



WATER- EN
ENERGIEBEDRIJF
BONAIRE

WATER- EN ENERGIEBEDRIJF BONAIRE N.V.

SHORT ANNUAL REPORT 2021

The
crystal
year

20 MAY 2022, BONAIRE

let's do it
together

Table of contents

Preface Water- en Energiebedrijf Bonaire	4
Profile Water- en Energiebedrijf Bonaire	7
Growth on Bonaire is picking up	7
WEB Strategy	7
Vision WEB	8
Core Purpose	8
Roles	8
Core Values	8
Core Numbers	9
Financial Highlights	10
Non-Financial Highlights	12
Financial Statements	14
2.1 Balance sheet as per 31 December 2021	15
2.2 Income Statement for the year ended 31 December 2021	17
2.3 Cash flow Statement for the year ended 31 December 2021	18

The
crystal
year

Preface

2021 was in many aspects a year with many highlights for Water- and Electricity Company Bonaire (WEB). Even though WEB also felt the restrictions of the COVID-19 pandemic, it did not hold us back. The theme of the annual budget 2021 was the 'Chrystal Year'. A year in which WEB would crystallize projects she has been working on for years to match the growth of the island, improve our service and crystallize contract agreements across the board. And we did. We completed what we had started as a basis to continue to grow in capacity and quality. At the end of the year we had many reasons to celebrate these accomplishments with our employees.

In short, the highlights of completed projects for WEB were:

- The completion of the construction of the new water plant. From November 2021 WEB is the sole drinking water producer on Bonaire; The inauguration took place on October 28th 2021 with a festive activity with national and international guests;
- The water tank at Seru Largu was completed and in use since September 2021. This was also part of the celebration on October 28 2021.
- The 9th EDF (repair of irrigation lines) was completed. With this completion the symbolic hand-over of the Bonaire Sanitation and Sewage System from SONA to the OLB took place on October 27th 2021 with a celebration involving representatives of both the Dutch Ministry of Infrastructure and Water Management and of the European Development Fund. Based on this completion WEB will also sign a management contract with the OLB to formalize the operation of the plant and infrastructure by WEB;
- Many maintenance and expansion projects have been executed on the WEB drinking water and the electricity distribution networks;
- WEB successfully introduced a new billing system in July 2021 that will open the door to further improve client services like receiving the invoice through email;
- And last but not least, WEB secured the funding for the Bonaire Sanitation and Sewage System (BSSS) as in December 2021 the Island Counsel approved the levy on the Sanitation and Sewage System. The Ministry of Infrastructure and Water will now continue her subsidy till 2026. Finances for Business Unit Waste Water are secured with this.

Next to completing important projects, 2021 was also the year in which WEB finalized her strategy process, which had started in 2020. This strategy has been updated with many new developments within WEB. The strategy process includes major shifts in relation to automatization and working processes and strengthens activities in relation to sustainability and energy transition within the WEB. The execution starts with the management team and will be carried throughout the whole organization.

The new strategy will have impact on all our business units and departments sooner or later in the process of implementation. WEB will make a conscious effort in 2022 to start with basic communication on the strategy and what will be expected of everyone. WEB made a big effort in preparing the introduction carefully and with great passion.

With the growth of the population and business activities on Bonaire WEB had to give a lot of attention to the expansion of her drinking water and electricity network, but WEB also had to continue with the renovation of head and distribution lines for both drinking water and electricity. Because of the enormous growth that picked up after a slight decrease due to Covid in 2020, a further expansion of the production facility for drinking water, sewage water and electricity were points of attention and analysis during 2021. An important focus of the Board of Directors during 2021 was the follow-up on the subsidy request for expanding the electricity facility with a solar park and repowering the wind park in relation with the Ministry of Economic Affairs and the Policy Participation Bonaire Brandstof Terminals (BBT) and also the negotiations with Contour Global on the project.

Water- en Energiebedrijf Bonaire

Profile Water- en Energiebedrijf Bonaire

WEB is active on Bonaire for over 58 years. In 2021 during the months January until October WEB was producing 25% of the drinking water and GE/ SUEZ was producing 75% of the drinking water at the Hato location. WEB has been constructing a new drinking water treatment plant since 2020 and finalized construction in 2021. WEB became the producer of all (100%) of the drinking water on Bonaire as of November 1st 2021.

The drinking water distribution has always been a core business for WEB. WEB is the only drinking water distributor on Bonaire. WEB is also the only electricity distributor on Bonaire. At the Barcadera site WEB has a small solar park that produces electricity. Since 2019 most of the electricity production is produced by ContourGlobal Bonaire. Households and businesses are also producing decentralized power e.g. solar panels what amounts to around 3% of the total electricity production on the island.

Since 2014 WEB is also providing the service of collecting and sanitizing sewage water of the households and businesses. This is done through connection to the sewage infrastructure or by trucking for those that are not connected. Through the biological sanitation process irrigation water is produced which is sold and distributed to hotels, the department for agriculture, stock breeding and fishing (further: LVV) and local farmers.

WEB is a government owned entity with a supervisory board and a shareholder. The shareholder is the local government. WEB is a company regulated by law and therefore supervised by the same entities as in the Netherlands being ACM for the tariffs and ILT for the quality of operations.

Growth on Bonaire is picking up

Bonaire is one of the three Lesser Antilles located North of Venezuela. Together with St. Eustatius and Saba they form the BES-islands and are special municipalities of the Netherlands (so called "Openbaar Lichaam"). The population of Bonaire, has grown to 21.745 inhabitants in 2021 per January 1 (2020: 20.915 inhabitants; 2019: 20.104 inhabitants). Even during the COVID-pandemic Bonaire experienced a dynamic development in population and construction activities on the island continued.

The tourism sector has been hit hard during 2020 and this sector has shown a decline in 2020 due to the COVID-19 pandemic. In 2021, after the first difficult months, this picked up strongly during the other months. The growth in population and construction has led to an increase in the demand for drinking water of 9.1% and an increase in the demand for electricity of 6.7%. With these growth percentages we are back to the pre-pandemic growth percentages which were for the water and electricity demand 10.8% and 6.8% respectively.

WEB locations

WEB operates from 5 locations dispersed over the island and a distribution infrastructure over an extensive part of the island. WEB's head office is located in the Kaya Gresia 6 in the center of Kralendijk. The drinking water production and distribution is executed and coordinated from the Hato coastal location. WEB has a location strategically located in the middle of the island, called SCADA, where we have a meeting room which can be used in case Hurricanes or other disasters reach the island, that always can be used for WEB meetings. The Bonaire Sewage and Sanitation System is located at Lagoen behind the fields of LVV, the agriculture location of the government. At the Barcadera location WEB has her peak shavers, solar park installation and the project management organisation keep offices there, while we house the Algae Park and other environmentally friendly activities there. In 2021 the decision was made that Galileo, the European Global Navigation Satellite System will also be located at the Barcadera location.

WEB Strategy

WEB started in 2020 with the development of the corporate strategy for the following years and due to Covid the process ended later than we hoped, but in May 2021 WEB finalized the strategy process and a strategy document with implementation plan was offered to the Supervisory Board for approval. WEB has formulated her sustainability aspiration for 2030. The aspiration of WEB includes a further translation of the Master Plans of Electricity and Water and provides a clear picture about what the company stands for and where it wants to go. We have decided to put sustainability and affordability at the core of our services, culture and way of working and doing business.



As the preferred water and energy services provider of Bonaire, we aim to enable for every citizen and business of the Bonaire community as customers to join in the transition towards a more sustainable and smarter water and energy management and consumption. To achieve this, we aim to consistently put the customer at the centre of everything we do and commit ourselves to contribute to the Global Sustainable Development Goals in support of Bonaire as the World's first Blue Destination

Vision WEB

The preferred Water and Energy Services provider of Bonaire, that ensures safe, sustainable, reliable, qualitative and affordable Water and Energy for every citizen, to preserve our natural assets and contribute to the Quality of Life of our present and future generations.

Core Purpose

We facilitate our customer's structural control of their Water and Energy Management towards a more Sustainable and Smarter Water and Energy consumption in Bonaire.

We guarantee the most affordable water and energy services, through innovative and proven solutions and technologies and close partnerships.

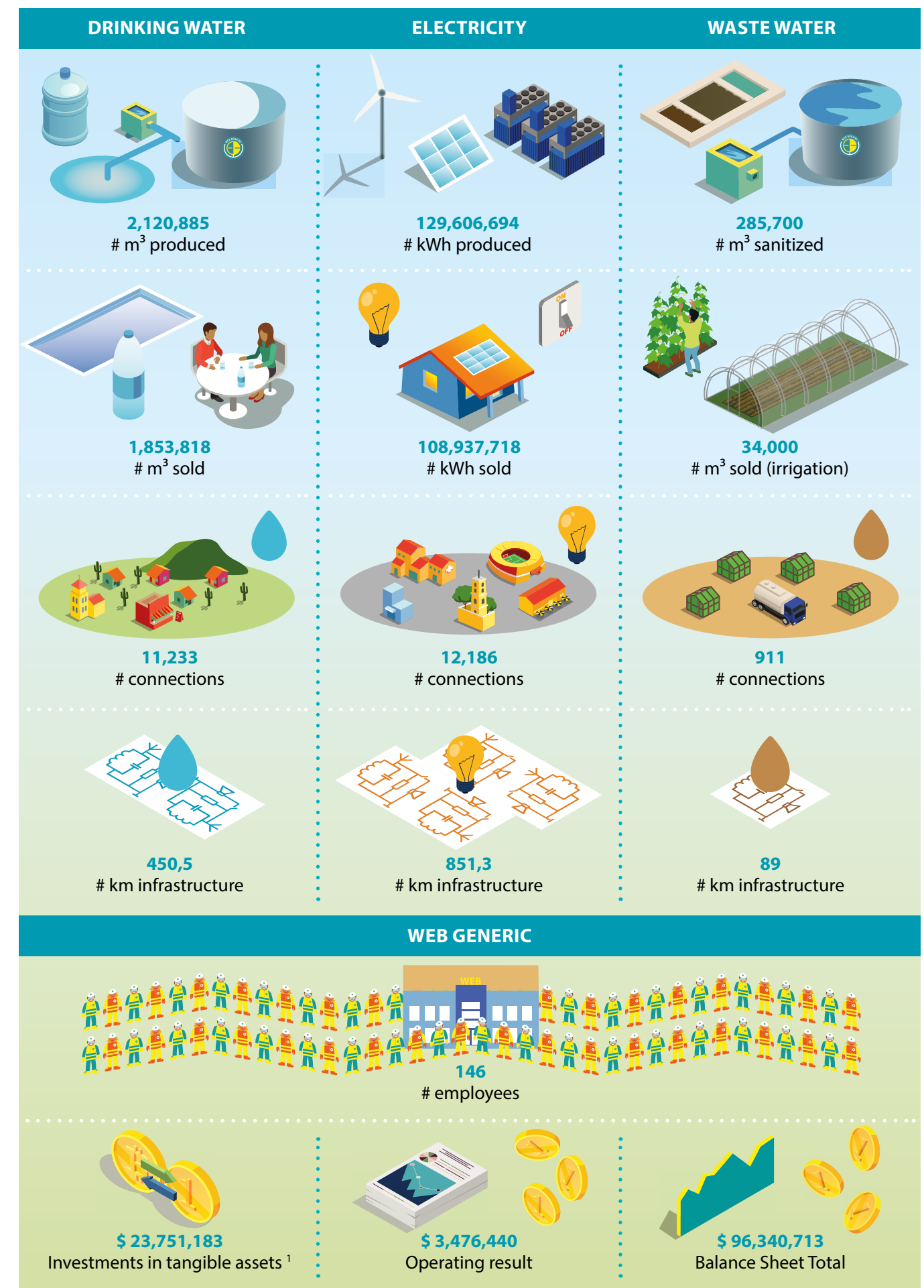
Roles

- Water & Energy Services Provider
- Sustainable Water Producer
- Sustainable Water Cycle Manager
- Accelerator of Water and Energy Transition
- Energy Market Place Custodian
- Educator & Knowledge Partner

Core Values

- Open & Honest Communication
- Value People
- Grow Together
- Customer First
- Excellence

Core numbers – 2021



¹ Investments in tangible fixed assets excluding work in progress

Financial Highlights

Financial Highlights

	Unit	2021	2020	2019	2018
Results					
Total operating revenues	\$ 1.000	57,920	49,795	53,148	50,591
Total operating expenses ²	\$ 1.000	(54,443)	(47,819)	(51,129)	(47,259)
Operating result	\$ 1.000	3,477	1,976	2,019	3,332
Financial (expenses) and income	\$ 1.000	(1,693)	(1,312)	(781)	(839)
Net income	\$ 1.000	1,784	664	1,238	2,493
Balance Sheet					
Working Capital	\$ 1.000	13,050	11,188	127	2,060
Fixed assets	\$ 1.000	73,799	63,385	54,992	52,642
Shareholders' Equity	\$ 1.000	41,768	39,985	39,321	38,083
Balance Sheet Total	\$ 1.000	96,341	81,760	66,862	64,339
Ratios Financial Policies					
Solvency ratio (Total shareholder equity/Total assets)	%	43.35	48.91	58.81	59.19
Current ratio (Current assets/Current liabilities)	%	2.37	2.56	1.01	1.21
ROA ³	%	3.90	2.66	3.02	5.18
ROIC (Return on invested capital) ⁴	%	2.05	0.89	2.25	4.56
DSCR ⁵	%	3.91	3.88	3.77	2.72
Other Core Financials					
Net cash flow	\$ 1.000	802	11,458	(3,146)	(1,232)
Investments in tangible assets ⁶	\$ 1.000	23,752	6,545	5,593	4,755

² Including the sum of the direct costs

³ ROA: Operating Result/ Average total assets

⁴ ROIC: Net income/ (Fixed Assets + Net Working Capital)

⁵ DSCR: EBITDA / Debt Service

⁶ Investments in tangible assets excluding work in progress

Non-Financial Highlights

Non-Financial Highlights

	Unit	2021	2020	2019	2018
Disruption numbers					
Electricity ⁷	in min.	23:53	23:29	33:38	37.84
Drinking Water distribution	Number	1,112	959	1,227	1,595
Irrigation water	Number	78	78	28	171
Transportation and connections					
Water production to distribution tanks (available for sale)	m ³	2,119,814	1,952,956	1,932,315	1,752,519
Energy generated / bought (available for sale)	kWh	119,854,814	112,093,244	110,584,815	104,670,599
Waste Water received	m ³	285,700	236,743	265,757	256,658
Waste Water treated	m ³	285,700	236,260	265,757	256,523
Post paid electra connections	Number	9,500	9,096	8,722	8,410
Pagabon (prepaid) connections electra	Number	2,686	2,557	2,433	2,267
Drinking water connections	Number	11,233	10,743	10,348	9,884
Smart electra meters	Number	110	100	100	0
Smart drinking water meters	Number	0	0	0	0
Sales					
Total drinking water delivered by truck	m ³	12,335	13,113	12,289	11,006
Total drinking water sales	m ³	1,853,818	1,698,915	1,694,598	1,502,907
Total electricity sales ⁸	kWh	108,937,718	102,080,924	100,663,357	95,076,976
Total irrigation water sales	m ³	34,000	21,000	20,379	13,575
Non Revenue Electricity (NRE)	%	9.11	8.85	8.97	9.17
Non Revenu Water (NRW)	%	12.55	13.01	12.30	14.24
Renewable energy	%	22,4	20,9	27,0	32,8
HR					
Personnel formation	Number	160	148	145	139
Personnel Staffing	Number	146	137	132	126
Total women	Number	32	30	30	27
Sick leave	%	4.28	5.91	7.5	7

⁷Including electricity production and electricity distribution

⁸Including total drinking water delivered by truck

Financial Statements

Balance sheet as per 31 December 2021

(before profit appropriation)

(US\$ x 1,000)

	Note	2021	2020
		US\$	US\$
Assets			
Tangible fixed assets	2.4.6		
Land and buildings		10,620	7,792
Water plant		11,232	2,348
Power plant		328	132
Electricity distribution network		28,787	27,176
Water distribution network		15,316	12,799
Other tangible fixed assets		4,171	1,927
		70,454	52,174
Work in progress		3,345	11,211
		73,799	63,385
Current assets			
Inventories	2.4.7	4,551	3,588
Receivables			
Accounts Receivables	2.4.8	8,127	5,779
Other receivables and accrued income	2.4.9	2,427	2,373
		10,554	8,152
Cash and cash equivalents	2.4.10	7,437	6,635
Total assets		96,341	81,760

2.1 Balance sheet as per 31 December 2021 (continued)

(US\$ x 1,000)

	Note	2021	2020
		US\$	US\$
Equity and liabilities			
Equity	2.4.11		
Share capital		1,668	1,668
Other reserves		38,316	37,653
		39,984	39,321
Unappropriated profits		1,784	664
		1,784	664
		41,768	39,985
Provisions	2.4.12	367	885
Non-current liabilities			
Loans Maduro & Curiel's Bank	2.4.13	39,883	29,288
Deposits	2.4.14	4,830	4,415
		44,713	33,703
Current liabilities			
Current Portion of Long-Term Debt	2.4.16	1,928	614
Schulden aan leveranciers	2.4.17	4,823	5,120
Taxes and social security contributions	2.4.18	3	355
Other liabilities and accrued liabilities	2.4.19	2,739	1,098
		9,493	7,187
Total Equity and Liabilities		96,341	81,760

2.2 Income Statement for the year ended 31 December 2021

	Note	2021	2020
		US\$	US\$
Sale of electricity	2.4.21	30,696	25,921
Sale of water	2.4.22	7,108	7,015
Net sales		37,804	32,936
Electricity subsidy	2.4.23	11,477	8,711
Water subsidy	2.4.24	6,100	5,928
Waste water subsidy	2.4.25	2,539	2,220
Net subsidies		20,116	16,859
Total revenue		57,920	49,795
Fuel and lubricants expenses	2.4.26	4	4
Purchase of electricity from CGB	2.4.27	31,443	25,851
Purchase of water from GE Ionic	2.4.28	2,651	2,898
Total cost of sales		34,098	28,753
Gross profit		23,822	21,042
Costs of outsourced work and other external expenses	2.4.29	2,169	2,010
Personnel Expenses	2.4.30	6,866	6,710
Depreciation	2.4.31	5,470	4,818
Materials and tools	2.4.32	1,262	918
Other operating expenses	2.4.33	4,578	4,610
Total operating expenses		20,345	19,066
Operating result		3,477	1,976
Financial (expenses) and income	2.4.34	(1,693)	(1,312)
Net Income		1,784	664

2.3 Cash flow Statement for the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
Cash flow from operating activities			
Operating result	2.2	3,477	1,976
<i>Adjustments for:</i>			
Depreciation	2.4.31	5,470	4,818
Movement in provisions	2.4.12	(518)	(69)
		4,952	4,749
<i>Changes in working capital:</i>			
Movements in receivables	2.4.8/9	(2,402)	19
Movements in current liabilities	2.4.17/18/19	991	798
Movements in inventories	2.4.7	(963)	(400)
		(2,374)	417
Cash flow from operations		6,055	7,142
Interest paid	2.4.34	(1,693)	(1,312)
Interest received	2.4.34	0	0
		(1,693)	(1,312)
Cash flow from operations		4,362	5,830
Cash flow from investing activities			
Investment contribution	2.4.6	980	1,036
Investments in tangible fixed assets	2.4.6	(16,866)	(14,247)
Divestments in tangible fixed assets	2.4.6	2	0
Cash flow from investing activities		(15,884)	(13,211)
Cash flow from financing activities			
Movements in non-current liabilities	2.4.13/14/16	12,324	18,839
Cash flow from financing activities		12,324	18,839
Net cash movements during the year		802	11,458
Movement in Cash & Cash Equivalents			
Cash & Cash Equivalents beginning of the year		6,635	(4,823)
Net cash movements during the year		802	11,458
Cash & Cash Equivalents ending of the year		7,437	6,635

Cash flow Statement for the year ended 31 December 2021 (continued)

The movement in cash at banks and in hand can be broken down as follows:

	Note	2021 US\$	2020 US\$
Banks current accounts	2.4.10	7,409	1,324
Suspense account	2.4.10	13	(20)
Cash	2.4.10	15	(2)
		7,437	1,302
Bank overdrafts		0	5,333
		7,437	6,635

Kaya Gresia #6
P.O. Box 381
Kralendijk, Bonaire, CN

T. +599 715 8244
E. info@webbonaire.com
I. www.webbonaire.com