



**Water- en Energiebedrijf
Aruba (W.E.B.) N.V.**

**Abbreviated
Financial statements 2021**

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Abbreviated statement of financial position as at December 31, 2021

ASSETS

(in Aruban florin)

	<u>2021</u>	<u>2020</u>
Non current assets		
Intangible assets	580,137	1,749,253
Tangible fixed assets	552,384,774	544,079,020
TOTAL NON CURRENT ASSETS	<u>552,964,911</u>	<u>545,828,273</u>
Current assets		
Inventories	26,336,223	23,202,356
Trade and other receivables	47,337,130	41,112,004
Cash and cash equivalents	156,674,452	81,799,022
TOTAL CURRENT ASSETS	<u>230,347,805</u>	<u>146,113,382</u>
TOTAL ASSETS	<u><u>783,312,716</u></u>	<u><u>691,941,655</u></u>

Abbreviated statement of financial position as at December 31, 2021

SHAREHOLDER'S EQUITY AND LIABILITIES

(in Aruban florin)	<u>2021</u>	<u>2020</u>
Shareholder's equity		
Issued and paid-in capital	139,496,675	139,496,675
Retained earnings	206,964,112	197,965,477
Undistributed result for the year	24,290,423	16,998,635
TOTAL EQUITY	<u>370,751,210</u>	<u>354,460,787</u>
Provisions		
Provision for employee benefits	8,350,654	8,281,487
Deferred income tax liability	30,425,509	30,485,901
Provision for claims	9,634,339	9,357,092
TOTAL PROVISIONS	<u>48,410,502</u>	<u>48,124,480</u>
Non-current liabilities		
Loans	261,096,574	225,441,278
Deposits by customers	6,128,030	6,062,541
TOTAL NON CURRENT LIABILITIES	<u>267,224,604</u>	<u>231,503,819</u>
Current liabilities		
Short term portion of loans	32,908,680	25,418,981
Short term portion of provisions	439,753	380,816
Trade payables	51,402,625	26,110,144
Profit tax	5,868,467	1,275,690
Other liabilities	6,306,875	4,666,938
TOTAL CURRENT LIABILITIES	<u>96,926,400</u>	<u>57,852,569</u>
TOTAL EQUITY AND LIABILITIES	<u><u>783,312,716</u></u>	<u><u>691,941,655</u></u>

Abbreviated statement of comprehensive income for the year ended December 31, 2021

(in Aruban Florin)	2021	2020
<i>Revenue from operations</i>		
Sale of electricity	277,691,223	265,515,618
Sale of water	102,198,626	96,562,817
Other revenues	3,502,396	3,634,941
Total operating revenue	383,392,245	365,713,376
<i>Expenses</i>		
Fuel expenses	127,039,687	123,463,004
Electricity expenses	26,123,078	24,605,769
Water expenses – purchase	17,400,435	17,211,924
Chemicals and gases expenses	5,550,495	6,366,957
Personnel expenses	62,320,726	54,305,629
Depreciation, amortization expenses and impairments	54,578,720	59,215,284
Maintenance expenses	28,608,930	25,809,065
Other operating expenses	24,003,385	24,829,054
Total operating expenses	345,625,456	335,806,686
OPERATING RESULTS	37,766,789	29,906,690
<i>Financial expenses</i>		
Net financing costs	5,253,013	8,323,710
Other financial expenses	1,992,493	2,447,183
	7,245,506	10,770,893
RESULTS BEFORE TAX	30,521,283	19,135,797
Profit tax expenses	6,230,860	2,137,162
RESULT FOR THE YEAR	24,290,423	16,998,635

Abbreviated statement of cash flow for the year ended December 31, 2021

(in Aruban florin)	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Net results	24,290,423	16,998,635
Adjustments for non-cash income and expenses:		
Depreciation & amortization expenses	54,578,720	59,215,284
Amortized transaction costs UIB loan	145,884	145,884
Income tax expenses	6,230,860	2,137,162
Changes in operating assets and liabilities:		
(Increase)/ decrease in inventories	(3,133,866)	740,974
(Increase)/ decrease in trade and other receivables	(6,235,774)	41,872,208
(Increase)/ decrease in provisions	405,351	280,683
(Increase)/ decrease in deposits	65,489	(35,094)
(Increase)/ decrease in trade payables	12,125,166	(43,577,591)
(Increase)/ decrease in other liabilities	8,750,207	10,199,453
Cash generated from operations	<u>97,222,460</u>	<u>87,977,598</u>
Interest received	10,648	45,537
Interest paid, agency fee and commission fee	(7,110,270)	(10,670,546)
Payment of profit tax	(1,698,475)	(1,259,250)
Net cash generated from operating activities	<u>88,424,363</u>	<u>76,093,339</u>
Cash flows from investing activities		
Investments in property, plant and equipment	(48,379,450)	(111,044,865)
Investments in intangible assets	(168,593)	(348,310)
Net cash from investing activities	<u>(48,548,043)</u>	<u>(111,393,176)</u>
Cash flow from financing activities		
Proceeds from long-term loans	73,388,955	89,966,186
Repayment of long-term loans	(30,389,845)	(23,377,321)
Payment of dividend	(8,000,000)	(11,000,000)
Net cash from financing activities	<u>34,999,110</u>	<u>55,588,865</u>
Net increase in cash and cash equivalents	<u>74,875,430</u>	<u>20,289,028</u>
The movement in cash and cash equivalents can be broken down as follows:		
At January 1	81,799,022	61,509,994
Movements during the year	74,875,430	20,289,028
At December 31	<u>156,674,452</u>	<u>81,799,022</u>

Notes to the abbreviated financial statements as per December 31, 2021

1 General notes

General information

These abbreviated financial statements of Water- en Energiebedrijf Aruba N.V. (hereinafter: W.E.B. N.V.) are derived from the statutory financial statements for the year ending December 31, 2021. The statutory financial statements were approved for issue by the Board of Directors on July 27, 2022. The abbreviated financial statements do not contain all the disclosures required by the accounting principles generally accepted in the Netherlands (“Dutch GAAP”) and should therefore be read in conjunction with the statutory 2021 financial statements, including the accounting policies and notes. The statutory 2021 financial statements of W.E.B. N.V. are available at the company.

Basis of preparation

The statutory financial statements, from which these abbreviated financial statements are derived, are prepared in accordance with accounting principles generally accepted in the Netherlands (“Dutch GAAP”).

Reporting entity

W.E.B. N.V. was incorporated in Aruba on August 29, 1991. In conformity with the “independization” agreement dated November 13, 1992, through Utilities Aruba N.V., the former Water- en Energiebedrijf Aruba transferred assets, the right of use, and liabilities to W.E.B. N.V., a wholly owned subsidiary of Utilities Aruba N.V. whose ultimate parent is Land Aruba. W.E.B. N.V. started as a water and electricity company on January 1, 1992.

The main activities of W.E.B. N.V. are the production of potable and industrial water and of electricity and the distribution of the water. The distribution of electricity is solely conducted by N.V. Elmar, a subsidiary of Utilities Aruba N.V. The registered and actual address of W.E.B. N.V. is Balashi 76, Aruba and is registered at the chamber of commerce under number 12126.0.

2 Accounting policies for the balance sheet

Tangible fixed assets

Items of tangible fixed assets are valued at cost or manufacturing cost minus straight-line depreciation based on the estimated useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets include the costs of materials, direct labor, and an appropriate proportion of overhead. The cost of major maintenance is recognized in the carrying value of the asset using the separate asset component method (capitalized and depreciated) when incurred and if the recognition is met. The carrying amount of the components to be replaced will be regarded as disposal and recognized directly in the income statement. Depreciation is calculated using the straight-line method over the estimated remaining useful lives of the related assets taking into account any residual values.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables (allowance for bad debts) is established when there is objective evidence that W.E.B. N.V. will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is recognized in the statement of income within other operating expenses.

Loans

Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

3 Accounting policies for the income statement

Profit or loss is determined as the difference between the realizable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

4 Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows in foreign currencies have been translated at average estimated exchange rates. Interest paid and received, and income taxes are included in cash from operating activities. Dividends paid are recognized as cash from financing activities.