



MID-TERM REPORT

2023 SEMESTER 1

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In the field, where actions echo louder than words, we've achieved an extraordinary milestone. Across Cambodia, Madagascar, Vietnam, and Myanmar, our team's tenacity has brought safe water to a total of

1 million consumers

They trust us with their essential drinking needs, drawn by the consistent quality we provide. This trust is not simply a result of our unique product, but is directly linked to our commitment to provide last-mile delivery and steadfast service. They form the pillar of our market-based strategy. Beyond our customer base, we've also reached schools, impacting the lives of young pupils and their families.



This million-mark is the result of a team dedicated to making change happen on the ground and a network of solid partners committed to encouraging it. More than just a celebration, it is a validation of our convictions: that business success and social progress can walk hand in hand. It is proof that field-driven action, paired with a commitment to results, can create a better tomorrow. As we stand at this juncture, we are motivated to scale higher, reach further, and pioneer new opportunities of impact.



Here's to our team's grit, to the lives changed, and to the million reasons why we're excited for the road ahead!"

Julien Ancele, CEO



Countries at a glance

	Cambodia	Madagascar	Vietnam	Myanmar
Total volume (L) S1 2023 S1 2022	+12% 112,260,000 100,480,000	+28% 4,435,594 3,478,858	+38% 4,081,379 2,954,599	+21% 496,240 407,640
Water Sales S1 2023 S1 2022	+16% \$ 2,130,000 \$ 1,836,000	+69% \$ 88,990 \$ 52,559	+56% \$ 103,917 \$ 66,461	+28% \$ 5,544 \$ 4,329
Key indicator S1 2023 vs S1 2022	Kiosks 309 vs 287	Consumers 41,300 vs 33,500	Retailers 232 vs 167	Kiosks 4 vs 4



CAMBODIA AT A GLANCE

An increased portfolio of water kiosks

Following a strong focus on site reopening, our network contains **22 additional water kiosks** compared to a year ago, and we're happy to count more than 300 operating sites across the country. We aim to reopen 9 additional sites by the end of the year while pursuing expansion with 20 new water kiosks.



309 water kiosks
+ 22 since June 2022



VIETNAM AT A GLANCE

The strength in our collaboration with local retailers

We have increased our presence by **65 new local shops**, reaching a total of 232 retailers in June 2023. This growth would not have been possible without the support of retailers who believe in our mission, and wish to offer their customers a good quality product that is also affordable.



232 local retailers
+ 65 since June 2022



MADAGASCAR AT A GLANCE A consistently growing trust in our brand

We have witnessed a **24% increase** in the number of consumers compared to last year. Despite challenges in rural locations, the total number of beneficiaries continues to rise, thanks to our successful endeavors in Tamatave and our commitment to delivering high-quality service and ensuring customer satisfaction.



41,300 consumers
+24% since June 2022



MYANMAR AT A GLANCE

Striving for resilience

While the local context has not shown any signs of improvement in the past months, **the determination of our 4 entrepreneurs** to maintain the kiosks' activity commands respect and encourages us to look for all the possible pathways to remain present in the country and open additional sites. We are currently exploring options that could provide both security and high-quality implementation.



CAMBODIA

Successfully reinforced internal culture

With 309 sites in operation, the entrepreneurs' seminars had grown to become a key moment of the year, to reinforce internal culture and create a strong sense of belonging to the O-we community - O-we being our local water brand. This year, the seminars were held at regional level instead of national level, directly impacting attendance with **80% of entrepreneurs present**. The seminars were friendly and informative, the tools were exploited to their full extent, and topics encouraged conversation, experience sharing as well as raising awareness.

The 2-day seminars were centered around three main topics:

1. **O-we operating standards:** a common reflection on their importance to successfully manage a kiosk;
2. **Home delivery:** its advantages vs other channels of distribution to ensure consumers' loyalty;
3. **National news:** innovation projects such as the Kiosk 2.0, updates on service providers, etc.



A highly appreciated moment of the 2-day seminars was surely when the floor was given to the entrepreneurs with the top performances, to describe their own experience in the implementation of all O-we standards. Entrepreneurs of the audience showed great receptivity to their peers' success stories, creating great motivation and enthusiasm.

All levels of attending participants were satisfied with the seminars, and we plan to make these events a yearly rendezvous in platforms having solid performances, whilst organizing them twice a year in platforms with slower rhythm. As we are at the starting point of a sales-increasing process through innovation on production, distribution and sales, placing the standards back as a core point of the O-we identity will allow us to strengthen the core business and integrate these new features in a smooth manner.



NEWS FLASH:

OUR SHOWCASE KIOSK 2.0 HAS BEEN LAUNCHED IN JUNE 2023!



TAKE A TOUR

VIETNAM

Owe cares for all families

We undertook a redesigning of our Vietnamese “Owe” water brand to reinforce our impact with vulnerable populations in Vietnam, while upholding the high quality perception of our water. In collaboration with the Pixelis agency, we worked on the positioning of the brand, to meet the specific expectations of these communities.

Our main objective was to highlight the brand's commitment to offering affordable water that meets everyone's needs. The new message "**Owe cares for all families, it fits all budgets**" embodies our ambition to serve the most vulnerable populations without compromising on the quality of our product. To reinforce our message, we have also reworked the packaging. By adding key information such as "French Social Company", "High quality purified water" and "Fits all budget" on our bottles, we enhance consumers' trust in our water.

The official launch of the new brand in March 2023 was a success. We will continue to strengthen our position in the community and improve the lives of vulnerable populations through our quality water. Owe's rebranding demonstrates our ongoing commitment to these communities and to expanding our impact and serving more families.



MADAGASCAR

New urban factory launched

In Madagascar, our teams successfully launched a new model to address the critical need for safe drinking water in urban areas. A larger production facility (the Hub) serves decentralized points of sales (the Spokes) across the city of Tamatave, the second largest in the country.

We reached a new important milestone by completing the upgrade of our production facility, allowing us to **double our production capacity**. This strategic move enabled us to meet the increasing demand for our services, and demonstrated our commitment to delivering top-notch quality safe drinking water. The upgrade is not limited to production alone, but also integrates the processes and tools: we always prioritize the well-being of our growing team, here by providing a better working environment.



Since April, we have been working to capitalize on the success of our safe drinking water services in Tamatave. We organized a survey to confirm the relevance of our initiative: compelling consumer survey results revealed that more than 40% of consumers experienced **positive health outcomes** since drinking our water. Furthermore, 80% of this pool was not used to purchasing safe drinking water before the existence of our services, indicating the transformative impact of our efforts. For the remaining 20%, paying for safe water represented a significant economic effort, and they have now switched to a much more affordable offer. The survey also highlighted that a significant majority of our clients actively promote our brand, with no particular incentive from our part. These findings underscore the vast potential for replication of our social business approach in other Malagasy regions.

Business development

A possible launch in Bangladesh?

Following a first field mission in May 2022 in Bangladesh, and institutional donors expressing a strong interest in working with 100fontaines, the consulting firm LightCastle Partners delivered a feasibility study in June 2023 on how to best move forward with a pilot project, to demonstrate our capacity to adapt the water kiosk to the Bangladeshi context.

In parallel, our COO Romain Joly planned 2 field trips in February and in April to visit rural areas, to further grasp the local realities, and to meet potential partners in Dhaka.

Amongst the key learnings of these trips, the absence of any relevant large-scale solution of satisfactory quality was most striking. Currently, the available drinking water on the market is obtained through informal vendors, often non-branded sources, filled up with unsupervised desalinated ocean water, or rainwater during the rainy season. This results in a local weak willingness to pay for bottled water as soon as there is another option available (e.g. rainwater), and no particular regards to reliability nor quality of drinking water, with the absence of saline taste as a single expectation.

We wish to differentiate our service from the existing offer with a strong brand and the promise of quality and service as we offer in our other countries of intervention. Given the strong density in rural areas, and the presence of multiple small cities, we are currently considering operating models ranging from the typical Cambodia water kiosk to the Madagascar urban Hub & Spokes model.

The next steps for us are to fine tune our understanding of market trends, explore the relevance of working with existing players, and build a strong case for the 100fontaines solution in Bangladesh in the coming months.



Focus Partners

We worked together:



We benefited from the IRC WASH expertise to get external insights on our distinctive approach. Their feedback underlined the importance of strengthening our legal framework and maintaining our unique identity - delivering bottled water as a public service while ensuring quality through nationwide operational and maintenance support.

[READ OUR JOINT PUBLICATION HERE!](#)



We launched with PRACTICA, a renowned non-profit technical advisory organization, a customer survey to further enhance our understanding of the Malagasy urban market. The collaboration assessed our impact over the last 4 years in Tamatave, also looking at Mahajanga and Antananarivo to identify potential for model replication. Customer knowledge is pivotal to our growth, and we eagerly anticipate further collaborations with PRACTICA in other countries.



Pixelis supported 1001fontaines with the rebranding of our water brands in Madagascar, "Ranontsika", and in Vietnam, "Owe". Our partnership has enabled us to adjust our identity in order to reflect the ambitious target of reaching vulnerable populations with reliable, high-quality water.

*1001 thanks to all our partners and supporters
without whom nothing would have been possible!*



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