Financial Instruments *(continued)*

##### *Impairment (continued)*

Trade receivables are deemed fully impaired when amounts are more than 90 days past due, service relationship with the customer is terminated, all security deposits have been applied, and all reasonable attempts to collect the balances have been exhausted.

For other financial assets such as receivable from related parties, ECLs are recognized in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL) (Stage 1). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL) (Stage 2). The credit exposures for which lifetime ECL is recognized and are considered credit-impaired (Stage 3). A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated cash flows of the financial asset have occurred.

As the Company maintains cash balances with highly reputable financial institutions in The Bahamas with low credit risk, the Company applies the low credit risk simplification approach under IFRS 9 for cash at bank balances.

As of December 31, 2025, there were no ECLs identified in respect of cash at bank balances and these financial assets are considered to be in stage 1.

##### Financial Liabilities

##### *Initial Recognition, Classification and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include accounts payable and accrued liabilities, provisions for legal claims and security deposits measured at amortized cost.

##### *Subsequent Measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has no financial liabilities held for trading and has not designated any financial liability as at fair value through profit or loss.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies *(continued)*

### a) Financial Instruments *(continued)*

#### *Financial liabilities at amortized cost*

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

This category applies to accounts payable and accrued liabilities, provisions for legal claims and security deposits measured at amortized cost.

#### *Derecognition*

The Company derecognizes a financial asset when the contractual rights to the cash flows from that asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which i) substantially all the risks and rewards of ownership of the financial asset are transferred; or ii) the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when the obligation under the liability is discharged, or cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

#### *Offsetting*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consists of cash on hand and at banks.

#### *Security Deposits*

Security deposits represent amounts received as deposits from customers at the signing of a customer service contract. The deposits do not bear interest and are either returned to the customer or applied to outstanding billings when service is terminated.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies *(continued)*

### b) Inventories

The Company's inventories represent spare parts and supplies and are valued at the lower of cost and net realizable value. Parts and supplies are valued based on costs incurred in bringing each product to its present location and condition, and are accounted for using the first-in, first-out method. When the parts or supplies are placed into service, the cost thereof is recognized in the statement of comprehensive income as an expense or included into the carrying amount of the relevant category of property, plant and equipment. The condition of the inventory is reviewed on a periodic basis and the amount of any write-down to net realizable value or losses of inventories is recognized as an expense in the period the write-down or loss occurs.

### c) Investments in Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company's investment in its associates is accounted for using the equity method. Under the equity method, the investment in the associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date.

The statement of comprehensive income reflects the Company's share of the profit or loss of the associates. Any change in other comprehensive income of the investee is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associates, the Company recognizes its share of any changes, when applicable, in the statement of changes in shareholders' equity.

Unrealized gains and losses resulting from transactions between the Company and the associates are eliminated to the extent of the interest in the associates. The Company's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside of income from operations and represents profit or loss after tax and non-controlling interests in the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interest that, in substance, forms part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses.

Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Dividends received or receivable from an associate are accounted for by reducing the carrying amount of the investment.

When the financial statements of an associate are prepared as of a date different from that used by the Company, adjustments are made, when necessary, for the effects of significant transactions or events that occur between that date and the date of the Company's financial statements. After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in its associates. At each reporting date, the Company determines whether there is objective evidence that the investments in the associates are impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss in "share of net loss of associates" in the statement of comprehensive income.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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### 3. Summary of Material Accounting Policies *(continued)*

#### d) Property, Plant and Equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

Depreciation is provided on the straight-line basis from the date of acquisition over the estimated useful lives of the assets shown below. Land is not depreciated.

▪ Buildings	20 years
▪ Compactors and containers	5 – 7 years
▪ Motor vehicles – Collections	3 – 10 years
▪ Motor vehicles - Office	3 – 7 years
▪ Furniture and Equipment	5 – 10 years
▪ Computer equipment	3 – 5 years

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized in the statement of comprehensive income.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Impairment losses are recognized in statement of comprehensive income. No such impairment was recorded during 2025 and 2024.

#### e) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. No such impairment was recorded during the year ended December 31, 2025 (2024 \$Nil).

#### f) Share Capital

Ordinary shares are classified as equity. Ordinary share capital is recognized at the fair value of the consideration received by the Company.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies *(continued)*

### g) Treasury Shares Reserve

The treasury shares reserve, which comprises the Company's ordinary shares which have been repurchased and held as Treasury Shares, are recognized at cost and deducted from Shareholders' Equity. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale, distribution or cancellation of the Treasury Shares. Voting rights related to Treasury Shares are nullified and no dividends are allocated to them.

### h) Earnings per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

### i) Revenue Recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer. The performance obligation in respect of Roll-on/off collections, Rear Load collections, Medical waste collection and Portable Sanitation Division services is considered to be met when the waste is collected, transported and disposed. The performance obligation in respect of maintenance of Collection equipment is completed when the service has been rendered.

The Company establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

There are no material costs associated with obtaining the contracts which fall under the scope of IFRS 15. Upon entering a contract, the customer completes and signs a contract for the specified services. The customer has the explicit right to obtain waste collection services, while the Company has the same right to collect the agreed upon amount for the requested service after same has been rendered. Each party assumes the risk of non-performance, i.e. the Company will not provide service to the customer and the customer will not, in turn, pay for the service provided.

### j) Other Income

Other income includes rental income which is accounted for on a straight-line basis over the lease term, and miscellaneous income which pertains to other equipment sales, vehicular repair services and late fees, which are recognized when the related services are provided and non-refundable.

### k) Expense - Recognition

Expenses are recognized in the statement of comprehensive income on an accrual basis when there is a decrease in the future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies *(continued)*

### l) Taxes

There are no income taxes imposed on the Company in the Commonwealth of The Bahamas. However, effective January 1, 2015, The Bahamas introduced Value Added Tax (VAT) at a standard rate of 7.5% which was increased to 12% effective July 1, 2018 and decreased to 10% effective January 1, 2022. VAT is billed on all services rendered and paid on all goods and services consumed. The difference between amounts billed and paid in connection with VAT is reflected in the statement of financial position as value added tax payable. Such amount is payable monthly in accordance with the Company's filing requirements. The Company is also liable for Business license fee which is calculated at 1.25% of turnover, as defined in the Business License Act, 2010 from the preceding calendar year. Effective January 1, 2024, The Bahamas introduced a Domestic Minimum Top-Up Tax (DMTT) at a rate of 15% for Multinational Entities (MNEs) operating in The Bahamas that have a consolidated revenue of or above 750 million Euros in two of the last four years. The Company is not a MNE nor does it have revenue that meets the prescribed threshold therefore the DMTT has no impact.

### Provisions and contingent liabilities

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reasonably estimated. Any provision for warranties is based on estimates made by management from historical data.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, which are beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the statement of financial position.

### m) Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the reporting period. Short-term benefits given by the Company to its employees include salaries and wages, insurance, profit sharing and bonuses, and other monetary benefits. The Company's pension plan is a defined contribution plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

### *Share-based payment arrangements*

The grant-date fair value of equity-settled share-based awards granted to employees are recognized as an expense, with a corresponding increase in equity, over the vesting period of the award. The amount recognized as an expense reflects the award for which the related service period and non-market conditions have been met and is accounted for using the fair values of ordinary shares at grant date.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 3. Summary of Material Accounting Policies *(continued)*

### n) Related Parties

A related party is a person or entity that is related to the Company. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

# BAHAMAS WASTE LIMITED

## Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

### 4. Cash on Hand and at Banks

For the purpose of the statement of cash flows, cash comprises cash on hand and at the banks in non-interest-bearing current accounts as at the reporting date.

	2025	2024
Cash on hand	\$ 325	325
Cash at banks	3,403,722	3,997,820
	\$ 3,404,047	3,998,145

The Company has an agreement with the Royal Bank (Bahamas) Limited (RBC) for an overdraft facility of \$240,000 (2024: \$240,000). The facility is unsecured and bears interest at a rate of the Bahamas Prime interest rate + 3% or 7.25% (2024: +3.00% or 7.25%) per annum.

The Company also maintains an overdraft facility at First Caribbean International Bank (Bahamas) Limited (CIBC) of \$100,000 (2024: \$100,000). The facility is unsecured and bears interest at a rate of the Bahamas Prime interest rate + 3% or 7.25% (2024: +3.00% or 7.25%).

At December 31, 2025 the Company had \$340,000 (2024: \$340,000) undrawn funds available from its approved overdraft facilities.

Additionally, the Company has unsecured non-interest-bearing undrawn facilities of \$400,000 (2024: \$415,000) with CIBC and RBC in respect of the customs bonds and cheque guarantees.

The Company also has an unsecured line of credit in the form of a Corporate VISA facility from RBC with a limit of \$110,000 (2024: \$110,000). As of December 31, 2025, there was \$Nil outstanding against these facilities (2024: \$Nil).

### 5. Accounts Receivable, net

Accounts receivable, net consists of the following:

	2025	2024
Receivables from related parties	\$ 8,084	9,986
Trade receivables	3,240,120	3,078,833
	3,248,204	3,088,819
Less: Allowance for impairment losses (Note 19)	(770,645)	(735,700)
	\$ 2,477,559	2,353,119

Accounts receivable are non-interest bearing and are generally on terms of 30 to 90 days. Information about the Company's exposure to credit risk and impairment losses is disclosed in Note 19.

### 6. Inventories, net

	2025	2024
Spare parts and supplies	\$1,365,331	1,490,870
Less: Provision for obsolete inventory	(73,436)	(73,436)
	\$1,291,895	1,417,434

In 2025, inventories of \$3,747,065 (2024: \$3,311,701) were recognized as an expense or capitalized during the year and included in cost of sales or property, plant and equipment, as appropriate.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 7. Other Assets

	2025	2024
Prepaid expenses and other receivables (Note 8,14,17)	\$125,778	192,571
Employee advances	146,053	32,310
Security deposits	14,900	14,900
	\$286,731	239,781

Included in prepaid expenses and other receivables are amounts due from related parties of \$16,565 (2024: \$3,850) from Bahamas Sustainable Fuels Ltd. (BSF). See note 8 for further details. The amount due of \$16,565 at year end is deemed collectible.

Also included in “prepaid expenses and other receivables” in other assets is the advance to the Company’s attorneys \$82,000 (2024: \$82,000) related to ongoing legal matters.

The employee advances are short term, interest free and are repaid via salary deductions.

## 8. Investments in Associates

### *Investment in Green Systems Ltd.*

The Company holds a 21% (2024: 21%) interest in the shares of Green Systems Ltd., a company incorporated under the laws of the Commonwealth of The Bahamas and engaged in the business of green waste recycling for the manufacture of mulch, compost, and soil. The Company’s interest in Green Systems Ltd. is accounted for using the equity method. During 2025 and 2024, the Company made no additional investments in Green Systems Ltd. The carrying value of the investment is \$Nil (2024: \$Nil) due to the net effect of income/losses over the period of the investment.

### *Investment in Bahamas Sustainable Fuels Ltd. (“BSF”)*

The Company owns a 49% (2024– 49%) non-controlling interest in BSF, a company incorporated under the laws of the Commonwealth of The Bahamas and engaged in the business of recycling waste cooking oil into biodiesel. The Company is not involved in the day-to-day operations of BSF and the majority of BSF’s directors are not representatives of the Company. As such, the Company does not have control over BSF and therefore its interest in BSF is accounted for using the equity method. The carrying value of the investment is \$Nil (2024: \$Nil) due to consistent losses over the period of the investment.

As at December 31, 2025, the Company had the following contractual agreements with BSF:

- The Company has leased certain buildings, housing the recycling equipment to BSF. The initial term of the lease is for 7 years, with the option to renew for two additional terms of 5 years each. Lease payments are \$3,850 per month. The lease commenced on January 7, 2016.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 8. Investments in Associates (continued)

### *Investment in Bahamas Sustainable Fuels Ltd. (“BSF”)*

- An exclusive agreement for the purchase of renewable fuels, with a monthly minimum of 15,000 gallons of B100 (blended fuel), subject to production volumes. The B100 biodiesel used in the blend is priced at 5% below the Diesel Benchmark Price as published by the Company’s supplier. In 2020 the agreement was revised to purchase only B100 (unblended fuel) with BSF providing blending and distribution services. The agreement is for a period of 12 months and is renewable annually subject to capacity. In 2023 BSF paused biodiesel production to perform necessary upgrades to the plant. Subsequently the Company has taken on a new business model with the exporting of used waste vegetable oil, therefore, fuel purchased under this agreement in 2025 totaled \$Nil (2024: \$Nil).
- The Company extended a line of credit to BSF for the purposes of vehicle repairs and rent totaling \$47,165 (2024: \$48,935). During the year, payments of \$34,450 (2024: \$46,185) were received which were offset against these expenses of \$47,165 (2024: \$48,935), resulting in a net receivable from BSF of \$16,565 (2024: \$3,850), which is included in “prepaid expenses and other receivables” in Other Assets (see notes 7 & 14).
- On December 15, 2015, the Board of Directors of the Company approved the transfer of the equipment and vehicles used in the WVO Recycling Division to BSF. The transfer was completed on January 7, 2016, and the Company sold 51% of its interest in these assets to 700 Islands Energy Limited, a Bahamian Company, for the sum of \$180,433. The purchase of these assets by 700 Islands Energy Limited was financed through a 10-year loan facility from the Company, with interest of 5% per annum and monthly payments of \$1,914. The loan is secured by a pledge of 700 Islands Energy Limited shares in BSF made in favor of the Company. In 2020, this loan was provided for in full and an impairment loss was recognized in the statement of comprehensive income.

The following tables summarizes the unaudited financial information received from the associates:

<b>Green Systems Ltd.</b>	2025	2024
Assets:		
Current Assets	\$ 239,085	242,515
Non-Current Assets	199,185	221,324
Liabilities		
Current Liabilities	579,773	553,549
Deficit	(141,503)	(89,710)
Revenue	291,460	253,919
Expenses	(343,261)	(330,908)
Net loss	(51,801)	(76,989)
Bahamas Waste Ltd share of net liabilities (21%)	(29,716)	(18,839)

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 8. Investments in Associates *(continued)*

<b>Bahamas Sustainable Fuels Ltd.</b>	2025	2024
Assets		
Current Assets	258,040	215,169
Non-Current Assets	274,160	274,160
Liabilities		
Current Liabilities	39,909	19,759
Other-Current Liabilities	346,363	869,307
Deficit	145,928	(399,736)
Revenue	445,904	364,647
Expenses	(420,811)	(392,018)
Net income/(loss)	25,093	(27,371)
Bahamas Waste Ltd share of net liabilities (49%)	(71,505)	(195,871)

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 9. Property, Plant and Equipment, net

The movement of property, plant and equipment for the year ended December 31, 2025, was as follows:

	Land and Buildings	Compactors and containers	Motor Vehicles Collections	Motor Vehicles Office	Furniture and Equipment	Computers	Total
<b>Cost:</b>							
Balance at January 1, 2024	\$6,734,602	10,980,240	8,972,713	187,741	1,575,673	267,645	28,718,614
Additions	988,454	788,206	139,334	49,232	28,344	–	1,993,570
Disposals	–	(292,279)	(130,467)	(17,178)	(2,763)	–	(442,687)
Balance at December 31, 2024	7,723,056	11,476,167	8,981,580	219,795	1,601,254	267,645	30,269,497
Additions	6,350	427,936	505,780	44,737	226,991	18,300	1,230,094
Disposals	–	–	(284,916)	(33,750)	(13,664)	–	(332,330)
Balance at December 31, 2025	7,729,406	11,904,103	9,202,444	230,782	1,814,581	285,945	31,167,261
<b>Accumulated Depreciation:</b>							
Balance at January 1, 2024	4,488,862	9,299,194	8,099,368	167,519	1,347,826	255,920	23,658,689
Charge for the period	179,453	473,683	190,282	13,710	47,337	6,431	910,896
Disposals	–	(292,279)	(124,669)	(16,951)	(2,762)	–	(436,661)
Balance at December 31, 2024	4,668,315	9,480,598	8,164,981	164,278	1,392,401	262,351	24,132,924
Charge for the period	150,088	526,837	227,744	11,509	50,163	3,447	969,788
Disposals	–	–	(284,916)	(33,750)	(13,664)	–	(332,330)
Balance at December 31, 2025	4,818,403	10,007,435	8,107,809	142,037	1,428,900	265,798	24,770,382
<b>Net book value:</b>							
At December 31, 2024	3,054,741	1,995,569	816,599	55,517	208,853	5,294	6,136,573
At December 31, 2025	2,911,003	1,896,668	1,094,635	88,745	385,681	20,147	6,396,879

Depreciation expense is allocated to cost of sales and direct expenses (Note 12) in the amount of \$798,144 (2024: \$737,237) and general and administrative expenses in the amount of \$171,644 (2024: \$173,659).

During the current year the Company disposed of 5 vehicles from its fleet and 2 machines (2 Mack Collection Vehicles, Hyundai Truck, Subaru XV SVU, Ford F-350, Air Compressor System and Stationary Lifter) and 2 vehicles from its fleet (Chevy Colorado and Mack Collection Vehicle) with a net gain of \$2,500 in the current year (2024: net loss \$2,026) respectively.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 10. Share Capital

	2025	2024
Authorized: 10,000,000 ordinary shares of \$0.01 (2025 and 2024: 10,000,000 shares of \$0.01 each)	\$100,000	100,000
Issued and fully paid: \$42,000 ordinary shares of \$0.01 (2025 and 2024: 4,200,000 shares)	\$42,000	42,000

On October 24, 2012, the Company's Board of Directors approved a program for the repurchase of up to 10% (420,000) of its outstanding ordinary shares over the 36-month period ended October 31, 2015. The Board of Directors approved the extension of the share repurchase program on October 24, 2015, October 30, 2018 and again on November 3, 2021. The most recent share buyback program, that was approved for a further 36-month period ended October 31, 2024.

As of December 31, 2025, the Company repurchased \$Nil (2024: \$Nil). The shares cannot be issued without the consent of the Board. In 2023, the Board approved 10,000 shares to be issued from shares held in treasury as part of a share-based compensation package. These shares were NIL in 2025 (2024: \$28,940). See note 14 for details. As of December 31, 2025 the Company held 228,400 (2024: 228,400) shares in treasury. The total value of these shares is \$735,669 (2024: \$735,669).

## 11. Sales and services rendered

Operating revenue is primarily generated from fees charged for the collection of solid and medical waste, maintenance of collection equipment and portable sanitation devices.

	2025	2024
Revenue from contracts with customers	\$ 14,301,840	13,757,166
	\$ 14,301,840	13,757,166

In the following table, revenue from contracts with customers is disaggregated by the primary service lines. All revenue is recognized at a point in time.

	2025	2024
Rear Load Collections	\$ 5,609,777	5,354,872
Roll On/Off Collections	3,971,564	4,005,604
Maintenance – collection equipment	2,008,023	1,937,041
Medical Waste Collections	1,696,131	1,467,223
Portable Sanitation Devices	1,016,345	992,426
	\$ 14,301,840	13,757,166

## 12. Cost of sales and direct expenses comprise the following:

	2025	2024
Salaries and related expenses	\$ 4,531,702	4,236,359
Repairs and maintenance	2,651,448	2,484,605
Depreciation expense (Note 9)	798,144	737,237
Fuel	959,131	933,335
Other	125,958	176,686
	\$ 9,066,383	8,568,222

# BAHAMAS WASTE LIMITED

## Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

### 13. Other Income

Other income includes rental income of \$12,000 (2024: \$12,000) and other miscellaneous income of \$199,563 (2024: \$227,550). Other miscellaneous income pertains to other equipment sales, vehicular repair services and late fees.

### 14. Related-Party Balances and Transactions

The following is a summary of the balances at December 31, 2025 and 2024, and the transactions during the years then ended with related parties:

	2025	2024
<b>Statement of financial position</b>		
Accounts receivable:		
Other Affiliates	8,084	9,986
Other assets – Associates	16,565	3,850
Accounts Payable:		
Associates	15,175	-
<b>Statement of comprehensive income</b>		
Sales and services rendered:		
Other Affiliates	60,115	54,978
Associates	-	-
Other Income – Associates	43,665	48,935
Repairs and Maintenance – Cost of Sales	2,861	-
Chairman’s compensation	35,000	109,757
<b>Compensation of key management personnel:</b>		
	2025	2024
<i>Included in salaries and related expenses</i>		
Short-term employee benefits	\$ 872,783	1,057,199
Share Based Compensation	-	28,940
Defined contribution pension and medical insurance expense	177,212	193,640
Directors (non-executive)	138,404	72,000
Total compensation paid to key management personnel	\$ 1,188,399	1,351,779

Pursuant to the approval from the Board of Directors, the Chairman of the Board also provides consulting services to the Company. Amounts paid relative to this agreement for the year ended December 31, 2025, include fees of \$35,000 (2024: \$48,360). In the current period the Company did not pay any incidentals for the Chairman.

Non-executive directors’ fees are \$72,000 (2024: \$72,000) for services rendered, they do not receive any other types of benefits from the Company with the exception of the former Charmain. The Board approved continued payment of incidentals for the former Chairman of the Board who currently serves as a director \$66,405 (2024: \$61,397) inclusive of telephone and medical insurance expenses. These fees are included in general and administrative expenses.

The Board approved the purchase of land from a company owned by the Company’s Chairman, at that time, on November 8, 2023, for \$900,000. The purchase agreement was executed on January 30, 2024.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 14. Related-Party Balances and Transactions *(continued)*

The purchase was completed, and all funds were paid in October 2024. The land is being held for future growth and development of the business.

The related party transactions entered into during the period are considered collectible. These transactions, inclusive of outstanding balances, are settled in cash with the exception of share-based compensation. The ECL in respect of receivable from related parties as described in notes 7 and 8 respectively, are considered to be in stage 3.

### *Share-Based Payments Arrangements (equity-settled)*

On February 16, 2023, the Board approved 10,000 shares to be distributed from shares held in Treasury to key management personnel. The shares are to be issued as a condition of employment in three tranches at the end of the specified vesting period.

The key terms and conditions related to the grant are as follows:

Grant date	Number of Instruments	Vesting Conditions
February 16, 2023	3,333 - Tranche 1	1 year's service from January 1, 2022
February 16, 2023	3,333 - Tranche 2	2 years service from January 1, 2022
February 16, 2023	3,334 - Tranche 3	3 years service from January 1, 2022
Total shares	10,000	

The fair value of the share-based compensation has been measured using the straight-line method. The equity instruments granted vested in instalments over the specified vesting period, therefore each instalment is accounted for as a separate share-based payment. Share based payments totaled Nil (2024: \$28,940) at the reporting date. There were no shares issued in the current period (2024:3,334).

## 15. Earnings per Share

Basic earnings per share is calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Net income attributable to ordinary shares	\$ 1,573,825	1,924,938
Weighted average number of ordinary shares outstanding	3,971,600	3,968,544
Earnings per share	\$ 0.40	0.49

There were no treasury shares issued in 2025. Treasury shares issued to key management personnel (see note 14) had a dilutive effect on outstanding securities during 2024.

## 16. Dividends

Dividends are declared at the discretion of the Board of Directors. A dividend payout ratio of 50% – 70% of net income and total comprehensive income is used as a basis for declared amounts, subject to the capital requirements and liquidity of the Company. During 2025, dividends totaling \$1,787,220 were declared and paid on March 5, 2025 (\$513,308 or \$0.13 per share), June 4, 2025 (\$635,456 or \$0.16 per share) and on November 28, 2025 (\$635,456 or \$0.16 per share). In 2024 dividends totaling \$1,269,845 were declared and paid on June 5, 2024 (\$634,923 or \$0.16 per share) and October 2, 2024 (\$634,922 or \$0.16 per share).

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 17. Commitments, Contingencies and Provisions

The Company guarantees all compactors sold for a 60-day period from the date of sale. Any claims pursuant to these guarantees are reimbursable by the manufacturer. As of December 31, 2025, and 2024, no such claims were received by the Company.

The Company is subject to various claims arising from its business operations which include claims for wrongful and unfair dismissal, discrimination and personal injuries. With the advice of its attorneys, management has performed an analysis of these claims that includes the settlement of one existing claim subsequent to year end. There have been no significant updates to the other existing claims. The ultimate outcome of the remaining claims is not determinable.

## 18. Employee Pension Plan

The Company began a defined contribution pension plan on July 1, 2004. The manager of the plan is Colina Financial Advisors Ltd. The Company matches up to 5% of the contributions of the participants of the plan. Contributions to the plan for 2025 amounted to \$176,438 (2024: \$182,915). Pension expense is allocated to cost of sales and direct expenses (Note 12) in the amount of \$115,373 (2024: \$111,219) and salaries and related expenses in the amount of \$61,065 (2024: \$71,696). Participants are entitled upon termination, retirement, disability, or death, to redeem their portion of the plan's assets, and are entitled to a portion of the Company's contributions after participation in the plan for a minimum of 5 years, with complete vesting after 10 years of participation.

## 19. Financial Risk Management

### a) General

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits, and other controls. The process of risk management is critical to the Company's ongoing profitability and each individual within the Company is accountable for the risk exposures related to their responsibilities.

The Company is exposed to credit risk, liquidity risk, interest rate risk and market risk. The Company is also subject to general operating risk.

The risk control process does not include business risks such as changes in the environment, technology, and industry. These risks are managed through the Company's strategic management processes.

### b) Risk Management Structure

The Board of Directors is ultimately responsible for identifying and controlling risk. The Company does not have a significant amount of financial risk due to its operations and as such, separate committees on the Board of Directors are not considered necessary. The Company does not have any trading positions.

### c) Risk Measurement

The Company's risks are measured using a method which reflects both expected and unexpected losses. The risk measurements are based on historical experiences. Based on historical experience there are no significant risks of loss from liquidity risks, interest rate risks or market risks.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 19. Financial Risk Management *(continued)*

### d) Risk Concentrations and Credit Risk

Credit risk is a risk that a counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

The Company is exposed to credit risk which primarily arises from the Company's trade receivables. Most of the Company's trade receivables are from customers, which are companies and individuals, located in The Bahamas. The Company manages credit risk from trade receivables by evaluating the creditworthiness of its customers, by holding cash deposits against customer accounts to be applied against outstanding balances on termination of service and by implementing procedures to follow up, on a regular basis, on the collection of any balances in arrears. To monitor credit risk, customer segments are established using common characteristics, including whether they are companies or individuals, public or private entities, governmental agencies, state owned entities and nature and size of the business. In its frequent reviews of sales and receivable portfolios, the Company also considers factors that may influence the client's customer base, inclusive of risk of default associated with the industry in which the customer operates. The top five of the Company's customers contributed 27% (2024: 17%) of the Company's outstanding accounts receivable and 19% (2024: 20%) of the Company's annual sales and services rendered.

The Company adheres to fixed limits and guidelines in its dealings with counterparty banks. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability.

The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail to meet their obligations. Nevertheless, the Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Company's maximum exposure to credit risk as of December 31, 2025 and 2024 is equal to the carrying values of its financial assets. Although the Company has a diverse base of counterparties, credit risk concentrations with clients in the Governmental and Small & Medium sized Enterprises/Individuals segments resulted in exposure of \$861,830 and \$567,893 (2024: \$910,130 and \$551,926) respectively as of December 31, 2025.

The Company's Expected Credit Losses (ECL) model is calculated over the lifetime of the portfolio using the simplified approach adopted for trade receivables. Management measures its ECL using the Exposure at Default (EAD) method that includes risk parameters (Probability of Default (PD), Loss Given Default (LGD)) and Discount Rate (DR) that are adjusted for Forward-Looking Information (FLI) to calculate loss estimates that determine the level of allowance that is required to be held against the Company's credit exposure. The LGD includes calculations for security deposits held against trade receivables.

In developing this methodology current and historical data are included to calculate a transition matrix based on the probability of receivables in segments of the portfolio progressing through successive stages of delinquency (30-day intervals) to write-off. Transition/loss rates are calculated separately for exposures in each segment based on actual credit loss experience over the past five years.

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

## 19. Financial Risk Management (continued)

### d) Risk Concentrations and Credit Risk (continued)

Macroeconomics factors are based on actual and forecasted GDP 2.2% (2024:4.5%), Unemployment Rate 9% (2024:10%) and Interest Rate 4% (2024:4%).

The aging analysis of trade receivables, gross and related impairment losses at December 31, 2025, is as follows:

December 31, 2025	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit-impaired
Current	8.31%	1,241,449	(103,222)	No
30 days past due	17.48%	624,666	(109,222)	No
60 days past due	25.73%	377,066	(97,025)	No
90 days past due	45.89%	1,005,023	(461,176)	Yes
		3,248,204	(770,645)	

The aging analysis of trade receivables, gross and impairment losses as at December 31, 2024 is as follows:

December 31, 2024	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit impaired
Current	8.01%	\$ 1,219,913	\$ (97,707)	No
30 days past due	17.06%	527,983	(90,078)	No
60 days past due	33.76%	190,669	(64,373)	No
90 days past due	42.04%	1,150,254	(483,542)	Yes
		\$ 3,088,819	(735,700)	

The movement in the allowance for impairment losses in respect to trade receivables is primarily due to decreases in government receivables of \$ 861,830 (2024: \$910,130) at various stages of delinquency.

	2025	2024
Balance as of January 1	\$ 735,700	\$1,064,829
Impairment losses/(reversals and recoveries)	45,970	(272,423)
Bad debt written off	(11,025)	(56,706)
Balance as of December 31	\$ 770,645	\$ 735,700

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
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## 19. Financial Risk Management *(continued)*

### e) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its net funding requirements. The Company is debt free and credit facilities that cover its short and medium term financial obligations remain in place that mitigates this risk. The Company has the ability to borrow additional funds through its bankers should the need arise at interest rates comparable to current facilities held. These mitigating factors support the Company's ability to meet its obligations as they become due. Monitoring of cash flows by management is ongoing on a daily basis. The Company's overdraft facilities remain undrawn at December 31, 2025 and 2024.

Maturity analysis of financial assets and liabilities:

	Less Than Three Months	Three Months to One Year	One to five Years	Total
<b>December 31, 2025:</b>				
Cash on hand and at banks	3,404,047	-	-	3,404,047
Accounts receivable, net	2,477,559	-	-	2,477,559
Other assets	-	82,000	-	82,000
Total financial assets	5,881,606	82,000	-	5,963,606
Accounts payable and accrued liabilities	664,567	-	-	664,567
Security deposits	1,032,354	-	-	1,032,354
Total financial liabilities	1,696,921	-	-	1,696,921
<b>December 31, 2024:</b>				
Cash on hand and at banks	3,998,145	-	-	3,998,145
Accounts receivable, net	2,353,119	-	-	2,353,119
Other assets	-	82,000	-	82,000
Total financial assets	6,351,264	82,000	-	6,433,264
Accounts payable and accrued liabilities	804,035	-	-	804,035
Security deposits	940,932	-	-	940,932
Total financial liabilities	1,744,967	-	-	1,744,967

### f) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company's exposure to interest rate risk relates primarily to the overdraft facility. Interest rate risk on the Company's overdraft facilities and loan receivable is \$Nil (2024: \$Nil).

# BAHAMAS WASTE LIMITED

Notes to Financial Statements

Year ended December 31, 2025  
(Expressed in Bahamian dollars)

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## 19. Financial Risk Management *(continued)*

### g) Net Fair Value of Financial Instruments and Market Risk

Financial instruments utilized by the Company include recorded assets and liabilities. The Company's financial instruments are either short-term in nature or have interest rates that automatically reset to market on a periodic basis. Where financial assets and liabilities have fixed rates, those rates approximate market interest rates in the operating environment. Accordingly, the estimated fair value is not significantly different from the carrying value for each major category of the Company's recorded assets and liabilities.

#### *Fair value hierarchy*

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted market prices (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 20. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and adjusts it, considering changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies, or processes during the years ended December 31, 2025 and 2024.

The Company monitors capital ratios which compare income, assets, and liabilities to capital. The Company does not have any statutory or regulatory capital requirements and as such, management adjusts capital levels as required for the Company's future development plans and returns the capital to its shareholders in line with the dividend policy approved by the Board of Directors (see Note 16).

## 21. Subsequent Events

The Company has evaluated subsequent events from the reporting date to May 01, 2026, when the financial statements were approved for issuance. It was determined that no other events occurred after the reporting date, except for the settlement of two legal claims. Settlement of the first claim, in the amount of \$57,495 (VAT inclusive) of which \$39,500 was paid in advance to our attorneys for further payment to the courts on June 27, 2023, with the balance of \$17,995 being paid on January 28, 2026. We are in receipt of the Notice of Discontinuance and settlement of Writ dated March 3, 2026 and March 4, 2026, respectively. The second legal claim was settled for \$3,000 and paid April 16<sup>th</sup>, 2026. As at December 31, 2025, the provision for legal claims was adjusted to reverse \$14,994 and include \$3,000, which represents the difference of the settlement amount and provision for the first claim and to record the provision for the second claim respectively.