

Dear Stakeholders, Partners, Employees and Customers,

### Our Mantra, Company and Culture

2021 represents our eleventh year of existence as Gongali Model. We've come a long way. What began as a homecoming after a privileged educational opportunity abroad, has become a globally recognized example of what community-led innovations can achieve. We have always begun with chronic problems that restrict the vitality of our local communities.

## “local insight, local ingenuity, local determination”

Having seen the elegant solutions readily accessible elsewhere we have refused to accept that these problems are unsolvable in Africa. What is required is local insight, local ingenuity, local determination. With these in-hand, we resolve to address the issues in locally inspired ways. And it works.

The most glaring challenge restricting development in our local community is our basic lack of clean and safe water. This is a long-standing problem in Africa that plagues the lives of over 330 million of our people daily. Often the problem is not access, but water quality, safety and usability.

As an example, for many communities in Tanzania and along the Rift Valley (Kenya, Ethiopia, etc.), a central contaminant in their available water supply is the mineral fluoride.

In other places, for example around the mining areas, the quality of water is compromised by heavy metals like copper and mercury that are released or leaked from the mines.

More generally, the bioburden caused by poorly segregated human and animal waste, compounded by farming and agriculture practices, poses a water safety problem that all purification systems must be capable of addressing. According to the World Health Organization (WHO), globally 1.8 billion people drink from a source contaminated with faeces, and each year 842,000 people die from diarrhea caused by unsafe drinking water, many of these in Africa. Most, if not all, of these deaths are preventable.

We are committed to deliver locally centric water-focused innovations that create jobs, promote health and save lives.

### **Performance and Purpose**

Due to the regional pandemic and the tragic early death of Tanzanian President John Magufuli (61) our year-to-date performance has been challenging.



## Our five primary operational targets are focused on:

1. Filter Sales,
2. Franchisee Fees
3. Water Testing
4. Entrepreneurial Training
5. Kiosk Network Growth.

Although Filter Sales for the first two months of the quarter were above forecasts, an unusual drop in March brought the year-to-date revenues in at approximately 64% of our forecast. We are currently investigating the specific details associated with this recent sales drop.

Revenues derived from Franchisees, Testing and Training were under our forecast but we remain confident that with some operational adjustments the end of year targets are within reach.

Encouragingly the progress made on expansion of our Kiosk Network are trending 38% above our year-to-date targets.



## “Expansion to Lake Victoria Zone”

Nanofilter is currently expanding to more areas with new identified water contaminants. Within this expansion 3 new areas in Tanzania were reached, namely: Monduli District - mostly Maasai habited; The Karatu District and Mwanza region. It is very exciting serving these new regions, Monduli and Karatu is mostly pastoral communities with great need of clean and safe water.

In Mwanza it is the lake zone where they use lake water with a chronic challenge of Bilharzia.

Other challenges include heavy metals such as lead and mercury. In this region we have reached pastoralists, fishermen/women, and miners. It has been a very exciting experience serving the mining areas. The demand was so obvious and they are very thankful for our services.



## **“local talents, delivering local solutions tailored to the local realities of our marketplace”**

After having the cost of operations historically underwritten by grants (2016 to 2019 at 90% and mid-2019 to 2020 at 25%), 2021 is the first year to measure our full, sustainable, capacity without these cost offsets.

With our new operational model and team in place we are committed to hitting our targets. Local talents, delivering local solutions tailored to the local realities of our marketplace.

Delivery of Impact Across the Spectrum of Water Solutions and into the Community  
Everyone on the planet needs clean water, every day of their life. For far too many this is not what they experience. We are determined bring tailored systems that work in diverse operational settings. From institutions such as schools and hospitals to in-home installations to street corner kiosks; clean water available and affordable to all.

## **“By 2025, we aspire to reach 5 million daily users.”**

As of Q1 2021, we have NanoFilter systems serving 103 institutions, 1,120 households and 127 Kiosks. Within the community this added 127 new jobs and provided related economic opportunity for ~200 others. Collectively these systems provide clean water to 300,000 customers every day.

By 2025, we aspire to reach 5 million daily users.



## Our Innovation Engine – TAHUDE

Tanzania Human Development Foundation “TAHUDE” (Reg. No. NGO/00005851) is our Tanzanian registered NGO, founded to harness the different talents of men and women who wish to effect positive social change – it’s our locally-centric innovation incubator. The TAHUDE foundation gives us a place to teach, test and learn. Here are some examples.

### Solar Lantern

Nearly half of Tanzanian's 44.6 million population is under 14 years of age. The majority of these school children live in rural areas where 94% of households still depend on firewood for domestic energy and kerosene for lighting, which is essential for study. Sadly, each year many are poisoned by the gas released from burnt kerosene.

For many others, who can't afford kerosene, the challenges are even greater. To address this problem, we have created a solar lantern assembly and repair infrastructure, that enables us to bring solar energy into homes for a quarter of the price of kerosene. The project is creating jobs and bringing innovation into rural settings, all whilst protecting families from toxic fumes and providing children with safe reading light to support their studies.





## BioGas

More than 90% of households in Tanzania still depend on firewood or charcoal for cooking. On average they spend approximately 35% of their incomes on basic energy services - a substantial amount for many low-income Tanzanians. The overwhelming dependence on biomass for meeting basic cooking and heating needs is a major cause of poverty in Tanzania. It also leads to deforestation, soil degradation, and climate change.

To address this challenge, we have helped to develop a local solution to a local problem: an innovative biogas system which ferments animal waste to produce clean gas suitable for household cooking purposes. In addition to the numerous health benefits, these systems protect against deforestation and generate tons of organic fertilizer for crop production. Just as our Nanofilter kiosks make access to water simple, our biogas systems promote economic productivity by reducing the time individuals have to spend foraging.

As with our Nanofilter kiosks, too, we have developed a microlending program to support the purchase and installation of these systems in rural homes.



A photograph of a woman with short dark hair, smiling warmly at a young child she is holding. The child is looking off to the side. They are in a rural setting with a wooden fence and greenery in the background. A blue hexagonal logo with the text 'thirst for life' is in the top left corner.

thirst  
for life

## Focused Forward and Partner of Choice

Our inventions enable us to produce a locally-centric product that enables a low cost and sustainable high-purity water cleaning system. But we strongly believe that our quality systems, know-how, training and locally focused go-to-market methodology are equally important in reaching large numbers, remote locations and those most in need. Currently our impact is concentrated in Tanzania and Zambia but we are determined to expand our across Africa.

A bold ambition, but one which will deeply depend on partnerships, with similarly dedicated stakeholders, like you.



Our progress to date has been deeply enabled by collaboration. We have worked closely with numerous multi-national organizations and have benefited from over 21 international awards and quality assurance certifications.

We expect to be the Partner of Choice. Partnering with local communities and governments to help bring clean water to their populations. Working closely with like-minded individuals and organizations to raise awareness and deliver locally effective solutions. And perhaps most importantly with our team members and entrepreneurs, to ensure that we, together, develop the type of high-performance, high-impact organization that can scale to address the needs of billions.

Respectfully,

**Professor Hilonga Askwar, NM-AIST**

Ruth Lukwaro, TAHUDE Foundation and Gongali Model CEO

