WATER- EN ENERGIEBEDRIJF BONAIRE

Sustainable Growth

SHORT ANNUAL REPORT 2023

WATER- EN ENERGIEBEDRIJF BONAIRE N.V.

26 MAY 2024, BONAIRE

let's do it together

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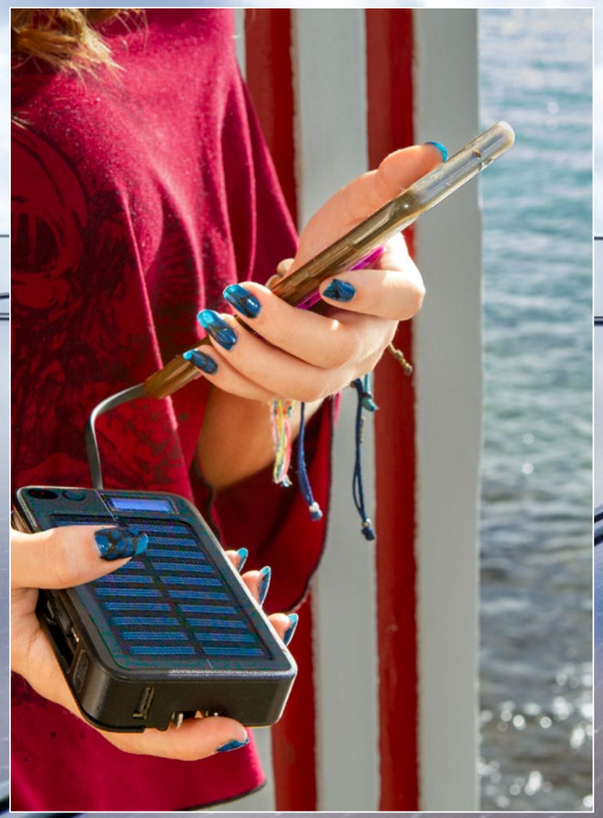
PREFACE



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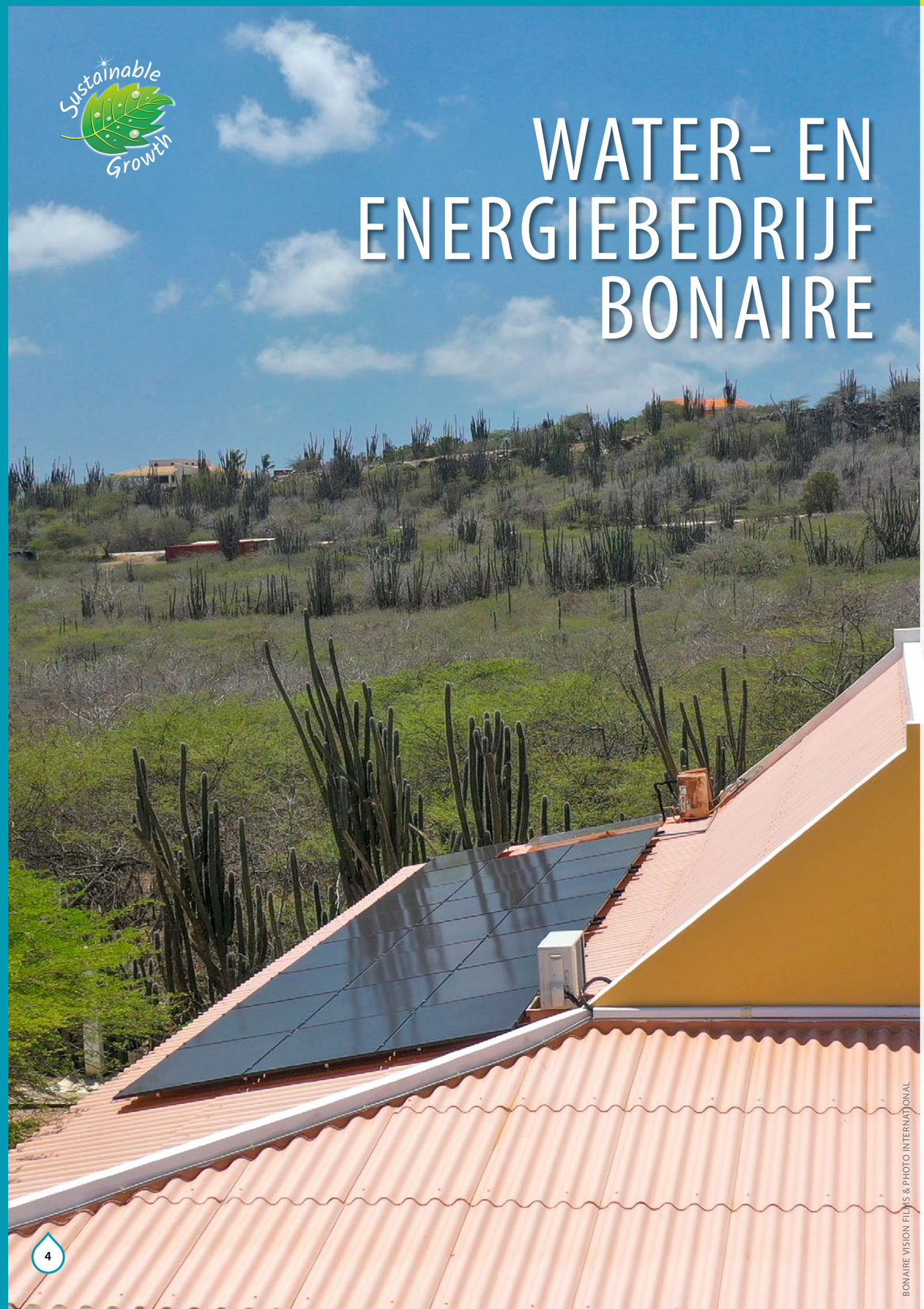
2023 marked a remarkable year for WEB Bonaire NV, characterized by continued demographic growth on the island, outpacing the previous year's progress. This upward trend in population dynamics was mirrored by positive economic developments, maintaining a favorable comparison to 2022's achievements. The demographic expansion naturally spurred increased demand for the company's water and electricity services, further emphasizing the significance of this growth.

However, the year also presented its challenges, particularly due to the natural turnover of key personnel, which added complexity to the execution of the company's plans without alterations. Additionally, 2022 laid the groundwork for significant milestones, including the initiation of the island's energy transition and the corresponding transformation within the WEB Bonaire NV organization, setting the stage for future advancements.

Highlights for 2023

- In 2023 a net result after tax of US$ 2,504,398 was recorded.
- The water and electricity growth in 2023 were 10.94% and 8.14%.
- Fuel prices were quite stable resulting in less vola tile Contourglobal purchase price.
- Successful implementation of 6MW photovoltaic (PV) installations and battery storage systems BESS has been realized by Contour Global Bonaire (CGB). The first part was realized in June 2023 and the completion took place in September. This implementation completes Variation Order 15 (Vo15).
- Bonaire experienced two power outages in 2023, one in June and the other one in November. The power outage on June 7th was caused by a fire at CGB in one of the generators. CGB immediately took mitigating measures to limit the consequences of the destruction of the production unit (1.8 MW).
- Additional financing achieved on June 28th 2023 for a total amount of US $ 9.7 million in order to finance the expansion of the waterplant capacity. This expansion is planned to be commissioned in the first half of 2024.
- WEB Signs a Waste Water Management Agreement with OLB on July 28, 2023 securing the financial position and management facility.
- WEB deploys a temporary drinking water unit from Sychem and IDE with an additional capacity of 1000m^3 per day to continue to meet the demand for drinking water and starts the tender for an additional water plant for an additional 2400 m^3 per day capacity.
- The preparations regarding implementation ERP, GIS and Asset Management continue in 2023.
- WEB continues working on an IT/OT policy.
- Ground breaking new building Head Office WEB at Kaminda Djabou. This was celebrated on a small scale with the staff on September 1st, 2023.
- Demolishing old technical workplace location Hato in December 2023. Path forward is the reconstruction of the office building in 2024.
- Completion of inventory of WEB's assets Bonaire wide by Verico/E-Smart in October in preparation for GIS implementation in October.
- Negotiations with Contour Global Bonaire to renew the Power Purchase Agreement are proceeded.
- WEB started update of the master plan for drinking water 2017 to 2030. The period 2024 to 2040 applies to the new plan. Waste water is also included in this master plan.
- In connection with progressive insights and significant increase in consumption of energy WEB also started with a master plan for electricity, also for the period 2024 to 2040.
- In collaboration with CGB an update for the hybrid plan has been initiated, which will lead to a modification of the Vo16.
- WEB signs a contract with Fundashon Cas Bonairiano (FCB) for monitoring the consumption of energy-efficient homes equipped with solar panels with battery storage. This concerns a pilot in collaboration with the Ministry of Housing and Spatial Planning (VROM) for affordable houses to be built.
- Start of Nature and Environmental Policy Plan CN (NEPP) in 2023, in particular the post-treatment project of irrigation water with UV lamps. The UV project contribute positively to a better quality of irrigation water that can be used for landscaping and also as irrigation water for cultivation purposes.
- Due to the growth in consumption and peak demand, the transmission grid is being adapted. A new switching station will be built with a new switchgear 30/12kV. A third transmission transformer of 30 MVA will also be installed to meet the increasing demand.
- WEB celebrates its 60th anniversary together with pensioners and staff. In addition, WEB organizes a successful conference called Collaborative Utility Conference Bonaire, which is very well attended.



WATER- EN ENERGIEBEDRIJF BONAIRE

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PROFILE BONAIRE AND WEB

Celebrations 60th anniversary in 2023

In 2023, WEB Bonaire has celebrated its 60th anniversary with a series of events, including a special evening for reflection, in which the pensioners, including some one that worked from the company's founding 60 years ago at WEB were invited, a family day for employees, and a Collaborative Utility Conference. Established in Hato on November 27, 1963, WEB has been a cornerstone in providing essential utility services on Bonaire, focusing on sustainability and innovation.
The celebrations in November 2023 highlighted WEB's dedication and appreciation of the past, its current commitment to the community and its vision for the future. It especially highlighted the big progress of the company into one with, financial, technical and governance stability while also keeping up with despite the steep level of growth on the island of Bonaire.

The Collaborative Utility Conference Bonaire (CUCB in 2023)

This conference was organized by (WEB) and marked a significant event in 2023, coinciding with WEB's 60th anniversary celebrations. CUCB was held at the Delfins Beach Resort Conference Centre on November 28 and 29, 2023. The conference was a gathering of over 75 utility experts, solution providers, and regulatory authorities from Bonaire and beyond, including the islands of the Dutch Kingdom, the Netherlands and other international parties. This states the slogan: "Empowering Islands, Connecting Worlds ".

The conference agenda was rich with discussions on vital topics related to the island's future in utilities. Key areas of focus included water management, addressing climate change, exploring water cycles, and delving into sustainable energy solutions. There was a particular emphasis on hybrid, solar, wind and battery technologies, reflecting a forward-thinking approach to energy. Additionally, the conference explored EU funding opportunities and discussed the potential challenges and opportunities for electric vehicles on the island, indicating a holistic approach to Bonaire's energy and utility infrastructure development.

The event concluded with a documentary that celebrated WEB's 60-year legacy of service to the Bonaire community, highlighting the company's commitment to sustainable growth and innovation. This documentary served as a reflection on WEB's journey and its pivotal role in Bonaire's development over the years.

Keynote speakers at the conference included notable figures such as Hein Pieper, Joanne Balentien-Nicastia, Gerrit Scharrenberg, Roland Ferwerda, Quinto Di Ferdinando and Mildred Schwengle, among others, who provided valuable insights and perspectives on the utility sector's challenges and opportunities.

Overall, the Collaborative Utility Conference Bonaire represented a significant milestone for WEB and the broader Bonaire community, fostering dialogue and collaboration among utility professionals and stakeholders to envision and shape the future of utilities on the island.

Drinking Water

For over 60 years, WEB has served as the exclusive provider of drinking water on Bonaire, employing advanced Sea Water Reverse Osmosis (SWRO) technology to ensure the production of high-quality drinking water. In addition to production, WEB oversees the comprehensive distribution network, incorporating a sophisticated transportation and storage system alongside distribution mains to cater to the entire Bonaire community.

Electricity

WEB assumes the pivotal role of electricity distribution across Bonaire, managing a comprehensive electrical grid to meet the island's energy needs. Since 2019, electricity generation has been delegated to Contour Global Bonaire (CGB) under a Power Purchase Agreement (power) with WEB. CGB is tasked with the operation and maintenance of the power generation facilities located at Karpata, as well as the wind generation sites at Morotin and Sorobon.

Additionally, WEB operates a 0.2 MW solar park at Barcadera, contributing to the island's electricity supply. Moreover, a growing number of households and businesses are adopting photovoltaic solar systems for self-sufficient energy production, accounting for approximately 2.8% of the total electricity demand in MWh in 2023, an increase from the previous year.

Waste Water/Circular Water

Since 2014, WEB has also been entrusted with the waste water management of Bonaire, and also overseeing a sewage system designed for efficient waste collection in for urbanized areas closest to the sea. This includes conventional sewerage and truck-based collection for areas not connected to the system. The waste water treatment plant operated by WEB processes the collected waste water, producing irrigation water that is then supplied to various stakeholders for irrigation purposes including LVV, contributing to the island's sustainability efforts. In 2023 WEB signed a management agreement with OLB to finally secure the finance of the operating and management work carried out by WEB.

Waste Water investments are in line with an independent report done in 2019, which is expected to get updated in 2024. WEB also received funds in accordance with the Start of Nature and Environmental Policy Plan CN (NEPP) to upgrade its facilities in order to meet the growth and cope with the demand of irrigation water.

State-Owned and Regulated Enterprise

WEB operates as a State-Owned Enterprise (SOE), with the island's Government as sole shareholder. In terms of corporate governance, the Government of Bonaire acts in the capacity of the company's shareholders, entrusting them with the authority to appoint the Board of Supervisory Directors and to ratify the selection of the Board of Managing Directors, in alignment with the company's articles of incorporation. WEB Bonaire is fully regulated company that adheres to the Water and Electricity Law BES (Wet Water en Elektriciteit BES).
The provision of services by WEB to the Bonaire community is subject to statutory regulation and falls under the oversight of the Dutch Government's 'Authority for Consumers and Markets' (ACM) and Human Environment and Transport Inspectorate (ILT), the supervisory body of the Ministry of Infrastructure and Water Management. ACM is tasked with tariff setting and ILT with insurance of investments to ensure quality and availability of energy and drinking water.

Development of the demographics

The demographics of Bonaire, a key member of the Lesser Antilles situated north of Venezuela, have witnessed significant growth over the past decade. Bonaire, along with St. Eustatius and Saba, constitutes the BES islands, which are designated as special municipalities within the Kingdom of the Netherlands, known as "Openbaar Lichaam." Statistical data from CBS Caribisch Nederland indicates that the population of Bonaire was under 16,000 in 2011. By 2023, this figure had risen to 24,090, marking a notable increase of 54% over a 12-year span. This demographic evolution underscores the ongoing development and appeal of Bonaire as a vibrant community within the Dutch Caribbean.

The table below shows the development of the population on the island of Bonaire from 2011 to 2023:

Year	Caribisch Nederland	Amount of people on January 1	Index 2011 = basis
2011	Bonaire	15.679	100
2015	Bonaire	18.905	121
2020	Bonaire	20.915	133
2021	Bonaire	21.745	139
2022	Bonaire	22.573	144
2023	Bonaire	24.090	154

Source: CBS Caribisch Nederlands

This index shows that the total population of Bonaire has increased by 54% from 2011 to 2023, indicating significant growth over the 12-year period. The year-on-year increase is steady, with notable jumps between 2011 and 2015, and again from 2022 to 2023.

The economic development of the island

The socio-economic structure and development of Bonaire, a special municipality of the Netherlands located in the Caribbean, reflect a blend of traditional island culture and modern economic activities, influenced by its status within the Kingdom of the Netherlands and its geographical location in the Lesser Antilles. Historically, Bonaire's economy was based on salt production, a niche scuba diving and small-scale agriculture and fishing. However, over the years, the economic focus has shifted towards a broader tourism clientele, public sector employment and salt production, with tourism becoming the leading economic driver. The island's natural beauty, including its renowned marine biodiversity and coral reefs, makes it a popular destination for scuba diving, snorkeling, and eco-tourism.
It's new relationship as a special municipality of the Netherlands has made it more attractive to investors. These investments stimulated an influx of tourists which has stimulated growth.
This influx of tourists has stimulated growth in the service sector, including hospitality, retail, and recreational services.

The public sector also plays a significant role in the local economy, given Bonaire's status as a special municipality of the Netherlands. This includes employment in government administration, healthcare, and education. The island benefits from its status as part of the Netherlands, which aids in infrastructure development, education, and social welfare programs.

Socio-Economic Development

Bonaire has been experiencing sustained growth, sometimes in double digits, for several years. Due to these changing circumstances, we find ourselves in an environment where more and more investments are needed to meet with growing capacity needs and to achieve maximum efficiency. At the same time sustainability is playing an increasingly important role.

The growing population has been staggering in the past 10 years. The demographics to which WEB needs to cater to, has been growing increasingly in terms of income and economic diversity.
This growth also affects many demographic groups. These groups are very diverse in terms of wealth. On the one hand we are dealing with poverty and on the other hand we see a group that is much more prosperous. These groups all have different interests, which WEB needs to manage.

WEB Bonaire has been focusing on sustainable developments to preserve Bonaire's ecological assets while promoting economic growth. Initiatives include investments in renewable energy, such as wind and solar power, to reduce dependency on imported fossil fuels and to protect the environment. The island's water and electricity supply infrastructure has been modernized, utilizing technologies like reverse osmosis for chemical free drinking water production and integrating renewable energy sources into the power grid.

Challenges and Opportunities

The socio-economic development of Bonaire is characterized by efforts to balance economic growth with environmental preservation and social well-being. The island's strategic initiatives aimed at sustainable development, along with support from the Dutch government, position Bonaire for continued growth while maintaining its unique cultural and natural heritage. WEB Bonaire continuously aims to balance these goals.

Development demand water and electricity

Total sales of drinking water in 2023 were 2,240,014 m^3 (2022: 2,019,065 m^3) and total sales electricity in 2023 was 126,066,183 kWh (2022: 116,572,417 kWh). The total sales of water were 10.94% more in 2023 than in 2022. The total sales of electricity were in 2023, 8,14% more than 2022.

At the beginning of the year 2023, WEB provided 12,057 connections with water (end 2022 11,233) and 12,997 connections with electricity (end 2022 12,186).

	2023	2022	in %
Sales E - in kWh	126,066,193	116,571,816	8%
Sales W - in m^3	2,240,543	2,019,065	11%
Connection electricity	12,997	12,599	3%
Connection water	12,057	11,677	3%

WEB locations

WEB operates from five strategic locations on Bonaire to efficiently manage its services:

1. The central hub is the Head Office situated in the heart of Kralendijk at Kaya Gresia 6.
2. The HATO area hosts the Water Plant along with storage facilities and offices dedicated to electricity and water distribution.
3. A Dispatch Center, centrally located on the island, coordinates electricity and water services and serves as a contingency meeting point.
4. The Bonaire Sewage Treatment Plant is positioned at Lagoen, utilizing proximity to government agricultural lands.
5. The Barcadera site houses a solar park, contributing to WEB's sustainable energy initiatives, and also has additional office spaces.

Deployment of WEB strategy in 2023, a lead-up year

The strategy of WEB is focused on transitioning the organization to the next level of operational efficiency and customer satisfaction. Key elements of this strategy include the following strategic pillars:

- Effective organization
- Effective use of resources
- Excelling in service provision
- Acceleration of transition

The year 2023 marked a pivotal period of groundwork and strategic planning for the company, setting the stage for future advancements. Various policy areas underwent essential preparations to enable the company to progress towards implementing its long-term vision. Essentially, the future is upon us, necessitating immediate action to bring these plans to fruition. Here is an overview of WEB's strategy and the accomplishments achieved in this context.

Strategic Foundations

This strategy is centered on the core pillars, encompassing efficient asset management and the development of a proficient organization based on workflow management. These foundations are reinforced through the adoption of cutting-edge technology and a dedicated emphasis on human capital. The year 2023 has been marked as a year of preparation for WEB, aimed at equipping both the management and staff for the forthcoming stage of its operations. This preparatory phase is reflected in the various initiatives undertaken by management during the reported year:

Implementation of technology

WEB plans to implement an Enterprise Resource Planning (ERP) system and Geographic Information System (GIS) starting in 2024, with completion expected in the following years. Preparations here for were on going in the year under report.
These systems are aimed at better workflow management enhancing asset management practices, allowing for more cost-effective development, maintenance, upgrading, and disposal of assets. This strategic move is designed to optimize one of WEB's critical strategic pillars, namely the cost-effective use of assets.

ERP-system

As part of the strategic plan WEB has identified the need to implement a more efficient workflow management system for the key business processes, therefore the Enterprise Resource Planning has been included in the strategic plan. This ERP system must integrate varied organizational systems and facilitate error-free transactions and production of data, hence enhancing the organization's efficiency. It regards the integrated management of main business processes, in real time. Furthermore, the organization will also be using these systems to collect, store, manage and interpret data from many business activities (business intelligence). Implementation has started in 2023, to be fully operational in 2025/2026.

Geographical Information System

WEB has distribution networks for electricity, drinking water and waste water on the island of Bonaire. Automating the different workflow on these network assets implies that the company must also have a system that creates, manages, analyzes, and maps all types of data of these networks. GIS connects data to a map, integrating location data (where things are) with all types of descriptive information (what things are like there). This provides a foundation for mapping and analysis. GIS helps the company understand patterns, relationships, and geographic context. The benefits include improved communication and efficiency as well as better management and decision making.

The implementation of a Geographic Information System application for WEB in 2023, which has been sourced from ESRI through GIS4C, includes both an on-premises application for drafters to design and maintain infrastructure with internal network viewing rights, and a cloud-based application that allows employees to access and edit GIS data via the Internet, including from tablets on-site.
The on-premises application has been installed with the necessary licenses, and new computers have been acquired for its users.
The GIS application requires data, which for WEB is currently in AutoCAD format and needs conversion to GIS. This conversion process involves expert partners of WEB, which have used AI and photos to register assets in a database, ensuring the data is current and reliable. However, some data is not visible in AutoCAD but present will currently not be registered. The migration of data to GIS is organized into four disciplines: Electricity, Water, Waste water, and ICT, each estimated to take 3 months. The supplier has commended the quality of the data, suggesting that WEB will have a cutting-edge technology for a utility company.

Advanced Metering Infrastructure

WEB also has identified the implementation of an Advanced Metering Infrastructure (AMI) to measure, collect, and analyze energy usage, drinking water usage and collected waste water. These systems include hardware, software, communications, consumer energy displays and controllers, customer associated systems, meter data management software, and supplier business systems. Implementation of the basic infrastructure will start in 2024, to be fully operational in 2025.

IT/OT policy

To be able to cope with new developments both inside and outside the company WEB has been developing an IT/OT policy. The development and implementation of an IT/OT policy, aims at enhancing the security and efficiency of operational technology (OT) and information technology (IT) within the organization. To address these challenges, a temporary IT and OT Manager with extensive experience was recruited in 2023 to collaborate with external partners, implement the policy IT/OT organization and cybersecurity enhancements. The policy, that was drafted by an external party in collaboration with WEB, is a multi-year plan that includes quick wins in both IT and OT areas, aiming to improve service orientation, workload management, and overall departmental efficiency. The implementation of the policy follows a priority list, with goals set for 2024 and an organizational structure reviewed by the interim IT/OT Manager and discussed with management and the external partners of WEB.

Asset management

WEB is working on a new asset management philosophy. As of 2023 preparations for this new philosophy have been on going. This new philosophy is not only identification and arranging of the physical Infrastructure, but it also regards the combination of management, financial, economic, engineering, and other practices applied to these physical assets to provide the best value level of service for the costs involved. It includes the management of the entire life cycle, including design, construction, commissioning, operating, maintaining, repairing, modifying, replacing, and decommissioning/disposal of these physical and infrastructure assets. Such implementation is also dependent on other developing areas such as ERP and GIS. Therefor WEB has designed several stages of implementation for asset management.

Focus on People

The strategy emphasizes the importance of the workforce in achieving organizational goals. WEB intends to concentrate on its employees, viewing them as a crucial component of an 'effective organization'. This plan includes attracting, developing, motivating, and retaining talented employees, providing them with the necessary tools for success. This approach is expected to drive performance and help the organization fulfill its mission.

WEB Academy

Also, preparations for this focused strategy started in 2023. As part of talent management, WEB will introduce the WEB Academy in 2024. Preparations also started in 2023. The academy aims to further develop employees through continuous training, motivate staff, retain top performers, and retrain employees with new skills as needed. This initiative is anticipated to enhance employee satisfaction and retention rates.

Implementing different new automated systems to sustain the different business workflows of the company requires a very proactive approach with the people of WEB, to guide them through the transition and equip them to function optimal in the new WEB. From an HR perspective a proactive policy has been drafted to guide the staff in every aspect of these upcoming changes. Implementation has been prepared in 2023. The actual Implementation will start in 2024, to be fully operational in 2025.

Corporate transition

Introducing new technology and transforming work practices indicates an impending organizational change. This change is primarily focused on adopting "best practices workflows" across the company's operations to enhance customer service. This shift is also crucial for improving the company's efficiency and effectiveness. Cost-effectiveness is a key consideration. Preparations for different new computer systems have been prepared in 2023 and are scheduled for implementation starting in 2024.

Capital Expenditures (CAPEX)

The strategy includes significant capital investments, detailed in the relevant CAPEX documents. These investments are integral to WEB's strategic initiatives and operational efficiency improvements.

Overall, WEB's strategy for 2023 has resolved around leveraging technology to optimize workflow management, databased information, decisionmaking, proactive management and asset management, placing a strong emphasis on employee development and satisfaction, and making strategic effective capital investments to support the organization's long-term goals. This comprehensive approach is designed to position WEB for success in the evolving utility sector landscape.

Electricity generation

In 2023, successful implementation of photovoltaic (PV) installations and battery storage systems has been realized by Contour Global Bonaire (CGB). Following this project, the focus is on expanding wind energy production. The permitting process for new wind turbines is underway, with completion expected by early May 2024. This timeline is crucial as it aligns with the supplier's schedule for turbine installation in 2025 and commissioning in 2026.

Given the growth rate on Bonaire, CGB and WEB face the challenge to maintain the sustainable percentage anticipated. So new production plans are being designed to secure energy production while also maintaining and possibly increase sustainable percentage in the future. In response to the need for additional capacity, WEB and CGB held a brainstorming session in December 2023, leading to CGB proposing necessary expansions through the "Hybrid Plan 2". This proposal, designed to meet peak and growing annual demand, is currently under review and will be discussed further between the parties involved.

This Hybrid Plan 2 includes

- Increasing solar PV capacity by 9 MWp.
- Boosting the capacity of high-speed generators (for peak shaving) by 14 MW, with a phased deployment by 2030 as peak demand grows.
- Enhancing the capacity of medium-speed generators (for base load) by 14 MW in two phases: an immediate addition of 8 MW, followed by 6 MW in 2028.
- Increase wind energy capacity by roughly 35-36 MW through three phases:
  - Upgrading the Morotin wind park from 11 MW to 24 MW.
  - New capacity wind energy of 11-12 MW at a new site (e.g., Washikemba) as soon as feasible.
  - New capacity of 11-12 MW at the same site in 2030.
- Expanding the Battery Energy Storage System (BESS) capacity with at least 2 MW / 2MWh in 2030, with the size and timing to be further assessed based on grid stability analyses.

Furthermore, the following CAPEX projects have been executed in 2023:

Electricity transmission & distribution

- Expansion 30kV main transmission grid.
- Upgrading of the 12kV medium voltage grid.
- Upgrading 127V/220V low voltage grid.
- New connections.
- Upgrading SCADA and pilot AMI projects.

Water production

- Expansion water production and post treatment plant at Hato.

Water transport, storage, and distribution

- Technical lifetime extension storage facilities.
- Upgrading water transport lines.
- Upgrading main grid.
- Upgrading distribution grid.
- New connections.

Waste water collection and sewage treatment

- Upgrading waste water collection grid.
- Civil upgrading infrastructure sewage treatment plant.
- Expansion transfer station sewage treatment plant.

Other projects

- Construction of new WEB headquarters.
- Different IT/OT related projects.
- Replacement of different vehicles and equipment.
- Replacement of public street lighting in LED, phase 1

Energy transition

The inception of the above-mentioned strategy underscores a commitment to achieving corporate objectives through annual business and budget planning, with a focus on maintaining standards in the provision of drinking water, electricity, and waste water/circular water services. The core targets for these services are defined by:

1. Reliability: Ensuring consistent and uninterrupted supply.
2. Quality: Meeting high standards for service and product excellence.
3. Security: Safeguarding against threats and vulnerabilities.
4. Environmental Consideration: Minimizing ecological impact.
5. Cost-Effectiveness: Providing services at the lowest feasible cost.

Guided by forecasts of future demand, the planning for water and electricity infrastructure has been carefully developed through partnerships. This strategic planning has resulted in modifications to the current power purchase agreements to include solar (under variation order 15) and wind energy projects (under variation order 16), enhancing the generation of electricity.

Additionally, an extensive review of the networks for distributing drinking water and electricity has been carried out. This review pinpointed the necessity for upgrades and expansions of the grid, planned for the near future to improve the reliability and efficiency of service provision and to fortify the infrastructure against potential challenges.

Integrated Resource Planning (master planning)

This "Integrated Utility Planning" extends to ensuring the system's ability to meet peak demands while maintaining a reserve margin. This comprehensive approach includes forecasting future loads, identifying potential resource options that prioritize environmental sustainability, and detailing power costs alongside resource management strategies. This holistic planning framework is designed to ensure the utility's services remain robust, sustainable, and aligned with future needs. Integrated Resource Planning (IRP) for utility companies is a comprehensive approach to forecasting and planning the future energy needs of a utility's customer base. This method involves evaluating and selecting a mix of energy resources and demand-side management strategies to meet customer demands in a cost-effective and environmentally sustainable manner. Here are the key components and considerations involved in IRP:

Demand Forecasting

IRP begins with accurately forecasting future energy demand over a long-term planning horizon, typically 20 to 30 years. This involves analyzing historical consumption data, demographic trends, economic factors, and potential impacts of energy efficiency measures.

Resource Assessment
Utility companies assess the availability, cost, and reliability of various energy sources, including traditional fossil fuels, and renewable resources like wind, solar, and other alternative sources of power generation. This assessment also considers the potential for energy efficiency programs and demands response initiatives to reduce or shift energy consumption.

Regulatory and Environmental Considerations
Management is always considering the optimal solutions for best reliability, quality, efficient and sustainable operations. WEB continuously balances the priorities in environmental and several social economic groups in order to find the optimal priorities, cost and structures.

For WEB this is extra complex in a growing environment and having clients that differ significant in what they would consider as a priority in this list of choices.

In collaboration with CGB, complex optimization models are being used to optimize these criteria for the least cost option. In addition, independent third parties also evaluate the results that are considered as optimal solutions for Bonaire. Besides, we evaluate new developments and trends through a multi-year master plan with the focus on all research areas, such as sustainability, innovation potentials, demographic location, climate change and environment.

Risk Analysis
Integrated Resource Planning involves analyzing risks associated with fuel price volatility, regulatory changes, technological advancements, and other uncertainties. This analysis helps in developing a resource plan that is resilient to various future scenarios.

Economic Analysis
Cost-effectiveness is a crucial aspect of IRP.
This involves comparing the total system costs of different resource options, including initial capital investments, operating and maintenance costs, and potential savings from energy efficiency measures. The goal is to determine the most economical mix of resources to meet future energy needs.

Implementation and Monitoring
Once the IRP is developed, it guides the utility's investments in generation capacity, transmission and distribution infrastructure, and demand-side programs. As part of standard procedure, the plan is periodically reviewed and updated to reflect changes in market conditions, technological advancements, and shifts in regulatory and policy landscapes. Integrated Resource Planning enables utility companies to make informed, strategic decisions that balance reliability, cost, and environmental stewardship, ensuring a sustainable energy future for their customers.

Preparations for IRP in 2023
In 2023, WEB enlisted the expertise of reputable consulting firms to aid in formulating an Integrated Resource Plan (IRP) for its electricity and water services, encompassing waste water management. The completion of this comprehensive report is anticipated by the first half of 2024. Throughout 2023, WEB engaged in numerous discussions with these specialists, exploring various strategies and developments. These deliberations will serve as valuable contributions to the forthcoming IRP.

Preferred provider of utility service
Finally, this new strategy also is based on the vision that WEB wants to be 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.

The community of Bonaire
This new strategy implies not only guaranteeing certain quality, security, and reliability of the supply, but WEB wants to facilitate the customer a structural control of their water and energy management towards a more sustainable and smarter water and energy consumption in Bonaire. WEB wants to guarantee the most affordable water and energy services, through innovative and proven solutions and technologies and close partnerships, hence communication with the customer will be very intensive in the years ahead.

This revitalized strategy underscores WEB's ambition to emerge as Bonaire's leading provider of water and energy services, dedicated to delivering safe, sustainable, reliable, high-quality, and cost-effective utilities to every resident. This vision is aimed at safeguarding natural resources and enhancing the quality of life for current and future generations.

CORE NUMBERS – 2023

DRINKING WATER

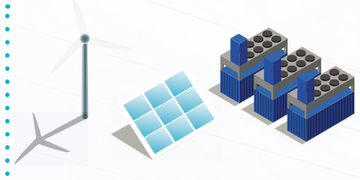
2,552,373
m³ produced

2,240,014
m³ sold

12,057
connections

465,2
km infrastructure

ELECTRICITY



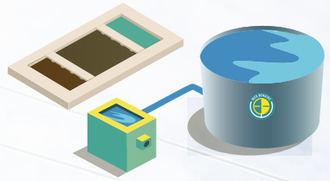
138,081,262
kWh produced

126,066,183
kWh sold

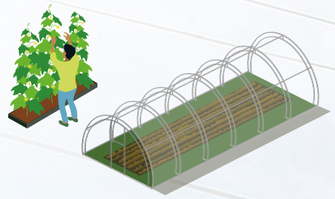
12,997
connections

852,8
km infrastructure

WASTE WATER



319,998
m³ sanitized



68,551
m³ sold (irrigation)

1,148
connections

96
km infrastructure

WEB GENERIC

160
employees

4,751,000
Investments in tangible assets [1]

$4,712,042
Operating result

$112,783,681
Balance Sheet Total

[1] Investments in tangible fixed assets excluding work in progress

SKYVIEW BONAIRE

OVERVIEW YEAR 2023

JAN

- Plenary staff meeting, during which the Board of Director discusses the former year and progress of the strategy with the staff.

MAR

- Meetings with CGB regadring Purchase Power Agreement starts again.

- WEB , TCB and BONHATA introduces the "Bonaire water bottle" as part of the islands continues sustainable efforts on world water day.

APR

- Start of the construction of solar park CGB

MAY

- EZK pays the tariff subsidy for the electricity clients to WEB

- WEB welcomes Minister Jetten of the Ministry of Economic Affairs and Climate Policy during a working visit to Bonaire.

- WEB signs contract for a new water plant.

JUNE

- Shareholder approves Annual Report 2022.
- Fire on genset number 12 of CGB.
- The Board of Directors and supervisory board held a brainstorming session regarding Capacity planning for the production of drinking water and electricity.
- WEB and Fundashon Cas Bonairiano sign a cooperation agreement regarding a pilot project to acquire data on the aggregated consumption profile of the homes to be built in HATO that are equipped with solar panels.Board of Directors present electricity distribution plan with vision for future to Supervisory Board.
- WEB achieves additional financing with its lenders.

JULY

- WEB Signs a Waste Water Management Agreement with OLB on securing the financial posittion and management facility.

- Start Verico project in Belnem. Project to collect information on electricity assets in Belnem in a very quick way to use as input in new GIS.

- Personnel day

OVERVIEW YEAR 2023

AUG

- WEB has started with the 1st phase of replacing streetlighting on Bonaire. Current fixtures are being replaced by smart LED fixtures that provide better light and are also dimmable.

- End of term Supervisory Board member Karel Frielink.

- Plenary staff meeting where growth and digitalization are high on the agenda.

- Start expansion of the Operational building of the waste water treatment plant.

SEPT

- Head Office WEB reaches the highest point of construction.

- Commissioning of the temporary drinking water unit pending an additional water plant in 2024 to continue to meet the demand for drinking water.

OKT

- Employee day WEB.

- Infrastructure meeting held with all infrastructure organizations on the island to identify the issues and how to deal with the current growth of the island.

- End of term interim CEO Mr. Casperson. Mrs. Balentien-Nicastia and Mr. Scharrenberg take on all duties of the company's Board of Directors again.

NOV

- short electricity outage on the island.

- As part of WEB Bonaire 60th anniversary, WEB honors its pensioners as well as current employees.

- WEB launches historical movie about WEB Bonaire.

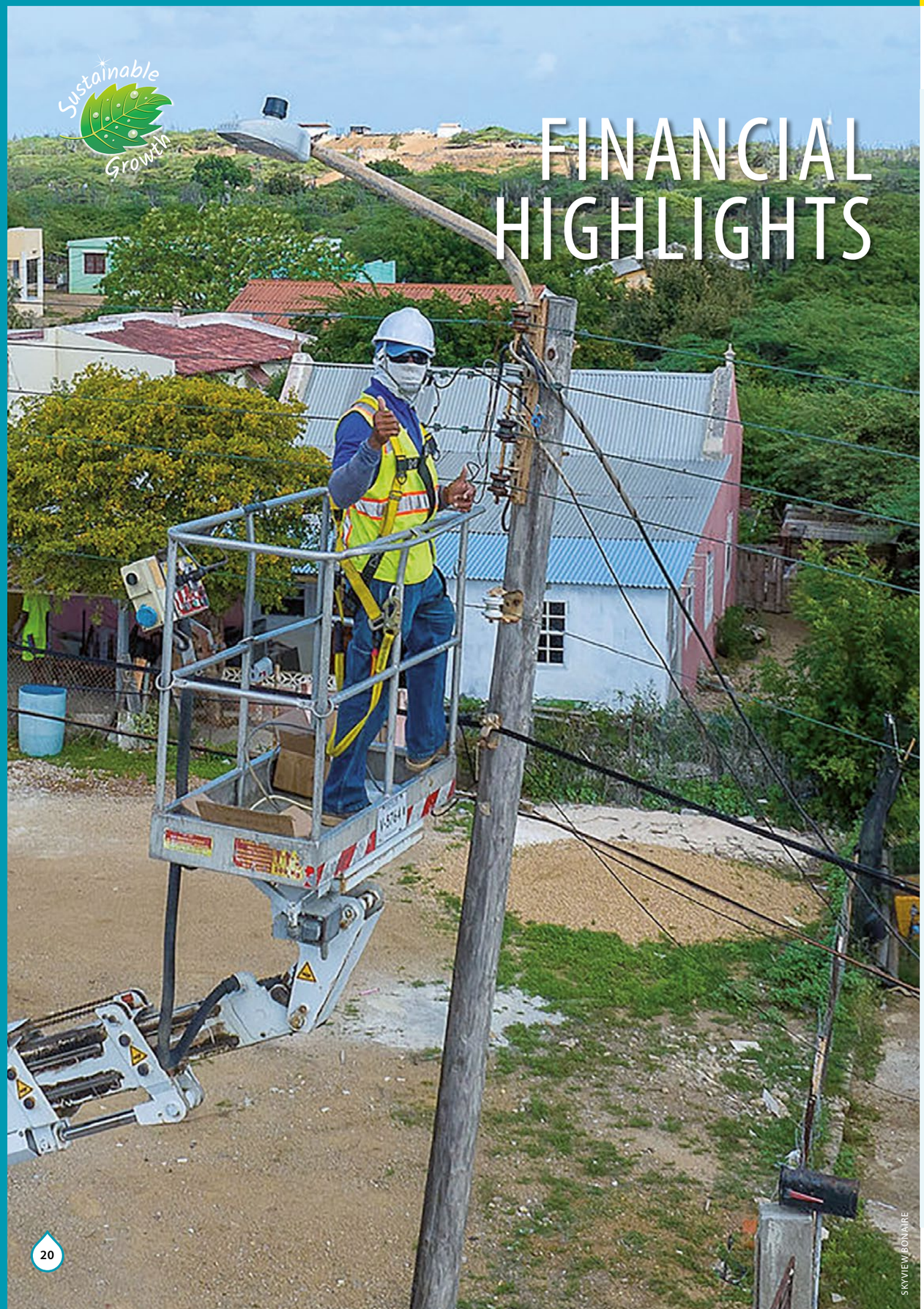
- WEB celebrates its 60th anniversary

- WEB organizes in the context of its 60th anniversary the Collaborative Utility Conference Bonaire for the first time.VCA- health and safety training course for all WEB personnel.

DEC

- Approval of the 2024 annual plan and the tariffs for Electricity and drinking water with an effective date of January.

- Demolishing old technical workplace location Hato.



FINANCIAL HIGHLIGHTS

SKYVIEW BONAIRE

FINANCIAL HIGHLIGHTS

	Unit	2023	2022	2021	2020
Results					
Total operating revenues	$ 1,000	84,994	78,381	57,920	49,795
Total operating expenses[2]	$ 1,000	(80,282)	(76,566)	(54,443)	(47,819)
Operating result	$ 1,000	4,712	1,815	3,477	1,976
Financial (expenses) and income	$ 1,000	(2,208)	(2,001)	(1,693)	(1,312)
Net (loss)/income	$ 1,000	2,504	(186)	1,784	664
Balance Sheet					
Working Capital	$ 1,000	11,962	12,637	13,050	11,188
Fixed assets	$ 1,000	83,226	75,944	73,799	63,385
Shareholders' Equity	$ 1,000	44,086	41,582	41,768	39,985
Balance Sheet Total	$ 1,000	112,783	101,190	96,341	81,760
Ratios Financial Policies					
Solvency ratio (Total share-holder equity/Total assets)	%	39.09	41.09	43.35	48.91
Current ratio (Current assets/ Current liabilities)	%	1.68	2.00	2.37	2.56
ROA[3]	%	4.40	1.84	3.90	2.66
ROIC (Return on invested capital)[4]	%	2.89	(.21)	2.05	0.89
DSCR[5]	%	2.63	2.06	3.91	3.88
Other Core Financials					
Net cash flow	$ 1,000	3,482	(1,850)	802	11,458
Investments in tangible assets[6]	$ 1,000	4,755	8,229	23,752	6,545

[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

	Unit	2023	2022	2021	2020
Disruption numbers					
Electricity[7]	in min.	52.31	48.19	23.53	23.29
Drinking Water distribution	Number	1,002	1,146	1,112	959
Irrigation water		252	179* *t/m Sept	78	78
Transportation and connections					
Water production to distribution tanks (available for sale)	m^3	2,552,373	2,322,829	2,119,814	1,952,956
Energy generated / bought (available for sale)	kWh	138,081,262	127,593,672	119,854,814	112,093,244
Waste Water received	m^3	322,263	366,312	285,700	236,743
Waste Water treated	m^3	319,998	331,428	285,700	236,260
Post paid electricity connections	Number	10,062	9,796	9,500	9,096
Pagabon (prepaid) connections electra electricity	Number	2,935	2,803	2,686	2,557
Drinking water connections	Number	12,057	11,677	11,233	10,743
Smart electricity meters	Number	250	250	110	100
Smart drinking water meters	Number	0	0	0	0
Sales					
Total drinking water delivered by truck	m^3	19,406	15,813	12,335	13,113
Total drinking water sales[8]	m^3	2,240,014	2,019,065	1,853,818	1,698,915
Total electricity sales	kWh	126,066,193	116,572,417	108,937,718	102,080,924
Total irrigation water sales	m^3	68,551	49,597	34,000	21,000
Non Revenue Electricity (NRE)	%	8.70	8.60	9.11	8.85
Non Revenu Water (NRW)	%	12.22	13.08	12.55	13.01
Renewable energy	%	20.01	21.72	22.4	20.9
HR					
Personnel formation	Number	163	158	160	148
Personnel Staffing	Number	160	152	146	137
Total women	Number	37	34	32	30
Sick leave	%	7.71	8.41	4.28	5.91

[7] Including electricity production and electricity distribution
[8] Including total drinking water delivered by truck

2.5 Subsequent events

CEO nomination and appointment

The Supervisory board hired in the second half of 2023 an independent recruitment company for the recruitment and selection of candidates for the CEO position. This company prepared a report in which they advise the Supervisory Board to continue with two potential candidates.
Based on an evaluation of this independent report the Supervisory Board handed in 2024 a written advice and proposition for the appointment of a CEO to the shareholder. The shareholder is still in the process to officially appoint the new CEO.

Water plant expansion

Due to a continuous water demand growth and in order to guarantee the drink water supply WEB management decided to expand the existing water plant with two additional skid 2400 m^3.
With the water expansion the installed water production capacity increases from 7200 m^3 per day to 9.600 m^3 per day.

May 15, 2024

Board of Directors

Mrs. J. Balentien-Nicastia (CFO)

Mr. G. Scharrenberg (COO)

Function is vacant (CEO)

Supervisory Board

Mr. G.A. De Haan (chairman)

Mr. A.G. Stacie

Mrs. M. Bonhof

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