

Water kiosks and franchised entrepreneurs in West & Central Africa



*Safe and affordable
drinking water*

Access to safe drinking water and other major issues

The challenge of safe and affordable water



- **24%** of reliable access to safe drinking water in sub-Saharan Africa
- Probably more when it comes to secured drinking water

Market trends / Needs - Opportunities :

- **Population growth**
- **Urbanization rate and growth** (from 23% in the 1960s to 43% in 2013 - expected to reach 60% by 2030)
- **Infrastructure deficit** : in mid-sized cities, 32% of people not connected to the water network
- **Huge need for job creation**






The challenge of safe and affordable water

Example of Senegal

			QUALITY	PRICE	TASTE	IMPACT
Bottled Water		From €0.15 per L (100 FCFA)				
Sachet water		€0.23/L (150 FCFA)				
Tap water		€0.001/L (0.6 FCFA)				

Solution: Clean drinking filtered water, at least 3x cheaper than bottled water



WATER	PRICE	QUALITY	PRICE	TASTE	IMPACT:
	€0.015 to €0.05 per L (10-35 FCFA)				

A **water treatment** system
A **web platform**
A **brand**

In **bulk and consigned** containers



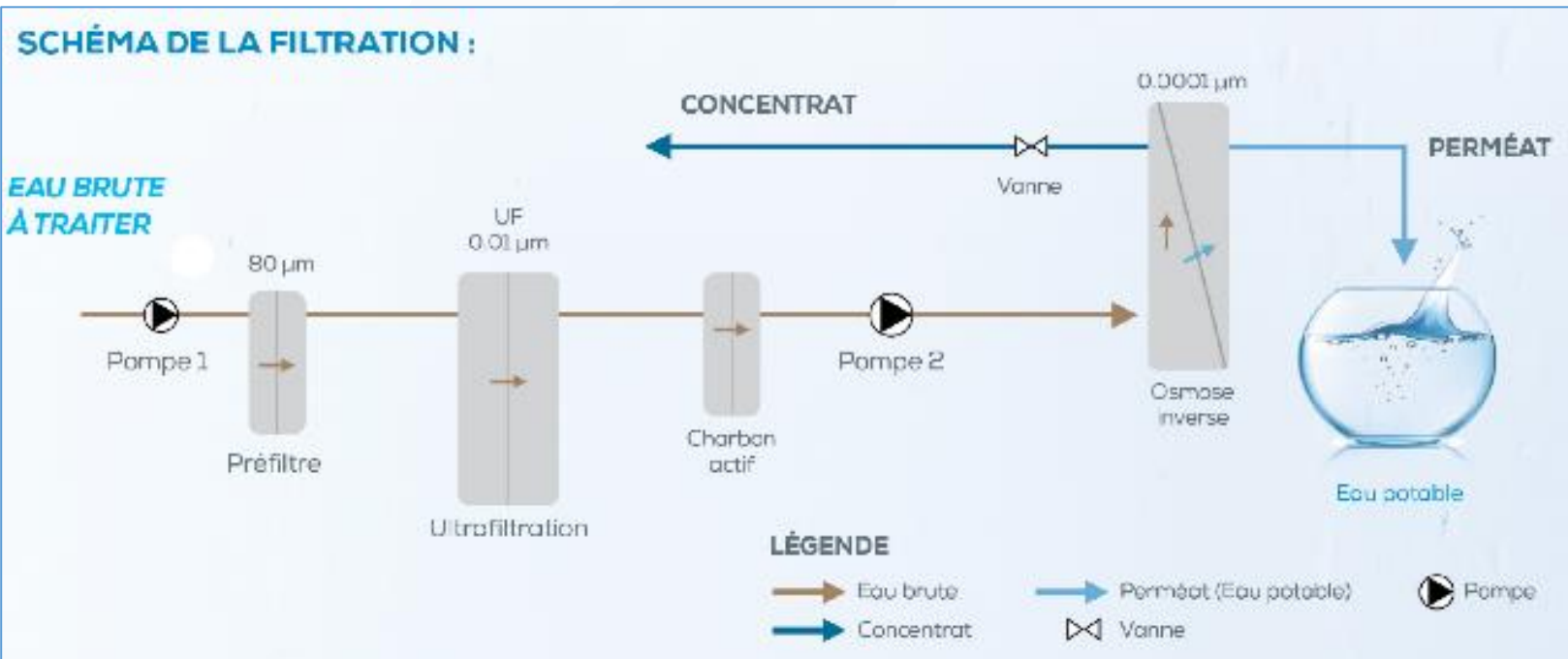
Our machine



Our machine

Our machines "BW-Delta" are extremely compact (80kg, 136cm on 48/48) and were created from the needs of our customers. They can be installed, used, and maintained easily. They also consume very minimal electricity (0,25 to 0,4 kWh), and they can be plugged either on the grid or via solar energy. The 4 stages of filtration, including reverse osmosis, can treat almost every kind of contaminated and polluted water sources. They are connected through the IOT for remote assistance purpose.

Very durable, 100% of our machines installed since 2011 are still functioning up to this day.



Our uniquely designed machine



4
STEPS OF FILTRATION
WITH
ULTRA FILTRATION
AND
REVERSE OSMOSIS



UP TO
4'000 L
OF DRINKING WATER IN
**24HOURS/
MACHINE**



WATER MEETING
WHO STANDARDS
(WORLDWIDE ORGANIZATION
OF HEALTH)




THE POPULATION
**LIKES OUR
WATER**



ROBUST
AND EASY TO
TRANSPORT
80 KG
136 X 48 X 48 CM



EASY TO USE AND
MAINTAIN
«PLUG AND PLAY»
SO THAT ANYONE CAN
BE TRAINED FOR
MAINTENANCE



LOW ELECTRIC POWER
CONSUMPTION
400 WH - 0,4 KWH
NETWORK
110-240V AC
OR
SOLAR ENERGY
24C DC

CONNECTED BY
TELEMETRY
FOR
MAINTENANCE
PURPOSES
AND AN OPTIMAL
FOLLOW-UP
24H / 24H

Value proposition : a turnkey franchised water kiosk

We use a turnkey model of franchised water kiosks that is providing **recurring income** and is **scalable**.

Our financially **sustainable business model** has the potential to create tens of thousands of new jobs, while increasing health outcomes for millions.



From **€800** initial investment

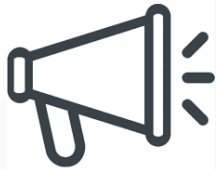
Up to 10 x > av. Salary for the entrepreneur

3-8 direct jobs

Business model in Sénégal

Franchise entry fee

*Paid by franchisee : 800€
(+ subsidized pack by impact partner)*



Fixed price / Liter *(recurring income)*

From 0,01€



DIAM'O
Une marque Swiss Fresh Water

Franchise entry kit

ADMINISTRATIVE PACK



- *Authorization*
- *Construction in compliance with applicable standards*
- *Insurance for 1 (one) year*
- *Water analysis at launch*

TRAINING PACK



- *Machine operation*
- *IT (payments and web app)*
- *Sales (customer service)*
- *Quality & Hygiene*

MARKETING PACK



- *POS Display*
- *Commercial launching events*
- *Free bottles and liters*

CONCRETE WORK AND MACHINE PACK



- *Full layout*
- *2 Machines and setup*
- *Pipes, Tanks + level sensors*
- *TDS Meter*

Our “market segments”

	DIAM’O Entrepreneur	DIAM’O Village	DIAM’O Corporate	DIAM’O School
Franchisee profile and offer	Private Water sold in bulk	Private or community-based Water sold in bulk or offered if subsidized	Businesses, public offices, hospitals, schools etc...	This service is provided by the entrepreneur who is closer to the targeted school
Targeted population	Capital city + medium size cities > 15’000 people	Rural areas and towns of less than 15’000 people	Staff, customers, students, patients and others using the facility	School students and staff
Consumer price (per liter)	2 to 4 ct € / Liter (15-30 FCFA)	Free to 1,5 ct € / Liter (5 FCFA) depending on the project	Usually free / A rental and maintenance fee is charged	Offered (Y1)

Our impact to date



+140 water kiosks operating

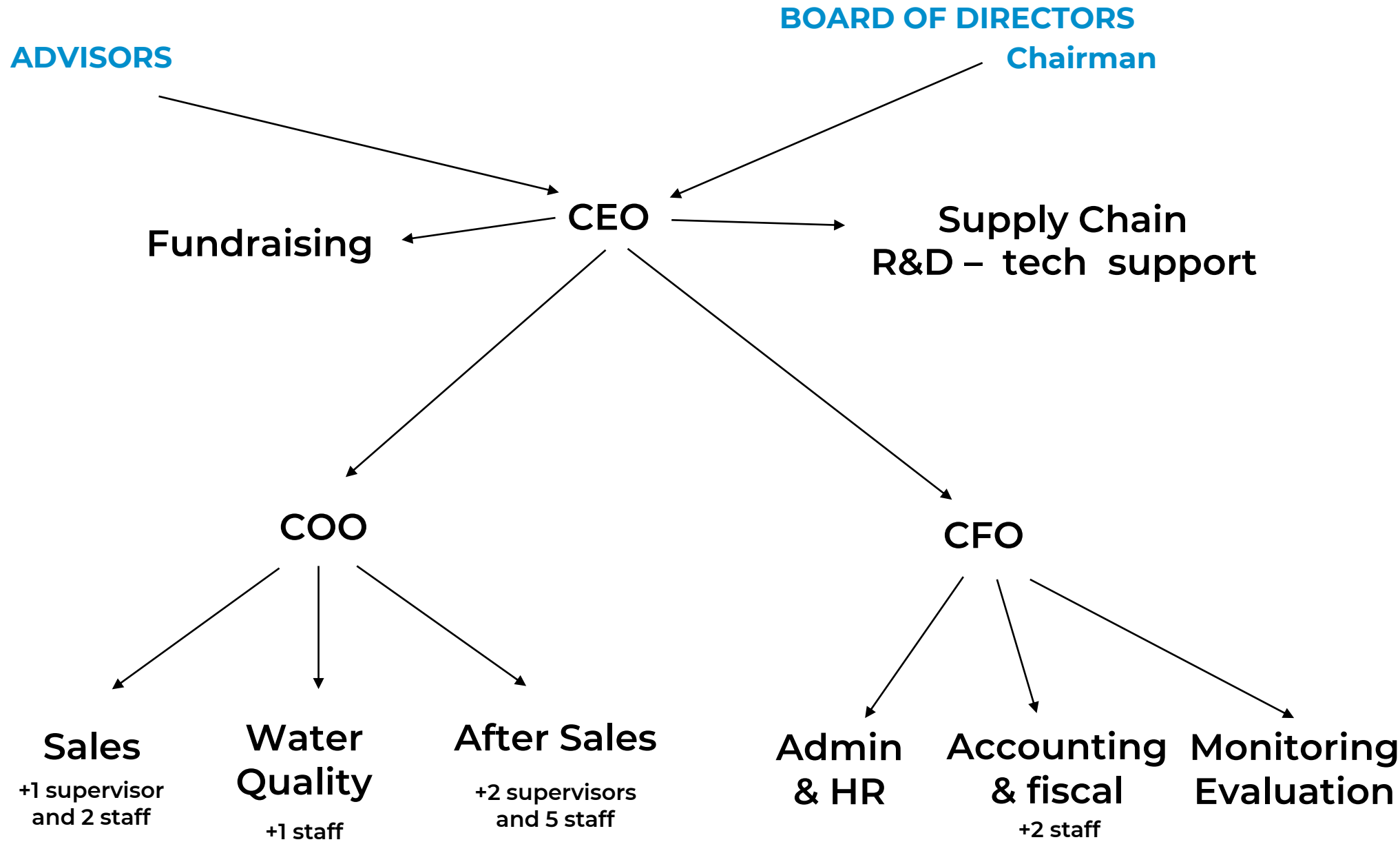
+200M liters since 2012

+850 jobs created

+250'000 daily customers

On process : **B-Corp Certification**

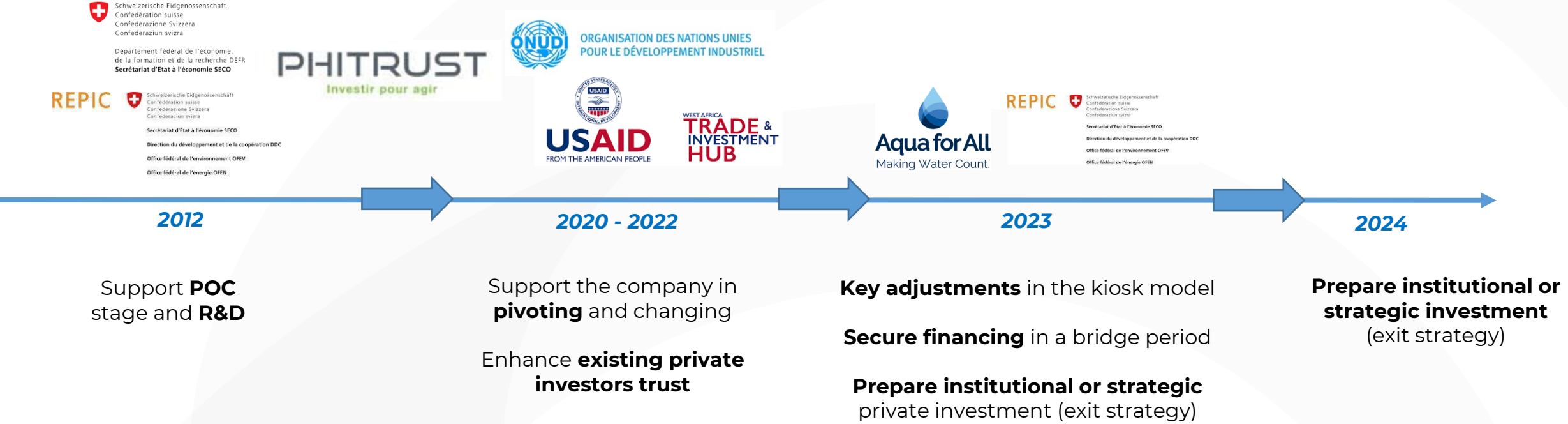
Team



Partnerships – financing strategy (a few examples)

HISTORICAL PRIVATE INVESTORS

NEW INVESTORS (private / institutional)



Two different periods

Swiss Fresh
Water SA



2008

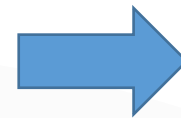
2011

West Africa
Water SA



2019

Product and subsidies-based
business model



Change of business
model
+
Blended finance



Main drivers for change

Business Model :

Recurring
income

Financing strategy :

- 1- Subsidies to accelerate the model
- 2- Blended finance

Human Resources :

Strengthen local
and operational
teams

Impact:

Much more
professional impact
measurement

Business priorities:

- 1- Franchise
- 2- Water quality
- 3- IT / KPIs / Monitoring

Governance:

New skills /
experience

This approach appeals to new supporters : the USAID use case (USD 500'000)



Objective	<i>To produce, sell and make safe drinking water accessible, at an affordable price, whilst creating jobs, increasing incomes, improving public health and protecting the environment”</i>
Project Duration:	2-year project (Nov. 2021 - Nov. 2023)
Activities:	<ul style="list-style-type: none"> - 25 new water kiosks - 25 renewed ones - Improve water quality - Reinforce marketing and distribution (bottles, delivery trucks...) - Reinforce the team - Improve Monitoring & Evaluation - Prepare the scale up (microfinance)

Approved Indicators	Project target
Value of new funding mobilized to the water sectors as a result of USG assistance	\$749,546
Number of people gaining access to safely managed drinking water services as a result of USG assistance	78,905
Value of annual sales of producers and firms receiving USG assistance	\$2,680,946
Percentage of female participants in USG assisted programs (franchisees only)	40%
Percentage of youth participants in USG-assisted programs (franchisees only)	20%
Number of new jobs created/sustained with USG assistance	413

From project to pre-investment approach : the Aqua For All project (> € 200'000)*



Aqua for All
Making Water Count.

Objective	<ul style="list-style-type: none">- Support Swiss Fresh Water to reinforce «investment readiness»- Bring additionality to USAID project on commercial and water quality topics identified after project launch
Project Duration:	1-year project (April. 2023 - August. 2024)
Activities:	<ul style="list-style-type: none">- Commercial activity (distribution – trucks – resellers – 20L bottles)- Water quality improvements- Performance monitoring- Financing strategy

* Concept note approved,
currently under final discussion

CSR : the opportunity to promote access to clean water + accelerate our model. A few examples :

DIAM'O School:

Donor : CFAO

- 1'600 students
- Awareness campaign
- 30'000 liters of free water

Dean of the School "CAPEX de Thiès" said:

"We were very happy to host the project in our School. This project was of utmost importance to make the students aware of the importance of clean water and it greatly contributed to their health and well-being"



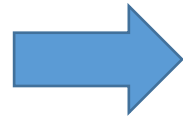
DIAM'O Village:

Donor : TORAY MEMBRANE EUROPE AG

- Restoring access to safe and clean water in the Maya Village (Sine Saloum region)
- Access to local, safe and affordable drinking water was restored for more than 1,000 people



Example of upgraded water kiosk in peri-urban area



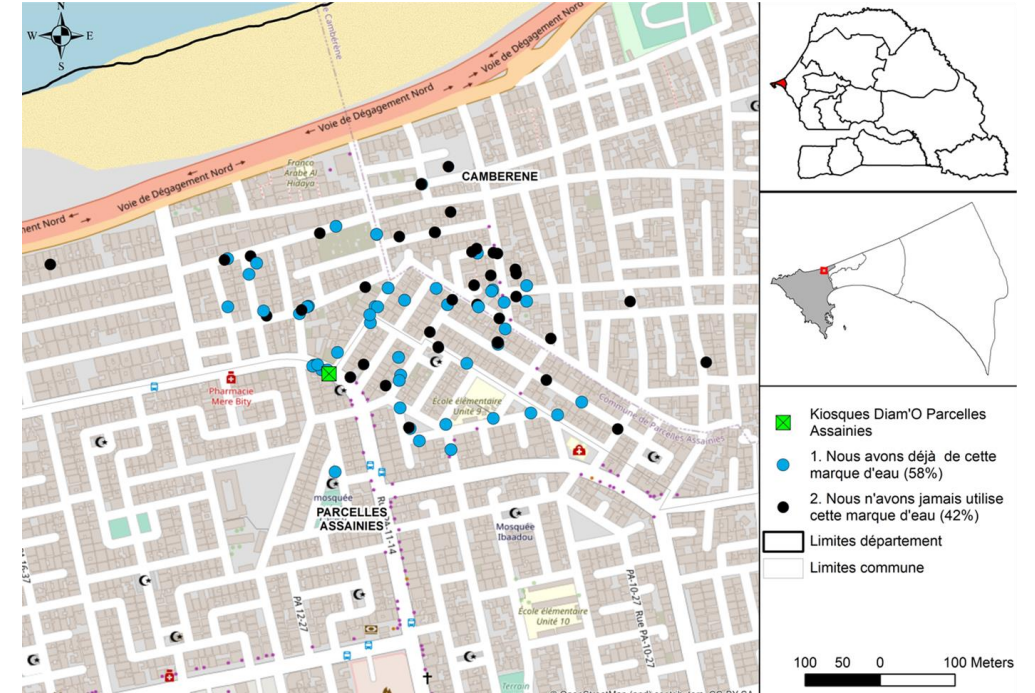
An upgraded brand image



Our brand new home made **10L bottles**



Our 2021-redesigned **water kiosks**



A robust brand awareness in the targeted areas :
58% of respondents have already tried Diam'O

Source : survey conducted in Parcels Assainies district over 264 persons (the global survey was conducted over 2'000 persons)

Water quality as a differentiation : our main actions

Secure water storage:

=> Increase water conservation duration

Bottle cleaning systems :

=> Increase water conservation duration



Water treatment units retrofit :

=> Adjust water treatment and/or machine spec vs raw water specifications & issues

Training & continuous improvement:

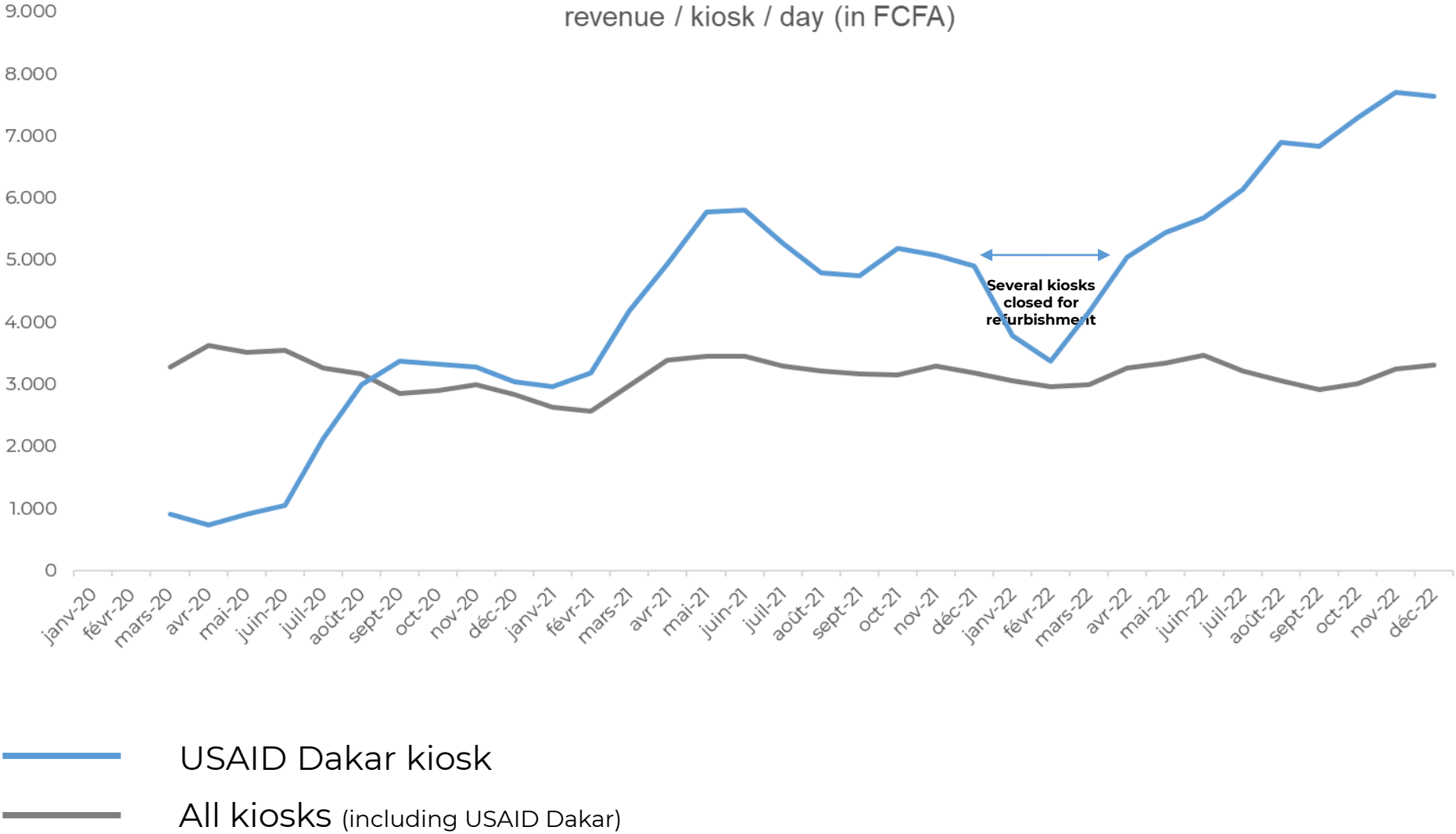
⇒ In house & franchisee training
⇒ ISO 9001 on-going

Water analysis & audit :

⇒ Regular control of our water specification vs legal requirements - NS 05-033. We do it both in external & certified laboratories, and through our in house auto-control

- Hygiene & cleanliness of the kiosks + legal authorizations renewal

A closer look at Dakar USAID kiosks sales performance

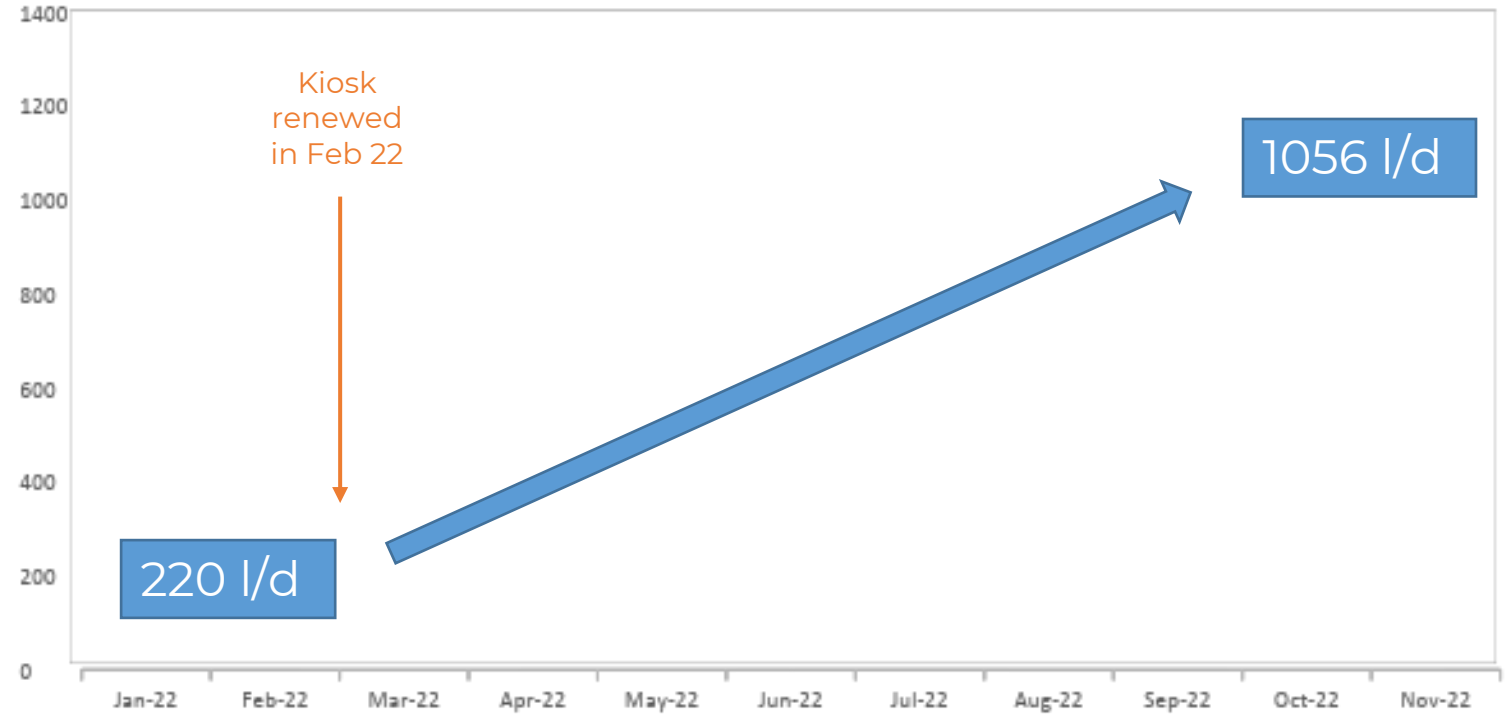


USAID project effect on sales – example 1

DAKAR Liberté 6



Average Daily Production In l – Liberté 6



Profit (EBITDA) / month

Entrepreneur	-100 Euros	395 Euros
SFW*	35 Euros	383 Euros

* Before fixed costs

USAID project effect on sales – example 2

DAKAR 26

Volume / Jour

705 l/j

Moy T4 2021

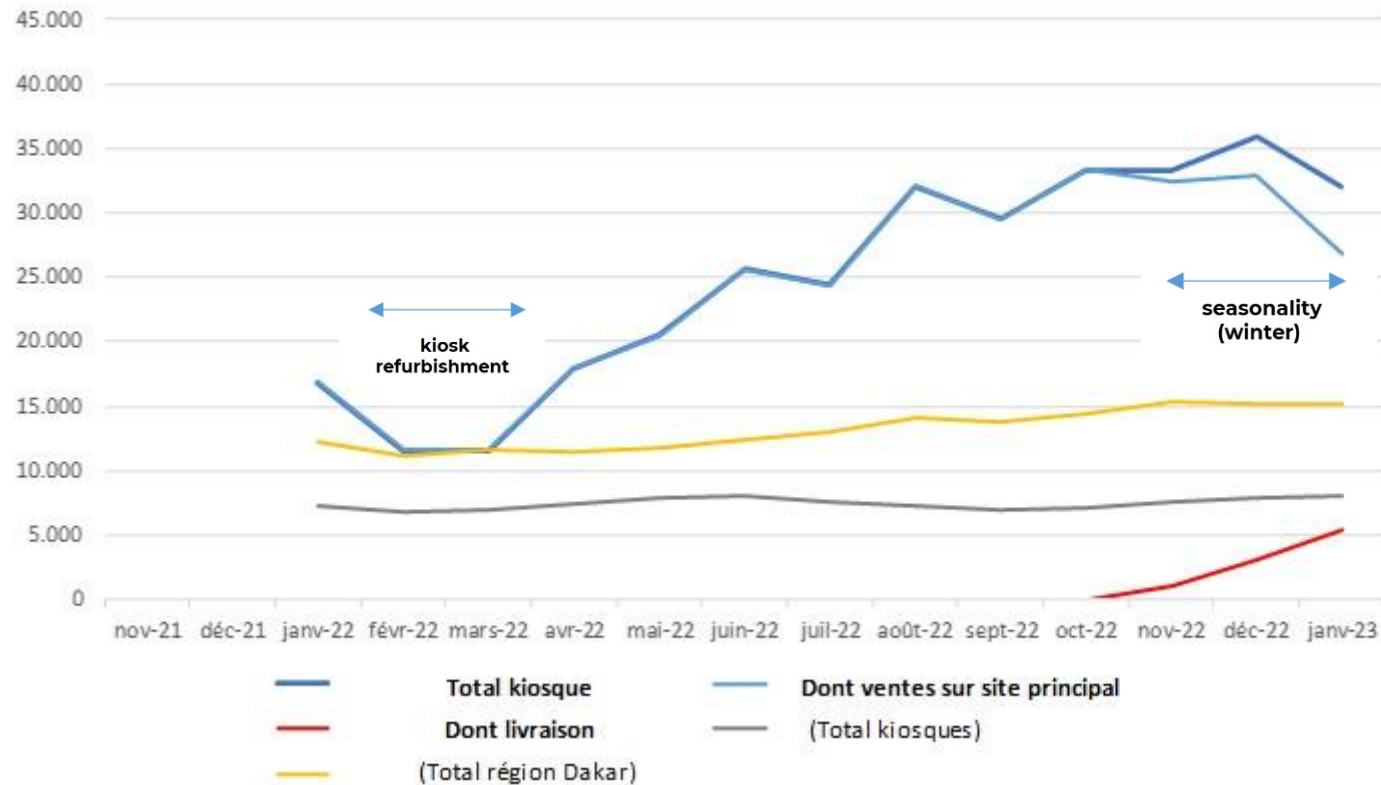
1316 l/j

Moy T4 2022

+ 87 %

Vs N-1

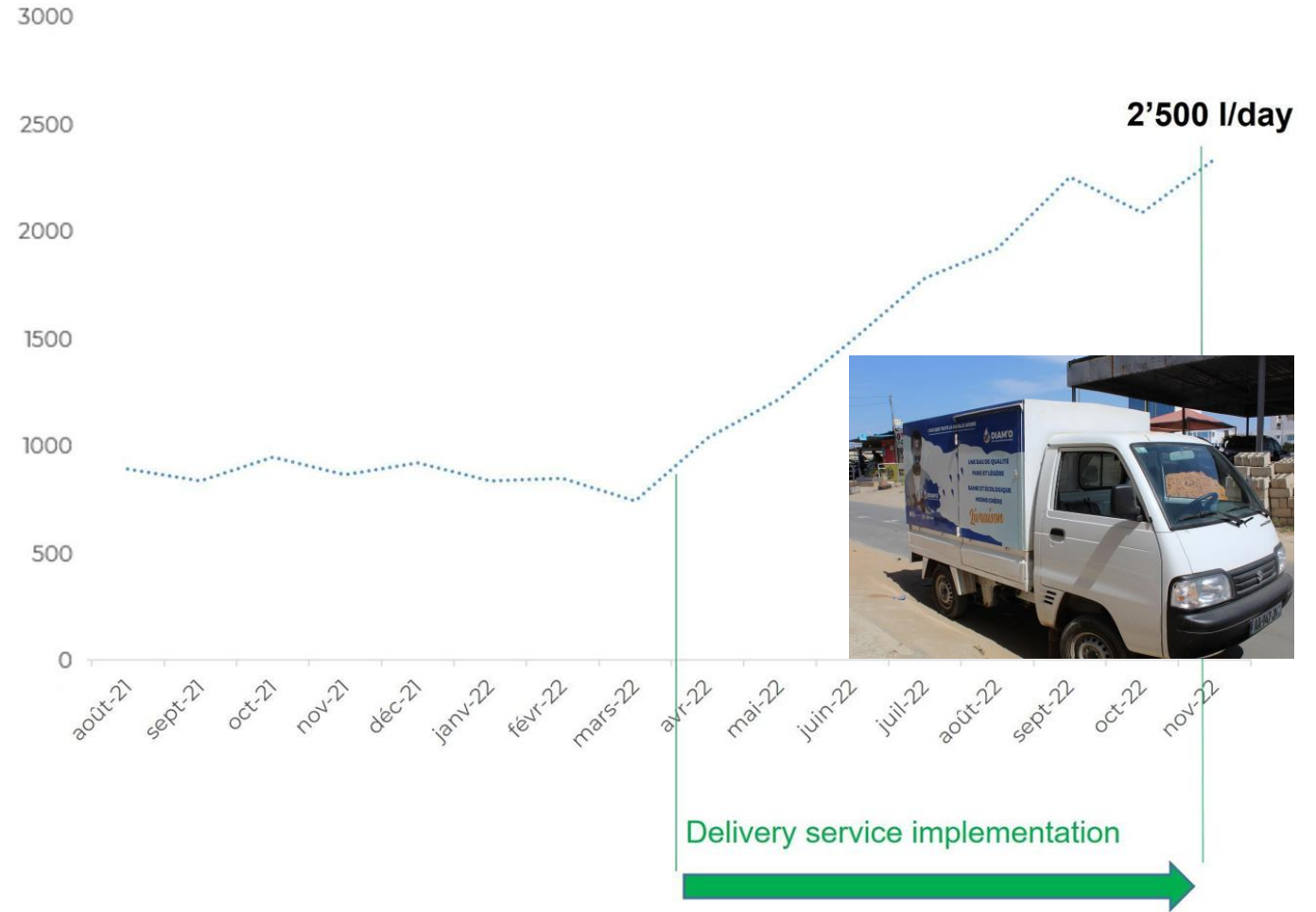
Revenue / day / kiosk (entrepreneur's view) FCFA



Delivery service effect on sales – a successful pilot project in one kiosk : Parcelles - Dakar



AVERAGE DAILY PRODUCTION IN LITERS



USAID effect + delivery pilot project is proving our 3'000L / day model : example of Dakar 19 (Parcelles Assainies)

DAKAR 19

Volume / Jour

1163 l/j

Moy T4 2021

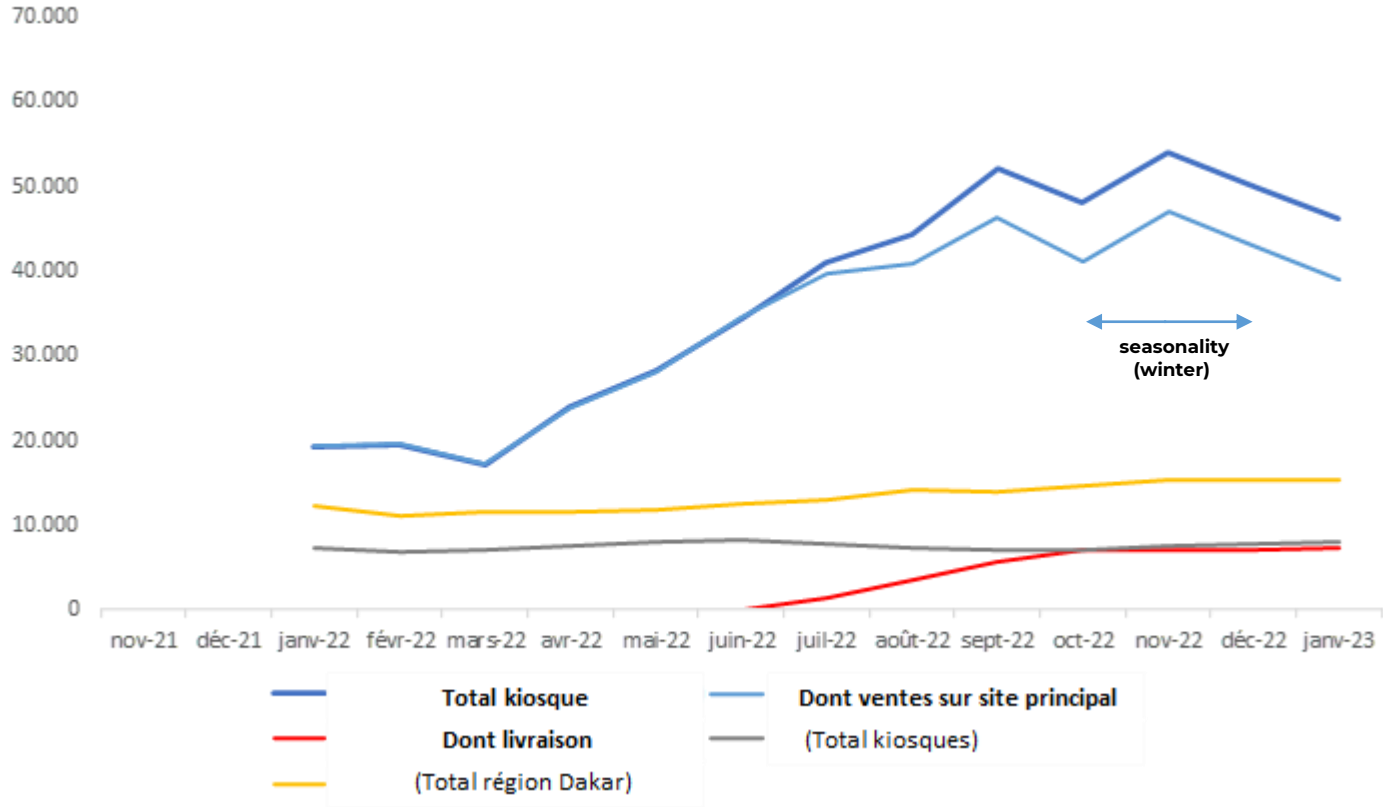
2958 l/j

Moy T4 2022

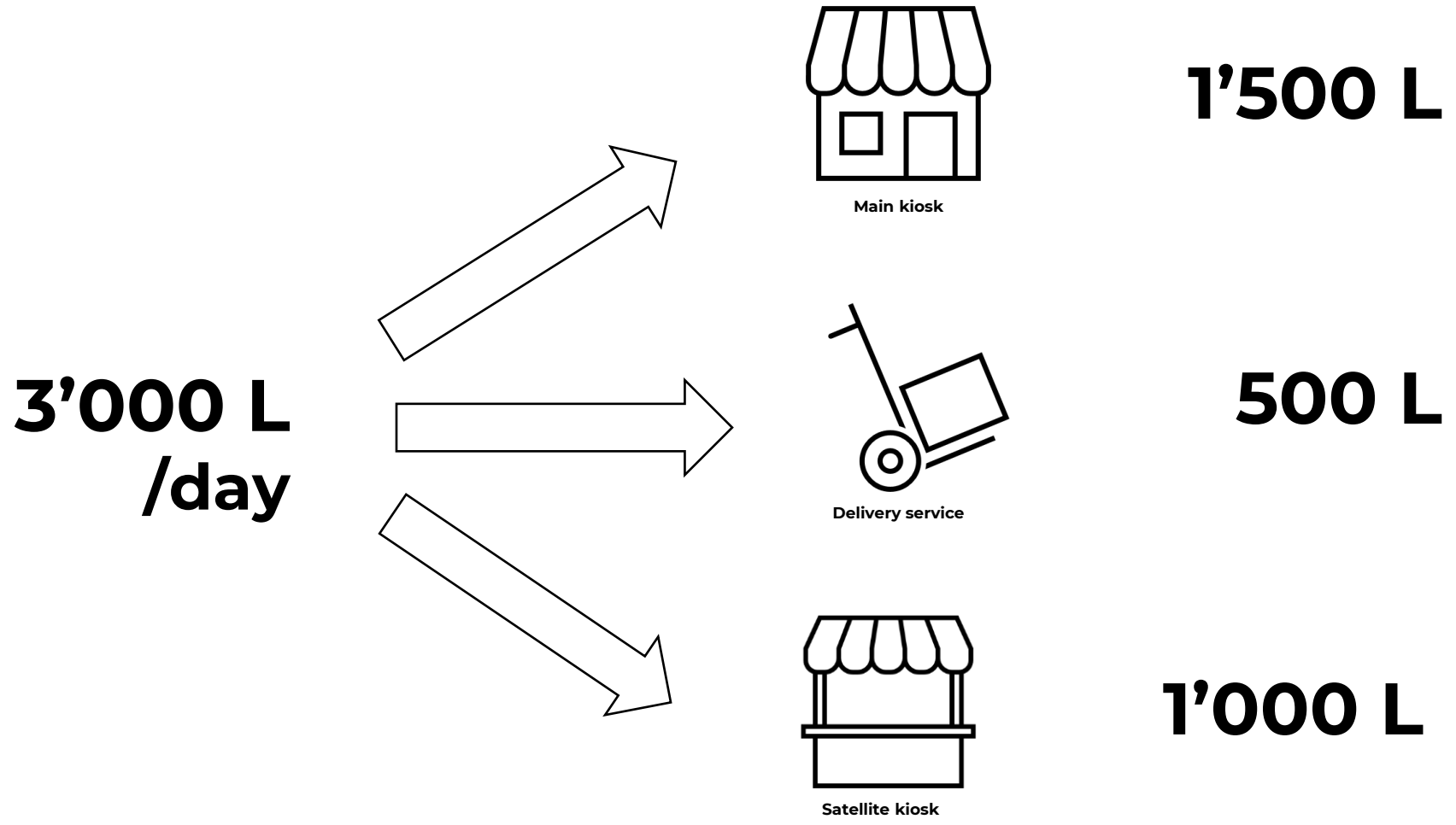
+154 %

Vs N-1

Revenue / day / kiosk (entrepreneur's view) FCFA



Which results in our commercial – Distribution strategy



Path to profitability – our 3'000 L / day kiosk key figures



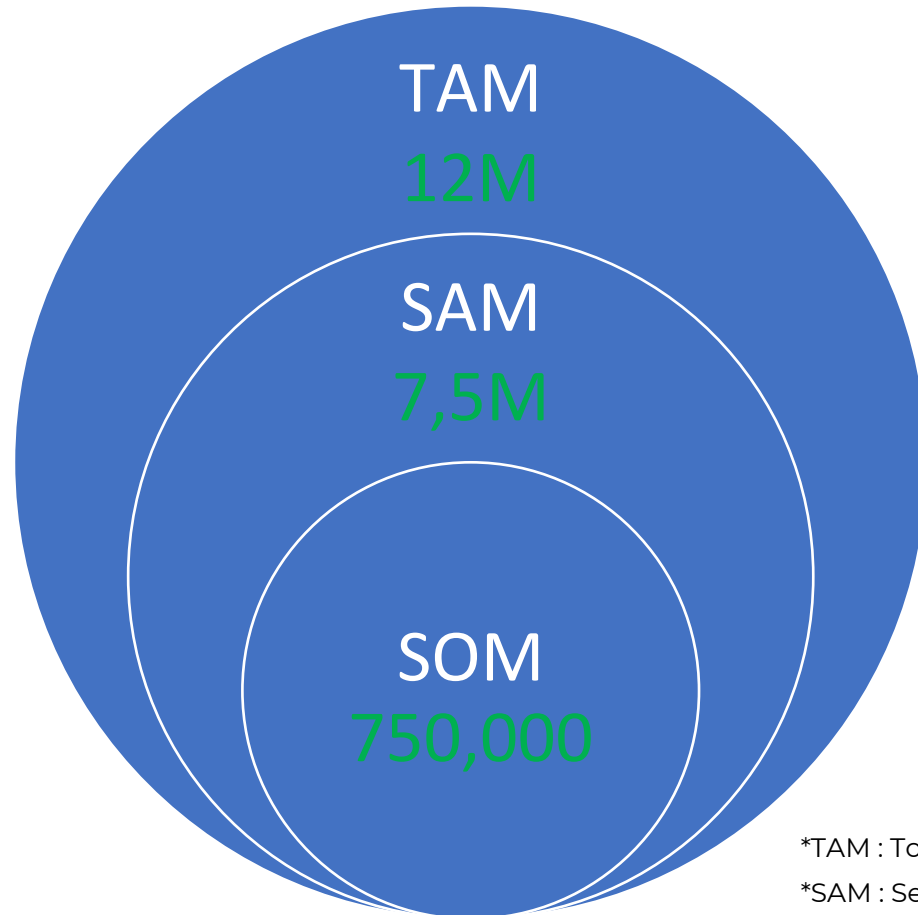
Entrepreneur

Monthly revenue	1 170 € / month	3 567 € / month
OPEX	334 € / month	2'774 € / month
Profit before inv.	836 € / month	761 € / month
Profit after inv.	696 € / month	ROI : 16 months

Number of kiosks needed to break-even in Sénégal = **48**

Market size : the example of Senegal

Targeted segments :
urban and peri-urban



Market trends / Opportunities :

- **Population growth**
- **Urbanization rate and growth** (from 23% in the 1960s to 43% in 2013 - expected to reach 60% by 2030)
- **Infrastructure deficit** : in mid-sized cities, 32% of people not connected to the water network
- **Huge need for job creation**

*TAM : Total Available Market

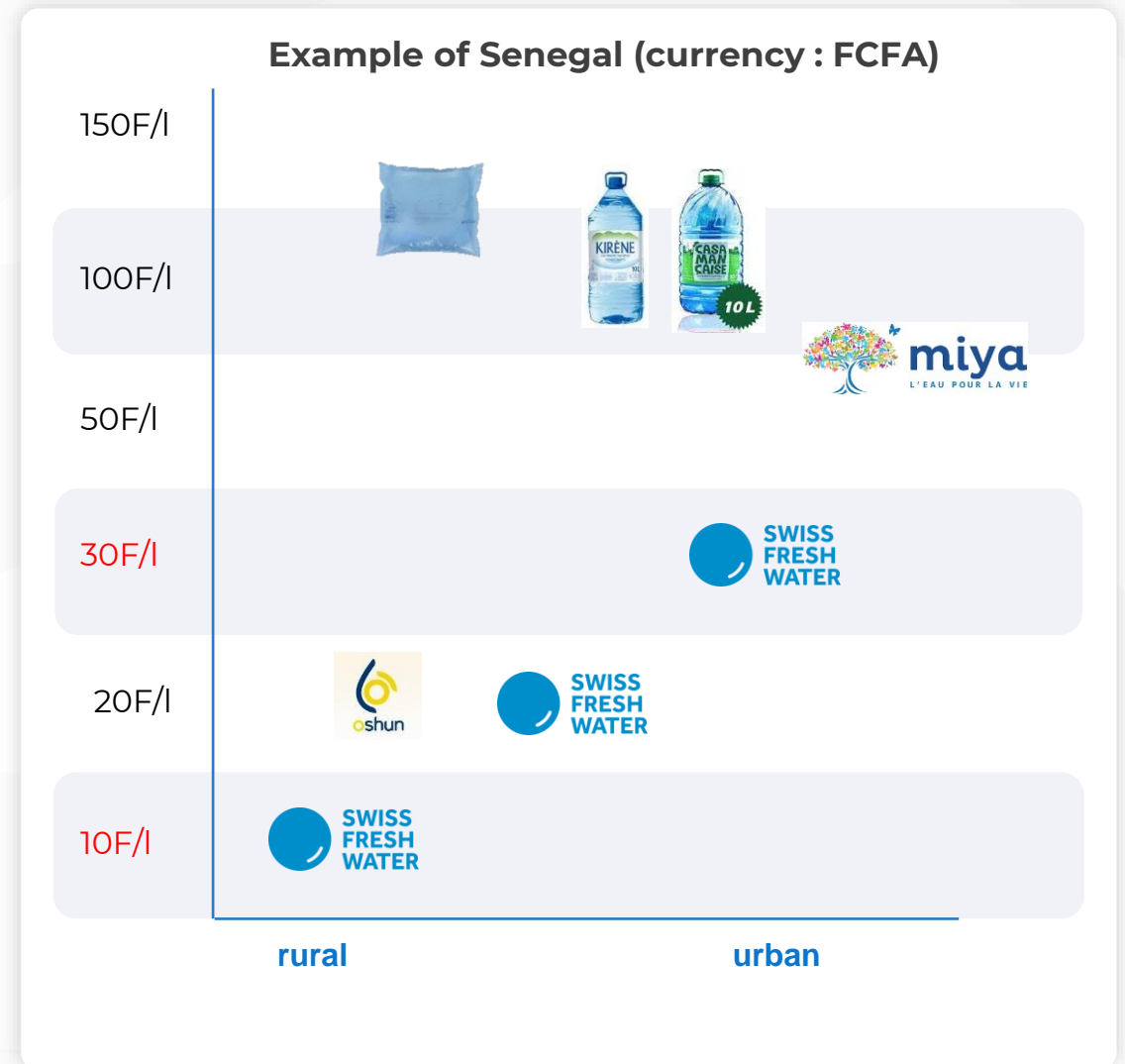
*SAM : Serviceable Available Market

*SOM : Serviceable Obtainable Market

The competition

Competitive advantages:

- **Cheaper and Flexible prices**
- **An exclusive distribution network**
- **An owned proven technology** in 4 steps, including reverse osmosis with significant track record on health;

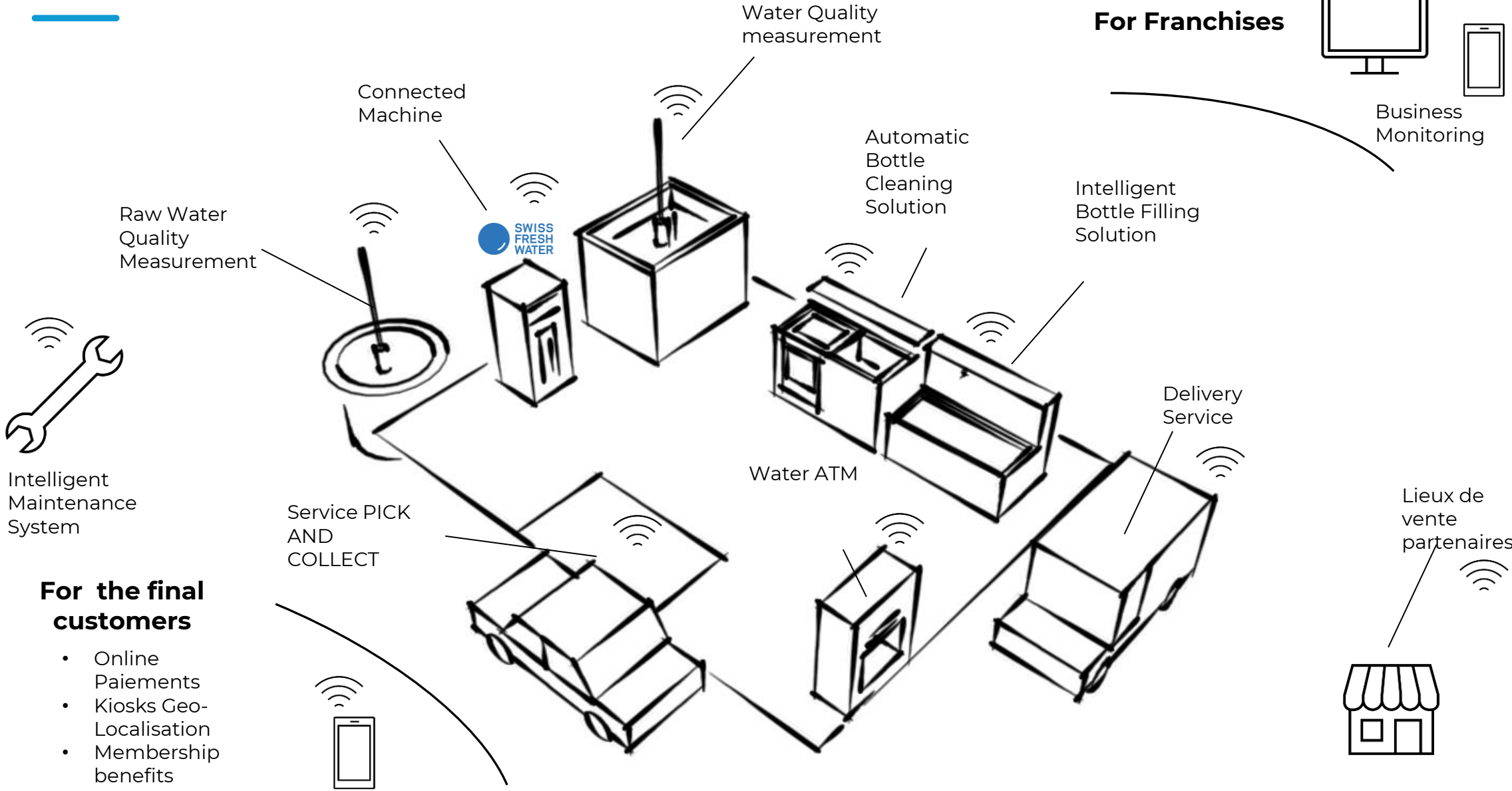


Innovation roadmap



- **“Smart water kiosk”**
- **Water quality** monitoring
- Improve **Total Cost of Ownership** i.e. increase production of L / hour and decrease spare parts consumption

Innovation roadmap



For the final customers

- Online Paiements
- Kiosks Geo-Localisation
- Membership benefits

Financial plan summary

- From CHF 0,5M.- revenue in 2022 to **5M in 2026**
- **Break-Even** EBITDA in 2025 and **CHF 4M** targeted in 26-27
- Cash need over 2023-2025 : **CHF 3,3M** (equity + subsidies)
- Cash generated in 2026-27 : **CHF 3,2M**
- 2027 : **> 500 kiosks**, 1'000 machines, **> 1 million** beneficiaries, **3'000 to 4'000** jobs

Financial plan main business assumptions

- Sénégal:

- 134 existing kiosks : From **700L to 3'000L / day** in 5 years (1'500L in rural areas)
- **106 new kiosks**, subsidized entry fee 15K€ / unit, 3'000L in 2,5 years
- 70'000 customers up to **640'000 customers**

- New countries:

- **1 new country / year** from 2024 – Master Franchise
- **30 kiosks / year** (2 machines / kiosk)
- **1,5 ct € royalty / liter** produced (10 to 20% of retail prices)
- **380'000 customers** in 2027

Total new kiosks	
Total 2023	28
total 2024	26
Total 2025	26
Total 2026	26
Total 2027	0
Machines needs	
Total 2023	56
total 2024	52
Total 2025	52
Total 2026	52
Total 2027	0

New kiosks per new country	2023	2024	2025	2026	2027	Total
Côte d'Ivoire	0	30	30	30	30	120
Cameroun	0	0	30	30	30	90
Pays4	0	0	0	30	30	60
Pays 5	0	0	0	0	30	30
	0	30	60	90	120	300
Machines needs per country	2023	2024	2025	2026	2027	Total
RCI	0	60	60	60	60	240
CMR	0	0	60	60	60	180
Pays 4	0	0	0	60	60	120
Pays 5	0	0	0	0	60	60
	0	60	120	180	240	600

Financial plan consolidated P&L

Consolidated P&L (CHF)	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Net Revenue	956.528	1.987.589	3.345.655	5.251.378	7.181.737
Total COGS	460.124	879.268	1.292.890	1.770.119	1.997.415
Gross Margin	496.404	1.108.321	2.052.766	3.481.259	5.184.322
<i>GM %</i>	<i>52%</i>	<i>56%</i>	<i>61%</i>	<i>66%</i>	<i>72%</i>
Personnel	965.774	1.326.114	1.566.215	1.626.437	1.626.437
Marketing	53.000	36.407	52.130	72.380	82.942
Other	400.745	397.116	473.821	556.473	628.065
Depreciation	658.200	675.426	857.498	537.195	390.752
Total OPEX + depr.	2.077.719	2.435.062	2.949.664	2.792.485	2.728.195
Operating Income	-1.581.315	-1.326.741	-896.898	688.774	2.456.127
EBITDA	-923.115	-651.315	-39.400	1.225.969	2.846.878
<i>EBITDA %</i>	<i>-97%</i>	<i>-33%</i>	<i>-1%</i>	<i>23%</i>	<i>40%</i>

Cash need over 2023-2024

Total Needs 2023-2025 in CHF	-3.297.529	
Operating Needs 2023-2025	-1.012.888	31%
Investing Needs 2023-2025	-1.220.305	37%
Debt Reimbursement Needs 2023-2025 *	-1.064.336	32%

* There is a possibility for all the convertible debt to be converted in equity, so no reimbursement neede

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Net Operating Cashflow	-649.034	-422.110	58.256	1.384.489	2.993.739
Net Investing Cashflow	-352.000	-434.153	-434.153	-334.000	-200.153
Debt Reimbursement Cashflow*	-338.168	-370.168	-356.000	-332.000	-314.000
Cash Needs / Surplus in CHF	-1.339.202	-1.226.431	-731.897	718.489	2.479.587

Above split of 3,3M€ between OPEX, CAPEX and debts will be modified, notably because of existing debts current renegotiations

Possible subscription scenarios in current round:

Current fundraising round authorizes the board to issue 214'000 shares at a price of CHF 4.- per share

Reasons for success : why this business plan is feasible

- **Operations** : several years of **return of experience** on building this 3'000 liters / day water kiosks => improving production, sales, image, brand
- Sales : first successful kiosks and **proved results with USAID project + delivery** thanks to correcting several points missing in the operating model :
 - A **home made 10L bottle** for B2C and in the coming weeks a **new 5 Gallon bottle** to target B2B customers
 - Improving customer journey with **relay kiosks** closer to customer and new **delivery service**
- A very dynamic and **growing market** with consumers looking for quality water at a cheaper price than mineral water
- Renewed **attractiveness towards first rank stakeholders** (USAID, UNIDO, Aqua for All..) to complement private capital (**blended finance**) and to support entrepreneurs' development
- **Regular requests from several countries** to start the business with us (Cameroun, DR Congo, Côte d'Ivoire...) pending while we finalize our model's robustness in Senegal in 2023 before opening new countries

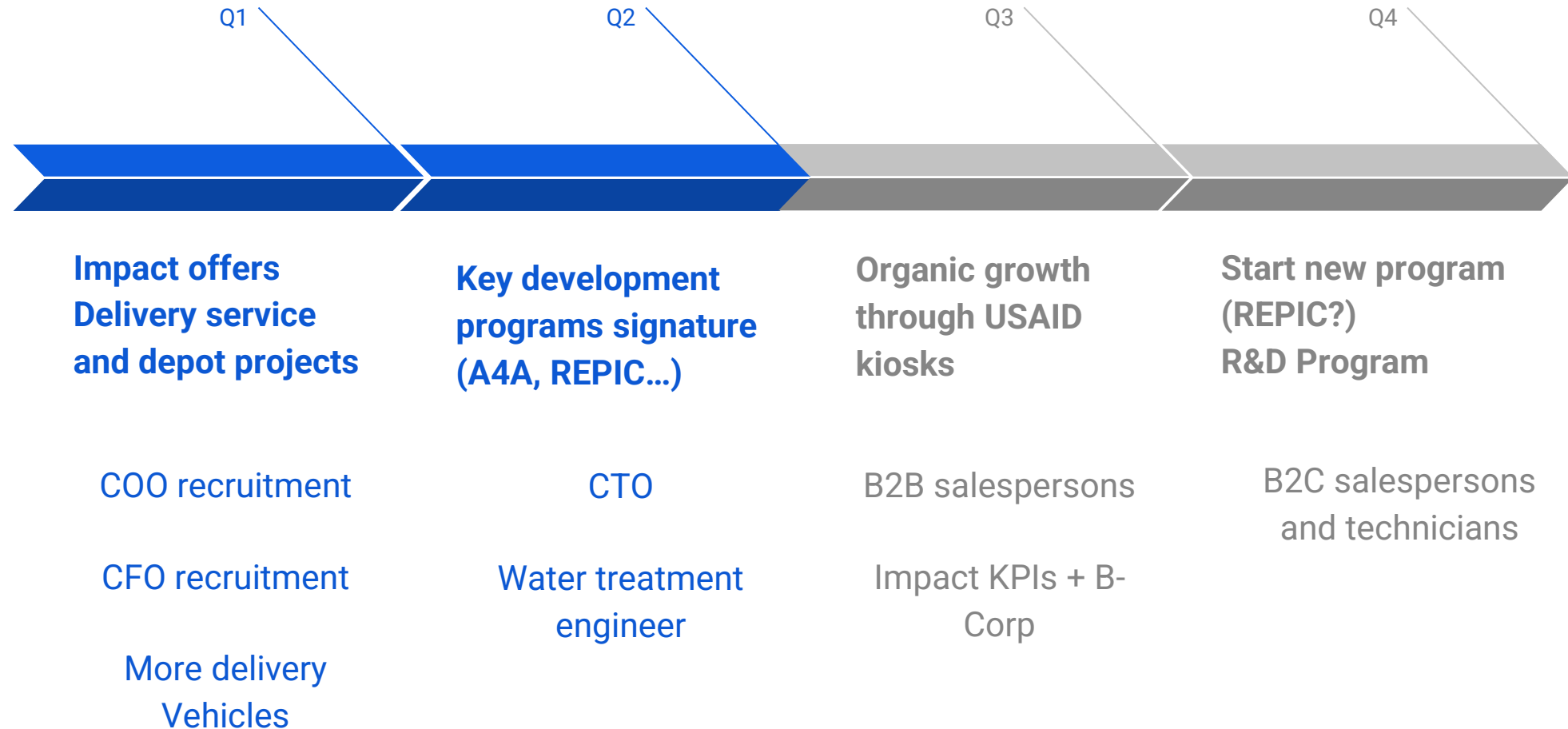
6 months milestones (March – August 23)

- Business targets on the **40 priority and fully equipped kiosks** (USAID – A4A perimeter, incl. main kiosk, relay kiosk, delivery service) :
 - **+69%** revenue growth
 - Average daily volume **from 921 liters to 1343 liters** with 5 kiosks > 2'500L
- Signature with **Aqua for All** in T2 2023, and **REPIC** T3 2023
- **Reinforce Senegal senior team** incl. After Sales Engineer, COO and CEO
- **Decrease SFW Opex** by a percentage currently under discussion with the board

10 months milestones (Within end of 2023)

- Business targets on the 40 priority kiosks :
 - Reach **CHF 220K pre-paid recurring revenue** (+100% in 2023 vs 2022)
 - Average daily volume > **1'500 liters** with **4 kiosks > 3'000L** in november 23
- Conclude **CHF 430K subsidies**
- A **finalized HR organization** in Sénégal and Switzerland, **and related governance**
- Reach the revised USAID impact targets : **375'000 beneficiaries, 800'000 USD franchisee sales** (sell-out 22-23), **329 jobs** (incl > 40% for women, 50% for youth)

2023 growth plan





Diam'O way, Moos

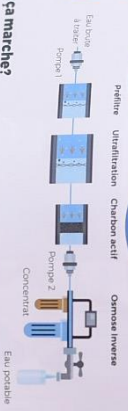
DIAM'O
Une marque Swiss Fresh Water

Une méthode de filtration optimale



Comment l'eau est filtrée
Chaque point de vente Diam'O est équipé de filtres à sable et du charbon actif pour éliminer tout type de saleté, de mauvaises odeurs, de produits chimiques, de produits pharmaceutiques, de produits de beauté, etc.

Qu'est ce que l'osmose inverse
L'osmose inverse est la solution optimale pour venir à bout des impuretés contenues dans l'eau. L'eau est poussée à travers une membrane très fine permettant d'éliminer l'ensemble des éléments indésirables contenus dans le produit.



Comment ça marche?

1. Je passe mes jours à l'école.
2. Je m'arrête au distributeur.
3. Je remplis le "pompil".
4. Je le garde et je repars avec l'eau.

DIAM'O, la solution au besoin essentiel de boire une eau de qualité

Qu'est ce que vous en pensez ?
C'est la solution idéale pour garantir la qualité de l'eau que vous consommez.
C'est la solution idéale pour garantir la qualité de l'eau que vous consommez.
C'est la solution idéale pour garantir la qualité de l'eau que vous consommez.

www.diamowater.com

01 94 99 93

West Africa Water