



VEI ANNUAL REPORT 2024





VEI ANNUAL REPORT 2024

Kenya — Signing of the Water as Leverage MOU in Nakuru, with the Dutch Ambassador, the Kenyan Minister of Water, the Governor of Nakuru, and the Project Manager of Water as Leverage from RVO.



- ◀ Photo cover: Malawi – Central Region Water Board: Short Term Expert Carl van Rosmalen collaborating with Central Region Water Board staff on the use of chemical pumps, as part of the borehole cleaning work processes.
- ◀ Photo left: Mongolia – In Ulaanbaatar, VEI was co-hosting the International Water Operators Partnership Symposium in collaboration with MCA Mongolia and the Ulaanbaatar Water Supply and Sewerage Authority.

All pictures in this annual report are from the VEI database

CONTENT

Editorial

04

Director's report

24

Financial statements

52

About VEI

07

Risk management

42

Independent auditor's report

77

Results 2024

14



WATER OPERATOR PARTNERSHIPS (WOPS) PROVIDE ROBUST SOLUTIONS IN CHALLENGING TIMES



2024 has been a successful but challenging year for VEI and for our 60 utility partners. While donor support for the Sustainable Development Goals (SDGs) is reducing, regional conflicts, economic decline and the impacts of climate change put further pressure on water & sanitation utilities. On an operational level political and social unrest sometimes create challenges to deliver planned project results, although many WOPs show a remarkable resilience. At the same time, financiers are increasingly interested in Water Operator Partnerships as they become aware that long-term WOPs deliver sustainable impact and significantly and efficiently contribute to achieving the SDG 6 goals. This impact on SDG 6 is driven by stronger utilities and capacitated employees. Therefore, this annual report zooms in on the impact of training in WOPs and how WOPs contribute to breaking gender barriers.

The interest of financiers for WOPs has different angles. In general, the impact of improving water & sanitation services through WOPs contributes to economic development and regional social stability. This is an important aspect as governments want to contribute to stable living conditions and see opportunities for increased trade collaboration. Furthermore, the role of utilities and WOPs in three challenging areas is increasingly recognized; Sanitation, Climate Adaptation and Crisis Resilience.

VEI and WOP partners are currently gearing up activities in these three areas. For example, more utilities are mandated to provide safe sanitation services to 2.5 billion unserved people. WOPs support utilities to develop, coordinate and manage centralized and decentralized sanitation and waste water treatment solutions. Climate



adaptation is a second area of attention. Ninety percent of climate impacts are water related, urging utilities to protect grey infrastructures and collaborate with water catchment organizations to safeguard water resources, amongst others by implementing nature based solutions. Lastly, VEI and WOP partners put more emphasis on crisis resilience, addressing shocks due to natural disasters, disease outbreaks and migration-related pressures. WOPs can add value to short-term relief approaches in the humanitarian sector and bring in long-term sustainable solutions that are locally rooted. In this annual report examples of our work in the areas of Sanitation, Climate and Crisis Resilience have been described. VEI values the ongoing (financial) support of our partners who play an important role in developing WOPs; Dutch water utilities, the Ministry of Foreign Affairs (department Inclusive Green Growth), the Water

715,000 people
were supported by VEI in 2024
with access to sustainable water
services



for Life Foundation, Dutch embassies, RVO and international financiers such as the Inter-American Development Bank. They contribute to building stronger water & sanitation utilities and supported us to provide access to (improved) water and sanitation services in 2024 for 715,000 mainly vulnerable people.

Please enjoy reading this annual report with the results that were established by the Water Operator Partnerships in 2024.

Utrecht, 26 May 2025
Toine Ramaker
CEO VEI B.V.



ABOUT VEI

Established in 2005 by Dutch water utilities, VEI has developed into an effective organization operating worldwide. VEI implements Water Operator Partnerships (WOPs) with dozens of public water operators, through sharing knowledge and skills to make partner water operators stronger, financially sustainable and more (climate & crisis) resilient. VEI creates improved access to water and sanitation services, for hundreds of thousands of people every year, mostly in low-income areas in Africa, Asia and Latin-America.

In long-term partnerships with water operators, we strive to continuously increase our impact for people living in poverty, by systemically improving organizational maturity and working processes of partner water operators, supported by peer-to-peer collaboration, training, technical assistance and implementing smart investments.

VEI B.V. has two shareholders, Vitens N.V. and Evides Waterbedrijf N.V. both having a 50% participation. VEI implements the international Corporate Social Responsibility policy of behalf of eight Dutch drinking water utilities and laboratories.

- Vitens N.V.
- Evides Waterbedrijf N.V.
- WML
- Waterbedrijf Groningen
- Brabant Water
- WLN
- PWN
- WMD



▲ Photo above: Ghana — Combining expertise from University of Energy and Natural Resources and the Ghana Geospatial Society, this drone training session underscores WaterWorX Ghana's commitment to advancing water sector technology.

◀ Photo left: Colombia – Team of Acuavalle with project Manager of VEI inaugurating the Caracoli water system.



Ethiopia — Field-Level Leadership (FLL) empowers frontline staff to become leaders through engaging activities and interactive sessions.



FIELD-LEVEL LEADERSHIP TRAINING: TRANSFORMING UTILITY MANAGEMENT IN ADDIS ABABA, ETHIOPIA

Driving transformation and significant positive change in the workplace.

Empowering Change through Leadership Development

The Federal Democratic Republic of Ethiopia (FDRE) has set an ambitious goal to achieve middle-income status by 2030 through its “Pathway to Prosperity” plan. A key pillar of this strategy is infrastructure development, particularly in water and sanitation. Despite significant investments, access to safe water in Addis Ababa has not kept pace with the city’s growth due to various institutional challenges.

A Targeted Approach to Leadership Development

Addis Ababa Water and Sewerage Authority (AAWSA) has historically relied on generic, donor-led training programs that often lacked alignment with its specific operational needs. Challenges such as high staff turnover, budget constraints, and ineffective knowledge transfer mechanisms underscored the necessity for a more integrated and tailored approach to capacity building. To address these challenges, VEI, in collaboration with AAWSA and the World Bank, introduced the Field-Level Leadership (FLL) program — an initiative designed to empower employees at all levels to drive institutional change. The program harmonized expectations and set clear performance improvement goals that aligned with AAWSA’s strategic objectives. By contextualizing the FLL model to the organization’s operational environment, the program ensured relevance and applicability.

The implementation followed a phased rollout from 2019 to 2024, allowing for iterative learning and adaptation. Master Trainers were carefully selected and equipped with the skills to train and mentor staff. A structured curriculum was developed to maintain consistency and sustainability, while experiential learning workshops helped foster hands-on skills development and problem-solving capabilities.

Measurable Impact and Organizational Transformation

Since its inception, the FLL training has delivered tangible improvements across AAWSA. Employee morale has improved, leading to reduced absenteeism and greater motivation. Customer service at branch levels has become more responsive, enhancing customer satisfaction. Staff have shown an increased sense of ownership and initiative, resulting in proactive problem-solving and accountability. Operational efficiency has also improved, with previously non-functional equipment restored and pending water bills reduced. Additionally, the training has fostered a culture of creativity, allowing employees to develop innovative solutions to challenges.



Key Success Factors

Several factors contributed to the success of the FLL training. Strong buy-in from AAWSA's top management and alignment with strategic objectives played a crucial role. The selection of committed and respected Master Trainers helped drive the initiative forward, while efforts to eliminate social and power barriers created a more inclusive learning environment. Furthermore, integrating the program with other capacity-building initiatives such as WaterWorX and UWSSP-II ensured synergies and resource optimization.

Overcoming Implementation Challenges

The FLL program faced several obstacles. Initial resistance to change was mitigated through extensive communication and education efforts. Challenges in selecting Master Trainers were addressed by establishing clear eligibility criteria and conducting thorough preparatory training. Budgetary and logistical constraints were overcome through strategic management support, while bureaucratic resistance was tackled through participatory evaluations and transparent communication.

Best Practices and Lessons Learned

The program highlighted several best practices essential for success. Sustained commitment from top management ensured that leadership development became embedded within the organization's culture. Aligning training programs with strategic plans increased their long-term impact. Broad-based stakeholder support was critical for sustainability, while phased implementation and continuous monitoring allowed for adaptability. Investing in Master Trainers played a key role in ensuring ongoing knowledge transfer and capacity building.

Sustaining and Expanding the Momentum

To build on the success of the FLL program, continuous monitoring and impact reporting will be essential to track progress and refine the approach. Budgetary allocations post-donor funding will help sustain leadership training initiatives, while incorporating FLL principles into HR policies will reinforce a culture of leadership and accountability. AAWSA, in collaboration with VEI, the World Bank, and the Centre of Excellence in Chennai, India, plans to expand the program regionally to further strengthen water utility management in Ethiopia and beyond.

Global Collaboration and Knowledge Sharing

The FLL initiative aligns with global efforts to enhance water utility performance. AAWSA actively engages with international platforms such as the Global Water Operators' Partnerships Alliance (GWOPA) and the WaterWorX program, which facilitate peer-to-peer learning and capacity-building exchanges among water utilities worldwide.

The Community of Practitioners (CoP), supported by WaterWorX, plays a vital role in fostering cross-sector collaboration, with over 1,000 active members sharing experiences and best practices in an online knowledge hub.

Through initiatives like FLL, AAWSA and its partners are not only strengthening the capacity of local water utilities but also contributing to sustainable development and improved service delivery for communities across Ethiopia and beyond.

Ethiopia – VEI partnered with the World Bank to train 19 AAWSA experts. Now, these trained experts are acting as Master Trainers.



FIELD-LEVEL LEADERSHIP TRAINING

Watch the video of the training in Addis Abada on Youtube.

Youtube channel VEI #Field-level leadership training



BOOSTING EFFICIENCY AUWSA AND VEI CUT ENERGY COSTS IN ARUSHA

The Arusha Urban Water and Sanitation Authority (AUWSA) recently completed a major infrastructure upgrade, including a fourfold increase of its water production capacity. The majority of the new groundwater sources, however, are located 80 km from the city at a much lower elevation. Requiring significantly more energy to pump the water uphill, AUWSA's monthly electricity bill skyrocketed from TSh 200 million to TSh. 1.2 billion.

In response, AUWSA and VEI explored ways and means to optimize pump operations and increase the energy efficiency. Zooming in on one of the booster stations, two of a total of seven pumps are currently in use (sufficient to meet the current water demand). Since the system was designed to run up to five pumps simultaneously, the two fixed-frequency pumps were not operating at their optimal duty point. In response, pump station operators regulated the flow by partially closing the valves on the rising mains. While ensuring that the pumps operated closer to their duty point (contributing to a longer life-span), this intervention also pushed up the energy consumption.

A smarter approach was proposed: switching to two existing pumps equipped with Variable Frequency Drives (VFDs) and fully opening the outlet valves. To test the impact, a short trial was conducted at one of the pumping stations, followed by a more extensive 10-day field test. The results were impressive: a 26% reduction in specific power consumption. This improvement immediately reflected in lower electricity costs, with projected savings of more than TSh. 50 million per month for just one pumping station. In carbon emission terms, this amounts to 87 tCO2 saving per year; equivalent to 4,3% of VEI's annual carbon footprint.



Encouraged by these findings, AUWSA plans to replicate this approach across multiple locations (pumping stations) in 2025, hereby further reducing operational costs and improving the Operating Cost Coverage (OCC) level.

This story demonstrates the strength of AUWSA and VEI's partnership. Remarkably, the results were achieved without any on-site visits by short term experts. Remote guidance and analysis from the Netherlands made this energy-saving breakthrough possible, showcasing the power of remote (online) support in driving real-world impact.

The intervention also illustrates the added value for financiers and recipient utilities of a water utility partner in improving operational efficiency. Traditional Technical Assistance, after all, focusses on timely and efficient (incl. profit agenda-driven) project implementation and much less so on sustainable Operation and Maintenance (O&M) of developed assets in improving service delivery.

Tanzania — Interior view of Pumping Station 2 in Arusha, where energy savings were realized. ➤



VEI Annual Report in Numbers

RESULTS 2024



INFOGRAPHIC VEI IN NUMBERS 2024

Since the foundation of VEI in 2005, millions of people gained access to water or sanitation services.

This picture shows per region: costs of operations, the number of active projects, number of peers/expert (STE-days) and SDG results.

4 REGIONS: EUROPE

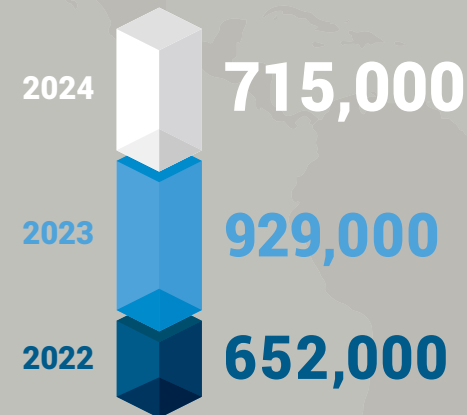
NORTH-EAST AFRICA

SOUTH-WEST AFRICA

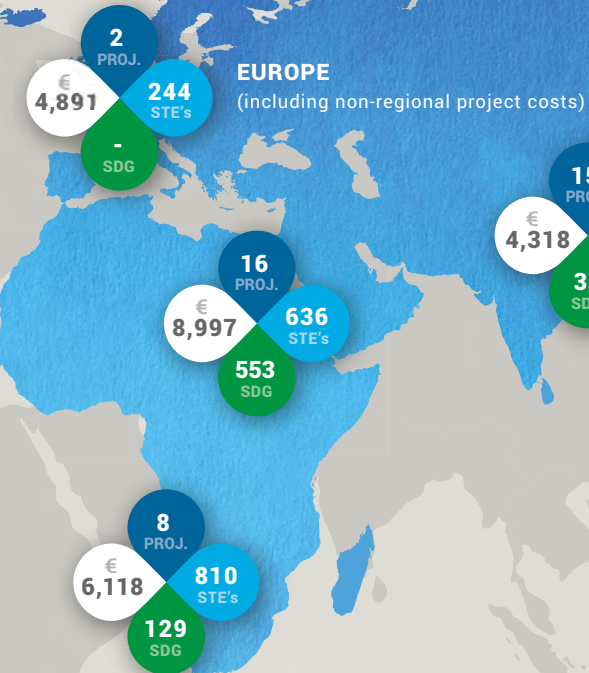
LATIN-AMERICA / ASIA

WORLDWIDE ALMOST 1 BILLION
PEOPLE STILL LACK ACCESS TO
WATER AND/OR SANITATION

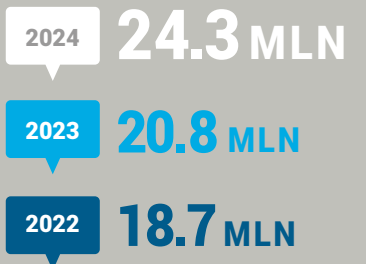
PEOPLE THAT GAINED ACCESS TO
WATER/SANITATION BY VEI IN 2022-2024



THE NUMBERS OF LATIN-
AMERICA AND ASIA ARE
COMBINED



€ COSTS OF OPERATIONS
2022-2024



4 SUBJECTS PER REGION:



NUMBER OF PROJECTS



COSTS OF OPERATIONS in € x 1.000



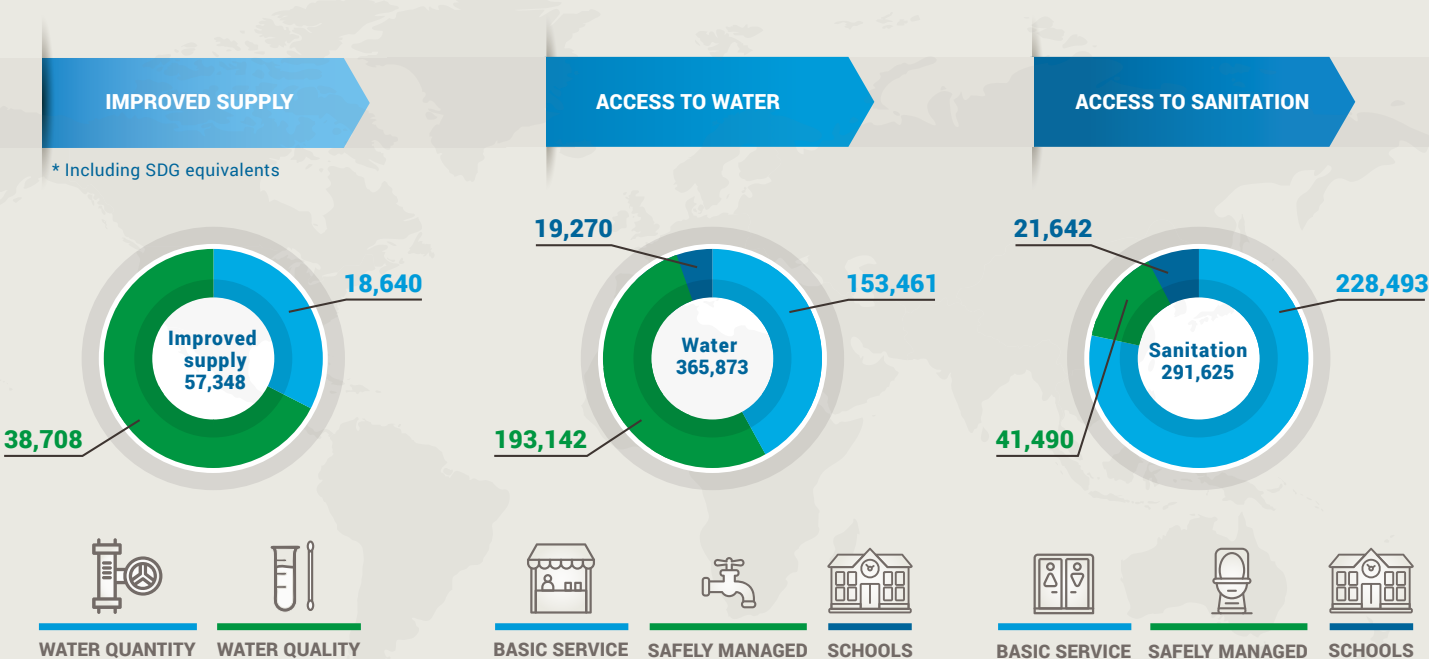
IMPACT ON PEOPLE (SDG6) x 1.000



NUMBER OF STE'S



#PEOPLE WHO RECEIVED IMPROVED WATER SUPPLY AND GAINED FIRST TIME ACCESS TO WATER AND SANITATION (714,846)



WOMEN IN WATER
THE STORY OF INSPIRING WOMEN
IN THE WATER SECTOR



Women play a vital role in the water sector, yet they remain underrepresented in technical and leadership positions. The water sector is still perceived as male-dominated, limiting opportunities for women in engineering, policymaking, and executive roles.

Despite these challenges, progress is being made. Initiatives promoting gender diversity —such as mentorship programs, leadership development, and capacity-building — are empowering women to advance in the water sector. More women are driving innovation and sustainability in water management, making significant contributions to research, policy, and project implementation. Their expertise is crucial for building resilient and inclusive water systems.

As gender diversity continues to gain recognition, the water sector stands to benefit from a broader range of perspectives. Inspiring women who have already made a lasting impact in the water sector, share their story.



INTERVIEW

ANNETTE OTTOLINI
CEO OF EVIDES WATERBEDRIJF

What inspired you to pursue a career in the water sector?

When I was approached nearly 20 years ago for an executive position in the water sector, it was a completely new world for me—but I immediately felt: this is where I want to be. Not only because water is a basic necessity of life and therefore absolutely essential, but also because I foresaw major challenges. Such as the impact

of climate change and the pollution of water sources. I wanted to play a role in addressing these issues because I find it incredibly important that safe drinking water remains guaranteed, accessible, and affordable for everyone. This is also what drives my active involvement with VEI.

A significant milestone for me was securing our water availability through the commissioning of the largest intake pumping station in the Netherlands and implementing full redundancy in our system—making it increasingly robust.

What are some of the biggest challenges you face in your role and what do you see as biggest challenges in the water sector?

I believe it is crucial to adopt a more supply chain-oriented approach. Nothing is as circular as water. For billions of years, we have had roughly the same amount of water on Earth, continuously recycling it. This means we must continue to manage with the same water. All the more reason to handle it with extreme care—protecting it properly, minimizing pollution, using it as efficiently as possible, and avoiding waste.

This can only be achieved by thinking from a circular system perspective and collaborating with all parties involved in the chain



Ghana - At Kpong headworks, Ghana Water Ltd's maintenance team sharpens their skills with thermal cameras during a practical training session, partnered with WaterWorX Ghana, as part of a nation-wide capacity-building initiative benefitting 250 colleagues.



of production, use, and discharge. This applies to the Netherlands, but even more so to the regions where VEI operates.

And that brings us to the biggest challenge facing the water sector (which also ties back to my personal drive): ensuring that safe drinking water remains guaranteed, accessible, and affordable for everyone.

How do you address gender-specific challenges in the water sector?

As a woman in a water sector that—twenty years ago—was entirely dominated by white men, I have personally experienced the enrichment that diversity brings to discussions, perspectives, and the solutions that are chosen. For me, diversity and inclusion are no-brainers. They simply add value—to teams, to the work itself, and to the overall atmosphere.

But that doesn't mean it happens automatically. It requires continuous attention, awareness, and support. At Evides, we put a lot of effort into this, and within VEI, it is also an important focus. When it comes to women, we are fortunately seeing more and more of them choosing technical fields and securing great positions in the water sector. That makes me happy.

It also fuels my determination to make drinking water available in as many places as possible through VEI. This means that girls and women no longer have to spend hours walking to fetch water, giving them the opportunity to pursue education and work—an important step in their emancipation.



INTERVIEW

RENEE BERGKAMP
FORMER DIRECTOR OF VEWIN, COMMISSIONER
AT KWH/KWR AND CHAIR OF THE BOARD OF THE
WATER FOR LIFE FOUNDATION

What inspired you to pursue a career in the water sector?

Given my previous and current positions, I know better than anyone that sufficient, clean and affordable drinking water cannot be taken for granted. This is an interest that must always be carefully safeguarded. Water is a basic necessity and always deserves to be taken seriously and scored high in priority setting. Everyone understands that our drinking water sources need to be protected, regardless of political preference. Serving such a comprehensive and public interest inspires me enormously.

What are some of the biggest challenges you face in your role and what do you see as biggest challenges in the water sector?

There are many challenges with regard to water, both in the Netherlands and worldwide.

In the Netherlands there is a lack of space, as many functions need to be accommodated: housing, nature, economic activities, energy, recreation, agriculture, etc. The drinking water supply is a matter of national importance and this must be taken into account in spatial planning. This requires a intensive consultation at national and regional level.

In African and Asian urban areas water supply in low-income neighborhoods is often substandard or even absent. Water for Life addresses this challenge through implementing projects to build water & sanitation infrastructures together with local water utilities. This requires significant donor funding and will only work if we are visible and transparent. That is what our communication is aimed at.

How do you address gender-specific challenges in the water sector?

In the Netherlands we see that more and more women are being appointed in leadership positions in the water sector. For example, we recently appointed a woman as director of the KWR research institute. Diversity is important in representing the interests of all stakeholders. In our international work it is especially important for the position of women and girls that drinking water and sanitation become available. After all, they are the ones who often have to walk far to fetch water, making school attendance or income generation a challenge. Also, for their safety the work of Water for Life is of direct importance. This is how water and emancipation go hand in hand!

Bangladesh — Dutch Ambassador Irma van Dueren and newly appointed DWASA Managing Director Mr. Fazlur Rahman officially launched the Low-Income Community project in Abuler Bosti. The event marked a significant milestone in expanding equitable access to clean water, with the WOP team and senior DWASA officials in attendance.





INTERVIEW

KWANELE SIBANDA
VEI PROJECT COORDINATOR AT THE CITY OF
BULAWAYO, ZIMBABWE

What inspired you to pursue a career in the water sector?

My education was greatly influenced by my late father. In addition to helping me cultivate and foster my curiosity and inquisitive mind, he encouraged me to dream big and find my mission. Where I grew up, teaching and medicine were the two most well-known and common professions. Being from a family of teachers, I wanted to work in pharmaceuticals, but when I didn't make the cutoff, my curiosity and love of numbers drew me to the civil and water engineering fields. During the early years of my career, I came to realize just how rewarding it is to see how my work touches people's daily lives.

Can you share some key milestones in your journey within this field?

I was fortunate to receive a bursary from the City of Bulawayo during my second year of undergraduate education, which allowed me to be introduced to the practical side of engineering early in my career. This full-support bursary grant is provided to Bulawayo engineering students so they can receive training from the city and work as engineers there after graduation. I was able to close the gap between theory and practice because of this.

I have completed a number of water loss reduction projects for the City of Bulawayo, including network modeling, pressure management, meter management, and infrastructure repair. The city was able to obtain funds from the Development Bank of Southern Africa to create the Water Conservation and Demand Management Business Plan, which allowed for the benchmarking of water losses and the prioritization of actions, through to an Expression of Interest that I co-authored. I also played a key role in creating a funding application that allowed the city to obtain USD 36 million in grant funding from the African Development Bank (AfDB) to enhance the City of Bulawayo's water and wastewater service delivery. I have been exposed to the domains of inclusive governance and programming, which I am very skilled in, through my work, which has allowed me to work with many partners in the WASH sector on community-based projects.

What are some of the biggest challenges you face in your role and what do you see as the biggest challenges in the water sector?

One of the most difficult tasks I have in my position is providing services in a setting where there are insufficient resources for infrastructure upkeep and project implementation. The largest issue facing the water sector is water scarcity, particularly in the City of Bulawayo. This problem is largely caused by population growth and the seasonal availability of water resources, as well as infrastructure deficiencies and substantial water loss, all of which exacerbate preexisting vulnerabilities like poverty and inequality.



INTERVIEW

SU LAT PHYU
WATER & SUSTAINABILITY COMMUNICATION
SUPPORT OFFICER FOR VEI

What inspired you to pursue a career in the water sector?

My decision to specialize in water resources engineering was driven entirely by passion. Water is not just a resource—it is the foundation of life, society, and development. From early on, I was captivated by its transformative power and the intricate systems that manage it. I saw water as more than an engineering challenge; it is a critical enabler of health, economic stability, and resilience. I was determined to contribute to solutions that ensure sustainable and equitable water access, particularly in vulnerable communities. My journey has been guided by the belief that technical expertise must be complemented by advocacy, communication, and a deep understanding of societal needs.

Can you share some key milestones in your journey within this field?

One of the defining moments in my career was choosing to specialize in water engineering, a decision rooted in my commitment to addressing real-world water challenges. Over the years, I have been involved in projects that provide safe and sustainable water solutions, working directly with communities and stakeholders to bridge the gap between engineering and human impact. Another pivotal moment was realizing the power of communication in this field—technical solutions alone are not enough; they must be understood, embraced, and maintained by

How do you address gender-specific challenges in the water sector?

Gender challenges in the water sector are real and I have seen firsthand experience from women in the water sector as well as how women in the community are differently impacted by some of the effects surrounding access to water. In the communities it is generally perceived that the role of collecting water is that of women and very little is done to understand how this affects women and girls in their everyday lives. To address the latter, through an interdisciplinary approach women and girls are now given platforms and spaces to share their experiences in order to guide and inform future programming and planning around water resources management.

Ghana — Showcasing dedicated fieldwork and collaboration on the ground, Elaine is pictured in northern Ghana conducting extensive baseline surveys.



the people they serve. This realization led me to integrate storytelling and engagement into my work, making complex water issues more accessible and actionable.

What are some of the biggest challenges you face in your role, and what do you see as the biggest challenges in the water sector?

One of the primary challenges I encounter is ensuring that technical solutions align with community needs and behaviors. Water infrastructure can only be effective if it is designed with a deep understanding of local contexts. A technically sound system can fail if it is not adapted to the way people interact with water daily. Addressing this requires a holistic approach—integrating engineering, education, and community engagement to create sustainable solutions.

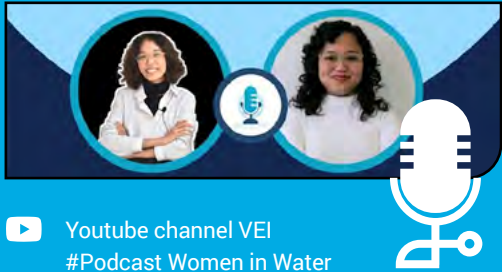
On a broader scale, the water sector faces mounting pressures from climate change, rapid urbanization, and resource depletion. The challenge is not just about expanding access to water but ensuring its long-term availability and quality. Infrastructure must be resilient, adaptable, and maintained effectively. I firmly believe that the key to overcoming these challenges lies in a multi-disciplinary approach—combining engineering expertise with behavioral science, community participation, and innovative technologies to create solutions that endure.

How do you address gender-specific challenges in the water sector?

The water sector has traditionally been male-dominated, but meaningful change is underway. Women play a crucial role at every level, from managing household water resources to leading major infrastructure projects.

PODCAST WOMEN IN WATER

In the podcast serie ‘Women in Water’ ‘we’ve highlighted the achievements of women in the water sector worldwide. Inspiring women give valuable insights into their collaborative dynamics and professional journeys.



However, their contributions are often overlooked, and structural barriers still persist. Addressing these challenges requires intentional action—mentorship, capacity-building, and creating platforms where women’s expertise and experiences are recognized and valued.

To contribute to this effort, I launched the Women in Water podcast dedicated to amplifying the voices of women in the sector. Through storytelling and discussion, the podcast highlights the challenges, successes, and insights of women professionals, fostering a more inclusive and diverse dialogue. My goal is not only to inspire the next generation of women leaders but also to reshape perceptions about the role of women in engineering and water management.

True progress in the sector demands diverse perspectives, and ensuring gender inclusivity strengthens our ability to develop holistic and effective water solutions. By fostering an environment where women are empowered to lead, contribute, and innovate, we drive the sector toward a more sustainable and equitable future.

Ghana — Behind the scenes, our WaterWorX Ghana team captures essential insights from underserved communities, documenting their struggles and amplifying their voices to drive investment mobilization and transformative change through a nationwide baseline survey in collaboration with Ghana Water Ltd’s Low-Income Customer Support Department.



DIRECTOR'S REPORT

RESILIENT WOPS IN CHALLENGING CONDITIONS



In 2024, VEI directly financed access to water and sanitation services to 715,000 people. This means that we are currently at 55% progress towards the accumulated goal of providing access and improved water and sanitation services for 11.5 million people in 2015-2030.

The WOP-portfolio translated into a turnover of € 26 million and a negative result (after tax) of € 53,000. The negative result over 2024 will be withdrawn from the reserves. VEI's solvency, expressed as shareholders' equity in relation to the balance sheet total, was 13% (compared to 14% in 2023). The decrease of the solvency has been caused by higher total assets and liabilities and the negative result over 2024. The company's liquidity, expressed as current assets relative to current liabilities, was 1.16 (compared to 1.17 in 2023). Finally, no unforeseen items of extraordinary expenditure had to be accounted for in 2024 or influenced future expectations. The portfolio for

the upcoming years is stable, awaiting the results of the announced budget cuts on development cooperation by the Dutch government. In 2024, new projects have been secured, mainly financed by international partners such as UNICEF Zimbabwe and Ethiopia, lab certification in Suriname by the Inter-American Development Bank, GIZ Tanzania and activities in Ukraine.

CONTINUED SUPPORT FROM DUTCH WATER UTILITIES AND WATER FOR LIFE FOUNDATION

The SDG-impact and improvement of water and sanitation services in many water utilities in the Global South has been made possible with support from the seven Dutch water utilities; Vitens, Evides Waterbedrijf, WML, Waterbedrijf Groningen, PWN, Brabant Water and WLN (and WMD as from 2025). These core partners enable VEI to leverage their contributions with resources from others, such as the Netherlands' Ministry of Foreign Affairs.

◀ Photo: Zambia — Short Term Expert Jelle Hannema visits the Water for Life project in Kawama-East (Mufulira), where water tank construction and pipeline installation are underway, and residents are registering for 500 subsidized connections ahead of the project's expected completion in early 2025.

The Water for Life Foundation is a second back-bone for VEI. The Water for Life Foundation raises funds from Dutch water customers, businesses and institutional partners. The Water for Life Foundation assigned VEI to prepare, implement and monitor water and sanitation projects for vulnerable residents in low-income areas. The WOP utility supports the preparation and implementation of the investment and assumes responsibility to operate and maintain the newly built infrastructures, ensuring that the infrastructures remain functional over time. Fundraising for the Water for Life Foundation accumulated to more than € 2.3 million, an all-time high result.

Developments and results in 2024 are further discussed in three ESG areas: Environmental, Social and Governance.

ENVIRONMENTAL

VEI developed a strategy to become carbon neutral in 2026, aiming at reducing the carbon footprint with 10% and off-setting the remaining carbon footprint through self-generated carbon credits.

In 2019, a first carbon footprint baseline was set: 2,507 tCO2. The footprint reduced from 2,507 tCO2 in 2019 to 1,624 tCO2 in 2024. This reduction (-37%) over the course of five years is related to the increased emphasis on working in hybrid forms and critically assessing the necessity of (air) travel. The remaining carbon footprint will be compensated with self-generated carbon credits. These carbon credits are developed in projects (in Tanzania) where residents stop boiling their water (with wood, charcoal) after they have been connected to the utility water network. Up to 2024, an impressive 16,000 tCO2 carbon credit (equivalents) have been harvested. As from 2026, VEI will fully compensate its footprint with these self-generated carbon credits. The

Our Dutch partners



surplus of generated carbon credits will be sold and revenues will be ploughed back into new WASH projects for the most vulnerable people.

In 2023, VEI made a start to document the impact of project interventions on the carbon footprint of WOP utility partners. Possible interventions in our WOPs include energy efficiency improvement interventions in production facilities/pumping stations e.g. by replacing inefficient pumps and motors and changing pipe network/hydraulics. Installation of renewable energy is also beneficial, particularly in countries where the energy-mix from the electricity grid is carbon intensive such as coal fired electricity plants. A third high-potential intervention is the reduction of physical losses (NRW). Due to limited capacity, the quantification of carbon reduction through project interventions was not further elaborated and will be picked up in 2025.



In 2023 VEI received a significant budget addition to the WaterWorX programme, provided by the Ministry of Foreign Affairs. Under this programme we work on three pathways: Climate Adaptive people (making them less vulnerable to climate events), Climate Adaptive Utilities, through climate risk assessment and future planning, as well as Climate Resilient Infrastructures through concrete investments to protect infrastructures and water resources, combining investments in grey and green infrastructure.

Under this programme that only became operation in January 2024 we have already completed two successful rounds of co-financing for investment proposals totalling M€8, reinforcing damaged water distribution and sewerage infrastructure with a focus on 'building back better', enhancing production capacity to improve water efficiency, upgrading monitoring equipment in existing wellfields, or supporting the development of locally produced, adaptable water treatment technologies. In addition, we co-designed projects worth M€7 to extend last-mile water connectivity in communities most

CO2 footprint (tonne)

	2019	2020	2021	2022	2023	2024
CO2 footprint	2,507	1,036	880	1,569	1,572	1,624
CO2 compensation	0	0	0	134	609	0
Net emission	2,507	1,036	880	1,435	963	1,624

As from 2023, companies in Europe will need to assess and disclose information about their environmental impact, under the EU Corporate Sustainability Reporting Directive (CSRD). This CSRD does not apply to VEI, yet whilst the Directive offers opportunities to VEI. CSRD reporting includes assessments of the water footprint, from raw materials to final products. It is expected that in the coming years, parallel to carbon credits, a new market for water footprint compensation will develop. This could be an opportunity for VEI to offer water compensation projects and mobilize funding for WOP partners. Examples of water compensation interventions include physical water loss reduction, waste water treatment, infiltration of water into aquifers, water quality protection projects etc. Therefore, VEI joined the 'Coalition of the Willing', initiated by the Water Footprint Implementation network (WFI). This Coalition actively supports the development of trusted water footprint assessment and compensation methodologies, as well as the development of a platform that will connect organizations who seek for water compensation projects and organizations who offer water compensation opportunities.

Indonesia – SPAM Jatisari



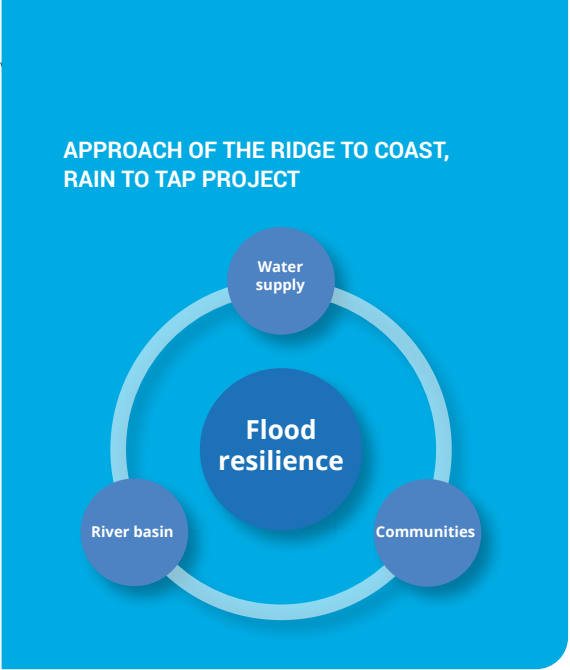
vulnerable to the impacts of climate change with the potential to reach an additional climate-vulnerable 350,000 people before 2027.

Two specific projects which address water resources protection related to the impacts of climate change are already in their implementation stage and demonstrate impressive results:

1. The ‘Ridge to Coast, Rain to Tap’ project in Cagayan de Oro (funded by the Dutch enterprise agency, RVO) integrated solutions to strengthen flood resilience across the wider Cagayan de Oro River Basin; through improved river basin management, in close consultation with communities and providing them with a safe water supply. 156 hectares of forest were replanted and Payment for Ecosystem Services introduced (PES), while 7 wells and a pumping station were protected against flooding and 3,500 households and 4 schools gained access to a safe water supply. In the picture below, the situation before (left hand side) and after (right hand side) are visualized.

2. Similarly the IWRM4WASH project (funded by the Netherlands’ embassy in Addis Ababa) worked on landscape restoration, tree planting and soil conservation and concluded these interventions for 837 hectares, protecting water resources for drinking water production for inhabitants of Addis Ababa.

Climate resilient investments, particularly investments to protect water resources require intensive collaboration and stakeholder engagement as well as different types of knowledge. Therefore, WaterWorX engaged, through a MoU, with the BlueDeal programme (of Dutch water authorities) and The Nature Conservancy to share



knowledge and develop joint projects that integrate water resources, catchment restoration nature based solutions and jointly promoting the development of sustainable financing streams in Watershed Investments Programs.

Philippines — Cagayan de Oro City Water District’s operator supervisor Anthony Castro checks the water level of the collector well at Macasandig booster station. The collector well is now completely sealed to allow it to remain in operation, even in case of flooding of the booster station by the Cagayan de Oro river.



SOCIAL

The impact on the 715,000 residents that received access to water and sanitation through the WOPs goes a long way. SDG6 is known for its cross-cutting impact on other SDGs such as poverty reduction, school attendance, public health and gender equality.

Inclusiveness

VEI continues its efforts to promote inclusiveness. Although the future of the YEP programme is unknown, in 2024 the WaterWorX programme enrolled a new batch of young and ambitious international water professionals. Also, VEI still employs two Young Professionals in Zimbabwe and Bangladesh. Apart from the added value of individual growth of YEP participants, our programmes and projects benefit from the large international YEP network. Furthermore, VEI deployed seven trainees of Vitens and Evides and worked with two interns who provided inputs to Water for Life project evaluations.

In 2024, VEI continued to facilitate the integration and active engagement of migrants into Dutch society by providing a 4-month workplace and meaningful assignments for one person.

With regard to gender we strive to have balanced teams and departments. At the general level this gender balance is satisfactory, except from the team of project managers.

Local teams

Efforts are made to build and capacitate stronger local teams, to ensure longer term sustainability of the WOPs. Where possible, experts from WOP partners implement assignments in neighboring water utilities (South-South collaboration), in addition to the deployment of Dutch water experts.

Bangladesh — CRWSP



Dedicated trainings have been offered and attended to by approximately 30 Local Project Coordinators (LPCs). Several employees from local teams have profited from scholarships to enhance their professional and educational degrees. Teambuilding and knowledge exchange were included in the Kenya team week in June 2024 with all Project Managers and LPCs present.

Apart from capacity building and knowledge transfer, remuneration of local staff team members receives increasing attention due to sometimes high local inflation rates which reduce spending capacity. This issue is given due attention and where necessary staff members are additionally compensated.

Health and Safety

In addition to the already existing firm support on health and safety issues, health and safety plans were updated on country level. During the Kenya team week the calamity organization was practiced. Due to security concerns additional risk assessments and meetings with Project Managers, supported by external professionals, were organized for Ethiopia, Bangladesh, Mozambique and Kenya.

Also, a start was made to internally review the Health and Safety processes. As part of this review it was decided to log incidents for improvement and learning purposes.

Given the complex work environment, the well-being of our employees and the VEI organization at large gets due attention. A confidential advisor was appointed to provide the opportunity for employees to discuss sensitive issues or flag unwanted behavior. The confidante did not report cases in 2024.

Employee involvement

Twice per year employee meetings are organized to discuss the progress towards strategic objectives and employees can give feedback about what they find important for VEI to remain a relevant organization. These meetings are combined with informal outings. Local team members are engaged through monthly regional meetings and several (online and physical) workshops were organized to discuss the update of Strategy 2030.

Team building and core values

Apart from outings and regional physical meetings to build teams, preparations are under way to organize a team week in the Netherlands, to celebrate VEI's 20th anniversary and the launch of the updated Strategy 2030. The development of core values per department, region and VEI as a whole was started in 2024 and will be finalized and presented in 2025.

GOVERNANCE

Risk management and transparency

VEI continuously works on accountability and transparency towards its donors, supporting partners and WOP partnerships. In addition to the regular financial audits, several content-focused and risk-based reviews are implemented, internally and externally.

Internal project controls include quarterly business reviews, to asses financial progress, progress in results, risks and Requests for Change. This monitoring process is supported by an integrated and easy to access dashboard in PowerBI which provides per project, in one overview, necessary steering information for management to monitor and assess project performance, as input for decision-making.

VEI continuously assesses its restricted country-list and follows safety advice by the Netherlands government. VEI's country presence is always weighed against criteria such as safety, institutional set-up of the water sector (WOP potential), SDG6 potential, availability of financial

Photo: Zimbabwe — A hydrogeology expert and YEP-expert give training on borehole discharge testing. The end goal is to study a local aquifer and improve water supply in drought prone Bulawayo.



resources and scaling potential. In 2024, VEI decided to start working in Bolivia and South Africa whereas activities in Myanmar are stopped. Country screening will be updated once the Dutch government has updated its policy and focus countries.

Annually, a risk assessment is performed and counter-measures implemented. Important documents such as health & safety plans, compliance, code of conduct and labour conditions are reviewed and updated where necessary.

Externally, several reviews are conducted, e.g. for projects in the Fund Sustainable Water program (funded by the Netherlands Enterprise Agency) and embassy funded programs. For WaterWorX, a so called Mid-Term Review was conducted, which spanned a period of 8 months with interviews, literature study, workshops and field visits. The recommendations underpinned the impact and efficiency of the WaterWorX programme and gave valuable insights to further improve the program in the coming years.

Stakeholder engagement

VEI balances the interests of its shareholders in the Netherlands, the WOP partners in 21 project countries and the donor community. To this end, VEI has two shareholders' meetings per year and engages Dutch water utility partners once per year in a dedicated session. As from 2025, a seventh Dutch water utility will join VEI as a partner: WMD.

In 2024, VEI started working on updating its Strategy 2030. An interactive and collaborative process was designed which generated massive inputs from all teams around the world. The consultation showed that WOPs are resilient in a fast changing world but also require now

fields of expertise and funding, for example regarding Climate adaptation, Sanitation and Crisis Resilience. In 2025, the updated Strategy will be published and implemented.

WOP partners are intensively consulted in the process of writing 5-programs and annual plans, with a fair degree of flexibility to adjust to developments and the dynamic environment WOP partners operate in. Several funds have been established (Operational Fund, Climate Fund and Basic Services Fund) in which WOP partners can apply for funding.

In 2023, an advisory council was established for the WaterWorX programme to consult and discuss the developing needs of WOP partners. The donor community is updated regularly through consortium meetings, formal and informal project and programme updates.

Internal collaboration and governance

Collaboration within the three VEI regional portfolios, established in 2023, has proven to be very productive. Corporate targets are divided amongst the three regions and within the regions project managers support each other to achieve the joint regional targets. Moreover, regional collaboration provides opportunities for knowledge exchange and interpersonal collaboration.

In 2024, a Business Development Committee was established to improve internal coordination and coherence with regard to building the WOP portfolio. This is combined with the development of three knowledge themes which play a pivotal role in strengthening WOPs; climate, sanitation and crisis resilience.

ESG-information in this annual report is not audited.

Tanzania – During an impactful capacity-building workshop in Tanzania, Ghanaian experts, led by Engineer Maxwell and the WaterWorX Project Manager, showcased advanced financial modeling techniques to a motivated group from local water utilities AUWSA, DUWASA, MWAUWASA, and Tanga UWASA, highlighting the transformative impact of data-driven decision-making in water management.





CLIMATE AND CRISIS RESILIENCE

INTERVIEW



Uganda — Stefan Hemmer, Horace Muhanya, Mary Chimbayo and Doeke Schippers (from left to right).

Water utility professionals affiliated with VEI gather to discuss the role of utilities in the climate transition, the growing pressure on natural and financial resources, the potential for new partnerships, and the need to rethink engineering standards. Horace Muhanya works at the Ministry of Water and Environment and serves with the South Western Umbrella of Water and Sanitation—one of six regional water and sanitation umbrella organizations in Uganda. Mary Chimbayo is an Assistant Water Quality Officer at the Southern Region Water Board in Malawi. Doeke Schippers, a strategic advisor to the board at Vitens in the Netherlands, and his colleague, Stefan Hemmer, teammanager in the asset management department at the same organization.



WHAT ARE THE MOST SIGNIFICANT IMPACTS OF CLIMATE CHANGE ON YOUR UTILITY?

Horace: “In Uganda, we heavily rely on groundwater and we have noticed a decline in borehole yield. At the same time we have had to deal with extreme events like floods and landslides that have washed vital infrastructure hindering access to safe water.” *Mary:* “I can relate with that duality, we have seen for the first time our dams drying up in the same year that cyclones (Idai) have flooded pumping stations and washed away infrastructure.” *Doeke:* “It is very similar to what we are seeing in the Netherlands, dryer summers, dryer than even before coupled with wetter winters. We are also observing a faster deterioration of our water resources in the coastal areas due to sea level rises making groundwater increasingly brackish.” *Stefan:* “Yes, we are preparing for many possible scenarios. This variability complicates our planning capacity as we build for infrastructure to last decades but conditions are changing more rapidly than we had anticipated.”



WHAT IS THE ROLE OF UTILITIES TO PLAY IN THE CLIMATE TRANSITION?

Stefan: “I believe that if we want to contribute to a sustainable transition utilities and our infrastructure needs to be considered as an integral part of the water system and the water cycle.” *Doeke:* “I agree, the interaction of our infrastructure with nature is becoming very apparent.” *Stefan:* “I think climate change is requesting us to think differently about our processes and our standards. We have started thinking of implementing modular approaches, scalable units that can increase or decrease production depending on availability of raw water, or that would allow us to adjust treatment processes.” *Doeke:* “We also have to change our planning horizons, from 10 to 20 years to planning periods of 50 to 100 years, that force us to consider many plausible scenarios and oblige us to reconsider our engineering solutions. All this while we have to continue running our systems of today. Because anything can happen we operate in horizons of 5 years. All that is happening within our organization -and it requires to design, plan and operate differently, while establishing a new culture.” >>

◀ Photo left: Indonesia – Implementing a temporary measurement system.





Horace: “I am happy you bring in that last point as well Doeke. For utilities in Uganda, climate change requires us to adopt a more proactive approach to addressing existing challenges. For example, effective Non-Revenue Water management is crucial for maximizing the efficiency of our limited water resources. We are also intensifying consumer engagement and awareness campaigns on sustainable water use, both within and beyond our organizations, to promote long-term resilience. Before we think ‘big’ there is quite a lot that can be done within the existing systems.”

COULD THIS CHALLENGE BE TURNED INTO AN OPPORTUNITY?

Mary: “Certainly. It is pushing us to rethink how we design our infrastructure. If we want more resilient water supply systems we need to start planning differently, but also operating different today.” *Horace:* “I agree, climate change has brought us to collaborate more closely with other agencies in Uganda. Through this process, we’ve come to realize that we’re all in the same boat. Embracing these partnerships not only strengthens our collective response to climate challenges but it has opened up new opportunities for collaboration in other areas. *Stefan:* “Infrastructure in the Netherlands - and I believe around the world - is quickly approaching its end of lifetime. This presents a unique opportunity to rethink which infrastructure we want to leave for the next generation.”

TO WHAT EXTENT DO YOU THINK THAT THE KNOWLEDGE OF DUTCH PARTNERS IS OR REMAINS RELEVANT IN THIS TRANSITION WHEN COLLABORATING WITH INTERNATIONAL PARTNERS?

Horace: “Very much so. First of all, VEI’s program has played a crucial role in supporting our ambition to accelerate the climate agenda within the Ministry and guiding us through this transition. From a personal perspective, it’s clear that climate change is a global challenge, impacting every country regardless its level of development. As we have seen, even the Netherlands, despite its advancement, continues to navigate these challenges and seems to have significant work ahead. That shared struggle is both a reminder and a motivation for us to stay proactive and pursue in our own efforts.” *Doeke:* “The change we’re undergoing as an industry is, in my view, universal. It was very challenging for us to begin this transition, but fortunately, we’re now starting to see positive results. I’m glad we can share these experiences.” *Mary:* “I agree. We need both training and inspiration and also additional investments to help us accelerate the change. VEI has opened doors and connected us, investing also in physical interventions at catchment level that were required to secure the water in our main reservoir.”

The utility partners of the WOP in Zambia were successful in securing \$9 Million of funding from the African Development Bank (AfDB). With these funds utilities will implement NbS (Nature-based Solutions) at catchment level to increase the natural water storage capacity. These interventions help utilities to secure water availability during prolonged dry periods and erratic rainy seasons. With funds from the WaterWorX top up fund we compliment these activities with the development of Water Safety Plans and stakeholder engagement strategies that are required to sustain results in the long term. The WaterWorX climate top up realizes investment in infrastructure from catchment restoration, increasing the resilience of production sites and treatment processes, groundwater management (monitoring and borehole regeneration) and reinforcing water and sanitation infrastructure.

Zambia – Dutch STE together with Zambian project staff and members of the community look at the construction of a community check dam.



CRISIS RESILIENT UTILITIES:
WHAT DOES IT MEAN AND HOW CAN WOPS PLAY A ROLE?

To understand the concept of crisis resilient utilities, we must first consider the context. Utilities worldwide are grappling with changing circumstances and increasing mandates. The effects of climate change are most severe in regions already struggling to provide quality water and sanitation services to all residents. Displaced populations often settle in low-income urban areas or camps, leading to overcrowded cities and a higher risk of water-borne disease outbreaks. Utilities are increasingly expected to play an active role in providing water and sanitation services in these challenging contexts.

Simultaneously, humanitarian actors recognize that their parallel service provision is effective in the short term but neither sustainable nor efficient in the long term. They are actively seeking collaboration with VEI to integrate services for displaced and host communities in protracted situations, enhance cooperation during disease outbreaks, and respond effectively when natural disasters strike urban areas.

While VEI acknowledges that parallel humanitarian service provision is not a viable long-term solution, it must be underlined that utilities require support to strengthening their capacity to cope with the increased risks associated with these crises.

In 2024, VEI collaborated with UNICEF and the City of Harare Water and Sanitation Department to address a cholera outbreak. Loreen Mukarati, Project Engineer working with VEI at the Harare City Council explains: “In Harare, there are high-density areas prone to cholera. Our objective was to ensure access to clean water to prevent outbreaks. We built chlorine rooms in these areas to boost chlorine levels in distribution reservoirs, ensuring standard residual chlorine levels when water reaches users. This intervention targeted 5 reservoirs with 20,000 people per reservoir. In Mbare, we supported the construction of a reticulation network feeding into a chlorinated reservoir tank, targeting 40,000 people. VEI and the City of Harare

worked as a technical team, with UNICEF as the sponsor. Such collaborations are vital because utilities often lack sufficient funds for interventions. If partners like VEI and UNICEF come at these times of crisis, it allows us to respond how it is needed: the utility can focus on implementing the right technical intervention instead of being concerned identifying and trying to raise funds for the emergency that are normally not available.”

Uganda – Constructing a water distribution system. ▾



Another example of potential collaboration with the humanitarian sector involves the UN High Commissioner for Refugees (UNHCR). Simon Peter Odong of UNHCR Uganda explains the relevance of utility collaboration: “Refugee settlements like Rwamwanja have existed since the 1950s but grew significantly around 2016 due to conflicts in Democratic Republic Congo. Initially, emergency responses included water trucking and the use of hand pumps. The most productive handpumps were later motorized and linked to an on-spot construction consisting of small tank and small system with a generator. Over time there were numerous small systems with many operators, which is a fairly costly approach. So, in some of the settlements then we started to do design of the entire settlement to see how these small pieces fit into a larger whole (master water design). But some of them would never fit into the master design:



*Photo's below: Uganda – Simon Odong of UNHCR on the left and Loreen Mukarati, Project Engineer Harare City Council in Zimbabwe on the right.
Photo on the right: Malawi – Short Term Expert Johannes Dunnewolt is showing the new design of the equipment for mechanical cleaning of boreholes at the Central Region Water Board.*

some pipes were too small, you cannot connect it to anything big. So that means we need to just design the entire settlement again. Development partners came in to support the infrastructure design and development, eventually handing the water systems in Rwamwanja over to the National Water and Sewerage Corporation (NWSC), a VEI partner. The major challenge is that the system's capacity is insufficient for the needs of refugees and host communities. Many residents are willing and able to have house connections, but due to the lack of available water this is not possible and they continue to rely on water kiosks. Hence, NWSC is not yet breaking even. Reliable infrastructure is crucial for utility operations, everywhere, including in refugee hosting setting. If you ask me, the first line of support should be to enhance system reliability and cost effectiveness in terms of energy efficiency, distribution, and storage capacity.'



RISK MANAGEMENT



Given the international context of our work, VEI is exposed to a variety of risks. Many of these risks are known and were included in the risk management assessments in the past years. For example risks related to our daily activities, and the risks associated with “external” influencing factors. Every year a screening of new risks is performed that might require new responses.

The dynamic nature of our work and environment require VEI to execute risk inventories and develop risk management interventions. VEI is preventing and mitigating the identified risks to minimize risk occurrence and its impacts continuously. VEI realizes that, being part of, and representing the Dutch water sector, it needs to take into account the interests of the shareholders and the Dutch drinking water utilities affiliated with VEI.

The risk categories are health and safety, operational risks, fraud and corruption risks, financial risks and reputational related risks. Risk screening in these categories is based on a selection process with predefined

IN 2024
VEI is exposed to a variety of risks

◀ Vietnam — Working on a climate-resilient water supply in the Mekong Delta, highlighted during a trade mission led by former Minister Habers.

criteria. A prime criterium is to weigh our involvement in WOP (Water Operating Partnerships) against the expectation that efforts will have a sustainable and lasting impact.

In general, choices related to contract types and project sites are key elements in managing the risk profile and exposure. The engagement and support of our utility WOP partner is an important indicator here. Other considerations relate to the safety situation of the project site, such as indicated by the Netherlands Ministry of Foreign Affairs and their embassies, presence of other international organizations, travel infrastructure and accommodation and health facilities. In managing the risks, VEI is supported by Control Risks. Control Risks is an independent, global risk consultancy specialized in helping organizations to manage political, integrity and security risks in complex and hostile environments.

VEI will not participate in any form of fraud and corruption. The presence of VEI in a country does not indicate support of a government's policy or governance

The Netherlands — As part of the WOP Mongolia, employees of MCA Mongolia and USUG (the water company of Ulaanbaatar) are making various visits to the Dutch water sector.



quality. With respect to contract type, VEI's policy is not to take financial interests in local entities, but merely to act in a supporting role focusing on technical assistance and support with the implementation of projects co-financed by the Water for Life foundation, aiming at providing access to clean drinking water and a safe toilet. Besides that we also do not allow official appointments of our project management staff within local organizations in order to avoid any form of conflict of interest.

HEALTH AND SAFETY RISK

Impact on the results and / or financial position: limited

Health and safety of international project staff, and staff assigned for short-term assignments, are the main risks to which VEI is exposed. Even though VEI staff mainly fulfil an advisory role, many are involved in the operations of WOP partners. The health and safety risks apply to international travel, local transportation (accidents, material damage), illness (nutrition, malaria, infectious diseases, pandemics), safety on the streets (theft), incidents (natural disasters, terrorism), and occupational health(accidents at the project site). Personal injury resulting from accidents or incidents causes personal hardship and inconvenience. But it also has a negative impact on the image of VEI and its partners, particularly if such situations are not managed professionally. Past pandemic situations and cases of political unrest show that VEI is taking its responsibility and pro-actively implements interventions to avoid staff getting sick or is exposed to unwanted situations.

VEI implements the following controls to minimize the risk associated with health and safety:

- VEI staff (project based staff and short-term experts) receive information on the political, security and health situation in the countries where we are present.
- A Travel Handbook, which is frequently updated ('Veilig op Reis'), containing instructions on behavior and assistance relating to health and safety.
- E-learning modules to create awareness and internalize health & safety issues.
- Compulsory drivers for short-term experts.
- A crisis management organization has been set up and annual crisis management trainings are organized.
- A checklist clarifying the obligations of the employer and employee, which the short-term expert must sign to indicate that he/she is aware of all the available information and has read the relevant instructions before being issued an air ticket.
- VEI cooperates with Control Risks (crisis management), TravelClinic (medical advice) and International SOS (health) in order to optimally inform and prepare employees and, if necessary, provide guidance in the area of health and safety.
- Health and Safety is fixed agenda item for the monthly Management Team and Regional Team meetings.
- Introduction of an incident register to capture Health & Safety incidents.

Photo: Kenia – Waste water channel to lagoons.





OPERATIONAL RISK, INCLUDING FRAUD AND CORRUPTION

Impact on the results and / or financial position: limited

Operational risks relate to the quality and effectiveness of the project, issue management (water quality, reliability, activities in low-income areas), political risks (human rights, corruption), and employee conduct (professionalism). This includes the risk of any form of fraud and corruption not only caused by own personnel, but also by partners and hired staff. Operational risks can negatively influence targets and reputation of VEI and its partners. Furthermore, fraud and corruption can lead to financial losses, sanctions and fines. VEI mostly works in long-term partnerships with partners collaborating on a voluntary basis, or contracts that are awarded after a tender procedure. Neither poor performance nor bad publicity serves the interests of the parties involved and thus partners are motivated to implement a project successfully. VEI learned from previous experiences that in case of insufficient progress towards the objectives, partners try to improve. As a result, there has not been a case of premature termination of a collaborative partnership without mutual consent in the past years. Recent events, such as pandemics, show that even with large-scale restrictions on international travel, projects were able to largely deliver planned project results based on partnerships with local water utilities, supported by the VEI local teams.

VEI implements the following controls in order to minimize operational risks:

- Contract selection criteria, including a restricted country list.
- Selection of partners/partnerships.
- Use of KPIs (Key Performance Indicator), transparent performance reporting.
- A standardized Financial Planning & Control cycle, using state-of-the art accounting software with built-in controls and updated procedures.
- Communication protocols defining core messages for target audiences.
- A mandatory “code of conduct” for VEI staff.
- Procurement procedures.
- Frequent internal and independent external audits, often in combination with a market conformity check on hardware investments.
- Restraint in relationships other than employer-employee.
- Avoid local official appointments of our project management staff.



◀ Photo left: Philippines – Inspecting borehole capacity. Photo right: Suriname – Lab Manager Ritesh Gayadin is informing the team and internal stakeholders during the kick-off. ▶

STRATEGIC RISK

Impact on the results and / or financial position: limited

The activities of VEI are supported by financial contributions and expertise of the Dutch water utilities, the foundation Water for Life, funds from the Ministry of Foreign Affairs, RVO and other (inter)national donors. The strategic risks include reduced funding for international water projects, and donor support for the WOP model specifically. VEI believes that the WOP model is most effective in achieving sustainable improvements.

VEI implements the following control measures to minimize strategic risks:

- Internal and external monitoring (including financial audits) of programs and projects to ensure that project objectives are met, and sustainability is secured.
- Continuously search for new externally financed projects and project partners.
- Promote the WOP model internationally (e.g. sharing best practices), including mobilizing additional financial support for WOPs (through GWOPA).

FINANCIAL RISK

Impact on the results and/or financial position: limited

VEI is a project-based organization and the associated financial risk is therefore related to individual projects and in some occasions part of a program. Examples of financial risks are penalty clauses, repayment of subsidies, debt-risks, liability for (health) damage and defaulting donors. In the event of early project termination, there may be financial consequences to relocate resident staff and/or reintegrate staff or an outplacement procedure has to be initiated. Despite this, the VEI portfolio is characterized by diversity, resulting in risk spreading and productive donor relationships.

VEI implements the following control measures to minimize financial risks:

- Optimization and updating of the administrative / finance & Control systems and procedures.
- Registration / preparation of VEI contracts with realistic performance targets and a good balance between fixed and variable rewards and bonus/malus arrangements.
- Many projects include advance payments by donors.
- Limited long-term commitments and assets such as rental contracts.
- No equity or financial positions in local entities.
- Flexible workforce contracts aligned with the project duration
- Large pool of contracts that make it possible to employ staff who temporarily have less work.

Indonesia — PDAM Semarang and Short Term Expert Ivar Abas are preparing a river flow measurement (salt dilution method) for the development of a new water treatment plant in Jatisari.



REPUTATIONAL RISK

Impact on the results and / or financial position: limited

As mentioned earlier, VEI realizes that incidents in projects abroad could negatively affect the reputation of the drinking water utilities affiliated to VEI, possibly caused by irresponsible behavior of VEI employees or VEI representatives. Misconduct such as sexual abuse, child labor, discrimination based on gender, ethnicity or sexual orientation has a zero tolerance policy within the VEI organization. In addition, when recruiting both long- and short-term as well local employees, the importance of responsible, respectful behavior in other cultures is communicated. This is implemented through a code of conduct, behavioral guidelines, and training. Also, frequent and transparent communication in regional meetings contributes reduce the risk occurrence.

VEI implements the following control measures to minimize reputational risks:

- Code of Conduct.
- Preparatory talks with short-term experts before they start working abroad.
- Clauses in contracts with externally contracted personnel, focusing is on proper behaviour.

- Independent trusted person (confidant).
- Awareness training of VEI and project staff.
- Local communication is done by the local water utility.
- Direct lines of communication with the Dutch water sector, and checking communication messages before publication in case of doubt.
- Training spokesperson.
- Transparent working methods, including procurement and financial transactions.
- A restricted country list which has been assessed on reputational risks, and informed by policies of the Ministry of Foreign Affairs.

More about VEI's financial risks and risk management can be found in chapter 5, Financial Statements.

Utrecht, 26 May 2025
Toine Ramaker
CEO VEI

Photo: Malawi — A Zimbabwean VEI expert in discussion with Malawian colleagues about the impact of climate change on the water quantity of the Likhubula River in Mulanje.



52

FINANCIAL STATEMENTS

Balance sheet as at 31 December 2024

(before proposed appropriation of result)

(x EUR 1,000)

53

Income statement for the year ended 31 December 2024

(x EUR 1,000)



ASSETS			31/12/2024	31/12/2023
	Note			
Current assets				
Construction contracts	1.		3,764	1,856
Accounts receivable	2.		558	303
Taxes and social security charges	2.		428	333
Other receivables, prepayments and accrued income	2.		1,672	1,307
Cash and cash equivalents	3.		7,877	9,906
Total assets			14,299	13,704
SHAREHOLDERS' EQUITY AND LIABILITIES				
	Note			
Shareholders' equity				
Paid-up and called share capital	4.		36	36
Other reserves			1,826	1,759
Result for the period			-53	67
Total shareholders' equity			1,809	1,862
Provisions	5.		190	164
Current liabilities				
Construction contracts	6.		8,676	8,442
Taxes and social security charges	7.		94	87
Other current liabilities	7.		3,530	3,149
Total current liabilities			12,300	11,678
Total shareholders' equity and liabilities			14,299	13,704

			2024	2023
	Note			
Net turnover				
	9.		26,183	22,902
Cost of operations				
	10.		-24,323	-20,849
Gross profit			1,860	2,053
General and administrative expenses				
	11.		-2,021	-1,970
Total costs			-2,021	-1,970
Operating profit			-161	83
Financial income				
	12.		95	0
Result before tax			-66	83
Corporate income tax				
	13.		13	-16
Result after tax			-53	67

Cash flow statement for the year ended 31 December 2024

(x EUR 1,000)

CASH FLOW FROM OPERATING ACTIVITIES		2024	2023
Operating (loss)/profit	Note	-161	83
Adjustments for:			
Movement in provisions	5.	26	-122
		-135	-39
Movements in working capital:			
Receivables	2.	-717	611
Construction contracts	1. & 6.	-1,675	977
Current liabilities	7.	389	-334
		-2,002	1,254
Cash (used in)/generated from operations		-2,138	1,216
Financial income	12.	96	0
Corporate income tax received / (paid)	13.	13	-16
		109	-16
Net cash (used in)/generated form operating activities		-2,029	1,200
The movement in cash at banks and in hand can be broken down as follows:			
Balance as at 1 January		9,906	8,706
Movements during the financial year		-2,029	1,200
Balance as at 31 December	3.	7,877	9,906

Notes to the balance sheet and income statement



1. GENERAL NOTES

1.1 Activities

VEI B.V. has two shareholders, Vitens N.V. and Evides Waterbedrijf N.V., both having a 50% participation. VEI B.V. receives contributions from its shareholders and other donors in the context of development aid. It uses these contributions to finance its activities in the area of management support for water companies in developing countries. An own contribution is incorporated within a majority of the project contracts of VEI. This own contribution is sourced through the participating Dutch water companies, legitimized by the 1% CSR contribution of the Dutch drinking water law.

1.2 Registered office and number at chamber of commerce

VEI B.V. registered office is located at the Reactorweg 47, 3542 AD, Utrecht, the Netherlands. Registered at the Chamber of Commerce under number 08134161.

1.3 Group structure

VEI B.V. consists of one legal entity. VEI B.V. is not part of a larger group.

1.4 Changes in accounting policies

There are no changes in accounting policies.

1.5 Changes in accounting estimates

There are no changes in accounting estimates.

1.6 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced, are considered to be a related party. Entities which can exercise control over the Company are also considered to be a related party. In addition, statutory directors, other key management of

VEI B.V. or the ultimate parent companies and close relatives are regarded as related parties. Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information are disclosed if this is necessary in order to provide the required insight.

1.7 Estimates

Preparing annual financial statements involves the use of assumptions, judgment and estimates based on historical experience and factors that are acceptable in the management’s opinion given specific circumstances. Such judgment and estimates (including relevant assumptions) affect the valuation and presentation of the assets and liabilities reported and also the result for the year. Actual results may differ from these estimates and assumptions applied. The nature of these estimates and this judgment, including relevant assumptions, are disclosed in the notes to the financial statement. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the relevant financial statement item.

1.8 Accounting policies for the cash flow statement

The cash flow statement has been prepared on the basis of the indirect method. Items disclosed in the cash flow statement comprise the cash and cash equivalents. Cash flows in foreign currency are translated at an estimated average exchange rate. Inflow or outflow of cash related to interest is included in the cash flow from operating activities. Cash flows from investment and financing activities are not applicable.

2. GENERAL ACCOUNTING POLICIES

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year. Comparative figures for the year 2023 have changed due to another presentation of the geographical net turnover, see note 9 – notes to the income statement. The current presentation is more aligned with the organizational structure.

2.3 Operational Leasing

VEI B.V. has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of, nor incurred by the company. The lease contracts are recognized as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

2.4 Foreign currency

2.4.1 Functional currency

The items in the financial statements are measured using the currency of the primary economic environment in which the company is based (the functional currency). The financial statements are presented in euro, which is the functional and presentation currency of VEI B.V.

2.4.2 Translation of foreign currency

Transactions entered by the company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur. Foreign currency assets and liabilities are translated at the rates ruling at the reporting date. Exchange rate differences arising on the translation of unsettled assets and liabilities are recognized in the company income statement.

3. ACCOUNTING POLICIES FOR THE BALANCE SHEET

3.1 Construction contracts

The item construction contracting by third parties consists of the balance of project costs and invoiced installments and, if applicable, allocated profit or recognized loss. Construction contracts by third parties are presented separately in the balance sheet under current assets. If a credit balance is shown, it is presented under the current liabilities. If it is likely that total project costs will exceed total project income, expected losses are immediately recognized in the income statement. This loss is included in cost of sales.

3.2 Receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at nominal value.

3.4 Provisions

Provisions are recognized for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required and a reliable estimate can be made. Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise. If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

3.5 Current liabilities

On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. ACCOUNTING POLICIES FOR THE INCOME STATEMENT

4.1 General

The result is determined as the difference between the realizable value of goods/services delivered and costs and other expenses over the year. Income from transactions is recognized in the year in which it is realized. The project result is determined as the difference between project income and project costs. Project income is the contractually agreed income and income from supplemental and additional work, claims and fees, if and to the extent likely to be realized and able to be reliably determined. Project costs are costs relating directly to the project, which are generally allocated to project activities and can be apportioned to the project, and other costs that can be contractually allocated to the client. If it is likely that total project costs will exceed total project income, expected losses are immediately recognized in the income statement. This loss is included in cost of sales.

4.2 Net turnover

Net turnover consists of contributions by the Dutch water companies and subsidies received. Income is allocated to the relevant period. Subsidies are recognized as income in the income statement in the year in which the subsidized costs were incurred, or income was lost, or in which a subsidized operating deficit arose. Income is recognized if it is likely to be received. Turnover is accounted for after deduction of discounts and such like.

4.3 Contract revenue and costs

When the outcome of a contract can be reliably estimated, contract revenue and costs are recognized as revenue and costs in the income statement under the percentage of-completion method. The stage of completion is

measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognized as revenue in the income statement only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses in the period in which they were incurred. When the outcome of a contract can be estimated reliably, revenue is recognized using the percentage of completion method by reference to the services provided up to the balance sheet date. Revenues from work in progress are recognized in the income statement in the relevant period.

4.4 Cost of operations

Cost of (project) operations is defined as direct and indirect costs that can be allocated to the projects, which includes costs of raw materials and production supplies, costs of work contracted out and other external costs, personnel costs and other operating expenses that can be allocated to cost of sales.

4.5 General and administrative expenses

General and administrative expenses are defined as those costs chargeable to the year that are not directly attributable to cost of goods and services sold. In the case of VEI B.V., these costs are related to support departments and cannot be attributed to the cost of (project) operations. The general and administrative expenses also include the costs of own employees of VEI B.V.

4.6 Employee cost (employee benefits)

4.6.1 General

Employee costs (wages, salaries, social security

contributions, etc.) are not presented as a separate item in the income statement. These costs are included in other components of the income statement, i.e. general and administrative expenses. For a specification, reference is made to the relevant note.

4.6.2 Short-term employee cost

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

4.6.3 Pensions

VEI B.V. applies the liability approach for all pension schemes. The pension fund ABP is unable to provide the information which is necessary for the defined benefit plans which are actually the pension plans that VEI B.V. has. Therefore, the defined benefit plan is treated as a defined contribution plan and the pension premiums owed for the financial year are entered as pension costs in the income statement. VEI has recognized the defined benefit pension plan of the pension fund in the financial statements using the liability method. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. There are no other obligations in addition to the premiums paid, so no provision is included. The coverage ratio of ABP was 111.9% at 31 December 2024 (31 December 2023: 110.5%). As per 1 January 2024, the pension increase will be 1.84%. For the rest of this year, pensions will remain the same.

4.7 Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of

the assets and liabilities to which they relate. In accounting for interest expenses, recognized transaction expenses for loans received are taken into consideration.

4.8 Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognized in the income statement in the period that they are realized, unless hedge accounting is applied.

4.9 Corporate income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs.

5. FINANCIAL RISKS AND RISK MANAGEMENT

VEI B.V. is exposed to the following financial risks, which are explained below:

5.1 Market risk

5.1.1 Price risk

The company deems the price risk related to items in the financial statements to be limited. This is mainly caused by the type of contract which enables VEI B.V. to pass such effects on to donor parties.

Eligibility of project cost

The company is involved in various projects for which audits are performed in order to check eligibility of project cost incurred. For some projects, audits are performed on a yearly basis, for others an audit is performed in case a new installment is requested and

for some projects audits are performed at the end of the project. For those projects where the subsidy funder performs an audit after closure of the project and for long-term projects, the company risks that, as a result of an audit, costs do not meet the conditions of the grant and can therefore not be claimed.

5.1.2 Currency risk

This is the risk that the value of a financial instrument will change due to fluctuations in the currency exchange rates. The company uses the euro as its functional currency. Exchange differences are calculated on a per-transaction basis and credited/charged to the income statement. For benefit of the projects, bank accounts abroad are held in foreign currencies to facilitate payments in foreign currencies. VEI B.V. is exposed to currency risks because its projects are implemented in financially unstable countries and transactions are executed in foreign currencies. Based on a risk assessment, the company does not use any forward currency contracts.

5.1.3 Interest rate and cash flow risk

No measures have been taken to mitigate interest rate risks. The company has no interest-bearing debts.

5.2 Credit risk

The company is exposed to risks in relation to valuation of receivables. The company manages this risk by assessing the recoverability of outstanding receivables periodically and takes adequate measures where necessary.

5.3 Liquidity risk

Cash and cash equivalents are at free disposal of the company. Many of the company's projects are financed based on pre-financing by financiers/donors.

Notes to the balance sheet

(x EUR 1,000)

1. CONSTRUCTION CONTRACTS

Construction contracts commissioned by third parties comprise the balance of project costs and invoiced installments and if applicable allocated profit or recognized loss. Construction contracts are presented

separately in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

	31/12/2024			31/12/2023		
	Instalments	Project cost	Balance	Instalments	Project cost	Balance
Africa	6,491	7,285	794	7,435	8,353	918
Latin-America / Asia	3,203	3,585	382	3,788	4,286	498
Europa	0	0	0	0	0	0
WaterWorX (VEI)	0	0	0	0	0	0
Water for Life	0	0	0	0	0	0
Other	0	0	0	0	0	0
	9,694	10,870	1,176	11,223	12,639	1,416

WaterWorX (Consortium)		
Paid instalments to WWX partners	4,015	1,339
Reported cost by WWX partners	1,427	899
Subtotal	2,588	440
Total	3,764	1,856

(x EUR 1,000)

2. RECEIVABLES

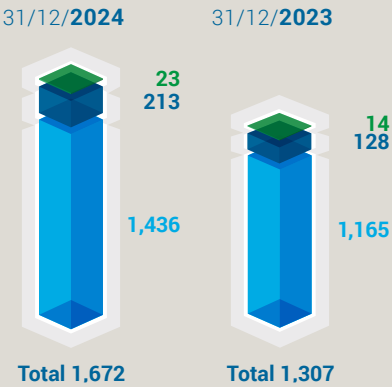
All receivables have a remaining term of less than one year. The net present value of the receivables approximates the book value, due to their short-term nature and the fact that provisions for bad debt have been created where necessary. For 2024 a provision for doubtful receivables was deducted amounting to € 50,000 on the receivables (2023: € 164,000). The debtors amount to € 558,000 (2023: € 303,000), after deduction of the provision for doubtful debts.

The receivable relating to Taxes and social security charges amounts to € 428,000 (2023: € 333,000) and relates to VAT and Corporate Income Tax (CIT). The CIT can be broken down as follows:

Corporate income tax	2024
Balance/(debt) as at 1 January	-6
Payable for the financial year	13
	7
Paid in financial year	20
	27

The other receivables, prepayments and accrued income consists of the categories below.

- Advances to personnel and projects
- Other receivables and prepaid costs
- Credit notes to receive



3. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are at the free disposal of the company.

4. SHAREHOLDERS' EQUITY

	31/12/2024	31/12/2023
Paid-up and called share capital	36	36
Other reserves	1,826	1,759
Undistributed result	-53	67
Total	1,809	1,862

The authorized share capital amounts to € 90,000 consisting of 1,800 shares with a nominal value of € 50 per share. At the year ended 31 December 2024 720 shares were issued and paid up. In 2024 no shares were issued. The movement in shareholders' equity is presented in the table on the following page.

(x EUR 1,000)

(x EUR 1,000)

	Paid-up and called share capital	Other reserves	Result for the period	Total
2024:				
Balance as at 1 January	36	1,759	67	1,862
Movements				
Appropriation of the result of previous financial year	0	67	-67	0
Distribution of dividend	0	0	0	0
Result for financial year	0	0	-53	-53
Balance as at 31 December	36	1,826	-53	1,809

	Paid-up and called share capital	Other reserves	Result for the period	Total
2023:				
Balance as at 1 January	36	1,680	79	1,795
Movements				
Appropriation of the result of previous financial year	0	79	-79	0
Distribution of dividend	0	0	0	0
Result for financial year	0	0	67	67
Balance as at 31 December	36	1,759	67	1,862

Proposed appropriation of result

Based on article 18 of the articles of association, the board of directors proposes to appropriate the result of 2024 as follows: to withdraw an amount of € 53,000 from the other reserves.

(x EUR 1,000)

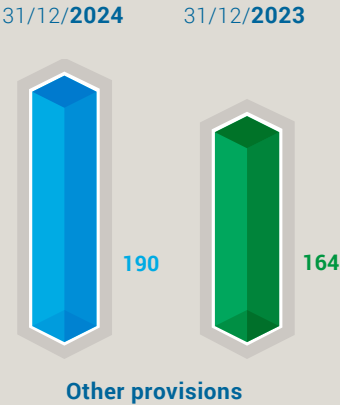
(x EUR 1,000)

5. PROVISIONS

Other provisions are recognized for employees working abroad and relates to withholding taxes.

The movement in the provision is presented in the table below.

	2024	2023
Balance as at 1 January	164	286
Movements in provisions		
Additions	180	174
Release	-47	-100
Utilisation	-107	-96
Reclassification to other payables	0	-100
Balance as at 31 December	190	164



6. CONSTRUCTION CONTRACTS

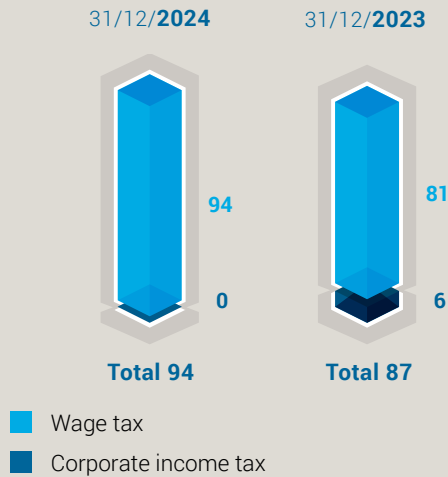
Construction contracts commissioned by third parties comprise the balance of project costs and invoiced installments and if applicable allocated profit or recognized loss. Construction contracts are presented separately in the balance sheet under current assets. The construction contracts with a credit balance are presented under current liabilities.

	31/12/2024			31/12/2023		
	Instalments	Project cost	Balance	Instalments	Project cost	Balance
Africa	7,080	6,147	933	8,034	6,459	1,575
Latin-America / Asia	540	447	93	2,407	2,253	154
Europe	5,285	4,696	589	3,868	55	3,813
WaterWorX (Consortium)	0	0	0	873	821	52
WaterWorX (VEI)	24,082	20,042	4,040	13,147	12,804	343
Water for Life	5,359	2,354	3,005	4,010	1,539	2,471
Other	54	38	16	81	47	34
Total	42,400	33,724	8,676	32,420	23,987	8,442

(x EUR 1,000)

7. TAXES, SOCIAL SECURITY CHARGES AND OTHER CURRENT LIABILITIES

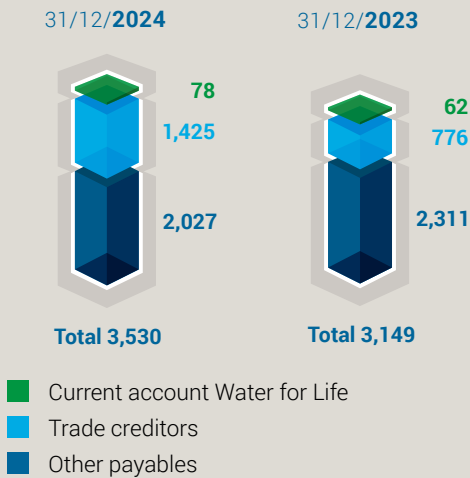
The taxes and social security charges consist of the following categories:



The Corporate income tax can be broken down as follows:

	2023
Balance/(debt) as at 1 January	-3
Payable for the financial year	-16
	-19
Paid in financial year	13
	-6

There is no current account agreement with Water for Life and no interest is being charged. The other current liabilities consists of the following categories:



All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character. The other payables consist of expenses to be paid € 1,691,000 (2023: € 1,967,000) and payroll related liabilities € 311,000 (2023: € 344,000).

Debt to shareholders

Under the debtors, trade creditors and other payables positions with shareholders are included and lead to the following debt:

	31/12/2024	31/12/2023
Vitens N.V.	137	143
Evides N.V.	168	177
Total	305	320

No interest is charged on the debt to shareholders.
In respect of repayment the regular payment term for creditors is used. No other agreements have been made.

(x EUR 1,000)

8. CONTINGENCIES AND COMMITMENTS

The company has concluded lease and rental contracts with an total rental expenditure of approximately €309,000 (2023: 255,000) for the whole period.

These contracts are related to lease of cars, office space and housing for employees abroad.

	Due within 1 year	Due 1- 5 years	> 5 year
Rental and lease contracts as per 31 December 2024	180	55	0
Rent	134	15	0
Lease	46	40	0
Rental and lease contracts as per 31 December 2023	167	88	0
Rent	104	12	0
Lease	63	76	0

VEI B.V. has a credit facility amounting to € 1,500,000.

(x EUR 1,000)

Notes to the income statement



9. NET TURNOVER

Net turnover from is recognized based on contracts and grants and relates to contributions from partners with which the company cooperates for their projects. Compared to previous years the presentation of the net turnover has changed, because this presentation is more aligned with the organizational structure of VEI.

	2024	2023
Europe	10,630	6,082
North-East Africa	6,658	7,209
South-West Africa	5,258	6,300
Latin-America / Asia	3,637	3,311
Total	26,183	22,902

10. COST OF OPERATIONS

The costs of operations relate to the projects performed during the financial year. The costs of the Project Operations Department are also classified as cost of operations. Under the cost of operations an amount of € 1,065,000 (2023: € 961,000) relates to wages and salaries.

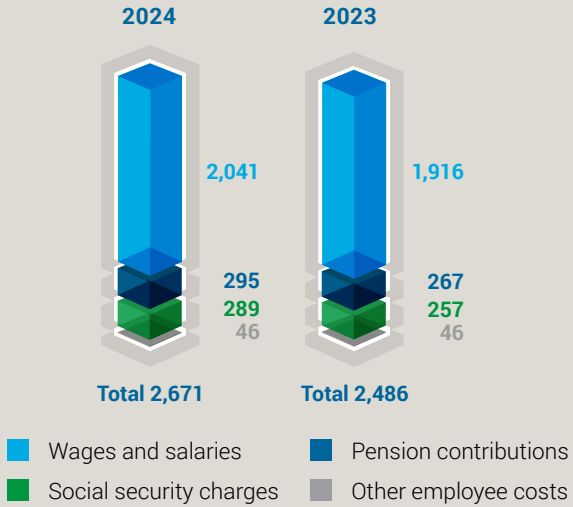
(x EUR 1,000)

11. GENERAL AND ADMINISTRATIVE EXPENSES

The General and Administrative expenses relate to the support departments of VEI B.V. and are not project related.

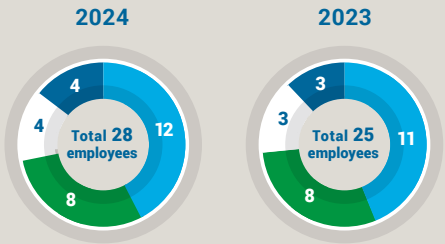
Personnel costs
Under the general and administrative expenses an amount of € 1,606,000 (2023: € 1,525,000) relates to wages and salaries.

Wages and salaries own employees



Average number of employees
For 2024, 28 employees were employed on a full-time basis (2023: 25).

The average number of employees can be broken down as follows:



Department:

- Corporate
- Project Operations
- Finance & Control
- Human Resources

(x EUR 1,000)

Audit fees

The following audit fees were expensed in the income statement in the reporting period:

2024	PWC	HLB Blömer	Total
Audit of the financial statements	142	-	186
Other audit services	-	12	12
Tax services	-	-	0
Other non-audit services	-	-	0
	142	12	198

2023	PWC	HLB Blömer	Total
Audit of the financial statements	177	-	133
Other audit services	-	73	73
Tax services	-	-	0
Other non-audit services	-	-	0
	177	73	206

The fees listed on the left relate to procedures applied to VEI B.V. by accounting firms and independent external auditors as referred to in Section 1, subsection 1 of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. The fees for the year 2024 relate to (1) the audit of the financial statements 2024, regardless of whether the work was performed during the financial year, and (2) other services rendered during the year 2024.

(x EUR 1,000)

12. FINANCIAL INCOME

The cost of operations and the general and administrative expenses contains also an amount of € -119,000 (2023: € -60,000) related to exchange rate differences. The exchange rate differences are booked in the relevant projects.

	2024	2023
Interest and similar income	95	0
Total	95	0

13. CORPORATE INCOME TAX

The corporate income tax is based on the applicable corporate income tax rate in the Netherlands: 25,8% (2023: 25,8%). The effective corporate income tax rate on the company result is 19% (2023: 19,0%), due to a different applicable tax rate over the first € 200,000.

(x EUR 1,000)

(x EUR 1,000)

14. RELATED PARTIES

The company receives an annual contribution from its shareholders, which can be specified as follows:

Contribution

	2024	2023
Vitens N.V.	2,200	2,200
Evides N.V.	1,750	1,750
Total	3,950	3,950

All costs from related parties are charged to the company based on actuals (e.g. hours and invoices), without profit margin. The company hires personnel from its shareholders, mainly as project-staff. Moreover VEI B.V. hires staff from Vitens and Evides Waterbedrijf for backoffice activities (e.g. accounting, controlling, ICT, HR and marketing). The specification is as follows:

Costs

	2024	2023
Vitens N.V.	1,559	1,453
Evides N.V.	448	553
Total	2,007	2,006

15. DIRECTOR'S REMUNERATION

	2024	2023
Current and former directors	186	169
Total	186	169

The management board is charged with managing the company. The authority to determine the remuneration and other employment conditions of the members of the management board accrues to the General Meeting of Shareholders. The remuneration consists of a basic salary, holiday allowance, pension, social security and other expense allowances, and is in accordance with the requirements of the Executives' Pay (Standards) Act. No loans, advances or guarantees were provided to the management board member.

Utrecht, 26 May 2025

T. Ramaker
CEO VEI B.V.

Other information

Provisions of the Articles of Association governing the appropriation of profits

The provisions of the Articles of Association relating to profit appropriation are as follows (article 18):

- 18.1 The profit achieved in a financial year is at the disposal of the general meeting.
- 18.2 Profits are paid out after adoption of the financial statements which indicate this is permissible.
- 18.3 The general meeting can adopt a resolution for payment of an interim dividend and/or distributions chargeable to a reserve maintained by the company.
- 18.4 Distributions on shares can only take place up to at most the amount of the distributable shareholders' equity.

- 18.5 A resolution aimed at distribution will not have any effect as long as the management board has not given its approval. The management board will only refuse to give its approval if it knows or should reasonably foresee that the company will be unable to continue to pay its eligible debts after the distribution.

Proposed appropriation of result

The board of directors proposes to appropriate the result of 2024 as follows: to withdraw an amount of € 53,000 from the other reserves.

Independent auditor's report

To: the general meeting of VEI B.V.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024

Our opinion

In our opinion, the financial statements of VEI B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of VEI B.V., Utrecht.

The financial statements comprise:

- the balance sheet as at 31 December 2024;
- the income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of VEI B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of VEI B.V. and its environment and the components of the internal control system. This included the director's risk assessment process, the director's process for responding to the risks of fraud and monitoring the internal control system. We

refer to section risk management of the management report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, internal policy documents and protocols. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We inquired with the director whether he is aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

IDENTIFIED FRAUD RISKS	OUR AUDIT WORK AND OBSERVATIONS
<p>The risk of management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none">the appropriateness of journal entries and other adjustments made in the preparation of the financial statements;significant transactions, if any, outside the normal course of business for the entity	<p>We evaluated the design and implementation of the internal controls in the processes for generating and processing the journal entries.</p> <p>We also paid specific attention to access to the IT system and the possibility that segregation of duties can be overridden.</p> <p>We have selected journal entries on the basis of risk criteria and performed specific audit procedures on them, also paying attention to possible significant transactions outside the normal course of business.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.</p>



<p>Fraud in revenue recognition</p> <p>As part of our risk assessment and assuming fraud risks in revenue recognition, we evaluated which types of revenue or assertions give rise to a risk of material misstatement due to fraud.</p> <p>The presumption is that there is a risk of fraud in the recognition of income in each audit assignment. We identify the area of subsidy contributions regular, contributions Water for Life and contributions WaterWorX as area's that requires special attention, focusing on the judgments and accounting criteria for their recognition.</p>	<p>We evaluated the design and implementation of the internal controls in the processes of revenue reporting and test the effectiveness of the controls where relevant.</p> <p>We conclude that, in the context of our audit, we were able to rely on the internal control measures relevant to this risk.</p> <p>We have performed specific procedures that include:</p> <ul style="list-style-type: none">substantive procedures on the costs that relates to the projects (including cut-off). There is a direct link between the project costs and the revenue recognition for most of the projects.procedures on the hours written by the employees in the VEI appssubstantive procedures on the construction contracts.substantive procedures of debtors at the end of the year, whereby we tested the subsequent receipt in 2025 by means of a sample;testing specific journal entries related to revenue processing. <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence and occurrence and cut of the revenue reporting..</p>
---	---

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The director prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate the director's going-concern assessment included, amongst others:

- considering whether the director identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- evaluating the director's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;
- performing inquiries of the director as to its knowledge of going-concern risks beyond the period of the director's assessment.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The director is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the director

The director is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the director should prepare the financial statements using the going-concern basis of accounting unless the director either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The director should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not

a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the [appendix](#) to our report.

Zwolle, 26 May 2025
PricewaterhouseCoopers Accountants N.V.

Original signed by
F.S. van der Ploeg RA

APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2024 OF VEI B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Concluding on the appropriateness of the director's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

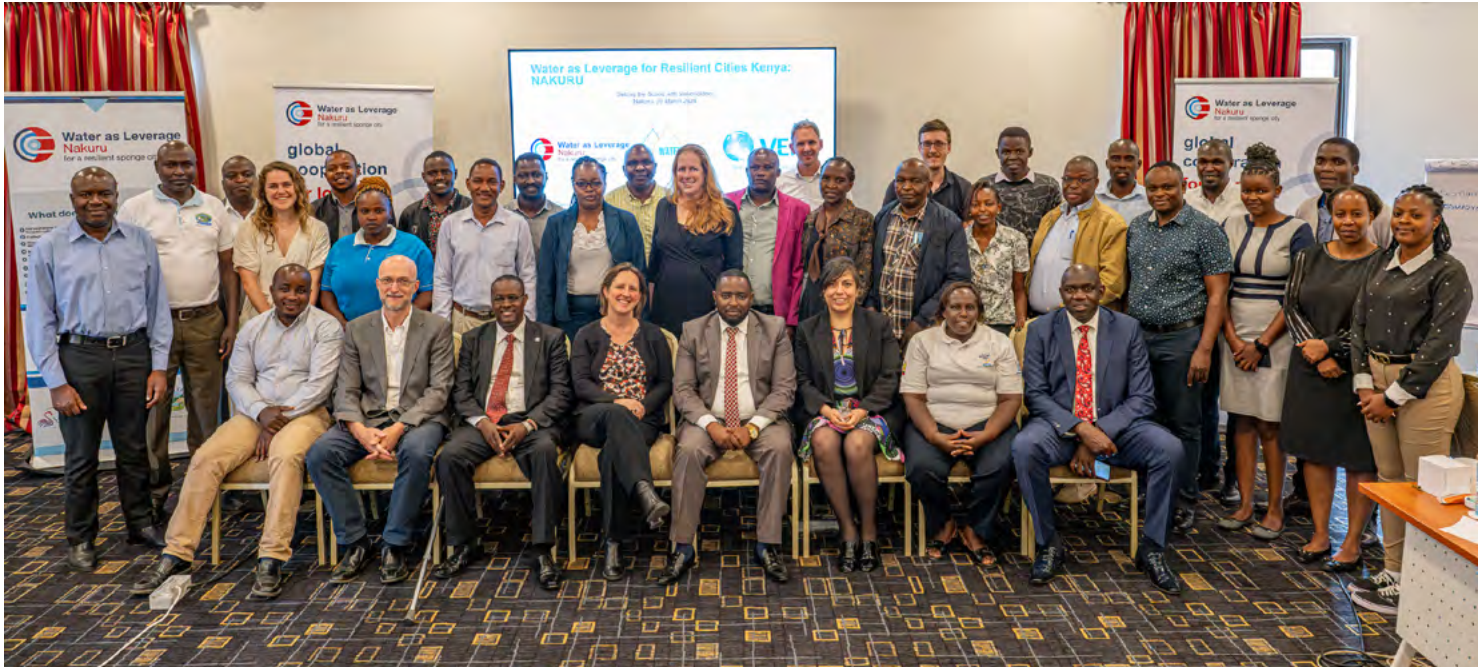
We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Rwanda – School WASH



Mozambique – Elevated water tank.



Kenya – Participants of the Water as Leverage ‘Setting the Scene’ workshop in Nakuru.



Philippines – customer survey.



Vietnam – An inspiring trade mission between Dutch and Vietnamese delegates, sharing innovations and building new partnerships in the water sector and beyond.



Malawi – Water quality measurement.



Indonesia – Pipe construction training.





Dutch Water Operators

Sustainable Water and Sanitation Services for All

Address: Reactorweg 47 | 3542 AD Utrecht | The Netherlands | www.vei.nl