CONSOLIDATED WATER

2025 Annual Report

Financial Highlights

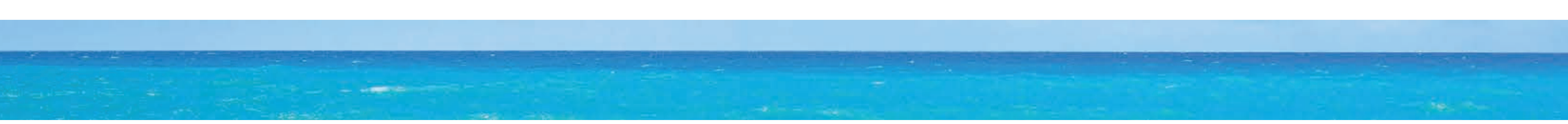
FOR THE YEAR ENDED DECEMBER 31,

(IN U.S. DOLLARS)	2025	2024	2023
Total revenue	**$ 132,073,368**	**$ 133,966,633**	**$ 180,211,233**
Net income from continuing operations	**$ 18,627,308**	**$ 17,882,370**	**$ 30,672,135**
Net income from discontinued operations	$ (290,635)	$ 10,355,184	$ (1,086,744)
Income from operations	$ 18,360,191	$ 18,284,798	$ 37,167,627
Net operating cash flows from continuing operations	$ 42,209,020	$ 38,172,036	$ 9,113,731
Net operating cash flows from discontinued operations	$ (495,449)	$ (1,656,504)	$ (1,142,969)
Total assets	$ 257,565,345	$ 243,313,181	$ 218,437,592
Total stockholders' equity	**$ 226,679,339**	**$ 215,309,647**	**$ 191,830,674**
Dividends declared per share	$ 0.53	$ 0.41	$ 0.36
Basic earnings per share – continuing operations	$ 1.17	$ 1.13	$ 0.95
Basic earnings per share – discontinued operations	$ (0.02)	$ 0.65	$ (0.07)
Diluted earnings per share – continuing operations	$ 1.16	$ 1.12	$ 1.93
Diluted earnings per share – discontinued operations	$ (0.02)	$ 0.65	$ (0.07)
Net income from continuing operations as a % of total revenue	14.10%	13.35%	17.02%
Income from operations as a % of total revenue	13.90%	13.65%	20.62%
Net operating cash flows from continuing operations as a % of total revenue	31.96%	28.49%	5.06%

Trading in Shares	2025	2024	2023
Shares outstanding at year end	15,945,233	15,846,345	15,771,545
Low closing share price during year	$ 22.81	$ 23.65	$ 13.87
High closing share price during year	$ 37.22	$ 35.34	$ 37.77
Closing share price at year end	$ 35.29	$ 25.89	$ 35.60

Consolidated Water Co. Ltd. develops and operates advanced water treatment plants and water distribution systems. The company designs, constructs and operates seawater desalination facilities in the Cayman Islands, The Bahamas and the British Virgin Islands, and designs, constructs and operates water treatment and reuse facilities in the United States.

The company also manufactures and services a wide range of products and provides design, engineering, management, operating and other services applicable to commercial and municipal water production, supply and treatment, and industrial water and wastewater treatment. For more information, visit **www.cwco.com.**



Dear Shareholders,

Our 2025 fiscal year was one of continued development and progress for your company. We increased our net income from continuing operations, raised our dividends, continued to enhance our already impressive financial condition, strengthened our governance and oversight functions through the addition of three new Board members, and positioned the company for further growth in shareholder value.

Highlights for 2025 included:

- Net income from continuing operations of $18.6 million ($1.16 per share) as compared to $17.9 million ($1.12 per share) in 2024.
- Record revenue for our retail segment of $33.6 million, which was obtained from a record 1.09 billion gallons of water produced and sold on Grand Cayman Island.
- Completion of an expansion of the West Bay seawater desalination plant to meet growing demand for water in our Grand Cayman service area. The expansion added an additional 1 million gallons per day of desalinated water production capacity.
- Receipt of a new concession from the Cayman Islands government that granted the company's Grand Cayman water utility continued exclusive rights to produce and supply potable water within its service area and resumed discussions with the utility regulator for a new operating license. The existing operating license remains in effect until a new one is granted.
- Completion of the design for the 1.7 million gallon per day seawater desalination plant in Kalaeloa, Hawaii for the Honolulu Board of Water Supply (BWS). In addition, the company received confirmation from BWS that the company is able to produce water that is a "reasonable match" to the quality of BWS's current water supply and that the company is able to produce water that causes "no detrimental impact" to the BWS water system or their customers' assets. Completing these significant project milestones help pave the way to commence construction on this $147 million project once all permits have been issued.
- The appointment of three new independent directors, Kim Adamson, Maria Elena Giner, and Gerónimo Gutiérrez Fernández, effective October 1, 2025.
- An increase in our quarterly cash dividend of 27.3%, to $0.14 per share, beginning in the third quarter of 2025.
- The procurement of two water treatment plant construction projects, including a $3.9 million drinking water plant expansion in Colorado and an $11.7 million wastewater recycling plant in California. The revenue attributable to these projects is expected to be realized primarily in 2026, and the combined value of these projects totals approximately $15.6 million.

These accomplishments reflect the success of our on-going strategic initiatives to position our company as a comprehensive water solutions provider that serves a variety of customers and markets through multiple product and services offerings.

Our prospects for the future remain quite bright. We anticipate steady, consistent performance from our Caribbean legacy companies and significant growth in our U.S.-based manufacturing and design, construction, operation and maintenance businesses. We will continue to aggressively pursue opportunities to invest in organic growth, new water infrastructure, joint ventures, strategic acquisitions and new lines of business.

On a personal note, after 48 years of service on the Board of Directors, I have decided not to stand for reelection at the 2026 Annual General Meeting. I have had the extraordinary privilege of watching this company grow from its earliest days into the respected water solutions enterprise it is today, and it has been one of the greatest accomplishments of my professional life to play a part in that journey. While I will no longer serve as a director, my commitment to the company endures, and I am pleased to share that I will be joining the company's Advisory Board, where I look forward to continuing to offer my support and guidance in service of the mission and values we hold dear. I would be remiss if I did not express my deepest gratitude to Frederick W. McTaggart, our President and Chief Executive Officer and fellow board member, and to each of my fellow directors and the talented members of management, whose dedication, camaraderie, and shared purpose have made these many years not only productive, but truly joyful. I am immensely proud of what we have all built together and carry with me an abundance of wonderful memories and lasting friendships.

Thank you for the trust you placed in me, and for the honor and privilege of serving as a director and the Chair of your Board.

Yours truly,

Wilmer F. Pergande
Chair of the Board
March 16, 2026

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 0-25248

CONSOLIDATED WATER CO. LTD.

(Exact name of Registrant as specified in its charter)

CAYMAN ISLANDS	**98-0619652**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Regatta Office Park
Windward Three, 4th Floor, West Bay Road
P.O. Box 1114
Grand Cayman, KY1-1102, Cayman Islands
(Address of principal executive offices)

N/A
(Zip Code)

Registrant's telephone number, including area code: **(345) 945-4277**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.60 Par Value	**CWCO**	**The NASDAQ Stock Market LLC (NASDAQ Global Select Market)**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant, based on the closing sales price for the registrant's common shares, as reported on the NASDAQ Global Select Market on June 30, 2025, was $449,191,481.

As of March 9, 2026, 15,964,209 shares of the registrant's common shares were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's Proxy Statement related to its 2026 Annual Shareholders' Meeting will be subsequently filed with the Securities and Exchange Commission and are incorporated by reference into Part III of this Form 10-K.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our future revenue, future plans, objectives, expectations and events, assumptions and estimates. Forward-looking statements can be identified by use of the words or phrases "will," "will likely result," "are expected to," "will continue," "estimate," "project," "potential," "believe," "plan," "anticipate," "expect," "intend," or similar expressions and variations of such words. Statements that are not historical facts are based on our current expectations, beliefs, assumptions, estimates, forecasts and projections for our business and the industry and markets related to our business.

The forward-looking statements contained in this report are not guarantees of future performance and involve assumptions and certain risks and uncertainties which are difficult to predict. Actual outcomes and results may differ materially from what is expressed in such forward-looking statements. Important factors which may affect these actual outcomes and results include, without limitation:

- tourism and weather conditions in the areas we serve;
- the economic, political and social conditions of each country in which we conduct or plan to conduct business;
- our relationships with the government entities and other customers we serve;
- regulatory matters, including resolution of the negotiations for the renewal of our retail license on Grand Cayman;
- our ability to successfully enter new markets; and
- other factors, including those "Risk Factors" set forth under Part I, Item 1A. "Risk Factors" in this Annual Report.

The forward-looking statements in this Annual Report speak as of its date. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained in this Annual Report to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based, except as may be required by law.

References herein to "we," "our," "ours" and "us" refer to Consolidated Water Co. Ltd. and its subsidiaries.

Note Regarding Currency and Exchange Rates

Unless otherwise indicated, all references to "$" or "US$" are to United States dollars.

The exchange rate for conversion of Cayman Island dollars (CI$) into US$, as determined by the Cayman Islands Monetary Authority, has been fixed since April 1974 at US$1.20 per CI$1.00.

The exchange rate for conversion of Bahamas dollars (B$) into US$, as determined by the Central Bank of The Bahamas, has been fixed since 1973 at US$1.00 per B$1.00.

The official currency of the British Virgin Islands is the US$.

PART I

ITEM 1. BUSINESS

Overview

Through our subsidiaries and affiliate, we provide the following products and services to our customers in the Cayman Islands, The Bahamas, the United States and the British Virgin Islands:

- *Retail Water Operations.* We produce potable water from seawater utilizing reverse osmosis technology and supply this water to end-users, including residential, commercial and government customers in the Cayman Islands under an exclusive retail license issued by the Cayman Islands government to provide water in two of the three most populated areas on Grand Cayman. In 2025, our retail water operations generated approximately 26% of our consolidated revenue.
- *Bulk Water Operations.* We produce potable water from seawater utilizing reverse osmosis technology and supply this water to government-owned utilities in the Cayman Islands and The Bahamas. In 2025, our bulk water operations generated approximately 25% of our consolidated revenue.
- *Services Operations*. We design, construct and sell water production and water treatment plants, and we manage and operate water production plants and water treatment and reuse infrastructure, for third parties. We also provide water related consulting services. In 2025, our services operations generated approximately 35% of our consolidated revenue.
- *Manufacturing Operations.* We manufacture and service a wide range of specialized and custom water-related products and systems applicable to commercial, municipal and industrial water production, supply and treatment. In 2025, our manufacturing operations generated approximately 14% of our consolidated revenue.
- *Affiliate Operations.* We own 50% of the voting rights and 43.53% of the equity rights of Ocean Conversion (BVI) Ltd., which produces and supplies bulk water to the British Virgin Islands Water and Sewerage Department.

As of December 31, 2025, the number of water production and water treatment plants we and our affiliate operated in each country, and the production capacities of these plants, were as follows:

Water Production Plant Location	Plants	Capacity(1)
Cayman Islands	6	11.6
Bahamas	2	14.8
British Virgin Islands	2	0.8
Total	10	27.2

(1) In millions of gallons per day.

Water Treatment Plant Location	Plants(2)	Capacity(1)
United States	97	78.5

(1) In estimated millions of gallons per day.

(2) Consists of water treatment plants for which we are the “Certified Operator in Responsible Charge” under operations and maintenance and other service agreements.

Strategy

We are a comprehensive water solutions company that serves a variety of customers through multiple product and service offerings. Presently, we:

- produce and sell potable water through the design, construction and operation of water infrastructure that employs reverse osmosis technology to produce potable water from seawater;

- design, construct, sell, operate and manage water production, water treatment and water reuse infrastructure tailored to meet the regulatory, environmental and commercial requirements of our clients;
- fabricate/manufacture specialized and custom equipment and products employed in the production and treatment of water for municipal, commercial and industrial purposes; and
- provide water-related management and consulting services.

We expect to continue to expand and diversify our products, services and markets to meet the ever-expanding global demand for clean water.

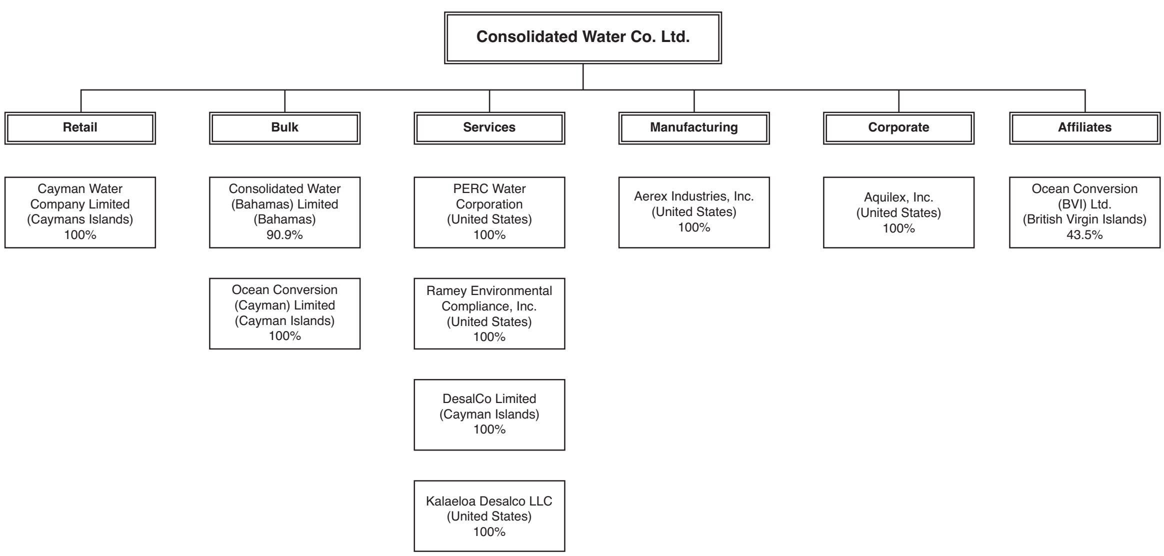
Key elements of our strategy include:

Market expansion. We continue to seek to expand our existing operations in the markets we believe have significant unfulfilled demands for desalinated potable water, water treatment and reuse systems and our other products and services. These markets include the United States and the Caribbean. We may also pursue business in other markets where we believe we can be successful.

Complementary products, services and businesses. We continue to pursue acquisitions or joint ventures that (i) complement and enhance our existing businesses; (ii) expand our product and service offerings and markets; (iii) access new markets; and (iv) support our objective to be a comprehensive water solutions provider.

Our Company

We conduct our operations in the Cayman Islands, The Bahamas, the United States, and the British Virgin Islands through our subsidiaries and our affiliate. Our corporate organizational structure as of December 31, 2025 is as follows:



<u>Retail Segment</u>

Cayman Water Company Limited ("Cayman Water"). Cayman Water operates under an exclusive retail license granted by the Cayman Islands government to provide water to customers within a prescribed service area on Grand Cayman that includes the Seven Mile Beach and West Bay areas, two of the three most populated areas in the Cayman Islands. Cayman Water owns and operates three seawater reverse osmosis desalination plants. Cayman Water and the Water Authority-Cayman ("WAC"), a government-owned utility and regulatory agency, are Grand Cayman's only water utilities.

<u>Bulk Segment</u>

Consolidated Water (Bahamas) Limited ("CW-Bahamas"). We own 90.9% of CW-Bahamas, which provides bulk water under long-term contracts to the Water and Sewerage Corporation of The Bahamas ("WSC"), a government agency. CW-Bahamas owns and operates our largest desalination plant and one other desalination plant.

Ocean Conversion (Cayman) Limited ("OC-Cayman"). OC-Cayman provides bulk water under long-term contracts to the WAC, which distributes the water to areas of Grand Cayman located outside of Cayman Water's exclusive retail license service area. OC-Cayman operates three seawater reverse osmosis desalination plants owned by the WAC.

Services Segment

PERC Water Corporation ("PERC"). PERC designs, constructs, sells, operates and manages water, wastewater and water reuse infrastructure in the United States.

Ramey Environmental Compliance, Inc. ("REC"). Effective October 1, 2023, we purchased, through our wholly-owned subsidiary PERC, a 100% ownership interest in REC, a Colorado company headquartered in Frederick, Colorado. REC operates and maintains water and wastewater treatment facilities and provides technical services to clients throughout the Rocky Mountain and Eastern Plains Regions of Colorado.

DesalCo Limited ("DesalCo"). A Cayman Islands company, DesalCo provides design, management, engineering and construction services for desalination projects as well as management and engineering services relating to municipal water distribution and treatment. Serving as a subcontractor to OC-Cayman, DesalCo designed and constructed the four reverse osmosis plants that OC-Cayman sold to (and currently operates for) the WAC.

Kalaeloa Desalco LLC ("Kalaeloa Desalco"). In September 2021, Kalaeloa Desalco was formed to pursue a project encompassing the design, construction, operations and maintenance of a seawater reverse osmosis desalination plant in Oahu, Hawaii. In June 2023, Kalaeloa Desalco signed a definitive agreement with the Honolulu Board of Water Supply to design, build, operate and maintain a 1.7 million gallons per day seawater reverse osmosis desalination plant in Oahu, Hawaii. Development of this plant is currently underway.

Manufacturing Segment

Aerex Industries, Inc. ("Aerex"). Aerex, a U.S. company located in Fort Pierce, Florida, is an original equipment manufacturer of a wide range of specialized and custom products and systems applicable to desalination, municipal water treatment and industrial water and wastewater treatment. Aerex's products include reverse osmosis desalination equipment, membrane separation equipment, filtration equipment, piping systems, vessels and custom fabricated components. Aerex also offers engineering, design, consulting, inspection, training and equipment maintenance services to its customers.

Corporate

Aquilex, Inc. ("Aquilex"). Aquilex, a U.S. company located in Coral Springs, Florida, provides financial, engineering, information technology, administrative and supply chain management support services to all our subsidiaries and our affiliate. The expenses incurred by Aquilex to support the operations of our business segments, along with other various general and administrative expenses incurred by our company, are reported as "Corporate" in the segment information included in Item 7. Management's Discussion of Results of Operations and in Note 14 of the notes to our consolidated financial statements.

Affiliate

Ocean Conversion (BVI) Ltd. ("OC-BVI"). We own 50% of the voting stock of OC-BVI, a British Virgin Islands company, which sells bulk water to the Government of the British Virgin Islands Water and Sewerage Department. We own an overall 43.53% equity interest in OC-BVI's profits and certain profit-sharing rights that raise our effective interest in OC-BVI's profits to approximately 45%. OC-BVI also pays our subsidiary, DesalCo, fees for certain engineering and administrative services. We account for our investment in OC-BVI under the equity method of accounting.

Discontinued Operations — Mexico Project Development

Consolidated Water Cooperatief, U.A. ("CW-Cooperatief"), N.S.C. Agua, S.A. de C.V. ("NSC") and Aguas de Rosarito S.A.P.I. de C.V. ("AdR"). CW-Cooperatief is a wholly-owned Netherlands subsidiary incorporated in 2010. CW-Cooperatief owns 99.9% of NSC, a Mexican company. NSC owns 100% of AdR. NSC and AdR were formed to pursue a project encompassing the design, construction, ownership and operation of a 100 million gallon per day seawater reverse osmosis desalination plant which was to be located in northern Baja California, Mexico and accompanying pipeline to deliver water to the Mexican potable water system (the "Project").

In August 2016, the Public Private Partnership Agreement for the Project (the "APP Contract") was executed between AdR, the Comisión Estatal del Agua de Baja California ("CEA"), the Government of Baja California as represented by the Secretary of Planning and Finance and the Public Utilities Commission of Tijuana ("CESPT").

In June 2020, the Director General of CEA and the Director General of CESPT terminated the APP Contract. As a result of the cancellation of the APP Contract, we discontinued all development activities associated with the Project and in June 2024 we sold the land NSC purchased for the Project. Accordingly, the assets and liabilities of CW-Cooperatief, NSC and AdR, as well as all expenses we incurred in connection with our international arbitration with the Mexico government to obtain reimbursement for the costs we incurred in connection with the Project are reported as discontinued operations in our consolidated financial statements. We dissolved/terminated AdR in the first quarter of 2026 and expect to complete the dissolution and termination of CW-Cooperatief and NSC by mid-2026.

Our Operations

For fiscal year 2025, our retail water, bulk water, services and manufacturing segments generated approximately 26%, 25%, 35% and 14%, respectively, of our consolidated revenue. For additional information about our business segments and geographical information about our operating revenue and long-lived assets, see Note 14 to our consolidated financial statements at ITEM 8 of this Annual Report.

Retail Water Operations

For fiscal years 2025, 2024, and 2023, our retail water operations accounted for approximately 26%, 24%, and 17%, respectively, of our consolidated revenue. This business produces and supplies potable water to end-users, including residential, commercial and government customers in the Cayman Islands.

We sell water through our retail operations under a license issued in July 1990 by the Cayman Islands government (the "1990 license") that granted Cayman Water the exclusive right to provide potable water to customers within its licensed service area. Pursuant to the 1990 license, Cayman Water has the exclusive right to produce potable water and distribute it by pipeline to its licensed service area, which consists of two of the three most populated areas of Grand Cayman: Seven Mile Beach and West Bay.

The 1990 license was originally scheduled to expire in July 2010 but was extended several times by the Cayman Islands government in order to provide the parties with additional time to negotiate the terms of a new license agreement. The most recent express extension of the license expired on January 31, 2018. From that date through February 18, 2025, we continued to operate under the terms of the 1990 license, treating such terms as operative notwithstanding the expiration of the express extension. We continued to pay a royalty of 7.5% of the revenue we collected as required under the 1990 license.

In October 2016, the Government of the Cayman Islands passed legislation which created a new utilities regulation and competition office ("OfReg") and, in April 2017, passed supplemental legislation which transferred responsibility for the economic regulation of the water utility sector and the negotiations with us for a new retail license to OfReg.

Under the new regulatory legislation passed in October 2016, Cayman Water was required to first be granted a concession by the government before obtaining a new (or renewing the old) retail operations license. On February 18, 2025, Cayman Water received a new concession from the government that authorizes and maintains the terms of the 1990 license until a new license from OfReg is negotiated and enacted. Negotiations between Cayman Water and OfReg for a new license remain on-going.

See also ITEM 1A. RISK FACTORS and ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Material Commitments, Expenditures and Contingencies — *Cayman Water Retail License*.

Our retail operations in the Cayman Islands produce potable water at three seawater reverse osmosis desalination plants in Grand Cayman located at our Abel Castillo Water Works ("ACWW") and West Bay sites. We own the land for our ACWW and West Bay plants. The current aggregate production capacity of the two plants located at ACWW is 3.0 million gallons of water per day. The production capacity of the West Bay plant is 2.0 million gallons of water per day.

Electricity is supplied to our plants by Caribbean Utilities Co. Ltd., a publicly traded utility company. We maintain diesel engine-driven standby generators at all three retail plant sites with sufficient capacity to operate our distribution pumps and other essential equipment during any temporary interruptions in electricity supply. Standby generation capacity is available at our ACWW plants and West Bay plant to operate a portion of the water production capacity as well. We generate renewable energy to power our distribution pumps at ACWW using solar panels installed on the top of one of our water storage reservoirs.

Our distribution system is connected to the distribution system of the WAC. From time to time, the WAC has purchased water from our retail plants.

Our pipeline system on Grand Cayman covers the Seven Mile Beach and West Bay areas and consists of approximately 100 miles of potable water pipeline. We extend our distribution system periodically as demand warrants. We have a main pipe loop covering the Seven Mile Beach and West Bay areas. We place extensions of smaller diameter pipe off our main pipe to service new developments in our service area. This system of building branches from the main pipe keeps construction costs low and allows us to provide service to new areas in a timely manner. Developers are responsible for laying the pipeline within their developments at their own cost, but in accordance with our specifications. When a development is completed, the developer then transfers operation and maintenance of the pipeline to us.

We bill our customers on a monthly basis based on metered consumption and bills are typically collected within 30 to 45 days after the billing date. Receivables not collected within 45 days subject the customer to disconnection from water service. The provision for credit losses for our retail operations has historically represented less than 1% of our total annual retail sales. In addition to their past due invoice balance, customers that have had their service disconnected must pay re-connection charges.

Demand on our water production and pipeline distribution varies throughout the year. Demand depends upon various factors, most notably rainfall and the number of tourists staying on Grand Cayman during any particular time of the year. In general, the majority of tourists come from the United States during the winter which is also the dry season in the Cayman Islands.

Bulk Water Operations

For fiscal years 2025, 2024, and 2023, our bulk water operations accounted for approximately 25%, 25%, and 19%, respectively, of our consolidated revenue. These operations produce potable water from seawater and sell this water to government-owned utilities in the Cayman Islands and The Bahamas, which then distribute the water to end users.

Bulk Water Operations in the Cayman Islands

Through our wholly-owned subsidiary OC-Cayman we provide bulk water to the WAC, a government-owned utility and regulatory agency, under two agreements. The WAC in turn distributes that water to properties in Grand Cayman outside of our retail license area.

The water we provide to the WAC is produced at three seawater reverse osmosis desalination plants in Grand Cayman owned by the WAC but designed and built by DesalCo and operated by OC-Cayman: the North Sound, Red Gate and North Side Water Works (“NSWW”) plants, which have production capacities of approximately 1.6 million, 2.6 million and 2.4 million gallons of water per day, respectively. The plants we operate for the WAC are located on land owned by the WAC.

Our agreement with the WAC for the North Sound and NSWW plants expires on July 1, 2026. Our agreement with the WAC for the Red Gate plant expires in 2034.

Bulk Water Operations in The Bahamas

We sell bulk water in The Bahamas through our majority-owned subsidiary, CW-Bahamas, to the WSC, which distributes the water through its own pipeline system to residential, commercial and tourist properties on the Island of New Providence.

We supply bulk water in The Bahamas from our Windsor and Blue Hills plants.

Our water supply agreement with the WSC for our Windsor plant, which has a capacity of 2.8 million gallons per day, expires in August 2033 and requires us to deliver and requires the WSC to purchase a minimum of 16.8 million gallons per week.

We supply water from the Blue Hills plant, our largest seawater reverse osmosis desalination facility with a capacity of 12.0 million gallons per day, under the terms of a water supply agreement with the WSC that expires in March 2032 that requires us to deliver and requires the WSC to purchase a minimum of 63.0 million gallons of water each week.

The high-pressure pumps at our Windsor and Blue Hills plants in The Bahamas are powered by diesel engines. Electricity for the remainder of our plant operations is supplied by Bahamas Power and Light Company ("BPL"). We maintain a standby generator with sufficient capacity to operate essential equipment at our Windsor and Blue Hills plants and are able to produce 100% of the production capacity with these plants during temporary interruptions in the electricity supply from BPL.

Services Operations

For fiscal years 2025, 2024, and 2023, our services operations accounted for approximately 35%, 38% and 54%, respectively, of our consolidated revenue.

We provide design, engineering and construction services for desalination infrastructure projects through DesalCo, an original equipment manufacturer of seawater reverse osmosis desalination plants. DesalCo also provides management and procurement services for desalination plants and engineering services relating to municipal water production, distribution and treatment. Presently, DesalCo is providing engineering, management and purchasing services to CW-Bahamas and our affiliate OC-BVI in the British Virgin Islands. In the past, DesalCo has provided consulting services to the WSC and constructed the desalination plants sold by OC-Cayman to the WAC.

In October 2019, we acquired 51% of the common stock of PERC, a U.S. company headquartered in Fountain Valley, California, which commenced operations in 1998. In August 2020, we acquired an additional 10% of PERC, increasing our ownership of this subsidiary to 61%. In January 2023, we acquired the remaining 39% ownership interest in PERC. PERC designs, constructs, sells, operates and manages water, wastewater and water reuse infrastructure. PERC also provides management services for water, wastewater and water reuse infrastructure under long-term operations and maintenance contracts. PERC's primary markets are California and the Southwest U.S., but it conducts business in other areas of the U.S.

Effective October 1, 2023, we purchased, through our wholly-owned subsidiary PERC, a 100% ownership interest in REC, a Colorado company headquartered in Frederick, Colorado. REC operates and maintains water and wastewater treatment facilities and provides technical services to clients throughout the Rocky Mountain and Eastern Plains Regions of Colorado.

Manufacturing Operations

For fiscal years 2025, 2024, and 2023, our manufacturing operations accounted for approximately 14%, 13% and 10%, respectively, of our consolidated revenue. Our manufacturing operations consist of Aerex, an original equipment manufacturer and service provider of a wide range of specialized and custom products applicable to desalination, municipal water treatment and industrial water and wastewater treatment. Aerex's products include reverse osmosis desalination equipment, membrane separation equipment, filtration equipment, piping systems, vessels and custom fabricated components. Aerex's manufacturing facility and headquarters are located in Fort Pierce, Florida and substantially all of its customers are U.S. companies.

Affiliate Operations

Our affiliate, OC-BVI, sells water to the Government of the British Virgin Islands Water and Sewerage Department ("BVIW&S"). We own 50% of the voting shares of OC-BVI and have an overall 43.53% equity interest in the profits of OC-BVI. We also own separate profit-sharing rights in OC-BVI that raise our effective interest in OC-BVI's profits from 43.53% to approximately 45%. Sage Water Holdings (BVI) Limited ("Sage") owns the remaining 50% of the voting shares of OC-BVI and the remaining 55% interest in its profits. Under the Articles of Association of OC-BVI, we have the right to appoint three of the six Directors of OC-BVI. Sage is entitled to appoint the remaining three Directors. In the event of a tied vote of the Directors, the President of the Caribbean Water and Wastewater Association, a regional trade association comprised primarily of government representatives, is entitled to appoint a junior director to cast a deciding vote.

DesalCo provides certain engineering and administrative services to OC-BVI for a monthly fee and a bonus arrangement which provides for payment of 4% of the net operating income of OC-BVI.

We account for our investment in OC-BVI using the equity method of accounting.

OC-BVI sells bulk water to BVIW&S, which distributes the water through its own pipeline system to residential, commercial and tourist properties on the islands of Tortola and Jost Van Dyke in the British Virgin Islands.

OC-BVI owns and operates a desalination plant located at Bar Bay, Tortola with a capacity of 720,000 gallons per day. Pursuant to a water supply agreement with the BVI government, OC-BVI is required to supply up to 600,000 gallons per day to the BVI government. This water supply agreement expires in March 2031.

OC-BVI purchases electrical power to operate this plant from the BVI Electricity Corporation and operates diesel engine-driven emergency power generators which can produce 100% of the plant's production capacity when the BVI Electricity Corporation is unable to provide power to the plant.

OC-BVI's plant on the island of Jost Van Dyke has a capacity of 60,000 gallons per day. This plant operates under a 10-year contract with the BVI government that expired July 8, 2013. Pursuant to the contract, OC-BVI is operating the plant on a year-to-year basis until the BVI government informs OC-BVI of its intention to extend the existing contract or enter into a new agreement. We purchase electrical power to operate this plant from the BVI Electricity Corporation.

Reverse Osmosis Technology

The conversion of seawater to potable water is called desalination. The primary method of seawater desalination used throughout the world is reverse osmosis. Reverse osmosis is a fluid separation process in which the saline water (i.e. seawater) is pressurized and the fresh water is separated from the saline water by passing through a semi-permeable membrane which rejects the salts. The saline water is first passed through a pretreatment system, which generally consists of fine filtration and, if required, treatment chemicals. Pre-treatment removes suspended solids and organics which could cause fouling of the membrane surface. Next, a high-pressure pump pressurizes the saline water thus enabling approximately 40% conversion of the saline water to fresh water as it passes through the membrane, while more than 99% of the dissolved salts are rejected and remain in the now concentrated saline water. This concentrate is discharged without passing through the membrane, and the remaining hydraulic energy in the concentrate is transferred to the initial saline feed water stream with an energy recovery device thus reducing the total energy requirement for the reverse osmosis system. The final step is post-treatment, which consists of stabilizing the produced fresh water and/or removing undesirable dissolved gases, adjusting the pH and (if necessary) the mineral content, and providing chlorination to prepare it for distribution.

We use reverse osmosis technology to convert seawater to potable water at all of the desalination plants we construct and operate. We believe that this technology is the most effective and efficient conversion process for our markets. However, we are always seeking ways to maximize efficiencies in our current processes and investigating new, more efficient processes to convert seawater to potable water. The equipment at our desalination plants is among the most energy efficient available and we monitor and maintain the equipment in an efficient manner. As a result of our decades of experience in seawater desalination, we believe our expertise and experience with respect to the development and operation of desalination plants and similar facilities is easily transferable to locations outside of our historical operating areas as demonstrated by the recent award to us of a reverse osmosis desalination project in Honolulu, Hawaii, USA.

Wastewater Treatment Technology

Our approach to wastewater treatment integrates advanced technologies and processes to ensure high-quality reuse water while addressing environmental and operational concerns. Typical technologies employed include micro and ultra filtration, reverse osmosis, and ultraviolet advanced oxidation systems, often with sodium hypochlorite or hydrogen peroxide as oxidizers, to meet the stringent water quality parameters in the areas we serve. This is particularly relevant for applications like reuse and indirect potable reuse, where safety and quality are paramount.

We utilize Membrane Bioreactor ("MBR") technology, which is a wastewater treatment process that has been used for several decades to produce high quality recycled water for non-potable reuse. MBR technology, which integrates micro or ultra-filtration membranes with biological wastewater treatment processes, offers several advantages. These include a reduced physical footprint, which is crucial in areas where space is at a premium, and the production of higher quality treated effluent, which is vital for ensuring the safety and reliability of water reuse. Additionally, MBR's capability to handle more challenging influent makes it a versatile solution for a variety of wastewater treatment needs.

We employ various methods to improve the aesthetic and environmental integration of our clients' facilities. We conceal equipment and housing technologies in buildings that are both aesthetically pleasing and low odor, thereby addressing two of the common challenges in wastewater treatment facilities: odor and visual impact. This not only enhances the quality of life for nearby residents but also demonstrates a commitment to environmental stewardship.

Furthermore, the vertical integration of technology within our operations constitutes a strategic approach to improving efficiency in construction and operational phases. We believe this integration leads to cost savings, faster project completion times, reduction of raw material usage, and smoother operational processes.

Overall, our strategies and technologies reflect a holistic approach to wastewater treatment, emphasizing efficiency, environmental sensitivity, and the production of high-quality treated water for various reuse applications.

Raw Materials and Sources of Supply

All materials, parts and supplies essential to our business operations are obtained from multiple sources and we use the latest industry technology. Prior to our acquisition of Aerex, we did not manufacture any parts or components for equipment essential to our business. Aerex has manufactured key components for our desalination plants and we expect Aerex to continue to do so from time to time, however, our other businesses are not dependent on Aerex.

Our access to seawater for processing into potable water is granted through our licenses and contracts with governments of the various jurisdictions in which we operate.

Seasonal Variations in Our Business

Demand for our water in the Cayman Islands, The Bahamas and the British Virgin Islands is affected by variations in the level of tourism and rainfall. Tourism in our service areas is affected by the economies of the tourists' home countries, primarily the United States and Europe, terrorist activity and perceived threats thereof, global health concerns such as COVID-19, and increased costs of fuel and airfare. In the Cayman Islands, we normally sell more water during the first and second quarters of the year, when the number of tourists is greater and local rainfall is less than in the third and fourth quarters.

The business conducted by Aerex, REC, and PERC is generally not subject to seasonal variations.

Government Regulations, Custom Duties and Taxes

Our operations and activities are subject to the governmental regulations and taxes of the countries in which we operate. The following summary of regulatory developments and legislation does not purport to describe all present and proposed regulation and legislation that may affect our businesses. Legislative or regulatory requirements currently applicable to our businesses may change in the future. Any such changes could impose new obligations on us that may adversely affect our business and operating results. The following paragraphs set forth some of the key governmental regulations in the jurisdictions in which we operate outside of the United States.

Cayman Islands

The Cayman Islands have no taxes on profits, income, distributions, capital gains or appreciation. We have exemptions from, or receive concessionary rates of customs duties on, certain capital expenditures for plant and major consumable spare parts and supplies imported into the Cayman Islands under our retail water license. We do not pay import duty or taxes on reverse osmosis membranes, electric pumps and motors, and chemicals, but we do pay duty at the rate of 10% of the cost, including insurance and transportation to the Cayman Islands, of other plant and associated materials and equipment to manufacture or supply water in the Seven Mile Beach or West Bay areas. We have been advised by the Government of the Cayman Islands that we will not receive any duty concessions in any new retail water license signed with the government.

The Bahamas

Under the current laws of the Commonwealth of The Bahamas, no income, corporation, capital gains or similar taxes are payable by us. We are required to pay an annual business license fee (the calculation of which is based on our preceding year's financial statements) which to date has not been material to the results of our Bahamas operations. We are also required to pay a value added tax on materials and services we purchase and bill a value added tax for the water we sell.

Markets and Service Areas

We operate in the Cayman Islands, The Bahamas, the United States and the British Virgin Islands. We believe that potential new markets for us include (i) any location where a need for potable water exists and reverse osmosis desalination of seawater or brackish water is an economically viable means of meeting such need; (ii) any location with a need for the water treatment and water reuse infrastructure development and management services we provide; and (iii) those new customers that require specialized water production and treatment products and systems such as those we manufacture.

Cayman Islands. The Cayman Islands are a British Overseas Territory situated in the central western Caribbean Sea. The Cayman Islands government, through the WAC, supplies water to the areas of Grand Cayman that are not within our licensed area, as well as to Cayman Brac. We operate all but one of the reverse osmosis desalination plants owned by the WAC on Grand Cayman and supply water under three agreements held by OC-Cayman with the WAC.

According to the most recent information published by the Economics and Statistics Office of the Cayman Islands Government, the population of the Cayman Islands was estimated in 2024 to be 88,833. According to the figures published by the Department of Tourism Statistics Information Center, in 2025 as compared to 2024, tourist air arrivals increased by 2.9% to approximately 450,000 and tourist cruise ship arrivals decreased by 1.4% to approximately 1,062,000.

Our water sales in the Cayman Islands are more positively impacted by stay-over tourists that arrive by air than by those arriving by cruise ship, since cruise ship tourists generally only visit the island for less than one day and do not stay in hotels or condominiums. Our water sales in the Cayman Islands are also greatly impacted by rainfall patterns and amounts on Grand Cayman.

The Bahamas. The Bahamas are an independent nation situated in the western Atlantic Ocean just off the east coast of the State of Florida, USA. The Bahamas government, through the WSC, supplies all of the piped water on the island of New Providence, Bahamas, which includes Nassau, the largest city, political capital and commercial hub of The Bahamas. We supply water to the WSC through the water supply agreements for our Blue Hills and Windsor plants, which are located in Nassau. New Providence is the most populous island in The Bahamas, with more than 70% of the country's population. A 2022 census placed the population of New Providence at approximately 297,000. According to statistics published by the Bahamas Ministry of Tourism, in 2025 as compared to 2024, the number of air arrivals decreased by 2% to approximately 1,290,000 and cruise ship arrivals increased by 6% to approximately 4,153,000.

British Virgin Islands. The British Virgin Islands are a British Overseas Territory situated east of Puerto Rico. They comprise 16 inhabited islands out of approximately 60 islands and cays, with Tortola being the largest and most populated. The British Virgin Islands serve as a hub for yacht-chartering businesses. According to government statements, tourism arrivals to the British Virgin Islands in 2025 increased by 10% compared to 2024.

Competition

Cayman Islands. Pursuant to our license granted by the Cayman Islands government, we have the exclusive right to provide potable, piped water within our licensed service area on Grand Cayman.

We are the only non-government-owned public water utility on Grand Cayman. The Cayman Islands government, through the WAC, supplies water to parts of Grand Cayman located outside of our licensed service area. Although we have no competition within our exclusive retail license service area for potable water, our ability to expand our service area is at the discretion of the Cayman Islands government. We have competed with companies such as Veolia, IDE Technologies and small local contractors for bulk water supply contracts with the WAC, and expect to compete with these and other companies for any new water supply contracts awarded by the WAC.

The Bahamas. We have competed with companies such as Veolia, IDE Technologies, and TSG for the contracts with The Bahamas government to build and operate seawater desalination plants in the past. We expect to compete with these companies and others for any future water supply contracts in The Bahamas.

British Virgin Islands. In the British Virgin Islands, Veolia operates seawater reverse osmosis desalination plants in West End, Tortola, and on Virgin Gorda and generally bids against OC-BVI for projects. Seven Seas Water owns and operates a 2.75 million gallon per day desalination plant in Parakeeta Bay, Tortola for the British Virgin Islands government. We expect that OC-BVI will likely compete against Veolia, Seven Seas Water, TSG and other parties for any future business opportunities that may arise in the British Virgin Islands.

United States. Aerex competes in the highly fragmented industry for manufactured water production and treatment equipment and systems against a large number of manufacturers, fabricators and service providers, many of which have greater resources than Aerex.

PERC and REC compete in the highly fragmented industry for water treatment and water reuse infrastructure development and management against a large number of companies, many of which have greater resources than PERC and REC such as Veolia, Inframark, and Jacobs Solutions.

Environmental and Health Regulatory Matters

Cayman Islands. With respect to our Cayman Islands operations, we operate our water plants in accordance with Cayman Islands laws and regulations. We are licensed by the WAC to extract seawater from wells and discharge concentrated seawater, which is a byproduct of our desalination process, into deep disposal wells.

Our Cayman Islands retail water license and bulk water operating contracts require our potable water to meet the World Health Organization's Guidelines for Drinking-Water Quality and contain less than 200 mg/l of total dissolved solids.

The Bahamas and British Virgin Islands. With respect to our Bahamian operations and OC-BVI's British Virgin Islands operations, we and OC-BVI are required by our water supply contracts to take all reasonable measures to prevent pollution of the environment. We are licensed by the Bahamian government to discharge concentrated seawater, which is a by-product of our desalination process, into deep disposal wells. OC-BVI is licensed by the British Virgin Islands government to discharge concentrated seawater into the sea.

At several of our locations, hydrogen sulfide gas is present in the seawater and we are contractually obligated to operate our plants in a manner designed to remove hydrogen sulfide gas from our product water and to prevent the emission of airborne hydrogen sulfide gas into the environment.

United States. Consistent with other U.S. companies, Aerex, PERC, Kalaeloa Desalco and REC must comply with various federal laws and regulations, such as those administered by the U.S. Environmental Protection Agency and the Occupational Safety and Health Administration, as well as state and local laws and regulations.

We are not aware of any existing or pending environmental legislation which may negatively affect our operations. Presently, we do not have any outstanding issues with any regulatory authority.

Human Capital

We are committed to a work environment that is safe, welcoming and encouraging. To achieve our plans and goals, it is imperative that we attract and retain top talent. In order to do so, we aim to provide a workplace with opportunities for our employees to grow and develop professionally, supported by strong compensation, benefits, and other incentives. We have historically experienced low employee turnover.

As of March 9, 2026, we employed a total of 293 persons, 65 in the Cayman Islands, 206 in the United States, 20 in The Bahamas and two in The Netherlands. We also managed the five employees of OC-BVI in the British Virgin Islands. We have 20 management employees and 58 administrative and clerical employees. The remaining employees are engaged in engineering, purchasing, plant maintenance and operations, pipe laying and repair, leak detection, new customer connections, meter reading and laboratory analysis of water quality. We have no collective bargaining agreements with our employees, and none are represented by labor unions. We consider our relationship with our employees to be very good.

Available Information

Our website address is http://www.cwco.com. Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider information contained on our website as part of this Annual Report.

We have adopted a written code of conduct and ethics that applies to all of our employees and Directors, including, but not limited to, our Chief Executive Officer, Chief Financial Officer, and principal accounting officer or controller, or persons performing similar functions. The Code of Business Conduct and Ethics; the charters of the Audit Committee, Compensation Committee, Nominations and Corporate Governance Committee, and Environmental and Social Governance Committee; and the Corporate Governance Guidelines of our Board of Directors are available at the Investors section of our website.

You may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, plus amendments to such reports as filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, on our website and on the website of the Securities and Exchange Commission (the "SEC") as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. In addition, paper copies of these documents may be obtained free of charge by writing us at the following address: Consolidated Water Co. Ltd., Regatta Office Park, Windward Three, 4th Floor, West Bay Road, P.O. Box 1114, Grand Cayman, KY1-1102, Cayman Islands, Attention: Investor Relations; or by calling us at (345) 945-4277.

ITEM 1A. RISK FACTORS

Investing in our common stock involves risks. Before investing in our common stock, you should consider carefully the factors discussed below and the information contained in this Annual Report. Each of these risks, as well as other risks and uncertainties not presently known to us or that we currently deem immaterial, could adversely affect our business, results of operations, cash flows and financial condition, and cause the value of our common stock to decline, which may result in the loss of part, or all, of your investment.

Our exclusive license to provide water to retail customers in the Cayman Islands is presently under renegotiation with OfReg, the Cayman Islands government utility regulatory authority, and we are presently unable to predict the outcome of these on-going negotiations.

We sell water through our retail operations under the 1990 license that granted Cayman Water the exclusive right to provide potable water to customers within its licensed service area. Pursuant to the 1990 license, Cayman Water has the exclusive right to produce potable water and distribute it by pipeline to its licensed service area, which consists of two of the three most populated areas of Grand Cayman Island: Seven Mile Beach and West Bay. In 2025, 2024, and 2023, we generated approximately 26%, 24% and 17%, respectively, of our consolidated revenue and 39%, 38% and 26%, respectively, of our consolidated gross profit from the retail water operations conducted under the 1990 license.

The 1990 license was originally scheduled to expire in July 2010 but was extended several times by the Cayman Islands government in order to provide the parties with additional time to negotiate the terms of a new license agreement. The most recent express extension of the license expired on January 31, 2018. From that date through February 18, 2025, we continued to operate under the terms of the 1990 license, treating such terms as operative notwithstanding the expiration of the express extension. We continued to pay a royalty of 7.5% of the revenue we collected as required under the 1990 license.

In October 2016, the Government of the Cayman Islands passed legislation which created OfReg and, in April 2017, passed supplemental legislation which transferred responsibility for the economic regulation of the water utility sector and the negotiations with us for a new retail license to OfReg.

Under the new regulatory legislation passed in October 2016, Cayman Water was required to first be granted a concession by the government before obtaining a new (or renewing the old) retail operations license. On February 18, 2025, Cayman Water received a new concession from the government that authorizes and maintains the terms of the 1990 license until a new license from OfReg is negotiated and enacted. Negotiations between Cayman Water and OfReg for the new license remain on-going.

We have been informed during our retail license negotiations, both by OfReg and its predecessor in these negotiations, that they seek to restructure the terms of the license in a manner that could significantly reduce the operating income and cash flows we have historically generated from our retail license. We are presently unable to determine what impact the resolution of our retail license negotiations will have on our consolidated financial condition, results of operations or cash flows but such resolution could result in a material reduction (or the loss) of the operating income and cash flows we have historically generated from our retail operations and could require us to record impairment losses to reduce the carrying values of our retail segment assets. Such impairment losses could have a material adverse impact on our consolidated financial condition and results of operations.

Periodically, our Bahamas subsidiary experiences substantial delays in the collection of its accounts receivable. As a result, our Bahamas subsidiary could have insufficient liquidity to continue operations, and our consolidated financial results could be materially adversely affected.

CW-Bahamas' accounts receivable balances (which include accrued interest) due from the WSC amounted to \$20.7 million and \$28.4 million as of December 31, 2025 and 2024. Approximately 71% and 81% of the accounts receivable balances were delinquent as of those dates, respectively. As of February 28, 2026, this receivable amounted to \$22.6 million, of which 75% was delinquent. The delay in collecting these accounts receivable has adversely impacted the liquidity of this subsidiary.

From time to time (including presently), CW-Bahamas has experienced delays in collecting its accounts receivable from the WSC. When these delays occur, we hold discussions and meetings with representatives of the WSC and the government of The Bahamas. All previous delinquent accounts receivable from the WSC, including accrued interest thereon, were eventually paid in full. Based upon this payment history, we have not provided for a material allowance for credit losses for CW-Bahamas' accounts receivable from the WSC as of December 31, 2025, or prior periods.

We continue to be in frequent contact with officials of The Bahamas government, who continue to express their intention to significantly reduce CW-Bahamas' delinquent accounts receivable balances. However, we are unable to determine when or if such reduction will occur.

In a report dated October 6, 2022, Moody's Investor Services ("Moody's") downgraded The Bahamas' long-term issuer and senior unsecured ratings to B1 from Ba3. Moody's also lowered The Bahamas' local currency ceiling to Baa3 from Baa2 and its foreign currency ceiling to Ba1 from Baa3. Moody's has maintained these ratings through the date of its most current report issued in April 2025. Based upon our review of this Moody's correspondence, we continue to believe that no material allowance for credit losses is required for CW-Bahamas' accounts receivable from the WSC.

If CW-Bahamas is unable to collect a significant portion of its delinquent accounts receivable, one or more of the following events may occur: (i) CW-Bahamas may not have sufficient liquidity to meet its obligations; (ii) we may be required to cease the recognition of revenue on CW-Bahamas' water supply agreements with the WSC; and (iii) we may be required to provide a material allowance for credit losses for CW-Bahamas' accounts receivable. Any of these events could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

The profitability of our contracts is dependent upon our ability to accurately estimate construction and operating costs.

The cost estimates we prepare in connection with the construction and operation of our water plants, the water infrastructure we construct and sell to third parties, and our manufacturing contracts, are subject to inherent uncertainties. Additionally, the terms of our water supply contracts may require us to guarantee the price of water on a per unit basis, subject to certain annual inflation and monthly energy cost adjustments, and to assume the risk that the costs associated with producing this water may be greater than anticipated. Because we base our contract prices in part on our estimation of future construction, manufacturing and operating costs, the profitability of our plants and our manufacturing and operations and maintenance contracts is dependent on our ability to estimate these costs accurately. The cost of materials and services and the cost of the delivery of such services may increase significantly after we submit our bid for a contract, which could cause the gross profit for a contract to be less than we anticipated when the bid was made. The profit margins we initially expect to generate from an operations and maintenance contract could be further reduced if future operating costs for that contract exceed our estimates of such costs. Any construction, manufacturing, and operating costs for our contracts that significantly exceed our initial estimates could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Substantial changes to fiscal, regulation and other federal policies could adversely affect our business, financial condition, operating results and cash flows.

Significant changes in, and uncertainty with respect to, legislation, regulation, government policy and economic conditions could adversely affect our business. Specific legislative and regulatory proposals that could have a material impact on us include, but are not limited to, modifications to international trade policy (such as tariffs); public company reporting requirements; and environmental regulation.

We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the U.S. and other countries, what products may be subject to such actions, or what actions may be taken by the other countries in retaliation. Accordingly, it is difficult to predict how such actions may impact our business, or the business or habits of our customers. Our business operations, as well as the businesses of our customers on which we are substantially dependent, are located in countries at risk for escalating trade disputes, including the U.S. Any resulting trade wars could have a significant adverse effect on world trade and could adversely impact our consolidated financial condition, results of operations and cash flows.

Certain of PERC's contracts with its customers, including the contract with the Board of Water Supply of the City of Honolulu, Hawaii, may be terminated at any time at the customer's convenience or with relatively short advance notice. The termination of any of these contracts prior to their full performance may result in us realizing less than the full consideration payable under the contract and may negatively impact our financial results.

Certain of PERC's contracts with its customers, and substantially all of its contracts with governments or municipalities, may be terminated at any time at the customer's convenience with no or relatively short advance notice. Our business is highly dependent on the purchase of our products and services by government and municipalities, and we believe that contracts with similar termination provisions will continue to be a source of a substantial portion of our revenue for the foreseeable future.

If a customer terminates one of our contracts for convenience, we generally may recover, at most, our incurred or committed costs, settlement expenses, and payment for work completed or products delivered prior to the termination. As such, the termination of any of these contracts prior to their stated term may result in us realizing less than the full consideration payable under the contract. If any such contract is terminated prior to us performing a substantial portion of the work to be performed or delivering a substantial portion of the products to be delivered, prior to the termination, such termination may have a material adverse impact on our consolidated results of operations.

A significant portion of our consolidated revenue is derived from our water supply agreements with the WSC. The loss of the WSC as a customer would adversely affect us.

One bulk water customer, the WSC, accounted for approximately 22% of our consolidated revenue for 2025. If, for financial or other reasons, the WSC does not comply with the terms of our water supply agreements, our consolidated financial condition, results of operations, and cash flows could be materially adversely affected.

Our operations are affected by tourism and are subject to seasonal fluctuations and other factors beyond our control that could affect the demand for our water.

Demand for our water in the Cayman Islands and The Bahamas is affected by variations in the level of tourism and local weather, primarily rainfall. Tourism in our service areas is affected by the economies of the tourists' home countries, primarily the United States and Europe, terrorist activity and perceived threats thereof, global health concerns such as COVID-19, and increased costs of fuel and airfare. In the Cayman Islands, we normally sell more water during the first and second quarters of the year, when the number of tourists is greater and local rainfall is less than in the third and fourth quarters. A downturn in tourism or greater than expected rainfall in the locations we serve could adversely impact our results of operations and cash flows. During the COVID-19 pandemic, the resulting cessation of tourism to the Cayman Islands through August 2022 significantly reduced the demand for our water and our retail segment's profitability.

Performance shortfalls under any of our bulk supply contracts could result in penalties or cancellation of the contract.

Our bulk water supply agreements require us to meet specified minimum quality, quantity and energy consumption guarantees. Membrane fouling or other technical problems could occur at any of our plants, and if we are unable to meet the guarantees due to such technical problems, we could be in default of the supply agreement and subject to various adverse consequences, including financial penalties or cancellation of the agreement.

Our operations could be harmed by natural disasters such as hurricanes or earthquakes.

A natural disaster could cause major damage to our equipment and properties and the properties of our customers, including the large tourist properties in our areas of operation. For example, in January 2020, Grand Cayman experienced an earthquake which damaged three of our eight potable water storage tanks. Any future disaster could cause us to lose use of our equipment and properties and incur additional repair costs. Damage to our customers' properties and the adverse impact on tourism could result in a decrease in water demand. A natural disaster could also disrupt the delivery of equipment and supplies, including electricity, necessary to our operations. These and other possible effects of natural disasters could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Contamination of our water may cause disruption in our services and adversely affect our revenue.

Our feed water and/or processed water may become contaminated by natural occurrences and by inadvertent or intentional human interference, including acts of terrorism. If our feed water and/or processed water becomes contaminated, we may have to interrupt our supply of desalinated potable water until we are able to install treatment equipment or substitute the flow of water from an uncontaminated water source. In addition, we may incur significant costs in order to treat contaminated feed or processed water through expansion of our current treatment facilities, or development of new treatment methods. An inability by us to substitute feed water from an uncontaminated water source or to adequately treat the contaminated plant feed water or our processed water in a cost-effective manner may have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Potential government decisions, actions and regulations could negatively affect our operations.

We are subject to the local regulations of the countries in which we operate, all of which are subject to change. Any government that regulates our operations may issue legislation or adopt new regulations, including but not limited to:

- restricting foreign ownership (by us);
- providing for the expropriation of our assets by the government;
- providing for nationalization of public utilities by the government;
- providing for different water quality standards;
- unilaterally changing or renegotiating our license and agreements;
- restricting the importation or use, and/or imposing tariffs on certain goods and materials from foreign countries;
- restricting the transfer of U.S. currency; or
- causing currency exchange fluctuations/devaluations or enacting changes in tax laws.

As new laws and regulations are issued, we may be required to modify our operations and business strategy, which we may be unable to do in a cost-effective manner. Failure by us to comply with applicable regulations could result in the loss of our authorizations to operate, the assessment of penalties or fines, or otherwise may have a material adverse impact on our consolidated financial condition, results of operations and cash flows.

Unforeseen environmental costs could adversely affect our business and results of operations.

We are subject to various federal, state, local and foreign laws and regulations concerning environmental protection, including laws addressing water quality and contamination, the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. In particular, we face increasing complexity in our operations as we adjust to new and future requirements relating to water quality, the composition of our other products, their safe use, the energy consumption associated with our operations, and climate change laws and regulations. If we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws, we could incur substantial costs or face other sanctions, which may include restrictions on operating in certain jurisdictions. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage, personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contaminated sites can be imposed retroactively on a joint and several basis, and without any finding of noncompliance or fault. The amount and timing of costs to comply with environmental laws are difficult to predict. In addition, any complaints or lawsuits against us based on water quality and contamination may receive negative publicity that can damage our reputation and adversely affect our business and trading price of our common stock.

If we fail to abide by laws, rules and regulations relating to human and workers' rights, we could be subject to various actions and our reputation, business and financial results could be adversely affected.

We are subject to various federal, state, local and foreign laws and regulations concerning human rights, including laws prohibiting discrimination, harassment, and forced or child labor, and establishing wage and hour standards. If we were to violate or become liable under human or workers' laws, we could incur substantial costs or face other sanctions. Our potential exposure includes fines and civil or criminal sanctions or liability. The amount and timing of costs to comply with human and workers' rights laws are difficult to predict. Additionally, the success of our business depends on earning and maintaining the trust and confidence of our customers, suppliers, stockholders and the communities in which we operate, our ability to compete for future opportunities, and our reputation among existing and potential clients and partners. Our reputation is critical to our business and could be impacted by events that may be difficult or impossible to control, and costly or impossible to remediate. For example, alleged or actual failures by us or our employees to comply with applicable human or workers' rights laws, rules or regulations, expectations and perceptions of our employment and environmental, social and governance practices, threatened or actual litigation against us or our employees, or the public announcement and potential publicity surrounding any of these issues, even if inaccurate, satisfactorily addressed, or if no violation or wrongdoing actually occurred, could adversely impact our reputation and relationships with customers, suppliers, stockholders and the communities in which we operate, and our ability to renew or negotiate new agreements for projects. Any such failure or reputational harm could have an adverse effect on our consolidated financial condition, results of operations and cash flows.

We rely on the efforts of key employees. Our failure to retain these employees could adversely affect our results of operations.

Our success depends upon the abilities of our Executive Officers. In particular, the loss of the services of Frederick W. McTaggart, our President and Chief Executive Officer, could be detrimental to our operations and our continued success. Mr. McTaggart has an employment agreement expiring on December 31, 2028. Each year, the term of this agreement may be extended for an additional year. However, we cannot guarantee that Mr. McTaggart will continue to work for us during the term of his agreement or will extend his employment agreement with us.

Our business could be adversely affected by cyber threats or other interruptions in information technology, communications networks and operations.

As part of our operations, we rely on computer systems to process transactions and communicate with our customers, suppliers and other third parties. We rely on continued and unimpeded access to secure network connections to communicate between locations and on reliable internet connections to communicate with external parties. We have physical, technical and procedural safeguards in place that are designed to protect information and protect against security and data breaches as well as fraudulent transactions and other activities. Despite these safeguards and our other security processes and protections, we cannot be assured that all our systems and processes are free from vulnerability to evolving and increasingly sophisticated cyber-attacks, to other physical breaches or to inadvertent data disclosure by third parties or by us. A significant data security breach, including misappropriation of customer, supplier or confidential employee information, could cause us to incur significant costs, which may include potential costs of investigations, legal, forensic and consulting fees and expenses, costs and diversion of management attention required for investigation, remediation and litigation, substantial repair or replacement costs. We could also experience data losses that would impair our ability to manage our business operations, including accounting and project costs, manage our water and distribution systems or process transactions and have a negative impact on our reputation and loss of confidence of our customers, suppliers and others, any of which could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows and our business in general.

We are exposed to credit risk through our relationships with several customers.

We are subject to credit risk posed by possible defaults in payment by our customers in the Cayman Islands, The Bahamas, the United States, and the British Virgin Islands. Adverse economic conditions affecting, or financial difficulties of, those parties could impair their ability to pay us or cause them to delay payment. We depend on these parties to pay us on a timely basis. Our outstanding accounts receivable are not covered by collateral or credit insurance. Any delay or default in payment could adversely affect our consolidated financial condition, results of operations, and cash flows.

We are exposed to the risk of variations in currency exchange rates.

Although we report our results in United States dollars, a significant portion of our revenue is earned in other currencies. These currencies have been fixed to the United States dollar for more than 50 years. Consequently, we do not employ hedging strategies against the foreign currency exchange rate risk associated with conducting business in foreign currencies while reporting in United States dollars. If any of the existing fixed exchange rates for these other currencies becomes a floating exchange rate and any of these currencies depreciate against the U.S. dollar, our consolidated financial condition, results of operations, and cash flows could be materially adversely affected.

We may not pay dividends in the future. If dividends are paid, they may be in lesser amounts than past dividends.

Our shareholders may receive dividends out of legally available funds if, and when, they are declared by our Board of Directors. We have paid dividends in the past but may cease to do so at any time. We may incur increased operating or development expenses or capital requirements or indebtedness in the future that may restrict our ability to pay dividends. We may also be restricted from paying dividends in the future due to restrictions imposed by applicable corporate laws, our consolidated financial condition, results of operations and cash flows, covenants contained in financing agreements, and other factors considered by our Board of Directors. We may not continue to pay dividends in the future or, if dividends are paid, they may not be in amounts comparable to past dividends.

Service of process and enforcement of legal proceedings commenced against us in the United States may be difficult to obtain.

We are incorporated under the laws of the Cayman Islands and most of our assets are located outside of the United States. In addition, as of March 9, 2026, six of our 15 Directors and Officers reside outside the United States. As a result, it may be difficult for investors to execute service of process within the United States upon us and such other persons, or to enforce judgments obtained against such persons in United States courts, and bring any action, including actions predicated upon the civil liability provisions of the United States securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts or jurisdictions located outside of the United States, rights predicated upon the United States securities laws.

Based on the advice of our Cayman Islands legal counsel, we believe no reciprocal statutory enforcement of foreign judgments exists between the United States and the Cayman Islands, and that foreign judgments originating from the United States are not directly enforceable in the Cayman Islands. A prevailing party in a

United States proceeding against us or our Directors and Officers would have to initiate a new proceeding in the Cayman Islands using the United States judgment as evidence of the party's claim. A prevailing party could rely on the summary judgment procedures available in the Cayman Islands, subject to available defenses in the Cayman Islands courts, including, but not limited to, the lack of competent jurisdiction in the United States courts, lack of due service of process in the United States proceeding and the possibility that enforcement or recognition of the United States judgment would be contrary to the public policy of the Cayman Islands.

Depending on the nature of damages awarded, civil liabilities under the Securities Act of 1933, as amended (or the Securities Act), or the Securities Exchange Act of 1934, as amended (or the Exchange Act), for original actions instituted outside the Cayman Islands may or may not be enforceable. For example, a United States judgment awarding remedies unobtainable in any legal action in the courts of the Cayman Islands, such as treble damages, would likely not be enforceable under any circumstances.

The relatively low trading volume of our stock may adversely impact the ability to sell our shares.

The average daily trading volume of our common stock in 2025 was approximately 113,000 shares, a much lower trading volume than that of many other companies listed on the NASDAQ Global Select Market. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the market of willing buyers and sellers of our common stock at any given time. This presence in turn depends on the individual decisions of investors and general economic and market conditions over which we have no control. Due to the limited volume of trading in our common stock, an investor in our stock may have difficulty selling larger volumes of our common stock in the manner, or at the price, that might be attainable if our common stock were more actively traded.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

Our information technology ("IT") and cybersecurity programs are crucial to maintaining secure operations, which enable us to deliver on our promise to customers and maintain stakeholder trust. Our Vice President of Information Technology ("VP IT") is responsible for establishing, implementing, and executing our cybersecurity program and strategy. Our VP IT has more than 25 years of IT, IT audit, and cybersecurity experience, and is involved in assessing the latest developments in cybersecurity, including potential threats and innovative risk management techniques. All IT staff are obliged to include cybersecurity as part of their everyday considerations and tasks.

Our cybersecurity program is a critical component of our enterprise risk management process overseen by our Board of Directors, and we have integrated cybersecurity-related risks into our overall enterprise risk management framework. Additionally, cybersecurity-related risks are included in the risk universe that the risk management function evaluates to assess top risks to the enterprise on an annual basis.

Our IT department proactively identifies, manages, and mitigates cyber risk in a variety of ways, including but not limited to:

a. A formal enterprise-wide cybersecurity policy and related standards;

b. Cybersecurity training and employee phishing simulations;

c. Ongoing vulnerability assessment, identification, and remediation;

d. Cyber incident response, IT disaster recovery, and business continuity plans;

e. Identity and access management controls;

f. Automated patch management and security updates;

g. Network isolation of key operations environments; and

h. Email filtering with attachment inspection and targeted threat protection.

The standards set in our cybersecurity program include the implementation of controls that are aligned with industry guidelines and applicable regulations to identify threats, deter attacks, and protect our information security assets. These standards are guided, in part, by the relevant National Institute of Standards and Technology (NIST) and American Water Works Association (AWWA) frameworks and guidance. We use various tools, security measures and technologies to aid in seeking to protect our network perimeter and internal systems from unauthorized access, intrusion, or disruption. Assessments are conducted across our systems, networks, and data infrastructure to identify potential cybersecurity threats and vulnerabilities.

We have policies and procedures in place for selecting and managing our relationships with third-party service providers and other business partners, including monitoring compliance with our agreements and regulatory and legal requirements. We also actively engage with industry participants and related communities as part of our continuing efforts to evaluate and enhance the effectiveness of our information security policies and procedures. In addition, a monitoring and detection system has been implemented to help identify cybersecurity threats and incidents. Our cybersecurity program also focuses on providing training and awareness to our employees and contractors on cybersecurity best practices.

Cybersecurity Governance

Our Board of Directors considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee oversight of cybersecurity and other IT risks. The Audit Committee oversees management's implementation of our cybersecurity risk management program.

The Audit Committee oversees the management of our cybersecurity risk exposures and the steps management has taken to monitor and control such exposures. At each quarterly meeting, the Audit Committee receives an update from our VP IT and other members of management on relevant topics, including cybersecurity program maturity progress, new capabilities implemented, testing results, key cyber risk metrics (e.g., simulated phishing testing and vulnerability management) and notable incidents or events should they occur. On an annual basis, our Board of Directors meets with our VP IT and our third-party cybersecurity consultant to review our cybersecurity strategy. In accordance with our cybersecurity incident response plan, our Board of Directors is promptly informed of potentially material cybersecurity incidents, including with respect to our third-party service providers.

Although we have experienced cybersecurity incidents from time to time that have not had a material adverse effect on our business, financial condition, or results of operations, there can be no assurance that a cyber-attack, security breach, or other cybersecurity incident will not have a material adverse effect on us in the future.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

For a discussion regarding risks from cybersecurity threats that have or are reasonably likely to affect the company, see the risk factor titled "Our business could be adversely affected by cyber threats or other interruptions to information technology, communications networks and operations." in Item 1A of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

Cayman Islands Properties

Abel Castillo Water Works

We own and operate our Abel Castillo Water Works, which is located in the Seven Mile Beach area and encompasses 12,812 square feet of buildings, two seawater reverse osmosis desalination plants with an aggregate capacity of 3.0 million gallons per day, a high service distribution pump house, warehouse space and three potable water storage tanks each with a capacity of 1.0 million gallons and one potable water storage tank with a capacity of 2.0 million gallons. The site is located on 4.2 acres, including 485 feet of waterfront.

West Bay Plant

In 2023, we commissioned a new seawater reverse osmosis desalination plant in the West Bay area and decommissioned the previous plant located on the same property. The new plant began operating in November 2023, with a water production capacity of 1,000,000 gallons per day and was expanded to a water production capacity of 2,000,000 gallons per day in 2025. This site contains a 5,000 square foot concrete building which houses our water production facility, a 2,400 square foot building which houses the potable water distribution pumps, a water quality testing laboratory, and office space and water storage capacity consisting of three potable water tanks each with a capacity of 1.0 million gallons.

Britannia Plant

We own our Britannia seawater reverse osmosis desalination plant located in the Seven Mile Beach area which has been decommissioned. However, we still have and operate on this site a potable water storage tank with a capacity of 840,000 gallons, potable water high service pumps, and various ancillary equipment to repump water produced by our other plants. We have leased the site (comprised of 0.73 acres) and steel frame building which houses the plant for a term that ends in January 2027 at an annual rent of $1.00.

Distribution System

We own our Seven Mile Beach and West Bay potable water distribution systems in Grand Cayman which consist of potable water pipes, valves, curb stops, meter boxes, and water meters. We have the legal right to maintain (and expand or contract as necessary) these systems on public and private land within our licensed service area.

Corporate Office

We occupy approximately 5,800 square feet of office space at the Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands under a lease that expires in April 2029.

Other Property

In October 2022, Cayman Water purchased for $2.94 million approximately 2.8 acres of land in the West Bay area of Grand Cayman. Cayman Water expects to use this site for the construction of new corporate and operations offices, customer service center, and emergency operations center. We also plan to relocate our current warehouse facility from the ACWW site to this proposed new location.

Bahamas Properties

Windsor Plant

Our Windsor water production facility, located in Nassau, New Providence, has a production capacity of 2.8 million gallons per day. The plant is powered by a combination of diesel engine-driven high-pressure pumps and electrical power purchased from Bahamas Power and Light to power all other loads in the plant. The plant is contained within a 12,000 sq. ft. steel building, and a warehouse, workshop and offices are contained within a 2,600 sq. ft. concrete building. The buildings are located on land owned by the WSC and our water sales agreement gives us a license to use the land throughout the term of that agreement, which expires in 2033. We also own and maintain a 5.0 million gallon welded steel water storage tank that was constructed by us and is operated by the WSC.

Blue Hills Plant

Our Blue Hills plant in Nassau, New Providence consists of two production facilities. The first facility was completed in July 2006, has a production capacity of 7.2 million gallons per day, and is powered by a combination of diesel engine-driven high-pressure pumps and electrical power purchased from Bahamas Power and Light to power all other loads in the plant. The plant is contained within a concrete and steel building with a footprint of 16,000 square feet that also contains a warehouse, workshop and offices. It is located on land owned by the WSC and our 20-year water sales agreement gives us a license to use the land throughout the term of that agreement.

The Blue Hills plant water supply agreement was amended in January 2011 and extended through 2032. Pursuant to this amendment, we added a second production facility to increase the total production capacity of the Blue Hills plant to 12.0 million gallons per day. The second facility was completed in March 2012 and is powered by a combination of diesel engine-driven high-pressure pumps and electrical power purchased from Bahamas Power and Light to power all other loads in the plant. The second facility is contained within a steel building with a footprint of 10,640 square feet located adjacent to the initial production facility on land owned by the WSC. We also own and maintain a 1.0 million gallon welded steel elevated water storage tank that was constructed by us and is operated by the WSC.

U.S. Properties

Aerex owns a manufacturing facility situated on 6.4 acres of land in Fort Pierce, Florida. In August 2025, we completed an expansion of this facility that increased its total manufacturing space to 47,500 square feet. Aerex also leases approximately 6,000 square feet of office space in downtown Fort Pierce under a lease that expires on June 30, 2026. We expect to renew this lease on a short-term basis while new office space is constructed on the manufacturing site, with construction scheduled to begin at the end of 2026.

Our Aquilex warehouse consists of 4,100 square feet located in Sunrise, Florida that has been leased through September 2030. Our Aquilex office consists of 6,500 square feet located in Coral Springs, Florida that has been leased through June 2031.

PERC subleases approximately 4,100 square feet of office space in Fountain Valley, California that serves as its corporate headquarters. This lease expires in August 2026. We are presently evaluating a renewal of this lease as well as possible new locations for PERC's corporate headquarters.

REC leases approximately 7,500 square feet of office space in Frederick, Colorado that serves as its corporate headquarters under a lease that expires in October 2029.

ITEM 3. LEGAL PROCEEDINGS

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the NASDAQ Global Select Market and trades under the symbol "CWCO".

No trading market exists for our redeemable preferred stock, which is only issued to, or purchased by, our long-term employees.

On January 2, 2025, March 25, 2025 and January 2, 2026, we issued a total of 24,875 shares, 41,889 shares and 18,780 shares of our common stock, respectively, to Executive Officers under our 2008 Equity Incentive Plan. On December 15, 2025, we issued a total of 13,897 shares of our common stock to our Directors under our Non-Executive Directors' Share Plan in consideration for their service on our Board of Directors and the committees thereof. See "ITEM 11. EXECUTIVE COMPENSATION".

On September 25, 2025, we issued 2,000 shares of common stock to a third-party vendor, which shares had a value on the date of issuance of $69,440 (based upon a per share value of $34.72, which was the closing price of our common stock on the date of issuance). The issuance of the shares was exempt under Section 4(a)(2) of the Securities Act. The third-party vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about us or had adequate access, including through its business relationship with us, to information about us.

Currently 2,023,850 Bahamian Depository Receipts ("BDRs") that constitute ownership of 404,770 shares of our common stock are listed and traded on the Bahamian International Stock Exchange. Our common shares that underlie these BDRs are held in a custodial account in The Bahamas. The BDRs are entitled to dividend payments, when declared, on our common stock in proportion to the BDRs' relative value to our common stock.

Holders

As of March 9, 2026, we had 686 holders of record of our common stock.

Dividends

Our Board of Directors declares and approves any and all dividends.

We have paid dividends to owners of our common stock and redeemable preferred stock since we began declaring dividends in 1985. However, the payment of any future cash dividends will depend upon our earnings, financial condition, cash flows, capital requirements and other factors our Board of Directors deems relevant in determining the amount and timing of such dividends.

Listed below, for each quarter of the last three fiscal years, are the per share dividends declared on our issued and outstanding shares of common shares and redeemable preferred stock.

	2025	2024	2023
First Quarter	$0.11	$0.095	$0.085
Second Quarter	0.14	0.095	0.085
Third Quarter	0.14	0.11	0.095
Fourth Quarter	0.14	0.11	0.095
	$0.53	$ 0.41	$ 0.36

Exchange Controls and Other Limitations Affecting Security Holders

Our Company is not subject to any governmental laws, decrees or regulations in the Cayman Islands which restrict the export or import of capital, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities. The Cayman Islands does not impose any limitations on the right of non-resident owners to hold or vote our common stock. There are no exchange control restrictions in the Cayman Islands.

The information required by Item 201(d) of Regulation S-K is provided under ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS of this Annual Report.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Our water production operations and activities, and those of our affiliate OC-BVI, are conducted at 10 plants in three countries: the Cayman Islands, The Bahamas, and the British Virgin Islands. The following table sets forth the comparative combined production capacity of our retail and bulk segments and our affiliate as of December 31 of each year.

Comparative Operations

Water Production Plants Location	2025 Plants	2025 Capacity(1)	2024 Plants	2024 Capacity(1)	2023 Plants	2023 Capacity(1)
Cayman Islands	6	11.6	6	10.6	6	9.3
Bahamas	2	14.8	2	14.8	2	14.8
British Virgin Islands	2	0.8	2	0.8	2	0.8
	10	27.2	10	26.2	10	24.9

(1) In millions of gallons per day.

Effective October 1, 2023, the Company purchased, through its wholly-owned subsidiary PERC, a 100% ownership interest in Ramey Environmental Compliance, Inc., a Colorado company that operates and maintains water and wastewater treatment facilities and provides technical services to clients throughout the Rocky Mountain and Eastern Plains Regions of Colorado. PERC acquired REC in November 2023 for approximately $4.1 million and recorded goodwill and intangible assets of $2,436,391 and $1,108,390, respectively, as of October 1, 2023 as a result of this acquisition.

The following table sets forth the comparative combined estimated production capacity of our subsidiaries PERC and REC as of December 31 of each year.

Comparative Operations

Water Treatment Plants Location	2025 Plants(2)	2025 Capacity(1)	2024 Plants(2)	2024 Capacity(1)	2023 Plants(2)	2023 Capacity(1)
United States	97	78.5	93	80.8	103	89.8

(1) In estimated millions of gallons per day.

(2) Consists of water treatment plants for which we are the "Certified Operator in Responsible Charge" under operations and maintenance and other service agreements.

Cayman Islands

We have been operating our business on Grand Cayman since 1973 and have been using reverse osmosis technology to convert seawater to potable water since 1989. The Cayman Islands have a limited natural supply of fresh water. We have an exclusive license from the Cayman Islands government to process potable water from seawater and then sell and distribute that water by pipeline to the Seven Mile Beach and West Bay areas of Grand Cayman. Our Grand Cayman operations consist of three company-owned seawater reverse osmosis desalination plants which (as of December 31, 2025) provide water to 8,717 retail residential and commercial connections within a government licensed area and three government-owned seawater reverse osmosis plants which supply bulk water to the WAC. Our pipeline system on Grand Cayman Island covers the Seven Mile Beach and West Bay areas of Grand Cayman and consists of approximately 100 miles of potable water pipe.

Our exclusive license from the Cayman Islands government was originally scheduled to expire in July 2010 but was extended several times by the Cayman Islands government in order to provide the parties with additional time to negotiate the terms of a new license agreement. The most recent express extension of the license expired on January 31, 2018. From that date to February 18, 2025, we continued to operate under the terms of the 1990 license, treating such terms as operative notwithstanding the expiration of the express extension. We continued to pay a royalty of 7.5% of the revenue we collect as required under the 1990 license. On February 18, 2025, Cayman Water received a new concession from the government that authorizes and maintains the terms of the 1990 license until a new license from OfReg is negotiated and enacted. Negotiations between Cayman Water and OfReg for the new license remain on-going.

We have been informed during our retail license negotiations, both by OfReg and its predecessor in these negotiations, that they seek to restructure the terms of the license in a manner that could significantly reduce the operating income and cash flows we have historically generated from our retail license. See further discussion of this matter at ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Material Commitments, Expenditures and Contingencies — *Cayman Water Retail License*.

The Bahamas

CW-Bahamas produces potable water from two seawater reverse osmosis desalination plants. The Windsor plant and the Blue Hills plant are located in Nassau, New Providence and have a total installed capacity of 14.8 million gallons per day. CW-Bahamas supplies water from these plants to the WSC under long-term supply agreements. During 2025, we supplied approximately 4.8 billion gallons of water to the WSC from these plants, which is consistent with the 4.8 billion gallons supplied during 2024.

From time to time (including presently), CW-Bahamas has experienced delays in collecting its accounts receivable. Representatives of the Bahamas government have informed us that their delays in paying our accounts receivables did/do not reflect any type of dispute with us with respect to the amounts owed. To date, all amounts due from CW-Bahamas were eventually paid in full, and we believe that the present accounts receivable from the WSC are fully collectible. Such accounts receivable balances due from The Bahamas government amounted to $20.7 million as of December 31, 2025. See further discussion of this matter at ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — LIQUIDITY AND CAPITAL RESOURCES — *CW-Bahamas Liquidity*.

Critical Accounting Policies and Estimates

Our critical accounting policies relate to (i) the valuations of our goodwill, intangible assets and long-lived assets; and (ii) revenue recognition on our construction and manufacturing contracts.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Our actual results could differ significantly from such estimates and assumptions.

The application of our critical accounting policies involves estimates or assumptions that constitute "critical accounting estimates" for us because:

- the nature of these estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on financial condition and results of operations is material.

Goodwill and Intangible Assets

Goodwill represents the excess cost of an acquired business over the fair value of the assets and liabilities of the acquired business as of the date of acquisition. Goodwill and intangible assets recorded as a result of a business combination and determined to have an indefinite useful life are not amortized but are tested for impairment annually or upon the identification of a triggering event. Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed periodically for impairment. We evaluate the possible impairment of goodwill annually as part of our reporting process for the fourth quarter of each fiscal year. Management identifies our reporting units for goodwill impairment testing purposes, which consist of Cayman Water, the bulk segment (which is comprised of CW-Bahamas and OC-Cayman), PERC, REC, and the manufacturing segment (i.e., Aerex), and determines the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. We determine the fair value of each reporting unit and compare these fair values to the carrying amounts of the reporting units. To the extent the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an impairment loss is recorded.

For 2025 and 2024, we elected to assess qualitative factors to determine whether it was necessary to perform the quantitative goodwill impairment testing we have conducted in prior years for our reporting units. We assessed the relevant events and circumstances to evaluate whether it is more likely than not that the fair values of such reporting units are less than their carrying values. The events and circumstances assessed for each reporting unit included macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, and other relevant events. Based upon this qualitative assessment, we determined that it is more likely than not that the fair values of our reporting units exceeded their carrying values as of December 31, 2025 and 2024.

In late July 2021, a major customer communicated to Aerex that its purchases of a specialized product from Aerex in 2022 and subsequent years would be at substantially reduced annual amounts, as compared to the amounts it had purchased from Aerex in prior years. As a result, our updated sales estimate for this customer based on this new information was substantially below the sales we anticipated to this customer for 2022 and subsequent years that we used in the discounted cash flow projections we prepared for purposes of testing our manufacturing reporting unit's goodwill for possible impairment as of December 31, 2020. Furthermore, Aerex's efforts to replace the revenue previously generated from this customer with revenue from existing and new customers were adversely impacted by negative economic conditions (caused in part by the COVID-19 pandemic). These negative economic conditions also increased Aerex's raw material costs, resulted in raw material shortages and extended delivery times for such materials, and adversely affected the overall financial condition of Aerex's current and prospective customers. Accordingly, in light of this new information from Aerex's former major customer, and the on-going weak economic conditions that we believed would continue through 2022, we updated our projections of future cash flows for the manufacturing reporting unit and tested its goodwill for possible impairment as of June 30, 2021 using the discounted cash flow and guideline public company methods, with a weighting of 80% and 20% applied to these two methods, respectively. Based upon this testing, we determined that the carrying value of our manufacturing reporting unit exceeded its fair value by $2.9 million, and we recorded an impairment loss to reduce our manufacturing segment's goodwill by this amount for the three months ended June 30, 2021.

Long-lived Assets

We review the carrying amounts of our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, we recognize an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measure the impairment loss based on the difference between the carrying amount and fair value.

Construction and Manufacturing Contract Revenue Recognition

We design, construct, and sell desalination infrastructure through DesalCo, which serves customers in the Cayman Islands, The Bahamas, and the British Virgin Islands. We design, construct, and sell wastewater, water reuse, and water production infrastructure in the United States through PERC and Kalaeloa Desalco. Aerex is a custom and specialty manufacturer in the United States of water-related systems and products applicable to commercial, municipal and industrial water production and treatment.

We recognize revenue for our construction and our specialized/custom manufacturing contracts (and some of our design contracts) over time under the input method using costs incurred (which represents work performed) to date relative to the total estimated costs at completion to measure progress toward satisfying a contract's performance obligations, as such measure best reflects the transfer of control of the promised good to the customer. Contract costs include labor, materials, subcontractor costs and other expenses. We follow this method since we can make reasonably dependable estimates of the revenue and costs applicable to the various stages of a contract. Under this input method, we record revenue and recognize profit or loss as work on the contract progresses. We estimate total costs to be incurred and profit to be earned on each long-term, fixed price contract prior to commencement of work on the contract and update these estimates as work on the contract progresses. The cumulative amount of revenue recorded on a contract at a specified point in time is that percentage of total estimated revenue that incurred costs to date comprised of estimated total contract costs. Due to the extended time it may take to complete many of our contracts and the scope and nature of the work required to be performed on those contracts, the estimations of total revenue and costs at completion are complicated and subject to many variables and, accordingly, are subject to changes. When adjustments in estimated total contract revenue or estimated total contract costs are required, any changes from prior estimates are recognized in the current period for the inception-to-date effect of such changes. We recognize the full amount of any estimated loss on a contract at the time the estimates indicate such a loss.

The cost estimates we prepare in connection with our construction and manufacturing contracts are subject to inherent uncertainties. Because we base our contract prices on our estimation of future construction and manufacturing costs, the profitability of our construction and manufacturing contracts is highly dependent on our ability to estimate these costs accurately, as almost all of our construction and manufacturing contracts are fixed-price contracts. The cost of materials, labor and subcontractors could increase significantly after we sign a construction or manufacturing contract, which could cause the gross profit for a contract to decline from our previous estimates, adversely affecting our recognition of revenue and gross profit for the contract. Construction or manufacturing contract costs that significantly exceed our initial estimates could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Results of Operations

The following discussion and analysis of our results of operations should be read in conjunction with our audited consolidated financial statements and accompanying notes included under Part II, ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA, of this Annual Report.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

<u>Discontinued Operations — Mexico Project Development</u>

In 2010, we began the pursuit, through our Netherlands subsidiary, Consolidated Water Cooperatief, U.A. ("CW-Cooperatief"), and our Mexico subsidiary, N.S.C. Agua, S.A. de C.V. ("NSC"), of a project (the "Project") that encompassed the construction, operation and minority ownership of a 100 million gallons per day seawater reverse osmosis desalination plant to be located in northern Baja California, Mexico and accompanying pipeline to deliver water to the Mexican potable water system.

Through a series of transactions that began in 2012, NSC purchased 20.1 hectares of land for approximately $21.1 million on which the proposed Project's plant was to be constructed.

In November 2015, the State of Baja California (the "State") officially commenced a public tender for the Project, and in June 2016 a consortium comprised of NSC and two other parties was selected by the State as the winner of the tender process for the Project. NSC subsequently formed AdR to pursue the completion of the Project.

On August 22, 2016, the Public Private Partnership Agreement for the Project (the "APP Contract") was executed between AdR, the State Water Commission of Baja California ("CEA"), and the Government of Baja California as represented by the Secretary of Planning and Finance and the Public Utilities Commission of Tijuana ("CESPT"). The APP Contract required AdR to design, construct, finance and operate a seawater reverse osmosis desalination plant (and accompanying aqueduct) with a capacity of up to 100 million gallons per day in two phases: the first with a capacity of 50 million gallons per day and an aqueduct to the Mexican potable water system in Tijuana, Baja California and the second phase with a capacity of 50 million gallons per day. The first phase was to be operational within 36 months of commencing construction and the second phase was to be operational by January 2025. The APP Contract further required AdR to operate and maintain the plant and aqueduct for a period of 37 years starting from the commencement of operation of the first phase. At the end of the operating period, ownership of the plant and aqueduct would have been transferred to CEA.

On June 29, 2020, AdR received a letter (the “Letter”) from CEA and CESPT terminating the APP Contract. The Letter requested that AdR provide an inventory of the assets that comprised the “Project Works” (as defined in the APP Contract) for the purpose of acknowledging and paying the non-recoverable expenses made by AdR in connection with the Project, with such reimbursement to be calculated in accordance with the terms of the APP Contract. On August 28, 2020, AdR submitted their list of non-recoverable expenses, including those of NSC, to CEA and CESPT which amounted to 51,144,525 United States dollars and an additional 137,333,114 Mexican pesos.

CW-Cooperatief, as a Netherlands company, had certain rights relating to its investments in NSC and AdR under the *Agreement on Promotion, Encouragement and Reciprocal Protection of Investments between the Kingdom of the Netherlands and the United Mexican States* entered into force as of October 1, 1999 (the “Treaty”). On April 16, 2021, CW-Cooperatief submitted a letter to the President of Mexico and other Mexican federal government officials alleging that the State’s termination of the APP Contract constituted a breach by Mexico of its international obligations under the Treaty, entitling CW-Cooperatief to full reparation, including monetary damages. This letter invited Mexico to seek a resolution of this investment dispute through consultation and negotiation but stated that if the dispute cannot be resolved in this manner, CW-Cooperatief would refer the dispute to the International Centre for the Settlement of International Disputes for arbitration, as provided for in the Treaty.

In February 2022, CW-Cooperatief, filed a Request for Arbitration with the International Centre for Settlement of International Disputes (“ICSID”) requesting that the United Mexican States pay CW-Cooperatief damages in excess of US$51 million plus MXN$137 million (with the exact amount to be quantified in the proceedings), plus fees, costs and pre- and post-award interest.

In May 2024, we, through CW-Cooperatief, NSC, and AdR, entered into a settlement agreement (the “Settlement Agreement”) with the State and Banco Nacional de Obras y Servicios Públicos, S.N.C., as trustee under the trust agreement for the trust named Fondo Nacional de Infraestructura (the “Trust”). Under the Settlement Agreement, CW-Cooperatief requested that ICSID discontinue the arbitration and on May 31, 2024, ICSID issued an order discontinuing the arbitration. Pursuant to the Settlement Agreement, the Trust purchased the 20.1 hectares of land on which the Project’s plant was to be constructed, including related rights of way (the “Land”), on an “as-is” basis, from NSC for MXN$596,144,000. The sale of the Land to the Trust was closed on June 14, 2024 at which time the MXN$596,144,000 was paid to us and converted at the prevailing exchange rate on that date into US$31,959,685.

In connection with the Settlement Agreement on June 14, 2024, the State also paid NSC MXN$20,000,000 to purchase certain documentation owned by NSC relating to the Project.

As a result of the Settlement Agreement: (i) the parties have been released from all obligations owed to each other in connection with the APP Contract and the arbitration; and (ii) no party to the Settlement Agreement may institute any legal proceedings against another party thereto with respect to the matters which have been addressed by the Settlement Agreement.

AdR was officially terminated/dissolved in the first quarter of 2026. We are presently in the process of legally terminating/dissolving CW-Cooperatief and NSC and expect to complete this process by mid-2026.

Our net income (loss) from discontinued operations for 2025 and 2024 was ($290,635) and $10,355,184, respectively.

Consolidated Results

Including discontinued operations, net income attributable to Consolidated Water Co. Ltd. stockholders for 2025 was $18,336,673 ($1.14 per share on a fully diluted basis), as compared to $28,237,554 ($1.77 per share on a fully diluted basis) for 2024.

The following discussion and analysis of our consolidated results of operations and results of operations by segment for the year ended December 31, 2025 as compared to the year ended December 31, 2024 relates only to our continuing operations.

Net income from continuing operations attributable to Consolidated Water Co. Ltd. stockholders for 2025 was $18,627,308 ($1.16 per share on a fully diluted basis), as compared to $17,882,370 ($1.12 per share on a fully diluted basis) for 2024.

Revenue for 2025 decreased to $132,073,368 from $133,966,633 in 2024, due to decreases in the revenue from our services and bulk segments. Gross profit for 2025 was $48,378,810 (37% of total revenue) as compared to $45,624,448 (34% of total revenue) for 2024. For further discussion of revenue and gross profit see the "Results by Segment" discussion and analysis that follows.

General and administrative expenses ("G&A expenses") on a consolidated basis increased to $30,116,328 for 2025 as compared to $27,537,436 for 2024. The principal factors for the increase in G&A expenses for 2025 were incremental (i) employee costs of almost $1.3 million arising from new hires, pay increases and increased benefits costs; (ii) legal and professional fees of approximately $503,000; and (iii) information technology expenses of approximately $334,000 incurred for the implementation of a new retail billing system.

Other income, net, increased to $3,024,944 in 2025, as compared to $2,393,676 in 2024 primarily due to $575,850 of additional interest income earned on higher balances of interest earning assets.

Results by Segment

Retail Segment:

The retail segment generated $15,300,161 of income from operations for 2025 as compared to $14,280,948 for 2024.

Revenue generated by our retail water operations increased to $33,587,952 in 2025 from $31,741,343 in 2024 due to an 8.3% increase in the volume of water sold. The amount of water Cayman Water sold in 2025 (1.09 billion gallons) was the highest in our history. We believe this volume increase in water sold resulted from significantly lower rainfall on Grand Cayman (which was 40% below the 30-year average and 45% lower than 2024) and a 6.6% increase in the number of customer accounts in our license area from December 31, 2024 to December 31, 2025.

As a result of the revenue increase, retail segment gross profit increased in both total dollars and as a percentage of revenue to $18,994,259 (57% of retail revenue) for 2025 as compared to $17,542,255 (55% of retail revenue) for 2024.

Retail G&A expenses increased to $3,734,676 for 2025 as compared to $3,263,593 for 2024 due to incremental technology expenses of approximately $334,000 resulting from the ongoing implementation of a new billing system.

Bulk Segment:

The bulk segment contributed $9,396,351 and $8,748,052 to our income from operations for 2025 and 2024, respectively.

Bulk segment revenue was $33,481,307 and $33,673,387 for 2025 and 2024, respectively. The decrease in bulk revenue from 2024 to 2025 reflects a decrease in the price of energy for CW-Bahamas, which decreased the energy pass-through component of CW-Bahamas' rates.

Gross profit for our bulk segment was $11,011,110 (33% of bulk revenue) and $10,313,027 (31% of bulk revenue) for 2025 and 2024, respectively. Gross profit as a percentage of revenue increased slightly in 2025 as compared to 2024 due to improved plant efficiency and reductions in various operating expenses.

Bulk segment G&A expenses remained relatively consistent at $1,614,759 for 2025 as compared to $1,564,975 for 2024.

Services Segment:

The services segment contributed $4,028,856 and $6,392,259 to our income from operations for 2025 and 2024, respectively.

Services segment revenue decreased to $46,312,325 for 2025 compared to $50,956,489 for 2024. Construction revenue declined to $13,470,641 in 2025 as compared to $18,602,919 in 2024, as we recognized $8.2 million of additional revenue from PERC's contract with Liberty Utilities and $1.3 million in revenue from the Red Gate contract in Grand Cayman in 2024. These contracts were substantially completed in mid-2024. Construction revenue recognized on the Hawaii contract also declined by $2.9 million in 2025 due to the completion of the pilot plant testing phase of the project. These decreases in construction revenue were partially offset by construction revenue generated under new contracts. Revenue generated under operations and maintenance contracts increased to $32,075,046 in 2025 from $29,307,405 in 2024 due to incremental revenue generated by both PERC and REC. Design and consulting revenue decreased to approximately $767,000 in 2025 from approximately $3.0 million in 2024 due to the completion in the fourth quarter of 2024 of a contract for a major plant commissioning and startup project.

The gross profit for the services segment decreased to $11,862,481 (26% of services revenue) in 2025 as compared to $12,444,954 (24% of services revenue) for 2024 due to the decrease in construction and design and consulting revenue.

We have been informed by one of our significant operations and maintenance customers that it will not extend its existing contract with PERC beyond its expiration date in March 2026. We recognized approximately $5.5 million and $1.8 million in revenue and gross profit, respectively, under this contract in 2025.

G&A expenses for the services segment increased to $7,885,756 for 2025 as compared to $6,055,409 for 2024 primarily due to incremental employee costs of $1,181,678 attributable to new hires and salary increases and an increase of $301,173 in the provision for credit losses for the services segment.

In June 2023, we (through our subsidiary Kalaeloa Desalco) executed a contract with the Honolulu Board of Water Supply ("BWS") to construct and operate a 1.7 million gallons per day seawater reverse osmosis desalination plant in Oahu, Hawaii, and since that time we have been engaged in the design and development phase for construction of the plant. We have achieved major project milestones under this phase of the project, (i) including successful pilot plant testing, (ii) receipt of confirmation from BWS that we are able to produce water that is a "reasonable match" to the quality of BWS's current water supply and that we are able to produce water that causes "no detrimental impact" to the BWS water system or their customers' assets, and (iii) completion of the plant design.

We are required to obtain federal, state, regional and local permits, licenses and other government approvals as a condition to commencing and completing construction and initiating operations. The permitting process for a project of this scale and complexity is inherently iterative and subject to review by multiple regulatory authorities, public comment procedures and, in certain instances, interagency coordination. During the year ended December 31, 2025, and continuing through the time of the filing of this Annual Report on Form 10-K, we and BWS have experienced delays in obtaining certain required permits and related governmental approvals. These delays have resulted in a corresponding deferral of certain project milestones and a delay in the commencement of plant construction.

Pursuant to the terms of the contract, we are entitled to extensions of time for performance should delays arise from the failure to obtain required permits or other governmental approvals, provided that we have satisfied certain contractually specified conditions, including the exercise of all reasonable efforts to obtain such permits or other governmental approvals. We believe that we have complied in all material respects with the contractual prerequisites necessary to obtain relief in respect of such delays. Based on ongoing discussions with representatives of the BWS and its advisors, we currently expect that appropriate extensions of time will be granted to Kalaeloa Desalco to reflect the impact of the permitting delays on the project schedule. However, until formal change orders, amendments or written confirmations are executed, there can be no assurance as to the timing, scope or terms of any such extensions, or if such extensions will be granted at all.

The ultimate duration and economic burden of the permitting process remain subject to factors outside of our control, including the workload and resource constraints of applicable regulatory authorities, the timing and outcome of required public processes, the resolution of technical comments or requests for supplemental information and the potential for administrative or judicial challenges. To the extent that Kalaeloa Desalco does not receive the anticipated extensions of time, or if the extensions granted are insufficient to accommodate the full period of delay, Kalaeloa Desalco could be exposed to contractual remedies available to the BWS, which may include the assessment of liquidated damages, the withholding of milestone payments, or termination of the contract.

At the time of the filing of this Annual Report on Form 10-K, Kalaeloa Desalco is continuing to advance the permitting process, respond to regulatory inquiries and coordinate with the BWS to mitigate schedule impacts. Kalaeloa Desalco also is evaluating potential adjustments to sequencing and procurement activities designed to reduce the effect of the delays on the overall project economics. Although we do not currently expect the permitting delays to result in a material adverse effect on our consolidated financial position, the deferral of construction activities has shifted anticipated revenue recognition and associated cash flows related to the Hawaii desalination plant project into future periods. We will continue to assess the impact of these developments on our estimates of total project costs, timing of performance obligations and variable consideration, and will update our disclosures as appropriate in future periodic or current reports.

Manufacturing Segment:

The manufacturing segment contributed $4,413,201 and $2,867,405 to our income from operations in 2025 and 2024, respectively.

Manufacturing revenue increased to $18,691,784 for 2025 as compared to $17,595,414 for 2024.

Manufacturing gross profit was $6,510,960 (35% of manufacturing revenue) for 2025 as compared to a gross profit of $5,324,212 (30% of manufacturing revenue) for 2024. The increase in manufacturing gross profit in dollars and as a percentage of revenue results from increased production activity, production efficiencies and a higher margin product mix.

G&A expenses for the manufacturing segment decreased to $2,102,759 for 2025 as compared to $2,456,807 for 2024 due to a decrease in the provision for credit losses for the manufacturing segment of approximately $359,000 in 2025.

Corporate:

Corporate G&A expenses increased to $14,778,378 for 2025 as compared to $14,196,652 for 2024 as a result of approximately $291,000 in incremental professional fees and smaller increases in various other expense accounts.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Discontinued Operations — Mexico Project Development

As discussed previously, on June 30, 2020 the State of Baja California cancelled its APP Contract with AdR for the Project. As a result of the cancellation of the Project, we discontinued all development activities associated with the Project, commenced marketing efforts to sell the land NSC purchased for the Project, and initiated international arbitration against the Government of Mexico to recover the costs we had incurred for the Project. In May 2024, we executed a Settlement Agreement with the State pursuant to which we discontinued the arbitration in exchange for the purchase by the State (i) of the land for the Project for MXN$596,144,000; and (ii) certain documentation for the Project for MXN$20,000,000. We received the proceeds from the sale of the land and documentation in June 2024.

We are presently in the process of legally terminating/dissolving CW-Cooperatief, NSC and AdR and will continue to incur expenses for these subsidiaries until such processes are completed.

Our net income (loss) from discontinued operations for 2024 and 2023 was $10,355,184 and ($1,086,744), respectively. The net income reported from discontinued operations for 2024 reflects the gain generated from the sale of the Project land and documentation under the Settlement Agreement.

Consolidated Results

Including discontinued operations, net income attributable to Consolidated Water Co. Ltd. stockholders for 2024 was $28,237,554 ($1.77 per share on a fully diluted basis), as compared to $29,585,391 ($1.86 per share on a fully diluted basis) for 2023.

The following discussion and analysis of our consolidated results of operations and results of operations by segment for the year ended December 31, 2024 as compared to the year ended December 31, 2023 relates only to our continuing operations.

Net income from continuing operations attributable to Consolidated Water Co. Ltd. stockholders for 2024 was $17,882,370 ($1.12 per share on a fully diluted basis), as compared to $30,672,135 ($1.93 per share on a fully diluted basis) for 2023.

Revenue for 2024 decreased to $133,966,633 from $180,211,233 in 2023, due to a significant decrease in revenue from our services segment. Gross profit for 2024 was $45,624,448 (34% of total revenue) as compared to $61,927,105 (34% of total revenue) for 2023. For further discussion of revenue and gross profit see the "Results by Segment" discussion and analysis that follows.

General and administrative expenses ("G&A expenses") on a consolidated basis increased to $27,537,436 for 2024 as compared to $24,752,366 for 2023. The principal factors for the increase in G&A expenses for 2024 relates to additional G&A expenses of approximately $1,321,000 attributable to REC, which was acquired in the fourth quarter of 2023, and incremental audit, legal and audit related and other professional fees of approximately $1,357,000.

Other income, net, increased to $2,393,676 in 2024, as compared to $828,313 in 2023 primarily due to $1,397,782 of additional interest income resulting from additional interest earned on higher balances of interest earning assets and higher late payment charges on delinquent accounts receivable balances due from the WSC.

Results by Segment

Retail Segment:

The retail segment generated $14,280,948 of income from operations for 2024 as compared to $13,266,942 for 2023.

Revenue generated by our retail water operations increased to $31,741,343 in 2024 from $30,158,051 in 2023 due to a 4.5% increase in the volume of water sold. We believe the increase in the volume of water sold in 2024 resulted in part from a 4.3% increase in the number of customer accounts in our license area from December 31, 2023 to December 31, 2024.

Retail segment gross profit increased to $17,542,255 (55% of retail revenue) for 2024 as compared to $16,266,822 (54% of retail revenue) for 2023 due to the revenue increase. Retail segment gross profit as a percentage of revenue increased slightly in 2024 as compared to 2023 due to the overall increase in water volume sold.

Retail G&A expenses remained relatively consistent at $3,263,593 for 2024 as compared to $2,978,164 for 2023.

Bulk Segment:

The bulk segment contributed $8,748,052 and $8,742,382 to our income from operations for 2024 and 2023, respectively.

Bulk segment revenue was $33,673,387 and $34,595,058 for 2024 and 2023, respectively. The decrease in bulk revenue from 2023 to 2024 reflects a decrease in the price of energy for CW-Bahamas, which decreased the energy pass-through component of CW-Bahamas' rates.

Gross profit for our bulk segment was $10,313,027 (31% of bulk revenue) and $10,466,926 (30% of bulk revenue) for 2024 and 2023, respectively. Gross profit as a percentage of revenue increased slightly in 2024 as compared to 2023 due to higher revenue, efficiency improvements at OC-Cayman, and decreases in electricity and fuel costs and depreciation expense that more than offset increased maintenance and insurance expenses.

Bulk segment G&A expenses remained relatively consistent at $1,564,975 for 2024 as compared to $1,737,264 for 2023.

Services Segment:

The services segment contributed $6,392,259 and $26,897,080 to our income from operations for 2024 and 2023, respectively.

Services segment revenue decreased to $50,956,489 for 2024 compared to $97,966,650 for 2023. Construction revenue was $18,602,919 in 2024 as compared to $77,306,704 in 2023. We recognized approximately $8.5 million and $64 million in construction revenue for the Liberty Utilities contract for the construction of a water treatment plant in Goodyear, Arizona in 2024 and 2023, respectively. This contract was completed in mid-2024. Revenue generated under operations and maintenance contracts increased to $29,307,405 in 2024 from $19,368,365 in 2023. Revenue from REC, which was acquired in October 2023, constituted $6,069,342 of this operations and maintenance contracts revenue increase and the remainder of the increase related to new PERC contracts. Design and consulting revenue increased to approximately $3.0 million in 2024 from approximately $1.3 million in 2023.

The gross profit for the services segment decreased to $12,444,954 (24% of services revenue) in 2024 as compared to $31,168,888 (32% of services revenue) for 2023 due to the decrease in construction revenue.

G&A expenses for the services segment increased to $6,055,409 for 2024 as compared to $4,271,808 for 2023 primarily due to incremental G&A expenses of REC (which was acquired in the fourth quarter of 2023) of approximately $1,321,000.

Manufacturing Segment:

The manufacturing segment contributed $2,867,405 and $2,188,418 to our income from operations in 2024 and 2023, respectively.

Manufacturing revenue remained relatively consistent at $17,595,414 and $17,491,474 for 2024 and 2023, respectively.

Manufacturing gross profit was $5,324,212 (30% of manufacturing revenue) for 2024 as compared to a gross profit of $4,024,469 (23% of manufacturing revenue) for 2023. The increase in manufacturing gross profit in dollars and as a percentage of revenue results from a higher margin product mix.

G&A expenses for the manufacturing segment increased to $2,456,807 for 2024 as compared to $1,838,284 for 2023 principally due to an increase in the provision for credit losses for the manufacturing segment of approximately $336,000 in 2024.

Corporate:

Corporate G&A expenses increased slightly to $14,196,652 for 2024 as compared to $13,926,846 for 2023. This increase reflects almost $1.2 million incremental audit, consulting and legal fees arising primarily from the Company's change in S.E.C. filing status from a small reporting company to an accelerated filer.

FINANCIAL CONDITION

The significant changes in the components of our consolidated balance sheet as of December 31, 2025 as compared to December 31, 2024 (other than the change in our cash and cash equivalents, which is discussed later in "LIQUIDITY AND CAPITAL RESOURCES") and the reasons for these changes are discussed in the following paragraphs.

Accounts receivable decreased by approximately $6.8 million, primarily due to a $7.6 million decrease in CW-Bahamas' accounts receivable.

Current inventory decreased by $5.2 million, primarily due to a decrease of $5.1 million in Aerex's inventory resulting from the consumption of materials used in product production.

Contract assets decreased by approximately $1.2 million, primarily due to a $1.1 million decrease in Aerex's contract assets.

Property, plant and equipment, net, increased by approximately $2.7 million, primarily due to the completion of the expansion of Aerex's manufacturing facility, transfers from construction in progress relating to the new West Bay plant, and the purchase of specialized equipment for the services segment, partially offset by the scheduled depreciation of fixed assets.

Construction in progress increased by approximately $1.6 million, primarily due to $3.2 million spent on the CW-Bahamas Cat Island plant construction, partially offset by a decrease of $1.7 million resulting from the additional capitalization of completed and in-use components of the West Bay plant expansion in Grand Cayman.

Contract liabilities increased by approximately $2.4 million, primarily due to the Kalaeloa Desalco construction project.

LIQUIDITY AND CAPITAL RESOURCES

Certain transfers from our bank accounts in The Bahamas to our bank accounts in other countries require the approval of the Central Bank of The Bahamas.

The Cayman Islands does not have a tax treaty with the United States. Consequently, should we be required (or elect) to transfer any profits generated by our U.S. subsidiaries to our parent company in the Cayman Islands, we would be required to pay a withholding tax of 30% on the amount of any such funds transferred.

Liquidity Position

Our projected liquidity requirements for 2026 include capital expenditures for our existing operations of approximately $11.1 million, which includes approximately $1.0 million to be incurred during the first half of 2026 for a project in the Bahamas. We paid approximately $2.3 million in dividends in January 2026. Our liquidity requirements may also include future quarterly dividends, if such dividends are declared by our Board.

As of December 31, 2025, we had cash and cash equivalents of $123.8 million and working capital of $141.9 million.

With the exception of the liquidity matter relating to CW-Bahamas that is discussed in the paragraphs that follow, we are not presently aware of anything that would lead us to believe that we will not have sufficient liquidity to meet our needs.

CW-Bahamas Liquidity

CW-Bahamas' accounts receivable balances (which include accrued interest) due from the WSC amounted to $20.7 million and $28.4 million as of December 31, 2025 and 2024. Approximately 71% and 81% of the accounts receivable balances were delinquent as of those dates, respectively. As of February 28, 2026, this receivable amounted to $22.6 million, of which 75% was delinquent. The delay in collecting these accounts receivable has adversely impacted the liquidity of this subsidiary.

From time to time (including presently), CW-Bahamas has experienced delays in collecting its accounts receivable from the WSC. When these delays occur, we hold discussions and meetings with representatives of the WSC and the government of The Bahamas. All previous delinquent accounts receivable from the WSC, including accrued interest thereon, were eventually paid in full. Based upon this payment history, we have not provided for a material allowance for credit losses for CW-Bahamas' accounts receivable from the WSC as of December 31, 2025, or prior periods.

We continue to be in frequent contact with officials of The Bahamas government, who continue to express their intention to significantly reduce CW-Bahamas' delinquent accounts receivable balances. However, we are unable to determine when or if such reduction will occur.

In a report dated October 6, 2022, Moody's Investor Services ("Moody's") downgraded The Bahamas' long-term issuer and senior unsecured ratings to B1 from Ba3. Moody's also lowered The Bahamas' local currency ceiling to Baa3 from Baa2 and its foreign currency ceiling to Ba1 from Baa3. Moody's has maintained these ratings through the date of its most current report issued in April 2025. Based upon our review of this Moody's correspondence, we continue to believe that no material allowance for credit losses is required for CW-Bahamas' accounts receivable from the WSC.

If CW-Bahamas is unable to collect a sufficient portion of its delinquent accounts receivable, one or more of the following events may occur: (i) CW-Bahamas may not have sufficient liquidity to meet its obligations; (ii) we may be required to cease the recognition of revenue on CW-Bahamas' water supply agreements with the

WSC; and (iii) we may be required to provide a material allowance for credit losses for CW-Bahamas' accounts receivable. Any of these events could have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Discussion of Cash Flows for the Year Ended December 31, 2025

Our cash and cash equivalents increased to $123,788,390 as of December 31, 2025 from $99,350,121 as of December 31, 2024.

Cash Flows from Operating Activities

Net cash provided by our operating activities was $41,713,571. This net cash provided reflects net income generated for the year ended December 31, 2025 of $18,929,852 as adjusted for (i) various items included in the determination of net income that do not affect cash flows during the year; and (ii) changes in the other components of working capital. The more significant of such items and changes in working capital components includes depreciation and amortization of $6,903,438, a decrease in accounts receivable of $6,519,621 attributable principally to CW-Bahamas, a decrease in inventory of $4,240,636 and an increase in contract liabilities of $2,401,980.

Cash Flows from Investing Activities

Net cash used in our investing activities was $8,439,222 primarily for additions to property, plant and equipment and construction in progress.

Cash Flows from Financing Activities

Net cash used in our financing activities was $8,950,163, almost all of which related to the payment of dividends.

Material Commitments, Expenditures and Contingencies

Cayman Water Retail License

We sell water through our retail operations under a license issued in July 1990 by the Cayman Islands government (the "1990 license") that granted Cayman Water the exclusive right to provide potable water to customers within its licensed service area. Pursuant to the 1990 license, Cayman Water has the exclusive right to produce potable water and distribute it by pipeline to its licensed service area, which consists of two of the three most populated areas of Grand Cayman Island: Seven Mile Beach and West Bay. In 2025, 2024, and 2023 we generated approximately 26%, 24% and 17%, respectively, of our consolidated revenue and 39%, 38% and 26%, respectively, of our consolidated gross profit from the retail water operations conducted under the 1990 license.

The 1990 license was originally scheduled to expire in July 2010 but was extended several times by the Cayman Islands government to provide the parties with additional time to negotiate the terms of a new license agreement. The most recent express extension of the license expired on January 31, 2018. From that date until February 18, 2025, we continued to operate under the terms of the 1990 license, treating such terms as operative notwithstanding the expiration of the express extension. We continued to pay a royalty of 7.5% of the revenue we collect as required under the 1990 license.

In October 2016, the Government of the Cayman Islands passed legislation which created a new utilities regulation and competition office ("OfReg") and, in April 2017, passed supplemental legislation which transferred responsibility for economic regulation of the water utility sector and the negotiations with us for a new retail license to OfReg.

Under the new regulatory legislation passed in October 2016, Cayman Water was required to first be granted a concession by the government before obtaining a new (or renewing the old) retail operations license. On February 18, 2025, Cayman Water received a new concession from the government that authorizes and maintains the terms of the 1990 license until a new license from OfReg is negotiated and enacted. Negotiations between Cayman Water and OfReg for the new license remain on-going.

We have been informed during our retail license negotiations, both by OfReg and its predecessor in these negotiations, that they seek to restructure the terms of the license in a manner that could significantly reduce the operating income and cash flows we have historically generated from our retail license. We are presently unable to determine what impact the resolution of our retail license negotiations will have on our consolidated financial condition, results of operations, or cash flows but such resolution could result in a material reduction (or the loss) of the operating income and cash flows we have historically generated from our retail operations and could require us to record impairment losses to reduce the carrying values of our retail segment assets. Such impairment losses could have a material adverse impact on our consolidated financial condition and results of operations.

CW-Bahamas Supply Guarantees

Our contracts to supply water to the WSC from our Blue Hills and Windsor plants require us to guarantee delivery of a minimum quantity of water per week. If the WSC requires the water and we do not meet this minimum, we are required to pay the WSC for the difference between the minimum and actual gallons delivered at a per gallon rate equal to the price per gallon that the WSC is currently paying us under the contract. The Blue Hills contract expires in 2032 and requires us to deliver 63.0 million gallons of water each week. The Windsor contract expires in 2033 and requires us to deliver 16.8 million gallons of water each week. We have been in compliance with the performance guarantees under these contracts for all periods since the inception of the contracts.

Adoption of New Accounting Standards

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The Company adopted the standard as of December 31, 2025, including a recast of 2024 and 2023 information, by including additional required disclosures within the Notes to the Consolidated Financial Statements. See Note 11 — Income Taxes for further details. There was no impact on our consolidated financial position, results of operations or cash flows.

Effect of Newly Issued but not yet Effective Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* The ASU requires public companies to disclose, in the notes to financial statements, specific information about certain costs and expenses at each interim and annual reporting period. The amended ASU is effective on a prospective basis for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact of this guidance.

Dividends

- On January 31, 2025, we paid a dividend of $0.11 to shareholders of record on January 2, 2025.
- On April 30, 2025, we paid a dividend of $0.11 to shareholders of record on April 1, 2025.
- On July 31, 2025, we paid a dividend of $0.14 to shareholders of record on July 1, 2025.
- On October 31, 2025, we paid a dividend of $0.14 to shareholders of record on October 1, 2025.
- On January 30, 2026, we paid a dividend of $0.14 to shareholders of record on January 2, 2026.
- On February 17, 2026, our Board declared a dividend of $0.14 payable on April 30, 2026 to shareholders of record on April 1, 2026.

We have paid dividends to owners of our common stock and redeemable preferred stock since we began declaring dividends in 1985. Our payment of any future cash dividends will depend upon our earnings, financial condition, cash flows, capital requirements and other factors our Board of Directors deems relevant in determining the amount and timing of such dividends.

Dividend Reinvestment and Common Stock Purchase Plan

This plan is available to our shareholders, who may reinvest all or a portion of their common stock dividends into shares of common stock at prevailing market prices and may also invest optional cash payments to purchase additional shares at prevailing market prices as part of this plan.

Impact of Inflation

Under the terms of our bulk water sales agreements in The Cayman Islands, The Bahamas and the British Virgin Islands, our water rates are automatically adjusted for inflation on an annual basis. Therefore, the impact of inflation on our gross profit from these revenue sources, measured in consistent dollars, historically has not been material. However, while we have received annual inflation adjustments for the rates we charge under our bulk water agreements, we have not applied to increase the water rates for Cayman Water since January 2018 (despite the inflation that has occurred since that date) due to the delayed resolution of our negotiations with OfReg for a new retail license. While we believe that we are entitled to apply to OfReg for future rate adjustments under the terms of the February 18, 2025 concession agreement with the Cayman Islands government, the denial by OfReg of such application or approval of an increase that is less than the increase in our costs could adversely affect the profitability of our retail segment. Furthermore, our manufacturing segment has in the past been adversely impacted by significant increases in raw material costs and our manufacturing and services segments could suffer similar adverse impacts in the future.

While our operations and maintenance contracts are generally adjusted for inflation on an annual basis, such adjustment for many of these contracts is capped at 3% annually.

Kalaeloa Desalco has signed a contract with the Honolulu Board of Water Supply pursuant to which it presently expects to construct and operate a 1.7 million gallons per day seawater reverse osmosis desalination plant in Oahu, Hawaii. Approximately 80% of the $147 million price for the construction of this plant is subject to adjustment based upon changes in inflation indices from September 29, 2022 (the date that was 120 days after the original proposal was submitted) until the date that the notice to proceed with construction is issued by the client.

Increases in fuel and energy costs and other items could create additional credit risks for us, as our customers' ability to pay our invoices could be adversely affected by such increases.

In periods of high inflation, our consolidated results of operations and cash flows could be materially adversely affected.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED WATER CO. LTD.

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Schedule II, Valuation and Qualifying Accounts, is omitted because the information is included in the financial statements and notes.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Consolidated Water Co. Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Consolidated Water Co. Ltd. (the "Company") as of December 31, 2025, and the related consolidated statements of income, stockholders' equity and cash flows for the year ended December 31, 2025, and the related notes (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2025, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013 and our report dated March 16, 2026*,* expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition — Estimated Costs to Complete

As described in Note 2 to the consolidated financial statements, the Company recognizes revenue for its construction and custom/specialized manufacturing contracts over time under the input method using costs incurred to date relative to the total estimated costs at completion to measure progress toward satisfying a contract's performance obligations as such measure best reflects the transfer of control of the promised good to the customer. The cost estimation process for these contracts is based on the knowledge and experience of the Company's project managers, engineers, and financial professionals. Changes in job performance, job conditions and management's assessment of expected variable consideration are factors that influence estimates of the total contract transaction price, total costs to complete those contracts and the Company's revenue recognition.

We identified the estimated costs to complete on these revenue contracts as a critical audit matter. The determination of the total estimated cost and progress toward completion requires management to make significant estimates and assumptions. Total estimated costs to complete projects include various contracts costs that include labor, materials and subcontractor costs. Due to the extended time it may take to complete many of the Company's contracts and the scope and nature of the work required to be performed on those contracts, the estimations of total revenue and costs at completion is complicated and subject to many variables and, accordingly, are subject to changes. Changes in these estimates can have a significant impact on the revenue recognized each period. Auditing these estimates involved especially challenging auditor judgment in evaluating the reasonableness of management's assumptions and estimates over the duration of these contracts.

The primary procedures we performed to address this critical audit matter included:

- We obtained an understanding and evaluated the design and implementation of the internal controls over management's process related to estimated costs to complete, including controls over management's review of: (i) the development of project budgets and key cost inputs, (ii) the ongoing assessment and revisions to project budgets, and (iii) the ongoing review of project status, including the nature of activities to complete open projects.
- Evaluating management's ability to generate reasonable estimated costs to complete through performing a retrospective review of budget to actual variances.
- Assessing the reasonableness of the estimated costs to complete by evaluating the reasonableness of projects budgets and the nature of costs required to complete the project. Evaluation consists of investigating significant differences or unexpected results that take into consideration known changes in client operations, industry, and/or business conditions.
- Assessing the accuracy and the occurrence of the actual cost amount used in the percentage of completion by testing a sample of project costs incurred to date.
- Evaluating the reasonableness of project status by performing inquiries of project managers to assess the nature and costs of activities required to complete the project.
- Assessing the reasonableness of changes in estimated costs to complete by comparing project profitability estimates in the current period to historical estimates and actual performance including during the period under audit and subsequent to the period end and investigating reasons for changes in expected costs and project margins.

/s/ CBIZ CPAs P.C.

We have served as the Company's auditor since 2005 (such date takes into account the acquisition of the attest business of Marcum LLP by CBIZ CPAs P.C. effective November 1, 2024).

Fort Lauderdale, FL
March 16, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Consolidated Water Co. Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Consolidated Water Co. Ltd. (the "Company") as of December 31, 2024, the related consolidated statements of income, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

We served as the Company's auditor from 2005 through April 2025.

West Palm Beach, FL
March 17, 2025

CONSOLIDATED WATER CO. LTD.

CONSOLIDATED BALANCE SHEETS

	December 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$123,788,390	$ 99,350,121
Accounts receivable, net	32,768,537	39,580,982
Inventory	3,736,845	8,960,350
Prepaid expenses and other current assets	5,927,675	5,112,183
Contract assets	3,290,815	4,470,243
Current assets of discontinued operations	124,630	272,485
Total current assets	169,636,892	157,746,364
Property, plant and equipment, net	55,151,758	52,432,282
Construction in progress	6,695,656	5,143,717
Inventory, noncurrent	5,563,142	5,338,961
Investment in affiliates	1,186,849	1,504,363
Goodwill	12,861,404	12,861,404
Intangible assets, net	2,101,555	2,696,815
Operating lease right-of-use assets	2,930,441	3,232,786
Other assets	1,437,648	2,356,489
Total assets	$257,565,345	$243,313,181
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	$ 9,620,880	$ 9,057,179
Accrued compensation	3,039,142	3,336,946
Dividends payable	2,285,317	1,780,841
Current maturities of operating leases	661,047	634,947
Current portion of long-term debt	47,549	126,318
Contract liabilities	11,528,634	9,126,654
Deferred revenue	248,719	365,879
Current liabilities of discontinued operations	271,159	509,745
Total current liabilities	27,702,447	24,938,509
Long-term debt, noncurrent	25,954	70,320
Deferred tax liabilities	707,444	210,893
Noncurrent operating leases	2,297,161	2,630,812
Other liabilities	153,000	153,000
Total liabilities	30,886,006	28,003,534
Commitments and contingencies		
Equity		
Consolidated Water Co. Ltd. stockholders' equity		
Redeemable preferred stock, $0.60 par value. Authorized 200,000 shares; issued and outstanding 39,507 and 44,004 shares, respectively	23,704	26,402
Common stock, $0.60 par value. Authorized 24,800,000 shares; issued and outstanding 15,945,233 and 15,846,345 shares, respectively	9,567,140	9,507,807
Additional paid-in capital	95,310,630	93,550,905
Retained earnings	116,749,048	106,875,581
Total Consolidated Water Co. Ltd. stockholders' equity	221,650,522	209,960,695
Non-controlling interests	5,028,817	5,348,952
Total equity	226,679,339	215,309,647
Total liabilities and equity	$257,565,345	$243,313,181

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

CONSOLIDATED WATER CO. LTD.

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2025	2024	2023
Revenue	$132,073,368	$133,966,633	$180,211,233
Cost of revenue	83,694,558	88,342,185	118,284,128
Gross profit	48,378,810	45,624,448	61,927,105
General and administrative expenses	30,116,328	27,537,436	24,752,366
Gain on asset dispositions, net	97,709	197,786	(7,112)
Income from operations	18,360,191	18,284,798	37,167,627
Other income (expense):			
Interest income	2,670,040	2,094,190	696,408
Interest expense	(4,420)	(101,847)	(145,284)
Equity in the earnings of affiliates	227,886	269,455	169,728
Other	131,438	131,878	107,461
Other income, net	3,024,944	2,393,676	828,313
Income before income taxes	21,385,135	20,678,474	37,995,940
Provision for income taxes	2,164,648	2,218,514	6,750,014
Net income from continuing operations	19,220,487	18,459,960	31,245,926
Income from continuing operations attributable to non-controlling interests	593,179	577,590	573,791
Net income from continuing operations attributable to Consolidated Water Co. Ltd. stockholders	18,627,308	17,882,370	30,672,135
Net income (loss) from discontinued operations	(290,635)	10,355,184	(1,086,744)
Net income attributable to Consolidated Water Co. Ltd. stockholders	$ 18,336,673	$ 28,237,554	$ 29,585,391
Basic earnings (loss) per common share attributable to Consolidated Water Co. Ltd. common stockholders			
Continuing operations	$ 1.17	$ 1.13	$ 1.95
Discontinued operations	(0.02)	0.65	(0.07)
Basic earnings per share	$ 1.15	$ 1.78	$ 1.88
Diluted earnings (loss) per common share attributable to Consolidated Water Co. Ltd. common stockholders			
Continuing operations	$ 1.16	$ 1.12	$ 1.93
Discontinued operations	(0.02)	0.65	(0.07)
Diluted earnings per share	$ 1.14	$ 1.77	$ 1.86
Dividends declared per common and redeemable preferred shares	$ 0.53	$ 0.41	$ 0.36
Weighted average number of common shares used in the determination of:			
Basic earnings per share	15,923,032	15,832,328	15,739,056
Diluted earnings per share	16,008,063	15,935,962	15,865,897

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

CONSOLIDATED WATER CO. LTD.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Redeemable preferred stock		Common stock		Additional paid-in capital	Retained earnings	Non-controlling interests	Total stockholders' equity
	Shares	Dollars	Shares	Dollars				
Balance as of December 31, 2022	34,383	$20,630	15,322,875	$9,193,725	$89,205,159	$ 61,247,699	$ 8,096,976	$167,764,189
Issuance of share capital	13,309	7,985	68,864	41,319	(49,304)	—	—	—
Conversion of preferred stock	(8,848)	(5,309)	8,848	5,309	—	—	—	—
Buyback of preferred stock	(203)	(122)	—	—	(1,708)	—	—	(1,830)
Net income	—	—	—	—	—	29,585,391	573,791	30,159,182
Purchase of remaining non-controlling interest in PERC	—	—	368,383	221,030	1,006,248		(3,667,305)	(2,440,027)
Exercise of options	5,656	3,394	2,575	1,544	94,826	—	—	99,764
Dividends declared	—	—	—	—	—	(5,684,270)	—	(5,684,270)
Stock-based compensation	—	—	—	—	1,933,666	—	—	1,933,666
Balance as of December 31, 2023	44,297	26,578	15,771,545	9,462,927	92,188,887	85,148,820	5,003,462	191,830,674
Issuance of share capital	5,904	3,542	68,832	41,299	(44,841)	—	—	—
Conversion of preferred stock	(5,968)	(3,581)	5,968	3,581	—	—	—	—
Buyback of preferred stock	(1,272)	(763)	—	—	(13,851)	—	—	(14,614)
Net income	—	—	—	—	—	28,237,554	577,590	28,815,144
Exercise of options	1,043	626	—	—	23,127	—	—	23,753
Dividends declared	—	—	—	—	—	(6,510,793)	(232,100)	(6,742,893)
Stock-based compensation	—	—	—	—	1,397,583	—	—	1,397,583
Balance as of December 31, 2024	44,004	26,402	15,846,345	9,507,807	93,550,905	106,875,581	5,348,952	215,309,647
Issuance of share capital	8,534	5,120	80,661	48,396	(53,516)	—	—	—
Conversion of preferred stock	(13,287)	(7,973)	13,287	7,973	—	—	—	—
Buyback of preferred stock	(1,764)	(1,057)	—	—	(28,032)	—	—	(29,089)
Net income	—	—	—	—	—	18,336,673	593,179	18,929,852
Stock issued for services rendered	—	—	2,000	1,200	68,240	—	—	69,440
Exercise of options	2,020	1,212	2,940	1,764	71,129	—	—	74,105
Dividends declared	—	—	—	—	—	(8,463,206)	(913,314)	(9,376,520)
Stock-based compensation	—	—	—	—	1,701,904	—	—	1,701,904
Balance as of December 31, 2025	39,507	$23,704	15,945,233	$9,567,140	$95,310,630	$116,749,048	$ 5,028,817	$226,679,339

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

CONSOLIDATED WATER CO. LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net income attributable to Consolidated Water Co. Ltd. stockholders	$ 18,336,673	$ 28,237,554	$ 29,585,391
Income from continuing operations attributable to non-controlling interests	593,179	577,590	573,791
Net income	18,929,852	28,815,144	30,159,182
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of land and project documentation	—	(12,134,766)	—
Foreign currency transaction adjustment – discontinued operations	247	64,960	(2,003)
Loss from discontinued operations	290,388	1,714,622	1,088,747
Depreciation and amortization	6,903,438	6,691,658	6,576,454
Deferred income tax provision (benefit)	496,551	(319,887)	(524,999)
Provision for credit losses	292,824	442,828	408,489
Amortization of operating lease right-of-use assets	714,653	617,903	868,057
Stock issued for services rendered	69,440	—	—
Compensation expense relating to stock and stock option grants	1,701,904	1,397,583	1,933,666
(Gain) loss on asset dispositions, net	(97,709)	(197,786)	7,112
Equity in earnings of affiliates	(227,886)	(269,455)	(169,728)
Distribution of earnings from OC-BVI	545,400	227,250	303,000
Change in:			
Accounts receivable	6,519,621	(1,796,919)	(10,970,521)
Contract assets	1,179,428	17,082,814	(18,639,335)
Inventory	4,240,636	(3,747,675)	(891,405)
Prepaid expenses and other assets	(585,337)	(361,359)	(755,391)
Accounts payable, accrued expenses and other current liabilities	(31,587)	(2,547,190)	2,268,939
Accrued compensation	(297,804)	176,916	892,447
Contract liabilities	2,401,980	2,889,643	(2,566,910)
Operating lease liabilities	(719,859)	(623,110)	(873,262)
Deferred revenue	(117,160)	48,862	1,192
Net cash provided by operating activities – continuing operations	42,209,020	38,172,036	9,113,731
Net cash used in operating activities – discontinued operations	(495,449)	(1,656,504)	(1,142,969)
Net cash provided by operating activities	41,713,571	36,515,532	7,970,762
Cash flows from investing activities			
Additions to property, plant and equipment and construction in progress	(8,541,364)	(6,696,580)	(5,047,884)
Proceeds from asset dispositions	102,142	446,337	20,808
Investment in affiliate	—	(50,000)	—
Proceeds from Mexico settlement agreement	—	33,261,664	—
Acquisition of REC, net of cash acquired	—	—	(3,419,916)
Purchase of remaining non-controlling interest in PERC	—	—	(2,440,027)
Net cash provided by (used in) investing activities	(8,439,222)	26,961,421	(10,887,019)
Cash flows from financing activities			
Dividends paid to common shareholders	(7,936,842)	(6,284,645)	(5,472,790)
Dividends paid to preferred shareholders	(21,888)	(17,962)	(14,228)
Dividends paid to non-controlling interests	(913,314)	(232,100)	—
Buyback of redeemable preferred stock	(29,089)	(14,614)	(1,830)
Proceeds received from exercise of stock options	74,105	23,753	99,764
Principal repayments on long-term debt	(123,135)	(186,586)	(135,481)
Net cash used in financing activities	(8,950,163)	(6,712,154)	(5,524,565)
Net increase (decrease) in cash and cash equivalents	24,324,186	56,764,799	(8,440,822)
Cash and cash equivalents at beginning of period	99,350,121	42,621,898	50,711,751
Cash and cash equivalents at beginning of period – discontinued operations	127,859	91,283	442,252
Less: cash and cash equivalents at end of period – discontinued operations	(13,776)	(127,859)	(91,283)
Cash and cash equivalents at end of period	$123,788,390	$ 99,350,121	$ 42,621,898

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

CONSOLIDATED WATER CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activity

Consolidated Water Co. Ltd. and its subsidiaries (collectively, the "Company") supply potable water, treat wastewater and water for reuse, and provide water-related products and services to customers in the Cayman Islands, The Bahamas, the United States and the British Virgin Islands. The Company produces potable water from seawater using reverse osmosis technology and sells this water to a variety of customers, including public utilities, commercial and tourist properties, residential properties and government facilities. The Company designs, constructs and sells water production and water treatment infrastructure and manages water infrastructure for commercial and governmental customers. The Company also manufactures a wide range of specialized and custom water industry related products and provides design, engineering, operating and other services applicable to commercial, municipal and industrial water production, supply and treatment.

2. Accounting policies

Basis of preparation: The consolidated financial statements presented are prepared in accordance with the accounting principles generally accepted in the United States of America.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying value of property, plant and equipment, intangible assets, goodwill and revenue recognition on construction and manufacturing contracts. Actual results could differ significantly from such estimates.

Basis of consolidation: The accompanying consolidated financial statements include the accounts of the Company's (i) wholly-owned subsidiaries, Aerex Industries, Inc. ("Aerex"), Aquilex, Inc. ("Aquilex"), Cayman Water Company Limited ("Cayman Water"), Consolidated Water Cooperatief, U.A. ("CW-Cooperatief"), Consolidated Water U.S. Holdings, Inc. ("CW-Holdings"), DesalCo Limited ("DesalCo"), Kalaeloa Desalco LLC ("Kalaeloa Desalco"), Ocean Conversion (Cayman) Limited ("OC-Cayman"), PERC Water Corporation ("PERC") and Ramey Environmental Compliance, Inc. ("REC"); and (ii) majority-owned subsidiaries Consolidated Water (Bahamas) Ltd. ("CW-Bahamas"), N.S.C. Agua, S.A. de C.V. ("NSC"), and Aguas de Rosarito S.A.P.I. de C.V. ("AdR"). The Company's investment in its affiliate Ocean Conversion (BVI) Ltd. ("OC-BVI") is accounted for using the equity method of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

In 2019 and 2020, CW-Holdings acquired 61% of PERC. In January 2023, CW-Holdings purchased the remaining 39% ownership interest in PERC for $2.4 million in cash, and 368,383 shares of the Company's common stock having a value of approximately $5.36 million based upon the opening trading price of the Company's common stock on The Nasdaq Global Market on the date of the transaction.

In September 2021, Kalaeloa Desalco was formed to pursue a project in Oahu, Hawaii. On June 2, 2023, Kalaeloa Desalco signed a definitive agreement with the Honolulu Board of Water Supply to design, construct, operate and maintain a 1.7 million gallons per day seawater reverse osmosis desalination plant in Oahu, Hawaii.

Effective October 1, 2023, the Company purchased, through its wholly-owned subsidiary PERC, a 100% ownership interest in REC, a Colorado company that operates and maintains water and wastewater treatment facilities and provides technical services to clients throughout the Rocky Mountain and Eastern Plains Regions of Colorado. PERC acquired REC for approximately $4.1 million and recorded goodwill and intangible assets from this acquisition of $2,436,391 and $1,108,390 respectively.

Foreign currency: The Company's reporting currency is the United States dollar ("US$"). The functional currency of the Company and its foreign operating subsidiaries (other than NSC, AdR, and CW-Cooperatief) is the currency for each respective country. The functional currency for NSC, AdR, and CW-Cooperatief is the US$. NSC and AdR conduct business in US$ and Mexican pesos and CW-Cooperatief conducts business

2. Accounting policies – (continued)

in US$ and euros. The exchange rates for the Cayman Islands dollar and the Bahamian dollar are fixed to the US$. The exchange rates for conversion of Mexican pesos and euros into US$ vary based upon market conditions.

Net foreign currency gains arising from transactions and re-measurements were $39,259, $74,993 and $84,678 for the years ended December 31, 2025, 2024, and 2023, respectively, and are included in “Other income (expense) — Other” in the accompanying consolidated statements of income.

Cash and cash equivalents: Cash and cash equivalents consist of demand deposits at banks, certificates of deposit at banks with an original maturity of three months or less and a money market fund with a brokerage firm. Cash and cash equivalents as of December 31, 2025 and 2024 include $17.0 million and $5.2 million, respectively, of certificates of deposit with an original maturity of three months or less, and $18.1 million and $10.6 million, respectively, in the money market fund.

As of December 31, 2025, the Company had deposits in U.S. banks in excess of federally insured limits of approximately $44.0 million. As of December 31, 2025, the Company held cash in foreign bank accounts of approximately $58.7 million.

Certain transfers from the Company’s Bahamas bank accounts to Company bank accounts in other countries require the approval of the Central Bank of The Bahamas. The equivalent United States dollar cash balances held in The Bahamas as of December 31, 2025 and 2024 were approximately $12.0 million and $7.7 million, respectively.

Accounts receivable: Accounts receivable are recorded at invoiced amounts based on meter readings, contractual amounts, fixed fees plus reimbursables or time and materials per contractual agreements. Trade accounts receivable also represent our unconditional right, subject only to the passage of time, to receive consideration arising from our performance under contracts with customers. Trade accounts receivable include amounts billed and billable on construction contracts, service and maintenance contracts and contracts for the sale of goods. Billed contract receivables have been invoiced to customers based on contracted amounts.

Allowance for credit losses: The allowance for credit losses is the Company’s best estimate of the amount of probable credit losses in the Company’s existing accounts receivable and contract assets balances. The Company determines the current expected credit losses based on historical loss experience, current conditions, and reasonable and supportable forecasts. The Company also considers the nature of the financial asset, the credit quality of the counterparty, and other relevant factors.

Past due balances are reviewed individually for collectability. Account balances are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is considered by management to be remote.

Inventory: Inventory primarily consists of consumables stock and spare parts stock that are valued at cost, less an allowance for obsolescence, with cost determined on the first-in, first-out basis. Inventory also includes (i) raw materials purchased for specific manufacturing contracts that are valued at cost on the first-in, first-out basis; and (ii) potable water held in the Company’s reservoirs that is valued at the lower of the average cost of producing water during the year or its net realizable value.

Contract assets and liabilities: Billing practices for the Company’s contracts are governed by the contract terms of each project based upon costs incurred, achievement of milestones or predetermined schedules. Billings do not necessarily correlate with revenue, which is recognized over time using the input method based on cost incurred. The Company records contract assets and contract liabilities to account for these differences in timing.

Contract assets, which include costs and estimated earnings in excess of billings on uncompleted contracts, arise when the Company recognizes revenue for services performed under its construction and manufacturing

2. Accounting policies – (continued)

contracts, but the Company is not yet entitled to bill the customer under the terms of the contract. Contract liabilities, which include billings in excess of costs and estimated earnings on uncompleted contracts, represent the Company's obligation to transfer goods or services to a customer for which the Company has been paid by the customer or for which the Company has billed the customer under the terms of the contract. Revenue for future services reflected in this account is recognized, and the liability is reduced, as the Company subsequently satisfies the performance obligation under the contract.

Costs and estimated earnings in excess of billings on uncompleted contracts and billings in excess of costs and estimated earnings on uncompleted contracts are typically resolved within one year and are not considered significant financing components.

The Company considers retention that is withheld on progress billings as not creating an unconditional right to payment until contractual milestones are reached (typically substantial completion). Accordingly, withheld retention is considered a component of contracts assets and liabilities until finally billed to the customer, when obligations have been satisfied and the right to receipt is subject only to the passage of time.

The Company's contract assets and liabilities are reported in a net asset or liability position on a contract-by-contract basis at the end of each reporting period. The Company classifies contract assets and liabilities related to construction and manufacturing contracts in current assets and current liabilities as they will be liquidated in the normal course of contract completion, although this may require more than one year.

Property, plant and equipment, net: Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated using a straight-line method with an allowance for estimated residual values. Rates are determined based on the estimated useful lives of the assets as follows:

Buildings	5 to 40 years
Plant and equipment	4 to 40 years
Distribution system	3 to 40 years
Office furniture, fixtures and equipment	3 to 10 years
Vehicles	3 to 10 years
Leasehold improvements	Shorter of 5 years or lease term
Lab equipment	5 to 10 years

Assets under construction are recorded as additions to property, plant and equipment upon completion of the projects. Depreciation commences in the month the asset is placed in service. Additions to construction in progress are comprised of the cost of the contracted services, direct labor and materials.

Interest costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial amount of time to be ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for use. No interest was capitalized during the years ended December 31, 2025 or 2024.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, the Company recognizes an impairment loss only if their carrying amounts are not recoverable through their undiscounted cash flows and measures the impairment loss based on the difference between the carrying amounts and estimated fair values.

Goodwill and intangible assets: Goodwill represents the excess cost of an acquired business over the fair value of the assets and liabilities of the acquired business as of the date of acquisition. Goodwill and intangible

2. Accounting policies – (continued)

assets recorded as a result of a business combination and determined to have an indefinite useful life are not amortized but are tested for impairment annually or upon the identification of a triggering event. Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed periodically for impairment. The Company evaluates the possible impairment of goodwill annually as part of its reporting process for the fourth quarter of each fiscal year. Management identifies the Company's reporting units for goodwill impairment testing purposes, which consist of Cayman Water, the bulk segment (which is comprised of CW-Bahamas and OC-Cayman), PERC, REC, and the manufacturing segment (i.e., Aerex), and determines the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. The Company determines the fair value of each reporting unit and compares these fair values to the carrying amounts of the reporting units. To the extent the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an impairment loss is recorded.

For the years ended December 31, 2025 and 2024, the Company elected to assess qualitative factors to determine whether it was necessary to perform the quantitative goodwill impairment testing that was conducted in prior years for its reporting units. The Company assessed the relevant events and circumstances to evaluate whether it is more likely than not that the fair values of such reporting units were less than their carrying values. The events and circumstances assessed for each reporting unit included macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, and other relevant events. Based upon this qualitative assessment, the Company determined that it is more likely than not that the fair values of its reporting units exceeded their carrying values as of December 31, 2025 and 2024.

Investments: Investments where the Company does not exercise significant influence over the operating and financial policies of the investee and holds less than 20% of the voting stock are recorded at cost. The Company uses the equity method of accounting for investments in common stock where the Company holds 20% to 50% of the voting stock of the investee and has significant influence over its operating and financial policies but does not meet the criteria for consolidation. The Company recognizes impairment losses on declines in the fair value of the stock of investees that are other than temporary.

Income taxes: The Company accounts for the income taxes arising from the operations of its United States subsidiaries under the asset and liability method. Deferred tax assets and liabilities, if any, are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to the extent any deferred tax asset may not be realized.

The Company is not presently subject to income taxes in the other countries in which it operates.

Revenue recognition: Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The following table presents the Company's revenue disaggregated by revenue source.

	Year Ended December 31,		
	2025	2024	2023
Retail revenue	$ 33,587,952	$ 31,741,343	$ 30,158,051
Bulk revenue	33,481,307	33,673,387	34,595,058
Services revenue	46,312,325	50,956,489	97,966,650
Manufacturing revenue	18,691,784	17,595,414	17,491,474
Total revenue	$132,073,368	$133,966,633	$180,211,233

2. Accounting policies – (continued)

Services revenue consists of the following:

	Year Ended December 31,		
	2025	2024	2023
Construction revenue	$13,470,641	$18,602,919	$77,306,704
Operations and maintenance revenue	32,075,046	29,307,405	19,368,365
Design and consulting revenue	766,638	3,046,165	1,291,581
Total services revenue	$46,312,325	$50,956,489	$97,966,650

Retail revenue

The Company produces and supplies water to end-users, including residential, commercial and governmental customers in the Cayman Islands under an exclusive retail license issued to Cayman Water by the Cayman Islands government to provide water in two of the three most populated areas on Grand Cayman. Customers are billed on a monthly basis based on metered consumption and bills are typically collected within 30 to 45 days after the billing date. Receivables not collected within 45 days subject the customer to disconnection from water service.

The Company recognizes revenue from retail water sales at the end of the billing cycle based on the water supplied to the customers' premises. The amount of water supplied is determined and invoiced based upon water meter readings performed at the end of each month. All retail water contracts are month-to-month contracts. The Company has elected the "right to invoice" practical expedient for revenue recognition on its retail water sale contracts and recognizes revenue in the amount to which the Company has a right to invoice, recognizing this revenue from the transfer of goods or services to customers during the billing cycle.

Bulk revenue

The Company produces and supplies water to government-owned utilities in the Cayman Islands and The Bahamas.

OC-Cayman provides bulk water to the Water Authority-Cayman ("WAC"), a government-owned utility and regulatory agency, under three agreements. The WAC in turn distributes such water to properties in Grand Cayman outside of Cayman Water's retail license area.

The Company sells bulk water in The Bahamas through its majority-owned subsidiary, CW-Bahamas, under two agreements with the Water and Sewerage Corporation of The Bahamas ("WSC"), which distributes such water through its own pipeline system to residential, commercial and tourist properties on the island of New Providence.

The Company has elected the "right to invoice" practical expedient for revenue recognition on its bulk water sale contracts and recognizes revenue in the amount to which the Company has a right to invoice, recognizing this revenue from the transfer of goods or services to customers during the billing cycle.

Services and Manufacturing revenue

The Company designs, constructs, sells, operates and maintains, and provides consulting services related to water, wastewater and water reuse infrastructure through PERC. All of PERC's customers are companies or governmental entities located in the United States. The Company provides operations and maintenance and consulting services to companies and governmental entities located in the state of Colorado through REC.

The Company also provides design, engineering, management, procurement and construction services for desalination infrastructure through DesalCo, which serves customers in the Cayman Islands, The Bahamas and the British Virgin Islands.

2. Accounting policies – (continued)

The Company, through Aerex, is a custom and specialty manufacturer of systems and products applicable to commercial, municipal and industrial water production and treatment. Substantially all of Aerex's customers are U.S. companies.

Kalaeloa Desalco has signed a contract with the Honolulu Board of Water Supply pursuant to which it is presently designing and expects to construct and operate a 1.7 million gallons per day seawater reverse osmosis desalination plant in Oahu, Hawaii.

The Company generates construction, operations and maintenance, and design and consulting revenue from PERC and DesalCo; construction revenue from Kalaeloa Desalco; manufacturing revenue from Aerex; and operations and maintenance and consulting revenue from REC.

The Company recognizes revenue for its construction and custom/specialized manufacturing contracts (and some of its design contracts) over time under the input method, using costs incurred (which represents work performed) to date relative to the total estimated costs at completion to measure progress toward satisfying a contract's performance obligations as such measure best reflects the transfer of control of the promised good to the customer. Contract costs include labor, materials, subcontractor costs and other expenses. The Company follows this method since it can make reasonably dependable estimates of the revenue and costs applicable to the various stages of a contract. Under this input method, the Company records revenue and recognizes profit or loss as work on the contract progresses. The Company estimates total costs to be incurred and profit to be earned on each long-term, fixed price contract prior to the commencement of work on the contract and updates these estimates as work on the contract progresses. The cumulative amount of revenue recorded on a contract at a specified point in time is that percentage of total estimated revenue that incurred costs to date comprised of estimated total contract costs. Due to the extended time it may take to complete many of the Company's contracts and the scope and nature of the work required to be performed on those contracts, the estimations of total revenue and costs at completion are complicated and subject to many variables and, accordingly, are subject to changes. When adjustments in estimated total contract revenue or estimated total contract costs are required, any changes from prior estimates are recognized in the current period for the inception-to-date effect of such changes. The Company recognizes the full amount of any estimated loss on a contract at the time the estimates indicate such a loss. Any contract assets are classified as current assets. Contract liabilities on uncompleted contracts, if any, are classified as current liabilities.

During the year ended December 31, 2023, the Company adjusted its prior year estimates of the total contract costs for two of its construction contracts. These changes in accounting estimates resulted in an increase in the services segment's income from operations and the Company's consolidated net income by $2,356,439 and $1,750,750, respectively, for the year ended December 31, 2023. This adjustment increased basic and diluted earnings per share by $0.11 for the year ended December 31, 2023.

The Company has elected the "right to invoice" practical expedient for revenue recognition on its operations and maintenance and consulting contracts and recognizes revenue in the amount to which the Company has a right to invoice, recognizing this revenue from the transfer of goods or services to customers during the billing cycle.

During the years ended December 31, 2025, 2024, and 2023, the Company recognized $13,696,856, $18,613,466 and $77,411,792, respectively, of its services revenue from the transfer of goods or services to customers over time. The remaining services revenue of $32,615,469, $32,343,023 and $20,554,858, respectively, was recognized from the transfer of goods or services to customers when invoiced. During the years ended December 31, 2025, 2024, and 2023, the Company recognized all of its manufacturing revenue from the transfer of goods or services to customers over time.

Practical Expedients and Exemptions

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

2. Accounting policies – (continued)

Comparative amounts: Revenue of $965,487 for 2024 presented in the services segment as design and consulting revenue in the financial statements previously issued for 2024 has been reclassified to construction revenue in the services segment information for 2024 provided herein to conform to the current period's presentation. Such reclassifications had no effect on consolidated or services segment revenue, gross profit, operating income or net income.

3. Cash and cash equivalents

Cash and cash equivalents are not restricted as to withdrawal or use. As of December 31, 2025 and 2024, the equivalent United States dollars of the Company's cash and cash equivalents, including those accounts denominated in currencies other than the U.S. dollar, are as follows:

	December 31,	
	2025	2024
Bank accounts:		
United States dollar	$ 34,460,275	$39,094,067
Cayman Islands dollar	15,511,230	17,499,492
Bahamian dollar	12,037,796	7,717,705
	62,009,301	64,311,264
Short-term deposits:		
United States dollar	54,944,598	31,908,220
Cayman Islands dollar	6,834,491	3,130,637
	61,779,089	35,038,857
Total cash and cash equivalents	$123,788,390	$99,350,121

Transfers from the Company's Bahamas bank accounts to Company bank accounts in other countries require the approval of the Central Bank of The Bahamas.

4. Accounts receivable, net

	December 31,	
	2025	2024
Trade accounts receivable	$32,809,474	$39,986,234
Receivable from OC-BVI	47,288	42,515
Other accounts receivable	735,796	373,655
	33,592,558	40,402,404
Allowance for credit losses	(824,021)	(821,422)
Accounts receivable, net	$32,768,537	$39,580,982

4. Accounts receivable, net – (continued)

The activity for the allowance for credit losses consisted of:

	December 31, 2025	December 31, 2024
Opening allowance for credit losses	$ 821,422	$ 583,401
Provision for credit losses	292,824	442,828
Accounts written off during the year	(290,225)	(205,467)
Recovery of accounts written off	—	660
Ending allowance for credit losses	$ 824,021	$ 821,422

Significant concentrations of credit risk are disclosed in Note 17.

5. Inventory

	December 31, 2025	December 31, 2024
Spare parts stock	$8,366,230	$ 8,341,395
Raw materials	720,602	5,828,568
Consumables stock	181,020	89,689
Water stock	32,135	39,659
Total inventory	9,299,987	14,299,311
Less current portion	3,736,845	8,960,350
Inventory (non-current)	$5,563,142	$ 5,338,961

6. Contracts in progress

Revenue recognized and amounts billed on contracts in progress are summarized as follows:

	December 31, 2025	December 31, 2024
Revenue recognized to date on contracts in progress	$ 127,237,229	$ 114,590,991
Amounts billed to date on contracts in progress	(138,121,977)	(121,833,354)
Retainage	2,646,929	2,585,952
Net contract liability	$ (8,237,819)	$ (4,656,411)

The above net balances are reflected in the accompanying consolidated balance sheet as follows:

	December 31, 2025	December 31, 2024
Contract assets	$ 3,290,815	$ 4,470,243
Contract liabilities	(11,528,634)	(9,126,654)
Net contract liability	$ (8,237,819)	$(4,656,411)

The significant increase in contract liabilities from December 31, 2024 to December 31, 2025 is attributable to the Kalaeloa Desalco construction project with the Honolulu Board of Water Supply to construct and operate a seawater reverse osmosis desalination plant in Oahu, Hawaii.

As of December 31, 2025, the Company had unsatisfied or partially unsatisfied performance obligations for contracts in progress representing approximately $148.8 million in aggregate transaction price for contracts

6. Contracts in progress – (continued)

with an original expected length of greater than one year. The Company expects to earn revenue as it satisfies its performance obligations under those contracts in the amount of approximately $56.7 million during the year ending December 31, 2026 and $92.1 million thereafter. In addition, the Company recognized revenue of approximately $5.5 million in the year ended December 31, 2025, that was included in the contract liability balance as of December 31, 2024.

7. Property, plant and equipment and construction in progress

	December 31,	
	2025	2024
Land	$ 5,903,738	$ 5,903,738
Land improvement	1,639,615	403,351
Buildings	27,552,216	26,033,866
Plant and equipment	59,933,437	61,089,877
Distribution system	40,639,053	40,402,691
Office furniture, fixtures and equipment	3,398,386	3,277,313
Vehicles	5,072,211	3,830,539
Leasehold improvements	306,545	306,545
Lab equipment	7,404	12,456
	144,452,605	141,260,376
Less accumulated depreciation	89,300,847	88,828,094
Property, plant and equipment, net	$ 55,151,758	$ 52,432,282
Construction in progress	$ 6,695,656	$ 5,143,717

The Company maintains insurance for loss or damage to all fixed assets that it deems susceptible to loss. During the years ended December 31, 2025, and 2024, $5,883,845 and $1,395,485, respectively, of construction in progress was placed in service. Depreciation expense was $6,128,825, $5,855,935 and $5,823,008 for the years ended December 31, 2025, 2024 and 2023, respectively.

8. Discontinued operations – Mexico project development

In 2010, the Company began the pursuit, through its Netherlands subsidiary, CW-Cooperatief, and its Mexico subsidiary, NSC, of a project (the "Project") that encompassed the construction, operation and minority ownership of a 100 million gallons per day seawater reverse osmosis desalination plant to be located in northern Baja California, Mexico and accompanying pipelines to deliver water to the Mexican potable water system.

Through a series of transactions that began in 2012, NSC purchased 20.1 hectares of land for approximately $21.1 million on which the proposed Project's plant was to be constructed.

In November 2015, the State of Baja California (the "State") officially commenced a public tender for the Project, and in June 2016 a consortium comprised of NSC and two other parties was selected by the State as the winner of the tender process for the Project. NSC subsequently formed AdR to pursue the completion of the Project.

On August 22, 2016, the Public Private Partnership Agreement for the Project (the "APP Contract") was executed between AdR, the State Water Commission of Baja California ("CEA"), and the Government of Baja California, as represented by the Secretary of Planning and Finance and the Public Utilities Commission of Tijuana ("CESPT"). The APP Contract required AdR to design, construct, finance and operate a seawater reverse osmosis desalination plant (and accompanying aqueduct) with a capacity of up to 100 million gallons

8. Discontinued operations – Mexico project development – (continued)

per day in two phases: the first with a capacity of 50 million gallons per day and an aqueduct to the Mexican public water system in Tijuana, Baja California and the second phase with a capacity of 50 million gallons per day. The first phase was to be operational within 36 months of commencing construction and the second phase was to be operational by January 2025. The APP Contract further required AdR to operate and maintain the plant and aqueduct for a period of 37 years starting from the commencement of operation of the first phase. At the end of the operating period, the plant and aqueduct would have been transferred to CEA.

On June 29, 2020, AdR received a letter (the "Letter") from CEA and CESPT terminating the APP Contract. The Letter requested that AdR provide an inventory of the assets that comprised the "Project Works" (as defined in the APP Contract) for the purpose of acknowledging and paying the non-recoverable expenses made by AdR in connection with the Project, with such reimbursement to be calculated in accordance with the terms of the APP Contract. On August 28, 2020, AdR submitted their list of non-recoverable expenses, including those of NSC, to CEA and CESPT which amounted to 51,144,525 United States dollars and an additional 137,333,114 Mexican pesos.

CW-Cooperatief, as a Netherlands company, had certain rights relating to its investments in NSC and AdR under the *Agreement on Promotion, Encouragement and Reciprocal Protection of Investments between the Kingdom of the Netherlands and the United Mexican States* entered into force as of October 1, 1999 (the "Treaty"). On April 16, 2021, CW-Cooperatief submitted a letter to the President of Mexico and other Mexican federal government officials alleging that the State's termination of the APP Contract constituted a breach by Mexico of its international obligations under the Treaty, entitling CW-Cooperatief to full reparation, including monetary damages. This letter invited Mexico to seek a resolution of this investment dispute through consultation and negotiation but stated that if the dispute cannot be resolved in this manner, CW-Cooperatief would refer the dispute to the International Centre for the Settlement of International Disputes for arbitration, as provided for in the Treaty.

In February 2022, CW-Cooperatief, filed a Request for Arbitration with the International Centre for Settlement of International Disputes ("ICSID") requesting that the United Mexican States pay CW-Cooperatief damages in excess of US$51 million plus MXN$137 million (with the exact amount to be quantified in the proceedings), plus fees, costs and pre- and post-award interest.

In May 2024, the Company, through CW-Cooperatief; NSC, and AdR, entered into a settlement agreement (the "Settlement Agreement") with the State and Banco Nacional de Obras y Servicios Públicos, S.N.C., as trustee under the trust agreement for the trust named Fondo Nacional de Infraestructura (the "Trust"). Under the Settlement Agreement, CW-Cooperatief requested that ICSID discontinue the arbitration and on May 31, 2024, ICSID issued an order discontinuing the arbitration. Pursuant to the Settlement Agreement, the Trust purchased the 20.1 hectares of land on which the Project's plant was to be constructed, including related rights of way (the "Land"), on an "as-is" basis, from NSC for MXN$596,144,000. The sale of the Land to the Trust was closed on June 14, 2024 at which time the MXN$596,144,000 was paid to the Company and converted at the prevailing exchange rate on that date into US$31,959,685.

In connection with the Settlement Agreement on June 14, 2024, the State also paid NSC MXN$20,000,000 to purchase certain documentation owned by NSC relating to the Project.

As a result of the Settlement Agreement: (i) the parties have been released from all obligations owed to each other in connection with the APP Contract and the arbitration; and (ii) no party to the Settlement Agreement may institute any legal proceedings against another party thereto with respect to the matters which have been addressed by the Settlement Agreement.

The Settlement Agreement and any matter arising out of or in connection with it are governed by the federal laws of Mexico.

The Company's net income (losses) from discontinued operations for the years ended December 31, 2025, 2024 and 2023 were ($290,635), $10,355,184, and ($1,086,744), respectively.

8. Discontinued operations – Mexico project development – (continued)

Summarized financial information for the discontinued Mexico project development operation is as follows:

	December 31, 2025	December 31, 2024
Cash	$ 13,776	$127,859
Prepaid expenses and other current assets	110,854	144,626
Total assets of discontinued operations	$124,630	$272,485
Total liabilities of discontinued operations	$271,159	$509,745

	Year Ended December 31, 2025	2024	2023
Loss from discontinued operations	$(290,635)	$ (1,779,582)	$(1,086,744)
Gain on sale of land and project documentation	$ —	$12,134,766	$ —

9. Intangible assets

The Company's purchase transactions for Aerex and PERC identified certain intangible assets. The remaining intangible assets and their respective useful lives are as follows: trade names (15 years) and facility management contracts (6 years).

Effective October 2023, the Company purchased a 100% ownership interest in REC. The purchase transaction identified certain intangible assets with a fair value of $1,108,390 and useful lives as follows: non-compete (5 years), trade name (15 years) and customer relationships (15 years).

The costs and accumulated amortization for these assets were as follows:

	December 31, 2025	December 31, 2024
Cost		
Non-compete agreements	$ 268,590	$ 268,590
Trade names	3,096,900	3,096,900
Customer relationships	442,900	442,900
Facility management contracts	2,200,000	2,200,000
	6,008,390	6,008,390
Accumulated amortization		
Non-compete agreements	(120,865)	(67,147)
Trade names	(1,519,535)	(1,313,075)
Customer relationships	(66,435)	(36,908)
Facility management contracts	(2,200,000)	(1,894,445)
	(3,906,835)	(3,311,575)
Intangible assets, net	$ 2,101,555	$ 2,696,815

9. Intangible assets – (continued)

Amortization of intangible assets for each of the next five years and thereafter is expected to be as follows:

2026	$ 289,705
2027	289,705
2028	276,275
2029	235,987
2030	235,987
Thereafter	773,896
	$2,101,555

Amortization expense was $595,260, $656,370 and $574,093 for the years ended December 31, 2025, 2024 and 2023, respectively.

10. Leases

The Company's leases consist principally of leases for office and warehouse space. For leases with terms greater than twelve months, the related asset and obligation are recorded at the present value of the lease payments over the term. Many of these leases contain rental escalation clauses which are factored into the determination of the lease payments when appropriate. When available, the lease payments are discounted using the rate implicit in the lease; however, the Company's current leases do not provide a readily determinable implicit rate. Therefore, the Company's incremental borrowing rate is estimated to discount the lease payments based on information available at the lease commencement.

These leases contain both lease and non-lease components, which the Company has elected to treat as a single lease component. The Company elected not to recognize leases that have an original lease term, including reasonably certain renewal or purchase obligations, of twelve months or less in its consolidated balance sheets for all classes of underlying assets. Lease costs for such short-term leases are expensed on a straight-line basis over the lease term.

All lease assets denominated in a foreign currency are measured using the exchange rate at the commencement of the lease. All lease liabilities denominated in a foreign currency are remeasured using the exchange rate as of the consolidated balance sheet date.

10. Leases – (continued)

Lease assets and liabilities

The following table presents the lease-related assets and liabilities and their respective classification on the consolidated balance sheets:

	December 31, 2025	December 31, 2024
ASSETS		
Noncurrent		
Operating lease right-of-use assets	$2,930,441	$3,232,786
Total operating lease right-of-use assets	$2,930,441	$3,232,786
LIABILITIES		
Current		
Current maturities of operating leases	$ 661,047	$ 634,947
Noncurrent		
Noncurrent operating leases	2,297,161	2,630,812
Total lease liabilities	$2,958,208	$3,265,759
Weighted average remaining lease term:		
Operating leases	4.2 years	5.0 years
Weighted average discount rate:		
Operating leases	6.55%	6.56%

The components of lease costs were as follows:

	Year Ended December 31, 2025	2024	2023
Operating lease costs	$ 854,452	$ 847,540	$ 751,261
Short-term lease costs	349,498	361,176	217,640
Lease costs – discontinued operations	7,016	31,946	45,979
Total lease costs	$1,210,966	$1,240,662	$1,014,880

Supplemental cash flow information related to leases is as follows:

	Year Ended December 31, 2025	2024	2023
Cash paid for amounts included in measurement of liabilities:			
Operating cash outflows for operating leases	$899,511	$924,461	$760,847
Operating cash outflows for operating leases – discontinued operations	—	—	11,337

10. Leases – (continued)

Future lease payments relating to the Company's operating lease liabilities from continuing operations as of December 31, 2025 are as follows:

Years ending December 31,	Total
2026	$ 839,297
2027	813,538
2028	833,242
2029	541,378
2030	296,859
Thereafter	74,159
Total future lease payments	3,398,473
Less: imputed interest	(440,265)
Total lease obligations	2,958,208
Less: current obligations	(661,047)
Noncurrent lease obligations	$2,297,161

11. Income taxes

The components of income before income taxes for the years ended December 31, 2025, 2024, and 2023 are as follows:

	Year Ended December 31,		
	2025	2024	2023
Foreign (not subject to income taxes)	$12,274,013	$ 10,699,269	$10,002,233
Mexico	(131,596)	10,922,374	(742,367)
United States	8,952,083	9,412,015	27,649,330
	21,094,500	31,033,658	36,909,196
Discontinued operations	290,635	(10,355,184)	1,086,744
	$21,385,135	$ 20,678,474	$37,995,940

The Company's provision for (benefit from) income taxes for the years ended December 31, 2025, 2024, and 2023, which related to U.S. operations, consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	$1,160,917	$2,282,566	$5,611,360
State	507,180	255,835	1,663,653
Foreign	—	—	—
Total current income tax provision (benefit)	1,668,097	2,538,401	7,275,013
Deferred:			
Federal	457,068	(267,100)	(276,070)
State	39,483	(52,787)	(248,929)
Foreign	—	—	—
Total deferred income tax provision (benefit)	496,551	(319,887)	(524,999)
Total provision for (benefit from) income taxes	$2,164,648	$2,218,514	$6,750,014

11. Income taxes – (continued)

A reconciliation of the U.S. statutory federal tax rate to the effective rate for the year ended December 31, 2025:

	Year Ended December 31, 2025	
	Amount	Percent
U.S. statutory federal tax rate	$ 4,490,879	21.00%
State and local income taxes, net of federal effect[(a)]	440,154	2.06%
Foreign tax effects – tax rate differential		
Cayman Islands	(1,265,705)	(5.92)%
The Bahamas	(1,363,912)	(6.38)%
Nontaxable or nondeductible items	(135,296)	(0.63)%
Other adjustments	(1,472)	(0.01)%
Effective tax rate	$ 2,164,648	10.12%

(a) State taxes in California made up the majority (greater than 50 percent) of the tax effect in the State and local income taxes category.

Below is a tabular rate reconciliation previously disclosed for the years ended December 31, 2024 and 2023:

	Year Ended December 31,			
	2024		2023	
	Amount	Percent	Amount	Percent
U.S. statutory federal rate	$ 4,342,478	21.00%	$ 7,979,149	21.00%
State taxes, net of federal effect	149,323	0.72%	1,093,433	2.88%
Foreign rate differential	(2,365,946)	(11.45)%	(2,172,793)	(5.71)%
Permanent items	94,551	0.46%	(120,739)	(0.32)%
Change in valuation allowance	(1,892)	—%	(29,036)	(0.08)%
Effective tax rate	$ 2,218,514	10.73%	$ 6,750,014	17.77%

11. Income taxes – (continued)

The tax effects of significant items comprising the Company's net long-term deferred tax liability as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Continuing Operations		
Deferred tax assets:		
Net operating loss carryforwards	$ 212,772	$ 80,285
Accruals and reserves	220,343	209,549
Operating lease liabilities	439,254	425,797
Capitalized research expenditures	—	316,937
Others	156,196	88,750
Valuation allowances	—	—
	1,028,565	1,121,318
Deferred tax liabilities:		
Property and equipment	764,116	239,830
Intangible assets	525,359	672,973
Operating lease right-of-use assets	433,058	419,408
Others	13,476	—
	1,736,009	1,332,211
Net deferred tax liabilities	$ (707,444)	$ (210,893)

As of December 31, 2025, the Company's continuing operations have a federal net loss carryforward of approximately $914,000 and a state net loss carryforward of approximately $552,000. The net operating losses ("NOLs") generated in taxable years beginning before January 1, 2018, may be carried forward up to 20 taxable years. The unused federal NOLs will expire on various dates starting from 2030. For NOLs generated in taxable years beginning after December 31, 2017, they are carried forward indefinitely until used and never expire.

The Company made tax payments, net of refunds received during the year ended December 31, 2025, as follows:

	December 31, 2025
Jurisdiction	
United States	$1,989,000
Florida	203,000
Other States	175,076
Net Payment	$2,367,076

12. Earnings per share

Earnings per share ("EPS") is computed on a basic and diluted basis. Basic EPS is computed by dividing net income (less preferred stock dividends) available to common stockholders by the weighted average number of common shares outstanding during the period. The computation of diluted EPS assumes the issuance of common shares for all potential common shares outstanding during the reporting period and, if dilutive, the effect of stock options as computed under the treasury stock method.

12. Earnings per share – (continued)

The following summarizes information related to the computation of basic and diluted EPS:

	Year Ended December 31,		
	2025	2024	2023
Net income from continuing operations attributable to Consolidated Water Co. Ltd. stockholders	$18,627,308	$17,882,370	$30,672,135
Less: preferred stock dividends	(22,572)	(18,595)	(15,513)
Net income from continuing operations available to common shares in the determination of basic earnings per common share	18,604,736	17,863,775	30,656,622
Income (loss) from discontinued operations	(290,635)	10,355,184	(1,086,744)
Net income available to common shares in the determination of basic earnings per common share	$18,314,101	$28,218,959	$29,569,878
Weighted average number of common shares in the determination of basic earnings per common share attributable to Consolidated Water Co. Ltd. common stockholders	15,923,032	15,832,328	15,739,056
Plus:			
Weighted average number of preferred shares outstanding during the period	41,907	44,257	39,885
Potential dilutive effect of unexercised options and unvested stock grants	43,124	59,377	86,956
Weighted average number of shares used for determining diluted earnings per common share attributable to Consolidated Water Co. Ltd. common stockholders	16,008,063	15,935,962	15,865,897

13. Dividends

Interim dividends declared on common stock and redeemable preferred stock for each quarter of the years ended December 31, 2025, 2024, and 2023, were as follows:

	2025	2024	2023
First Quarter	$0.11	$0.095	$0.085
Second Quarter	0.14	0.095	0.085
Third Quarter	0.14	0.11	0.095
Fourth Quarter	0.14	0.11	0.095
	$0.53	$ 0.41	$ 0.36

14. Segment information

The Company has five reportable segments: retail, bulk, services, manufacturing and corporate. The retail segment operates the water utility for the Seven Mile Beach and West Bay areas of Grand Cayman pursuant to an exclusive license granted by the Cayman Islands government. The bulk segment supplies potable water to government utilities in Grand Cayman and The Bahamas under long-term contracts. The services segment designs, constructs and sells water infrastructure and provides management and operating services to third parties. The manufacturing segment manufactures and services a wide range of custom and specialized water-related products applicable to commercial, municipal and industrial water production, supply and treatment. The corporate segment consists of various expenses of a general and administrative nature incurred at the parent company level, as well as the expenses incurred by Aquilex, a U.S. subsidiary that provides financial,

14. Segment information – (continued)

engineering, information technology, administrative and supply chain management support services to all the Company's subsidiaries and its affiliate.

Frederick W. McTaggart, Chief Executive Officer and President, is the Company's chief operating decision maker ("CODM").

For the retail, bulk, services, and manufacturing segments, the CODM uses revenue, gross profit, and income before income taxes to assess segment performance and in deciding the allocation of resources to each segment. The CODM considers actual versus budget and current period versus prior period variances on a monthly, quarterly, and annual basis for each of these financial measures. The CODM also considers variances from the budget and the prior period for major corporate expenses (such as employee costs, insurance and professional fees) when making decisions regarding capital and resource allocation.

The accounting policies of the segments are consistent with those described in Note 2. All intercompany transactions are eliminated for segment presentation purposes. Intersegment revenue transactions are insignificant to the Company and are eliminated. Segment information previously disclosed in 2023 did not separately disclose those expenses currently reported in the corporate segment, as such expenses were previously included in the retail segment. The 2023 segment information provided herein has been recast to conform to the current period presentation.

The Company's segments are strategic business units that are managed separately because each segment sells different products and/or services, serves customers with distinctly different needs and generates different gross profit margins.

The following sets forth the Company's income statements by segment.

	Year Ended December 31, 2025					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Revenue	$33,587,952	$33,481,307	$46,312,325	$18,691,784	$ —	$132,073,368
Cost of revenue	14,593,693	22,470,197	34,449,844	12,180,824	—	83,694,558
Gross profit	18,994,259	11,011,110	11,862,481	6,510,960	—	48,378,810
General and administrative expenses	3,734,676	1,614,759	7,885,756	2,102,759	14,778,378	30,116,328
Gain on asset dispositions, net	40,578	—	52,131	5,000	—	97,709
Income (loss) from operations	15,300,161	9,396,351	4,028,856	4,413,201	(14,778,378)	18,360,191
Interest income	171,351	772,514	839,190	3	886,982	2,670,040
Interest expense	—	—	(4,420)	—	—	(4,420)
Income (loss) from affiliates	—	—	—	(29,354)	257,240	227,886
Other	71,262	(9,322)	69,735	344	(581)	131,438
Other income (loss), net	242,613	763,192	904,505	(29,007)	1,143,641	3,024,944
Income (loss) before income taxes	15,542,774	10,159,543	4,933,361	4,384,194	(13,634,737)	21,385,135
Provision for income taxes	—	—	1,132,590	1,026,316	5,742	2,164,648
Net income (loss) from continuing operations	15,542,774	10,159,543	3,800,771	3,357,878	(13,640,479)	19,220,487
Income from continuing operations attributable to non-controlling interests	—	593,179	—	—	—	593,179
Net income (loss) from continuing operations attributable to Consolidated Water Co. Ltd. stockholders	$15,542,774	$ 9,566,364	$ 3,800,771	$ 3,357,878	$(13,640,479)	18,627,308
Net loss from discontinued operations						(290,635)
Net income attributable to Consolidated Water Co. Ltd. stockholders						$ 18,336,673

14. Segment information – (continued)

	Year Ended December 31, 2024					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Revenue	$31,741,343	$33,673,387	$50,956,489	$17,595,414	$ —	$133,966,633
Cost of revenue	14,199,088	23,360,360	38,511,535	12,271,202	—	88,342,185
Gross profit	17,542,255	10,313,027	12,444,954	5,324,212	—	45,624,448
General and administrative expenses	3,263,593	1,564,975	6,055,409	2,456,807	14,196,652	27,537,436
Gain on asset dispositions, net	2,286	—	2,714	—	192,786	197,786
Income (loss) from operations	14,280,948	8,748,052	6,392,259	2,867,405	(14,003,866)	18,284,798
Interest income	198,180	865,584	458,732	4	571,690	2,094,190
Interest expense	(93,368)	—	(8,409)	—	(70)	(101,847)
Income from affiliates	—	—	—	16,701	252,754	269,455
Other	78,647	39,625	(5,634)	11,993	7,247	131,878
Other income, net	183,459	905,209	444,689	28,698	831,621	2,393,676
Income (loss) before income taxes	14,464,407	9,653,261	6,836,948	2,896,103	(13,172,245)	20,678,474
Provision for income taxes	—	—	1,528,398	672,040	18,076	2,218,514
Net income (loss) from continuing operations	14,464,407	9,653,261	5,308,550	2,224,063	(13,190,321)	18,459,960
Income from continuing operations attributable to non-controlling interests	—	577,590	—	—	—	577,590
Net income (loss) from continuing operations attributable to Consolidated Water Co. Ltd. stockholders	$14,464,407	$ 9,075,671	$ 5,308,550	$ 2,224,063	$(13,190,321)	17,882,370
Net income from discontinued operations						10,355,184
Net income attributable to Consolidated Water Co. Ltd. stockholders						$ 28,237,554

	Year Ended December 31, 2023					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Revenue	$30,158,051	$34,595,058	$97,966,650	$17,491,474	$ —	$180,211,233
Cost of revenue	13,891,229	24,128,132	66,797,762	13,467,005	—	118,284,128
Gross profit	16,266,822	10,466,926	31,168,888	4,024,469	—	61,927,105
General and administrative expenses	2,978,164	1,737,264	4,271,808	1,838,284	13,926,846	24,752,366
Gain (loss) on asset dispositions, net	(21,716)	12,720	—	2,233	(349)	(7,112)
Income (loss) from operations	13,266,942	8,742,382	26,897,080	2,188,418	(13,927,195)	37,167,627
Interest income	181,468	362,422	151,706	4	808	696,408
Interest expense	(123,867)	—	(21,417)	—	—	(145,284)
Income from affiliate	—	—	—	—	169,728	169,728
Other	93,795	10,793	1,024	2,020	(171)	107,461
Other income, net	151,396	373,215	131,313	2,024	170,365	828,313
Income (loss) before income taxes	13,418,338	9,115,597	27,028,393	2,190,442	(13,756,830)	37,995,940
Provision (benefit) for income taxes	—	—	6,388,457	440,111	(78,554)	6,750,014
Net income (loss) from continuing operations	13,418,338	9,115,597	20,639,936	1,750,331	(13,678,276)	31,245,926
Income from continuing operations attributable to non-controlling interests	—	573,791	—	—	—	573,791
Net income (loss) from continuing operations attributable to Consolidated Water Co. Ltd. stockholders	$13,418,338	$ 8,541,806	$20,639,936	$ 1,750,331	$(13,678,276)	30,672,135
Net loss from discontinued operations						(1,086,744)
Net income attributable to Consolidated Water Co. Ltd. stockholders						$ 29,585,391

14. Segment information – (continued)

The Company's cost of revenue consists of:

	Year Ended December 31, 2025					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Subcontractor and other project costs	$ —	$ —	$16,416,318	$ 9,043,929	$ —	$25,460,247
Employee costs	3,039,052	2,103,790	16,721,727	2,452,499	—	24,317,068
Electricity	4,527,864	4,177,008	138,467	44,415	—	8,887,754
Fuel oil	—	7,477,674	—	—	—	7,477,674
Depreciation	2,510,023	2,794,444	416,486	190,351	—	5,911,304
Maintenance	934,015	2,001,297	413,831	313,657	—	3,662,800
Insurance	717,718	1,475,176	99,034	—	—	2,291,928
Retail license royalties	2,120,923	—	—	—	—	2,120,923
Other	744,098	2,440,808	243,981	135,973	—	3,564,860
	$14,593,693	$22,470,197	$34,449,844	$12,180,824	$ —	$83,694,558

	Year Ended December 31, 2024					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Subcontractor and other project costs	$ —	$ 3,787	$20,366,236	$ 9,535,078	$ —	$29,905,101
Employee costs	2,895,606	2,069,920	17,062,858	2,042,518	—	24,070,902
Electricity	4,755,308	3,864,863	212,337	33,551	—	8,866,059
Fuel oil	—	8,330,914	—	—	—	8,330,914
Depreciation	2,427,254	2,689,432	364,473	160,211	—	5,641,370
Maintenance	877,882	2,138,584	439,883	344,042	—	3,800,391
Insurance	686,073	1,721,846	38,408	—	—	2,446,327
Retail license royalties	1,945,470	—	—	—	—	1,945,470
Other	611,495	2,541,014	27,340	155,802	—	3,335,651
	$14,199,088	$23,360,360	$38,511,535	$12,271,202	$ —	$88,342,185

	Year Ended December 31, 2023					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Subcontractor and other project costs	$ —	$ —	$53,830,817	$10,869,688	$ —	$ 64,700,505
Employee costs	2,797,130	1,927,313	12,311,403	1,899,167	—	18,935,013
Electricity	4,846,974	4,306,439	301,247	48,006	—	9,502,666
Fuel oil	—	9,024,836	—	—	—	9,024,836
Depreciation	2,376,747	2,831,368	256,537	168,347	—	5,632,999
Maintenance	845,596	1,705,585	83,998	357,693	—	2,992,872
Insurance	587,238	1,468,508	5,751	—	—	2,061,497
Retail license royalties	1,842,924	—	—	—	—	1,842,924
Other	594,620	2,864,083	8,009	124,104	—	3,590,816
	$13,891,229	$24,128,132	$66,797,762	$13,467,005	$ —	$118,284,128

Other cost of revenue segment expenses above primarily include chemicals and other supplies, government fees and licenses, and freight costs.

14. Segment information – (continued)

The Company's general and administrative expenses consist of:

	Year Ended December 31, 2025					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Employee costs	$1,654,945	$ 383,111	$4,624,683	$1,178,544	$ 8,115,730	$15,957,013
Professional fees	66,338	105,113	831,897	156,997	2,738,962	3,899,307
Insurance	421,156	388,840	170,005	269,620	869,877	2,119,498
Depreciation and amortization	42,042	19,940	571,689	106,408	72,702	812,781
Other	1,550,195	717,755	1,687,482	391,190	2,981,107	7,327,729
	$3,734,676	$1,614,759	$7,885,756	$2,102,759	$14,778,378	$30,116,328

	Year Ended December 31, 2024					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Employee costs	$1,555,619	$ 375,479	$3,443,005	$1,286,141	$ 8,031,817	$14,692,061
Professional fees	85,739	82,452	646,610	133,229	2,448,386	3,396,416
Insurance	417,604	384,932	214,983	215,241	834,612	2,067,372
Depreciation and amortization	37,691	25,086	630,544	103,674	73,940	870,935
Other	1,166,940	697,026	1,120,267	718,522	2,807,897	6,510,652
	$3,263,593	$1,564,975	$6,055,409	$2,456,807	$14,196,652	$27,537,436

	Year Ended December 31, 2023					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Employee costs	$1,485,647	$ 359,923	$2,529,548	$1,071,012	$ 8,244,023	$13,690,153
Professional fees	122,067	93,754	422,196	88,882	1,285,193	2,012,092
Insurance	351,259	341,391	127,993	196,539	886,674	1,903,856
Depreciation and amortization	38,883	22,180	528,810	105,013	69,216	764,102
Other	980,308	920,016	663,261	376,838	3,441,740	6,382,163
	$2,978,164	$1,737,264	$4,271,808	$1,838,284	$13,926,846	$24,752,366

General and administrative segment expenses set forth in the "Other" category above include Board of Directors fees and expenses, maintenance, office rent, information technology costs, amortization of intangible assets, provisions for credit losses and investor relations costs.

14. Segment information – (continued)

The Company's segment assets are presented below.

	As of December 31, 2025					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Cash and cash equivalents	$15,693,394	$20,343,683	$46,444,679	$ 6,620,358	$34,686,276	$123,788,390
Accounts receivable, net	$ 3,274,109	$20,882,114	$ 6,364,226	$ 2,240,036	$ 8,052	$ 32,768,537
Inventory, current and non-current	$ 3,555,946	$ 4,999,261	$ 24,178	$ 720,602	$ —	$ 9,299,987
Contract assets	$ —	$ —	$ 1,144,943	$ 2,145,872	$ —	$ 3,290,815
Property, plant and equipment, net	$32,371,991	$16,284,441	$ 1,666,099	$ 4,608,544	$ 220,683	$ 55,151,758
Construction in progress	$ 1,348,572	$ 5,316,061	$ —	$ 31,023	$ —	$ 6,695,656
Intangibles, net	$ —	$ —	$ 1,627,110	$ 474,445	$ —	$ 2,101,555
Goodwill	$ 1,170,511	$ 1,948,875	$ 7,756,807	$ 1,985,211	$ —	$ 12,861,404
Total segment assets	$59,410,635	$71,300,554	$69,172,997	$19,454,784	$38,101,745	$257,440,715
Assets of discontinued operations						$ 124,630
Total assets						$257,565,345

	As of December 31, 2024					
	Retail	Bulk	Services	Manufacturing	Corporate	Total
Cash and cash equivalents	$19,167,484	$13,339,206	$34,181,902	$ 4,768,376	$27,893,153	$ 99,350,121
Accounts receivable, net	$ 3,223,190	$28,807,257	$ 6,593,276	$ 946,846	$ 10,413	$ 39,580,982
Inventory, current and non-current	$ 3,437,771	$ 4,865,117	$ 167,856	$ 5,828,567	$ —	$ 14,299,311
Contract assets	$ —	$ —	$ 1,204,522	$ 3,265,721	$ —	$ 4,470,243
Property, plant and equipment, net	$31,689,586	$18,093,155	$ 858,352	$ 1,601,501	$ 189,688	$ 52,432,282
Construction in progress	$ 1,951,559	$ 2,480,999	$ —	$ 711,159	$ —	$ 5,143,717
Intangibles, net	$ —	$ —	$ 2,129,037	$ 567,778	$ —	$ 2,696,815
Goodwill	$ 1,170,511	$ 1,948,875	$ 7,756,807	$ 1,985,211	$ —	$ 12,861,404
Total segment assets	$62,994,011	$71,743,161	$56,792,772	$20,095,648	$31,415,104	$243,040,696
Assets of discontinued operations						$ 272,485
Total assets						$243,313,181

Revenue earned by major geographic region was:

	Year ended December 31,		
	2025	2024	2023
Cayman Islands	$ 37,840,267	$ 37,137,424	$ 41,728,340
The Bahamas	29,298,791	29,675,947	31,221,633
United States	64,421,664	66,662,406	106,768,621
Revenue earned from management services agreement with OC-BVI	512,646	490,856	492,639
	$132,073,368	$133,966,633	$180,211,233

14. Segment information – (continued)

Revenue earned from major customers was:

	Year ended December 31,		
	2025	2024	2023
Revenue earned from the WSC	$29,298,791	$29,675,947	$31,221,633
Percentage of consolidated revenue earned from the WSC	22%	22%	17%
Revenue earned from one service segment customer	$ —	$ —	$64,149,170
Percentage of consolidated revenue earned from the one service segment customer	0%	0%	36%

Property, plant and equipment, net by major geographic region was:

	December 31,	
	2025	2024
Cayman Islands	$32,530,208	$31,882,111
The Bahamas	16,201,134	17,903,191
United States	6,420,416	2,646,980
	$55,151,758	$52,432,282

15. Stock-based compensation

The Company has the following stock compensation plans that form part of its employees' and Directors' remuneration:

Employee Share Incentive Plan (Preferred Stock)

Employees (i.e., other than Directors and Officers), after four consecutive years of employment, become eligible to receive shares of the Company's preferred stock for $nil consideration under the Company's Employee Share Incentive Plan. Once an individual becomes eligible for this plan, they are awarded shares of preferred stock in the month of June following their date of eligibility for the plan (the "grant date") and in June of each subsequent year of the individual's employment for as long as the individual remains employed with the Company. If the employee remains with the Company through the fourth anniversary of a grant date, the preferred stock can be converted into shares of the Company's common stock on a one for one basis. In addition, at the time the preferred stock is granted, the employee receives options to purchase an equal number of shares of preferred stock at a discount to the average trading price of the Company's common stock for the first seven days of the October immediately preceding the date of the preferred stock grant. If these options are exercised, the shares of preferred stock obtained may also be converted to shares of common stock if the employee remains with the Company through the fourth anniversary of a grant date. Each employee's option to purchase shares of preferred stock must be exercised within 30 days of the grant date, which is the 90th day after the date of the independent registered public accountants' audit opinion on the Company's consolidated financial statements. Shares of preferred stock not subsequently converted to shares of common stock are redeemable only at the discretion of the Company. Shares of preferred stock granted under this plan during the years ended December 31, 2025, 2024 and 2023 totaled 8,534, 5,904 and 13,309, respectively, and an equal number of preferred stock options were granted in each of these years.

Employee Share Option Plan (Common Stock Options)

The Company has an employee stock option plan for four long-serving employees of the Company. Under the plan, these employees are granted in each calendar year, as long as the employee is a participant in the Employee Share Incentive Plan, options to purchase common shares. The price at which the option may be exercised is the closing market price on the grant date, which is the 40th day after the date of the Company's Annual Shareholder Meeting. The number of options each employee is granted is equal to five times the sum

15. Stock-based compensation – (continued)

of (i) the number of shares of preferred stock that employee receives for $nil consideration and (ii) the number of preferred stock options that employee exercises in that given year. Options may be exercised during the period commencing on the fourth anniversary of the grant date and ending on the 30th day after the fourth anniversary of the grant date. Options granted under this plan during the years ended December 31, 2025, 2024 and 2023 totaled 1,695, 1,300 and 3,010, respectively.

The fair value of each option award is estimated on the date of grant using a Black-Scholes option-pricing model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatilities of the Company's common stock. The expected term of options granted is based on historical data and represents the period of time that options granted are expected to be outstanding. The Company uses historical data to estimate stock option exercises and forfeitures within its valuation model. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

2008 Equity Incentive Plan

On May 14, 2008, the Company's stockholders approved the 2008 Equity Incentive Plan (the "2008 Plan") and reserved 1,500,000 shares of the Company's common shares for issuance under this plan. All Directors, executives and key employees of the Company or its affiliates are eligible for participation in the 2008 Plan which provides for the issuance of common stock options, shares of common stock and common stock equivalents at the discretion of the Board.

The Company measures and recognizes compensation expense at fair value for all share-based payments, including stock options. Stock-based compensation for the Employee Share Incentive Plan, Employee Share Option Plan and the 2008 Equity Incentive Plan totaled $390,282, $142,566 and $703,289 for the years ended December 31, 2025, 2024 and 2023, respectively, and is included in general and administrative expenses in the accompanying consolidated statements of income.

The significant weighted average assumptions for the years ended December 31, 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Risk free interest rate	4.17%	5.23%	5.06%
Expected option life (years)	0.7	0.8	1.0
Expected volatility	25.29%	32.93%	42.42%
Expected dividend yield	1.48%	1.48%	1.60%

A summary of the Company's stock option activity for the year ended December 31, 2025 is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value(1)
Outstanding at beginning of period	13,475	$16.97		
Granted	10,229	20.72		
Exercised	(4,960)	14.94		
Forfeited/expired	(9,074)	16.87		
Outstanding as of December 31, 2025	9,670	$22.08	1.69 years	$127,743
Exercisable as of December 31, 2025	—	$ —	— years	$ —

(1) The intrinsic value of a stock option represents the amount by which the fair value of the underlying

15. Stock-based compensation – (continued)

stock, measured by reference to the closing price of the common shares of $35.29 on the Nasdaq Global Select Market on December 31, 2025, exceeds the exercise price of the option.

As of December 31, 2025, 9,670 non-vested options were outstanding, with weighted average exercise price of $22.08, and average remaining contractual life of 1.69 years. The total remaining unrecognized compensation costs related to unvested stock-based arrangements were $33,222 as of December 31, 2025, and are expected to be recognized over a weighted average period of 1.69 years.

The following table summarizes the weighted average fair value of options at the date of grant and the intrinsic value of options exercised during the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Options granted with an exercise price below market price on the date of grant:			
Employees – preferred stock	$ 9.59	$ 2.58	$ 12.21
Overall weighted average	9.59	2.58	12.21
Options granted with an exercise price at market price on the date of grant:			
Management employees	$ —	$ —	$ —
Employees – common stock	10.10	8.50	8.29
Overall weighted average	10.10	8.50	8.29
Options granted with an exercise price above market price on the date of grant:			
Management employees	$ —	$ —	$ —
Employees – preferred stock	—	—	—
Overall weighted average	—	—	—
Total intrinsic value of options exercised	$109,868	$2,482	$104,559

Senior Management Long-Term Incentive Compensation

The Board of Directors has established the long-term incentive compensation for the Company's senior management to better align the interests of its senior management with those of its shareholders. The long-term compensation plan includes a combination of performance and non-performance-based grants of common stock from the shares of Company stock provided for issuance under the 2008 Equity Incentive Plan.

The non-performance-based stock grant rights, which are issued on January 1 of each year, vest in one-third increments at the end of each year over a three-year period. The number of non-performance-based stock grant rights issued on the first stock trading day of January 2025, 2024, and 2023, were 17,275, 12,837 and 29,508, respectively. These stock grant rights vest in one-third increments over the three-year periods ending December 31, 2027, 2026 and 2025, respectively. The total number of vested shares issued under prior years' non-performance stock grant rights totaled 24,875, 29,392 and 25,986 in the years ended December 31, 2025, 2024 and 2023, respectively. For the years ended December 31, 2025, 2024 and 2023, the Company recognized $423,923, $412,520 and $366,058 in stock-based compensation expense, respectively, related to the incremental vesting of the non-performance stock grant rights.

The performance-based grants may be earned at the end of each year based upon the Company's three-year cumulative financial performance relative to three-year cumulative financial performance targets. The Company recognized $514,947, $509,357 and $522,925 in stock-based compensation for the year ended December 31, 2025, 2024 and 2023, respectively, related to these grants.

15. Stock-based compensation – (continued)

A total of 35,981 stock grant rights were earned as of December 31, 2025, based upon the Company's actual financial performance relative to the cumulative financial performance targets for the three-year period ended December 31, 2025. The shares associated with these grants will be issued in 2026.

A total of 41,889 stock grant rights were earned as of December 31, 2024, based upon the Company's actual financial performance relative to the cumulative financial performance targets for the three-year period ended December 31, 2024. The shares associated with these grants were issued in 2025.

A total of 26,742 stock grant rights were earned as of December 31, 2023, based upon the Company's actual financial performance relative to the cumulative financial performance targets for the three-year period ended December 31, 2023. The shares associated with these grants were issued in 2024.

Non-Executive Directors' Share Plan

This stock grant plan provides part of the Directors' remuneration. Under this plan, non-Executive Directors receive a combination of cash and common stock for their participation in Board meetings. The number of shares of common stock granted is calculated based upon the market price of the Company's common stock on October 1 of the year preceding the grant. Common stock granted under this plan during the years ended December 31, 2025, 2024 and 2023, totaled 13,897, 11,448 and 22,831 shares, respectively. The Company recognized stock-based compensation for these share grants of $372,752, $333,140 and $341,394 for the years ended December 31, 2025, 2024 and 2023, respectively.

Other Stock Expense

In 2025, the Company issued 2,000 shares of its common stock for professional services at an expense to the Company of $69,440.

16. Retirement benefits

Retirement plans are offered to all employees in California, Florida, Colorado, the Cayman Islands and The Bahamas. The plans are administered by third parties and are defined contribution plans pursuant to which the Company matches participating employees' contributions up to certain amounts. The Company's expense for these plans was $918,496, $898,457 and $771,616 for the years ended December 31, 2025, 2024, and 2023, respectively.

17. Financial instruments

Credit risk:

The Company is not exposed to significant credit risk on its retail customer accounts as its policy is to cease supply of water to customers' accounts that are more than 45 days overdue. The Company's exposure to credit risk is concentrated on receivables from its bulk water, services, and manufacturing customers. The Company considers these receivables fully collectible and therefore has not recorded a material allowance for these receivables.

Interest rate risk:

The Company is not subject to significant interest rate risk arising from fluctuations in interest rates.

Foreign exchange risk:

All relevant foreign currencies other than the Mexican peso and the euro have been fixed to the dollar for more than 50 years and as a result, the Company does not employ a hedging strategy against exchange rate risk associated with the reporting in dollars. If any of these fixed exchange rates become a floating exchange rate or if any of the foreign currencies in which the Company conducts business depreciate significantly against the dollar, the Company's consolidated results of operations could be adversely affected.

17. Financial instruments – (continued)

Fair values:

As of December 31, 2025 and 2024, the carrying amounts of cash equivalents, accounts receivable, accounts payable, accrued expenses, accrued compensation, dividends payable and other current liabilities approximate their fair values due to the short-term maturities of these instruments. As of December 31, 2025 and 2024, the Company does not have assets and liabilities measured at fair value to present in the fair value hierarchy.

18. Commitments and contingencies

Commitments

The Company has entered into employment agreements with certain executives, which expire through December 31, 2028 and provide for, among other things, base annual salaries in an aggregate amount of approximately $5.4 million, performance bonuses and various employee benefits.

The Company has purchase obligations totaling approximately $10.9 million as of December 31, 2025.

Contingencies

Cayman Water

The Company sells water through its Cayman Water retail operations under a license issued in July 1990 by the Cayman Islands government (the "1990 license") that granted Cayman Water the exclusive right to provide potable water to customers within its licensed service area. Pursuant to the 1990 license, Cayman Water has the exclusive right to produce potable water and distribute it by pipeline to its licensed service area, which consists of two of the three most populated areas of Grand Cayman Island: Seven Mile Beach and West Bay. In 2025, 2024, and 2023, the Company generated approximately 26%, 24% and 17%, respectively, of its consolidated revenue and 39%, 38% and 26%, respectively, of its consolidated gross profit from the retail water operations conducted under the 1990 license.

The 1990 license was originally scheduled to expire in July 2010 but was extended several times by the Cayman Islands government in order to provide the parties with additional time to negotiate the terms of a new license agreement. The most recent express extension of the 1990 license expired on January 31, 2018. From that date until February 18, 2025, the Company continued to operate under the terms of the 1990 license, treating such terms as operative notwithstanding the expiration of the express extension. The Company continues to pay the royalty of 7.5% of the revenue that Cayman Water collects as required under the 1990 license.

In October 2016, the Government of the Cayman Islands passed legislation which created a new utilities regulation and competition office ("OfReg") and, in April 2017, passed supplemental legislation which transferred responsibility for the economic regulation of the water utility sector and the negotiations with the Company for a new retail license to OfReg.

Under the new regulatory legislation passed in October 2016, Cayman Water was required to first be granted a concession by the government before obtaining a new (or renewing the old) retail operating license. On February 18, 2025, Cayman Water received a new concession from the government that authorizes and maintains the terms of the 1990 license until a new license from OfReg is negotiated and enacted. Negotiations between Cayman Water and OfReg for the new license remain on-going.

The Company has been informed during its retail license negotiations, both by OfReg and its predecessor in these negotiations, that they seek to restructure the terms of the license in a manner that could significantly reduce the operating income and cash flows the Company has historically generated from its retail license. The Company is presently unable to determine what impact the resolution of its retail license negotiations will have on its consolidated financial condition, results of operations or cash flows but such resolution could result in a material reduction (or the loss) of the operating income and cash flows the Company has historically generated from Cayman Water's retail operations and could require the Company to record impairment losses

18. Commitments and contingencies – (continued)

to reduce the carrying values of its retail segment assets. Such impairment losses could have a material adverse impact on the Company's consolidated financial condition and results of operations.

CW-Bahamas

CW-Bahamas' accounts receivable balances (which include accrued interest) due from the WSC amounted to \$20.7 million and \$28.4 million as of December 31, 2025 and 2024. Approximately 71% and 81% of the accounts receivable balances were delinquent as of those dates, respectively. As of February 28, 2026, this receivable amounted to \$22.6 million, of which 75% was delinquent.

From time to time (including presently), CW-Bahamas has experienced delays in collecting its accounts receivable from the WSC. When these delays occur, the Company holds discussions and meetings with representatives of the WSC and the government of The Bahamas. All previous delinquent accounts receivable from the WSC, including accrued interest thereon, were eventually paid in full. Based upon this payment history, CW-Bahamas has not provided a material allowance for credit losses for its accounts receivable from the WSC as of December 31, 2025, or prior periods.

In a report dated October 6, 2022, Moody's Investor Services ("Moody's") downgraded The Bahamas' long-term issuer and senior unsecured ratings to B1 from Ba3. Moody's also lowered The Bahamas' local currency ceiling to Baa3 from Baa2 and its foreign currency ceiling to Ba1 from Baa3. Moody's has maintained these ratings through the date of its most current report issued in April 2025. Based upon the Company's review of this Moody's correspondence, the CW-Bahamas continues to believe that no material allowance for credit losses is required for CW-Bahamas' accounts receivable from the WSC.

If CW-Bahamas is unable to collect a sufficient portion of its delinquent accounts receivable, one or more of the following events may occur: (i) CW-Bahamas may not have sufficient liquidity to meet its obligations; (ii) the Company may be required to cease the recognition of revenue on CW-Bahamas' water supply agreements with the WSC; and (iii) the Company may be required to provide an additional allowance for credit losses for CW-Bahamas' accounts receivable. Any of these events could have a material adverse impact on the Company's consolidated financial condition, results of operations, and cash flows.

CW-Bahamas Supply Guarantees

The contracts to supply water to the WSC from the Blue Hills and Windsor plants require CW-Bahamas to guarantee delivery of a minimum quantity of water per week. If the WSC requires the water and CW-Bahamas does not meet this minimum, CW-Bahamas is required to pay the WSC for the difference between the minimum and actual gallons delivered at a per gallon rate equal to the price per gallon that the WSC is currently paying CW-Bahamas under the contract. The Blue Hills contract expires in 2032 and requires CW-Bahamas to deliver 63.0 million gallons of water each week. The Windsor contract expires in 2033 and requires CW-Bahamas to deliver 16.8 million gallons of water each week. CW-Bahamas has been in compliance with the supply guarantees under these contracts for all periods since the inception of the contracts.

Fiscal, Regulation and Other Federal Policies

Significant changes in, and uncertainty with respect to, legislation, regulation, government policy and economic conditions could adversely affect the Company's business. Specific legislative and regulatory proposals that could have a material impact on the Company include, but are not limited to, modifications to international trade policy (such as tariffs); public company reporting requirements; and environmental regulation.

The Company cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the U.S. and other countries, what products may be subject to such actions, or what actions may be taken by the other countries in retaliation. Accordingly, it is difficult to predict how such actions may impact the Company's business, or the business or habits of its customers. The Company's business operations, as

18. Commitments and contingencies – (continued)

well as the businesses of its customers on which it is substantially dependent, are located in countries at risk for escalating trade disputes, including the U.S. Any resulting trade wars could have a significant adverse effect on world trade and could adversely impact the Company's consolidated financial condition, results of operations and cash flows.

19. Supplemental disclosure of cash flow information

	Year Ended December 31,		
	2025	2024	2023
Interest paid in cash	$ 4,420	$ 8,479	$ 21,417
Dividends declared but not paid	$2,237,864	$1,747,938	$1,502,506
Transfers from inventory to property, plant and equipment and construction in progress	$ 758,688	$ 538,777	$ 317,853
Transfers from construction in progress to property, plant and equipment	$5,883,845	$1,395,485	$7,093,158
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 412,308	$1,604,702	$ 745,078
Transfers from prepaid expenses to property, plant and equipment	$ 509,133	$ 67,136	$ 271,922
Transfers from prepaids to inventory	$ —	$ —	$ 238,032
Expenditures for property, plant and equipment and construction in progress not yet paid	$ 595,288	$ —	$ —

20. Impact of recent accounting standards

Adoption of new accounting standards:

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The Company adopted the standard as of December 31, 2025, including a recast of 2024 and 2023 information, by including the additional required disclosures within the notes to the consolidated financial statements. The adoption this guidance did not impact the Company's consolidated financial position, results of operations or cash flows.

Effect of newly issued but not yet effective accounting standards:

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* The ASU requires public companies to disclose, in the notes to financial statements, specific information about certain costs and expenses at each interim and annual reporting period. The amended ASU is effective on a prospective basis for annual periods beginning after December 15, 2026. The Company is currently evaluating the impact of this guidance on its financial statements.

21. Subsequent events

The Company evaluated subsequent events through the time of the filing of its Annual Report on Form 10-K. Other than as disclosed in these consolidated financial statements, the Company is not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on its consolidated financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are the Company's controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the possible controls and procedures.

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our management, including our principal executive officer and principal financial officer, has concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Internal Control Over Financial Reporting

(a) Management's Annual Report on Internal Control Over Financial Reporting

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Company management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*.

Based on that assessment, management has concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective at the reasonable assurance level.

The Company's independent registered public accounting firm, CBIZ CPAs P.C., has issued a report on the effectiveness of the Company's internal control over financial reporting. Their report appears in ITEM 9A(b).

(b) Attestation Report of the Independent Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders and Board of Directors of
Consolidated Water Co. Ltd.

Opinion on Internal Control over Financial Reporting

We have audited Consolidated Water Co. Ltd.'s (the "Company") internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet as of December 31, 2025 and the related consolidated statements of income, stockholders' equity and cash flows and the related notes (collectively referred to as the "financial statements") for the year ended December 31, 2025 of the Company, and our report dated March 16, 2026 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

/s/ CBIZ CPAs P.C.

We have served as the Company's auditor since 2005 (such date takes into account the acquisition of the attest business of Marcum LLP by CBIZ CPAs P.C. effective November 1, 2024).

Fort Lauderdale, FL
March 16, 2026

(c) Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation of such internal control that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item with respect to our Directors and the nomination process is contained in the proxy statement for our 2026 Annual Meeting of Shareholders to be filed with the SEC (the "Proxy Statement") under the heading "Proposal 1 — Election of Directors" and is incorporated by reference in this Annual Report.

Information required by this item with respect to our Executive Officers is set forth in the Proxy Statement under the heading "Executive Officers" and is incorporated by reference in this Annual Report.

Information required by this item with respect to our audit committee and our audit committee financial expert is contained in the Proxy Statement under the heading "Proposal 1 — Election of Directors — Committees of the Board of Directors — Audit Committee" and is incorporated by reference in this Annual Report.

To our knowledge, based solely on the review of reports required by Section 16(a) of the Exchange Act and written representations from the certain reporting persons, we believe that during the fiscal year ended December 31, 2025, other than Clarence B. Flowers, Jr., who filed a Form 4 late for the transfer of 50,080 shares, our officers, directors and significant shareholders have timely filed the appropriate form under Section 16(a) of the Exchange Act.

Information required by this item with respect to insider trading policies and procedures is contained in the Proxy Statement under the heading "Proposal 1 — Election of Directors — Governance of the Company — Insider Trading and Hedging Policy" and is incorporated by reference in this Annual Report.

The Board of Directors has adopted a Code of Business Conduct and Ethics (the "Code") that applies to all of the Company's Directors, Officers (including the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) and employees. Information related to the Code is contained in the Proxy Statement under the heading "Proposal 1 — Election of Directors — Governance of the Company" and is incorporated by reference in this Annual Report.

We intend to disclose future amendments to certain provisions of the Code, or waivers of such provisions granted to Executive Officers and Directors, on our website within four business days following the date of such amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item with respect to executive compensation and director compensation is contained in the Proxy Statement under the headings "Compensation Discussion and Analysis" and "Additional Information Regarding Executive Compensation", and is incorporated by reference in this Annual Report.

Information required by this item with respect to policies and practices on the timing of option grants in relation to the release of material non-public information and tabular disclosure, if any, regarding any options granted to named executive officers in the period beginning four business days before and ending one business day after the disclosure of material non-public information is contained in the Proxy Statement under the headings "Compensation Discussion and Analysis" and "Additional Information Regarding Executive Compensation", and is incorporated by reference in this Annual Report.

Information required by this item with respect to compensation committee interlocks and insider participation is contained in the Proxy Statement under the heading "Additional Information Regarding Executive Compensation — Compensation Committee Interlocks and Insider Participation in Compensation Decisions" and is incorporated by reference in this Annual Report. The compensation committee report required by this item is contained in the Proxy Statement under the heading "Compensation Discussion and Analysis — Compensation Committee Report" and is incorporated by reference in this Annual Report.

Information required by this item with respect to compensation policies and practices as they relate to the Company's risk management is contained in the Proxy Statement under the heading "Compensation Discussion and Analysis" and is incorporated by reference in this Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item with respect to security ownership of certain beneficial owners and management is contained in the Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management and Related Shareholders Matters" and is incorporated by reference in this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item with respect to such contractual relationships and director independence is contained in the Proxy Statement under the headings "Additional Information Regarding Executive Compensation — Transactions With Related Persons" and is incorporated by reference in this Annual Report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to principal accounting fees and services are contained in the Proxy Statement under the heading "Proposal 8 Ratification of the Selection of Independent Accountants — Principal Accounting Fees and Services" and is incorporated by reference in this Annual Report.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

1. Financial Statements

The Consolidated Water Co. Ltd. Financial statements found in ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA are incorporated herein by reference.

2. Financial Statement Schedules

None.

3. Exhibits

The Exhibits listed in the Exhibit Index immediately preceding the Signatures are filed as part of this Annual Report on Form 10-K.

CONSOLIDATED WATER CO. LTD.

INDEX TO EXHIBITS FILED WITH 10-K

Number	Exhibit Description
3.1	Amended and Restated Memorandum of Association of Consolidated Water Co. Ltd. dated May 23, 2022 (incorporated by reference to Exhibit 3.1 filed as part of our Form 8-K filed May 27, 2022, Commission File No. 0-25248)
3.2	Amended and Restated Articles of Association of Consolidated Water Co. Ltd. dated May 23, 2022 (incorporated by reference to Exhibit 3.2 filed as part of our Form 8-K filed May 27, 2022, Commission File No. 0-25248)
4.1**	Description of Securities
10.1.1	License Agreement dated July 11, 1990 between Cayman Water Company Limited and the Government of the Cayman Islands (incorporated herein by reference to the exhibit filed as a part of our Form 20-F dated December 7, 1994, Commission File No. 0-25248)
10.1.2	First Amendment to License Agreement dated September 18, 1990 between Cayman Water Company Limited and the Government of the Cayman Islands. (incorporated herein by reference to the exhibit filed as a part of our Form 20-F dated December 7, 1994, Commission File No. 0-25248)
10.1.3	Second Amendment to License Agreement dated February 14, 1991 between Cayman Water Company Limited and the Government of the Cayman Islands. (incorporated herein by reference to the exhibit filed as a part of our Form 20-F dated December 7, 1994, Commission File No. 0-25248)
10.1.4	Third Amendment to a License to Produce Potable Water dated August 15, 2001 between Consolidated Water Co. Ltd. by the Government of the Cayman Islands (incorporated herein by reference to Exhibit 10.4 filed as a part of our Form 10-K for the fiscal year ended December 31, 2001, Commission File No. 0-25248)
10.1.5	Fourth Amendment to a License to Produce Potable Water dated February 1, 2003 between Consolidated Water Co. Ltd. by the Government of the Cayman Islands (incorporated herein by reference to Exhibit 10.5 filed as a part of our Form 10-K for the fiscal year ended December 31, 2002, Commission File No. 0-25248)
10.1.6	Amendment to License Agreement dated July 20, 2010 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10 filed as a part of our Form 8-K filed July 23, 2010, Commission File No. 0-25248)
10.1.7	Amendment to a License to Produce Potable Water dated July 11, 2012 between Cayman Water Company Limited and the Government of the Cayman Islands (incorporated herein by reference to Exhibit 10.1 filed as a part of our Form 10-Q for the second quarter ended June 30, 2012, Commission File No. 0-25248)
10.1.8	Amendment to License Agreement dated December 31, 2012 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1 filed as a part of our Form 8-K filed March 4, 2013, Commission File No. 0-25248)
10.1.9	Amendment to License Agreement dated April 24, 2013 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1.9 filed as a part of our Form 10-K for the fiscal year ended December 31, 2013, Commission File No. 0-25248)

Number	Exhibit Description
10.1.10	Amendment to License Agreement dated November 6, 2013 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1.10 filed as a part of our Form 10-K for the fiscal year ended December 31, 2013, Commission File No. 0-25248)
10.1.11	Amendment to License Agreement dated June 30, 2014 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1 to our Form 8-K filed July 14,2014, Commission File No. 0-25248)
10.1.12	Amendment to License Agreement dated January 20, 2015 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1.12 filed as a part of our Form 10-K for the fiscal year ended December 31, 2014, Commission File No. 0-25248)
10.1.13	Amendment to License Agreement dated August 5, 2015 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1.13 filed as a part of our Form 10-K for the fiscal year ended December 31, 2015, Commission File No. 0-25248)
10.1.14	Amendment to License Agreement dated April 11, 2016 between the Government of the Cayman Islands and Cayman Water Company Limited (incorporated by reference to Exhibit 10.1 filled as part of our Form 10-Q for the fiscal quarter ended June 30, 2016, Commission File No. 0-25248)
10.1.15	Grant of Concession dated February 18, 2025 Minister of Planning, Agriculture, Housing, Infrastructure, Transport & Development of the Cayman Islands in favor of Cayman Water Company Limited (incorporated herein by reference to Exhibit 10.1 to our Form 8-K filed February 25, 2025, Commission File No. 0-25248)
10.2	Water Supply Agreement dated December 18, 2000 between Consolidated Water Co. Ltd. and South Bimini International Ltd. (incorporated herein by reference to Exhibit 10.12 filed as a part of our Form 10-K for the fiscal year ended December 31, 2000, Commission File No. 0-25248)
10.3.1*	Employment contract dated December 5, 2003 between Frederick McTaggart and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.18 filed as a part of our Form 10-K for the fiscal year ended December 31, 2003, Commission File No. 0-25248)
10.3.2*	Amendment of Engagement Agreement dated September 14, 2007 between Frederick W. McTaggart and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.2 to our Form 8-K filed September 19, 2007, Commission File No. 0-25248)
10.3.3*	Third Amendment of Engagement Agreement dated September 9, 2009 between Frederick W. McTaggart and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.1 to our Form 8-K filed September 10, 2009, Commission File No. 0-25248)
10.4*	Engagement Agreement dated January 15, 2008 between David Sasnett and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.1 filed as part of our Form 8-K filed January 22, 2008, Commission File No. 0-25248)
10.5.1*	Employment contract dated January 14, 2008 between Ramjeet Jerrybandan and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.11 filed as part of our Form 10-K for the fiscal year ended December 31, 2008, Commission File No. 0-25248)
10.5.2*	First Amendment to Employment Contract dated March 29, 2017 between Ramjeet Jerrybandan and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.2 filed as part of our Form 8-K filed April 4, 2017, Commission File No. 0-25248)

Number	Exhibit Description
10.5.3*	Second Amendment of Engagement Agreement dated September 9, 2022 between Ramjeet Jerrybandan and Consolidated Water Co. Ltd. (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed September 13, 2022, Commission File No. 0-25248)
10.6	Specimen Service Agreement between Cayman Water Company Limited and consumers (incorporated herein by reference to the exhibit filed as part of our Registration Statement on Form F-1 dated March 26, 1996)
10.7*	Summary Share Grant Plan for Directors (incorporated herein by reference to Exhibit 10.24 filed as part of our Registration Statement on Form F-2 dated May 17, 2000, Commission File No. 333-35356)
10.8*	Employee Share Option Plan (incorporated herein by reference to Exhibit 10.26 filed as a part of our Form 10-K for the fiscal year ended December 31, 2001, Commission File No. 0-25248)
10.9*	2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 filled as part of our Form 10-Q for the fiscal quarter ended September 30, 2008, Commission File No. 0-25248)
10.10*	Employee Share Incentive Plan (incorporated by reference to Exhibit 4.3 filled as part of our Registration Statement on Form S-8 dated January 12, 2024, Commission File No. 333-276483)
10.11	Water Supply Agreement dated March 5, 2018 between Cayman Water Company Limited and Cayman Shores Development Ltd. (incorporated herein by reference to Exhibit 10.10 filed as a part of our Form 10-K for the fiscal year ended December 31, 2021, Commission File No. 0-25248)
10.12	Lease dated December 10, 2001 between Cayman Hotel and Golf Inc. and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.52 filed as a part of our Form 10-K for the fiscal year ended December 31, 2001, Commission File No. 0-25248)
10.13.1†	Form of Agreement for Desalinated Water Supply dated May 2005 among Water and Sewerage Corporation, Consolidated Water Co. Ltd. and Consolidated Water (Bahamas) Limited (incorporated herein by reference to Exhibit 10.1 filed as a part of our Form 8-K filed February 4, 2011, File No. 0-25248)
10.13.2†	Letter of Acceptance dated January 25, 2011 (effective January 31, 2011) between Water and Sewerage Corporation and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.2 filed as a part of our Form 8-K filed February 4, 2011, File No. 0-25248)
10.13.3†	Proposal letter dated December 8, 2010 addressed to the Water and Sewerage Corporation (incorporated herein by reference to Exhibit 10.3 filed as a part of our Form 8-K filed February 4, 2011, File No. 0-25248)
10.14	Real Estate Purchase and Sale Agreement dated June 10, 2024 between N.S.C. Agua S.A. de C.V. and Banco National de Obras y Servicios Publicos (incorporated herein by reference to Exhibit 10.14.5 filed as a part of our Form 10-K for the fiscal year ended December 31, 2024, Commission File No. 0-25248)
10.15	Procurement of and Operating Agreement for a Sea Water Desalination Plant at Red Gate Water Works, Grand Cayman, Cayman Islands, using the Reverse Osmosis Process (2021), effective as of May 10, 2022, by and between The Water Authority of the Cayman Islands and Ocean Conversion (Cayman) Limited (incorporated herein by reference to Exhibit 10.1 filed as a part of our Form 10-Q filed November 14, 2022, File No. 0-25248)
10.16	Stock Purchase Agreement dated January 4, 2023 among Consolidated Water U.S. Holdings, Inc. and the Sellers. (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed January 9, 2023, Commission File No. 0-25248)

Number	Exhibit Description
10.17	Agreement dated May 11, 2022 between PERC Water Corporation and Liberty (Litchfield Park Water & Sewer) Corp. (incorporated by reference to Exhibit 10.1 filed as part of our Form 10-Q for the fiscal quarter ended June 30, 2023, Commission File No. 0-25248)
10.18	Service Agreement for the Kalaeloa Seawater Desalination Facility Design, Build, Operate and Maintain Project Oahu, Hawaii dated June 2, 2023 between Kalaeloa Desalco LLC and The Board of Water Supply of the City and County of Honolulu, Hawaii (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed June 6, 2023, Commission File No. 0-25248)
10.19	Guaranty Agreement dated June 2, 2023 from Consolidated Water Co. Ltd. to The Board of Water Supply of the City and County of Honolulu, Hawaii (incorporated by reference to Exhibit 10.2 filed as part of our Form 8-K filed June 6, 2023, Commission File No. 0-25248)
10.20	Stock Purchase Agreement dated November 2, 2023, but effective October 1, 2023 among PERC Water Corporation and Linda Ramey and Robert W. Ramey (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed November 7, 2023, Commission File No. 0-25248)
10.21	Settlement Agreement dated May 28, 2024 among Consolidated Water Coöperatief, U.A.; N.S.C. Agua, S.A. de C.V.; Aguas de Rosarito S.A.P.I. de C.V.; the Government of Baja California; and Banco Nacional de Obras y Servicios Públicos, S.N.C., as trustee under the trust agreement for Fondo Nacional de Infraestructura (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed June 4, 2024, Commission File No. 0-25248)
10.22.1*	Employment contract dated June 28, 2012 between Douglas R. Vizzini and Consolidated Water Co. Ltd. (incorporated herein by reference to Exhibit 10.25 filed as a part of our Form 10-K for the fiscal year ended December 31, 2024, Commission File No. 0-25248)
10.22.2*	First Amendment of Employment Contract dated May 27, 2025 between Douglas Vizzini and Consolidated Water Co. Ltd. (incorporated by reference to Exhibit 10.1 filed as part of our Form 8-K filed June 2, 2025, Commission File No. 0-25248)
10.23.1***	Employment contract dated October 1, 2021 between Armando Averhoff and Consolidated Water Co. Ltd.
10.23.2***	First Amendment to Employment Contract dated May 27, 2025 between Armando Averhoff and Consolidated Water Co. Ltd.
16	Letter from Marcum LLP to the Securities and Exchange Commission dated April 7, 2025 (incorporated by reference to Exhibit 16.1 filed as part of our Form 8-K filed April 11, 2025, Commission File No. 0-25248)
19	Insider Trading and Disclosure of Non-Public Information Policy (incorporated herein by reference to Exhibit 19 filed as a part of our Form 10-K for the fiscal year ended December 31, 2023, Commission File No. 0-25248)
21.1**	Subsidiaries of the Registrant
23.1**	Consent of CBIZ CPAs P.C.
23.2**	Consent of Marcum LLP
31.1**	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Number	Exhibit Description
32.1**	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, Section 906 of the Sarbanes-Oxley Act of 2002
97	Incentive Compensation Recoupment Policy (incorporated herein by reference to Exhibit 97 filed as a part of our Form 10-K for the fiscal year ended December 31, 2023, Commission File No. 0-25248)
101.INS**	XBRL Instance Document — The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase
104**	Cover Page Interactive Data File — The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Indicates a management contract or compensatory plan.

** Filed herewith.

*** Indicates a management contract or compensatory plan, which is filed herewith.

† Portions of these Exhibits have been omitted pursuant to a request for confidential treatment.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONSOLIDATED WATER CO. LTD.

By: /s/ Wilmer F. Pergande
Wilmer F. Pergande
Chairman of the Board of Directors

Dated: March 16, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
By: /s/ Wilmer F. Pergande Wilmer F. Pergande	Chairman of the Board of Directors	March 16, 2026
By: /s/ Frederick W. McTaggart Frederick W. McTaggart	Director, Chief Executive Officer and President (Principal Executive Officer)	March 16, 2026
By: /s/ David W. Sasnett David W. Sasnett	Executive Vice President & Chief Financial Officer (Principal Financial and Accounting Officer)	March 16, 2026
By: /s/ Kimberly Adamson Kimberly Adamson	Director	March 16, 2026
By: /s/ Linda Beidler-D'Aguilar Linda Beidler-D'Aguilar	Director	March 16, 2026
By: /s/ Brian E. Butler Brian E. Butler	Director	March 16, 2026
By: /s/ Carson K. Ebanks Carson K. Ebanks	Director	March 16, 2026
By: /s/ Clarence B. Flowers, Jr. Clarence B. Flowers, Jr.	Director	March 16, 2026
By: /s/ Maria-Elena Giner Maria-Elena Giner	Director	March 16, 2026
By: /s/ Gerónimo Gutiérrez Fernández Gerónimo Gutiérrez Fernández	Director	March 16, 2026
By: /s/ Leonard J. Sokolow Leonard J. Sokolow	Director	March 16, 2026
By: /s/ Raymond Whittaker Raymond Whittaker	Director	March 16, 2026

CONSOLIDATED WATER CO. LTD.
DESCRIPTION OF SECURITIES

The following description of the terms of our securities is not complete and is qualified in its entirety by reference to our Memorandum of Association, as amended (the "Memorandum of Association"), and our Articles of Association, as amended (the "Articles of Association"), both of which are exhibits to our Annual Reports on Form 10-K.

Under our Memorandum of Association and Articles of Association we are authorized to issue 25,000,000 shares of capital stock, consisting of 24,800,000 ordinary shares, par value CI$0.50 (approximately US$0.60) per share, and 200,000 redeemable preference shares, par value CI$0.50 (approximately US$0.60) per share.

The ordinary shares (common stock) are listed on the Nasdaq Global Select Market under the symbol "CWCO." All outstanding ordinary shares are validly issued, fully paid, and nonassessable.

Ordinary Shares

Voting Rights

Holders of ordinary shares may cast one vote for each share held of record at all shareholder meetings. All voting is non-cumulative. Holders of more than 50% of the outstanding shares present and voting at an annual meeting at which a quorum is present are able to elect all of our directors.

Dividends and Liquidation Rights

Holders of ordinary shares are entitled to receive ratably dividends, if any, distributed out of our accumulated profits. Subject to the preferential rights of holders of the redeemable preference shares, upon liquidation, all holders of ordinary shares are entitled to participate pro rata in our assets which are available for distribution.

Other Rights

Holders of ordinary shares do not have preemptive rights or rights to convert their ordinary shares into any other securities, and our common stock is not subject to any redemption or sinking fund provisions.

Redeemable Preference Shares

Voting

Holders of redeemable preference shares may cast one vote for each share held of record at all shareholder meetings. All voting is on a non-cumulative basis.

Dividends and Liquidation Rights

Upon the event of our liquidation, the redeemable preference shares rank in preference to the ordinary shares with respect to the repayment of the par value of redeemable preference shares plus any premium paid or credited on the purchase of the shares.

Other Rights

Under our employee share incentive plan, we may redeem any redeemable preference shares issued to an employee under certain circumstances. The ordinary shares and the redeemable preference shares rank equally in all other respects.

EXHIBIT 21.1

CONSOLIDATED WATER CO. LTD.

Subsidiaries of the Registrant

The following list includes all of the Registrant's wholly-owned subsidiaries, majority-owned subsidiaries and affiliates as of December 31, 2025. All subsidiaries of the Registrant appearing in the following table are included in the consolidated financial statements of the Registrant.

Subsidiaries	Jurisdiction of Organization
Aguas de Rosarito S.A.P.I. de C.V. (100%)	Mexico
Aerex Industries, Inc. (100%)	United States of America
Aquilex, Inc. (100%)	United States of America
Cayman Water Company Limited (100%)	Cayman Islands
Consolidated Water (Bahamas) Limited (90.9%)	The Bahamas
Consolidated Water Cooperatief, U.A. (100%)	Netherlands
Consolidated Water U.S. Holdings, Inc. (100%)	United States of America
DesalCo Limited (100%)	Cayman Islands
N.S.C. Agua, S.A. de C.V. (99.9%)	Mexico
Ocean Conversion (BVI) Ltd. (Affiliate)	The British Virgin Islands
Ocean Conversion (Cayman) Limited (100%)	Cayman Islands
PERC Water Corporation (100%)	United States of America
Kalaeloa DesalCo LLC (100%)	United States of America
Ramey Environmental Compliance, Inc. (100%)	United States of America

EXHIBIT 23.1

Independent Registered Public Accounting Firm's Consent

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-276483, 333-187261, 333-158244) of our reports dated March 16, 2026 relating to the financial statements of Consolidated Water Co. Ltd. (the "Company") and the effectiveness of internal control over financial reporting of the Company appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ CBIZ CPAs P.C.

Fort Lauderdale, FL

March 16, 2026

EXHIBIT 23.2

Independent Registered Public Accounting Firm's Consent

We consent to the incorporation by reference in the Registration Statement on Form S-8 (File Nos. 333-276483, 333-187261, 333-158244) of our report dated March 17, 2025 with respect to the financial statements of Consolidated Water Co. Ltd. (the "Company") included in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Marcum LLP

West Palm Beach, FL

March 16, 2026

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

In connection with the Form 10-K of Consolidated Water Co. Ltd. for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof, I, Frederick W. McTaggart, certify, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, that:

1. I have reviewed the Form 10-K of Consolidated Water Co. Ltd. for the fiscal year ended December 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2026

By: /s/ Frederick W. McTaggart
Name: Frederick W. McTaggart
Title: Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

**CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

In connection with the Form 10-K of Consolidated Water Co. Ltd. for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof, I, David W. Sasnett, certify, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, that:

1. I have reviewed the Form 10-K of Consolidated Water Co. Ltd. for the fiscal year ended December 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2026

By: /s/ David W. Sasnett

Name: David W. Sasnett
Title: Executive Vice President & Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-K of Consolidated Water Co. Ltd. for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frederick W. McTaggart, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 16, 2026

By: /s/ Frederick W. McTaggart

Name: Frederick W. McTaggart
Title: Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-K of Consolidated Water Co. Ltd. for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David W. Sasnett, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 16, 2026	By:	/s/ David W. Sasnett
	Name:	David W. Sasnett
	Title:	Executive Vice President & Chief Financial Officer (Principal Financial and Accounting Officer)

Board of Directors

CONSOLIDATED WATER

Wilmer F. Pergande
Chairman of the Board
Consolidated Water Co. Ltd.
Independent Consultant
WF Pergande Consulting LLC

Frederick W. McTaggart
President and Chief Executive Officer
Consolidated Water Co. Ltd.

Kimberly Anne Adamson
Senior Director, Integrated Project Delivery
Brown and Caldwell

Linda Beidler-D'Aguilar
Principal
Encore Consulting Ltd.
Nassau, Bahamas

Brian E. Butler
Property Developer
Butler Development Group
Cayman Islands

Carson K. Ebanks, MBE, JP
Retired Permanent Secretary of Finance, Tourism and Development
Cayman Islands Government

Clarence B. Flowers, Jr.
Real Estate Developer
Orchid Development Company Ltd.
Cayman Islands

Maria Elena Giner
Water Resources and Community Planning Portfolio Leader
Black & Veatch Corporation

Gerónimo Gutiérrez Fernández
Managing Partner
Beel Infrastructure Partners

Leonard J. Sokolow
CEO
SKYX Platforms Corp.

Raymond Whittaker
Principal
FCM, Ltd.
Cayman Islands

Corporate Officers

Frederick W. McTaggart
President and Chief Executive Officer

David W. Sasnett
Executive Vice President and Chief Financial Officer

Ramjeet Jerrybandan
Executive Vice President and Chief Operating Officer

Douglas R. Vizzini
Executive Vice President and Chief Accounting Officer

Armando V. Averhoff
Vice President of Information Technology

INDEPENDENT ACCOUNTANTS

CBIZ CPAs P.C.
201 East Las Olas Boulevard
21st Floor
Fort Lauderdale, FL 33301

LEGAL COUNSEL

Duane Morris LLP
200 South Biscayne Boulevard
Suite 3400
Miami, FL 33131

PRINCIPAL BANKERS

Scotiabank & Trust (Cayman) Ltd.
P.O. Box 689
Grand Cayman, KY1-1107
Cayman Islands

TRANSFER AGENTS & REGISTRAR

Equiniti Trust Company, LLC
28 Liberty Street
New York, NY 10006

REGISTERED & PRINCIPAL OFFICE

Consolidated Water Co. Ltd.
Regatta Office Park
Windward Three, 4th Floor
West Bay Road
P.O. Box 1114
Grand Cayman, KY1-1102
Cayman Islands
TEL: (345) 945-4277
FAX: (345) 949-2957
EMAIL: info@cwco.com
www.cwco.com

STOCK EXCHANGE LISTING

The Company's common shares trade on the NASDAQ Global Select Market. The trading symbol is "CWCO." "The Nasdaq Stock Market, Inc." or "NASDAQ" is a highly regulated electronic securities market comprising of competing Market Makers whose trading is supported by a communications network linking them to quotation dissemination, trade reporting, and execution systems.

FORMS 10-Q AND 10-K

The Company files Quarterly and Annual Reports with the U.S. Securities and Exchange Commission on Form 10-Q and 10-K, pursuant to the Securities Exchange Act of 1934.

A copy of these reports may be obtained by calling or writing to the Company's principal offices at the address shown on overleaf, attention: Investor Relations Department, or alternatively online at the SEC website www.sec.gov.

CONSOLIDATED WATER

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Windward Three, 4th Floor
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