

Massive Dynamix Water (Pty) Ltd T/A Company  
(Incorporated in the Republic of South Africa)  
(Registration Number 2020/638618/07)  
(Vat Number 4820292649)  
("Company" or "the Company")



A Private Company (Pty limited) as defined by The Companies Act, No 71 of 2008 to perform rights and duties of its own.

# PROSPECTUS

This Prospectus relates to a general public offer to subscribe for:

There are 14 Ordinary Class A Shares of no par value with voting rights at an issue price of R 500 000 per share; and/or

357,142 Ordinary Class B Shares of no par value and no voting rights at an issue price of R56 per share; and/or.

The minimum subscription required for participation by an investor in the Offer is 50 Shares, which amounts to a minimum subscription payment of R2800.

The Offer seeks to raise in combination a total equity amount of R14 000 000.

The minimum amount to be raised in terms of the Offer is R9 000 000. This includes the projected issuing expenses, exclusive of VAT.

Should the minimum amount of R9 000 000 not be raised in terms of the Offer, the Offer in terms of this Prospectus will become null and void, all moneys received will be returned to Investors and no Shares will be issued pursuant to this Offer.

|                           |                   |
|---------------------------|-------------------|
| Opening Date of the Offer | 19 September 2022 |
| Closing Date of the Offer | 19 November 2022  |

Managed By Massive Dynamix Water (Pty) Ltd

An English copy of this Prospectus, accompanied by the documents referred to under "Documents" and the Companies Regulations for the purpose of providing information to the Investors wishing to participate in the Offer will be made available

Massive Dynamix Water (Pty) Ltd T/A Company  
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# PROSPECTUS

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The Definitions and Interpretations commencing on page 8 of this document apply to this entire document (including the cover page), except where the context indicates a contrary intention.

THE ATTENTION OF THE PUBLIC IS DRAWN TO THE FACT THAT THE SHARES ON OFFER ARE UNLISTED AND ARE NOT READILY MARKETABLE.

This Prospectus includes forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are based on historical facts, and reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, and expansion prospects or future capital expenditure levels and other economic factors, such as, inter alia, interest rates. By their nature forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Company cautions that forward-looking statements are not guarantees of future performance.

These forward-looking statements have been based on history and current expectations and projections about future results which, although the Directors believe them to be reasonable, are not a guarantee of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the business operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

Risk factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by it in the forward-looking statements include, among other things, economic decline. These risk factors are more fully described in Annexure 1 on page 37 of this Prospectus.

The Directors and Officers, whose names are given in Section 1 paragraph 2.5 of this Prospectus, accept full responsibility, collectively and individually, for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, they have made all reasonable enquiries to ascertain such facts and that this Prospectus contains all information required by law.

This prospectus complies with section 100 of the Companies Act and the Companies Regulations. The written consents of the experts and advisors set out in the Corporate Information and Advisors section of this Prospectus have been attached to the copy of the Prospectus filed with the CIPC. Each of the aforementioned experts and advisors have consented to the use of any statement made by them in this Prospectus and/or the use of their names in this Prospectus, as the case may be, and have not withdrawn such consents as at the date of this Prospectus. The number of each applicable regulation of the Companies Regulations is given in brackets after appropriate headings or sub-headings.

This Prospectus constitutes an offer to the public only in South Africa and has been prepared for the purposes of complying with the Companies Act and the Companies Regulations published in terms thereof and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Prospectus in jurisdictions other than South Africa may be restricted by law and therefore persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any jurisdiction.

This Prospectus and any accompanying documentation is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities in any jurisdiction in which it is illegal to make such an offer, invitation or solicitation, or such offer, invitation or solicitation would require Company to comply with filing and/or other regulatory obligations. In those circumstances this Prospectus and any accompanying documentation are sent for information purposes only and should not be copied or distributed.

Electronic copies of this Prospectus can be obtained on the Company's website on  
[www.condens8water.co.za](http://www.condens8water.co.za)

**Accountants:** VTC Trading

**Commercial Bankers:** First National Bank

**Company:** Massive Dynamix Water (Pty) Ltd T/A Company

**Legal Advisors:** Erasmus McGregor Attorneys

## Corporate Information & Advisors

| Business & Registered Office Address   | Commercial Bank   |
|--|---|
| <p>Massive Dynamix Water (Pty) Ltd T/A Company</p> <p>Reg No: 2020/638618/07</p> <p>17 Paramount Park, 75 Siphosethu Road<br/>Mount Edgecombe<br/>4302</p> <p>+27 67 747 1294<br/>info@condens8water.co.za<br/>www.condens8water.co.za</p> | <p>FirstRand Bank Limited</p> <p>Reg No: 1929/001225/06</p> <p>4 Merchant Place, CNR Fredman Drive and<br/>Rivonia Road<br/>2146</p> <p>+27 87 575 9404</p>             |
| Legal Advisor  | Accountants   |
| <p>Macgregor Erasmus Attorneys Inc</p> <p>Reg No: 2020/104514/21</p> <p>1st Floor, Bond Square, 12 Browns Road, The<br/>Point, Durban, 4001</p> <p>+27 31 201 8955<br/>info@meatattorneys.co.za<br/>www.meatattorneys.co.za</p>            | <p>VTC Trading (Pty) Ltd</p> <p>Reg No: 2018/367265/07</p> <p>2 Woodlands Close, Prestondale, Umhlanga<br/>4302</p> <p>+27 83 937 8537<br/>ugesh.govender@gmail.com</p> |

## General Information

Prospective investors should consult with their own independent legal, tax, accounting, investment or other relevant advisor when contemplating any investment decisions described in this document.

The information contained herein has been prepared to assist in forming an initial view of the Offer. The document does not purport to contain all the information that an investor may require nor is it intended to replace any form of legal, financial or technical due diligence.

The content hereof may not be utilised and/or relied upon for any purpose other than to evaluate whether you wish to participate in the Offer. Investments in the Company by taxpayers who are not Connected Persons in relation to the Company, will qualify as a deduction from income in terms of Section 12J of the Income Tax Act.

In the event of any conflict or inconsistency between the terms of this Prospectus and Company's MOI, the terms of the MOI shall prevail. In the event that it is necessary to amend the MOI in order to ensure the enforcement of any of the provisions of this Prospectus or to carry into effect the intent of this Prospectus, the Directors will apply all reasonable endeavours to procure that the MOI is so amended.

## Disclaimer

The contents of this Prospectus do not constitute and should not be construed as investment, tax, legal, accounting and/or other advice. For advice on these matters we recommend that you should consult your preferred investment, tax, legal, accounting and/or other advisor about any information contained in this Prospectus.

The CIPC registers a prospectus in terms of chapter 4 of the Companies Act. The CIPC takes no responsibility for the contents of the Prospectus, makes no representations as to the accuracy or completeness thereof and expressly disclaims any liability whatsoever for any loss howsoever arising from or in the reliance upon any part of the contents of this Prospectus.

## Warning

Venture capital investments are speculative by their very nature and prospective subscribers of this Prospectus should consider the potential risks.

Date of issue: 19 August 2022

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## Definitions and Interpretations

In this Prospectus, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting one gender include others, expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meanings stated opposite them in the second column as follows:

|                          |  |
|--------------------------|--|
| "Act" or "Companies Act" | the Companies Act 71 of 2008, as amended, including the regulations issued thereunder;   |
| Advisors                 | VTC Trading, Macgregor Erasmus Attorneys Inc or First Rand Bank Limited as the context may require   |
| Application Forms        | The application form constituting the acceptance of the Offer by a prospective investor, agreeing to subscribe for the Shares, which application form(s) will be attached to this prospectus   |
| A Ordinary Shares        | A Ordinary Shares of no par value in the share capital of Company with the rights and obligations set out in the MOI   |
| Blocked Rands            | Refers to funds that are legally prohibited to leave the country when an investor emigrates but are still under the ownership of the Investor  |
| Board                    | The Directors of the Company   |
| Business Day             | Any day other than Saturday, Sunday or Statutory holiday in South Africa   |
| CIPC                     | The Companies and Intellectual Property Commission, established pursuant to section 185 of the Companies Act or its successor body   |
| Closing Date             | The Closing time and date of the Offer, is expected to be 17:00 on 20 October 2022 or such later date extended by the Company through an announcement released on its website <a href="http://www.condens8water.co.za">www.condens8water.co.za</a>         |
| Common Monetary Area     | The area that links South Africa, Namibia Lesotho and Swaziland into a monetary union which is allied to the South African Customs Union   |
| Company or Company       | Massive Dynamix Water (Pty) Ltd T/A Condens8 Registration no: 2020/638618/07, a registered private unlisted company under the laws of South Africa. Full details of which are contained in the Corporate Information & Advisors Section of this Prospectus |

|                       |   |
|-----------------------|---|
| Income Tax Act        | The Income Tax Act, 58 of 1962, as amended, consolidated or re-enacted from time to time, including all schedules thereto   |
| Investor(s)           | The portfolio of investments created by investing the proceeds raised from the issue of Venture Capital Shares pursuant to the Offer  |
| Last Practicable Date | 20 October 2022 being the last practicable date prior to the finalisation of this Prospectus  |
| Management Agreement  | the agreement concluded between the Manager and Company in terms of which Company Management will conduct the administration and management of Company, details of which are set out in Annexure 4;   |
| MOI                   | The memorandum of incorporation of the Company, as amended  |
| Offer                 | An offer to the public to subscribe for up to 357,142 Class B Ordinary Shares, the terms of which are set out in this Prospectus  |
| Offer Period          | The period between the opening of the Offer and its closing, being from 09h00 on 19 September 2022 until 17h00 20 October 2022  |
| Offer Price           | Class A Ordinary Shares with voting rights at R 500 000 per share<br>Class B Ordinary Shares with no voting rights at R 56 a share (minimum 50 shares per subscription)   |
| Ordinary Shareholders | Holder of Ordinary Shares in the Company  |
| Ordinary Shares       | Ordinary no par value shares in the share capital of Company having no rights and obligations set out in the MOI  |
| Prospectus            | This entire prospectus document and its annexures, issued on the 19 September 2022  |
| Qualifying Company    | A company satisfying the conditions of a Qualifying Company as defined in Section 12J of the Income Tax Act   |
| Risk Capital          | In respect of each of the Ordinary Shareholders, 100% of the subscription price paid for the acquisition of the shares in the Company, minus the highest marginal rate of income tax for Investors when such ordinary shares are issued (being 25% as at the Last Practical Date) |
| SARS                  | South African Revenue Service   |
| Shareholder           | A holder of Shares  |
| Shares                | A Ordinary Shares in the share capital of the Company   |



VAT

Valued Added Tax as contemplated in the  
Value Added Tax Act, 89 of 1992 as amended

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# PROSPECTUS

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## SECTION 1 – INFORMATION ABOUT MASSIVE DYNAMIX WATER (PTY) LTD T/A COMPANY

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### 1. NAME, ADDRESS & RESISTRATION

- 1.1 Massive Dynamix Water (Pty) Ltd T/A Company (Registration Number 2020/638618/07) was registered as a private company on Wednesday, August 26, 2020 at 13:44
- 1.2 The Company's registered Office and primary place of business is 17 Paramount Park 75 Siphosethu Road Mount Edgecombe 4302.
- 1.3 The Company has 3 primary business activities:
- The production of water through the use of Atmospheric Water Generators which abstract water from ambient air. The production of water, purification and filtration of water, bottled water production
  - The production of electricity through heat reclamation, solar panels & eventually wind turbines.
  - Planned expansion into fresh produce (micro- greens) through hydroponic farming methods specifically utilizing the production of water abstracted by our generators.
- 1.4 The Company Currently owns all its Assets and intellectual property is provisionally patented
- 1.5 The Company's Water Production process is SANS 241 Compliant
- 1.6 The Company has a Global Food and Safety Inspection Certificate
- 1.7 The Company has a Renewable Independent Power Producer License
- 1.8 The Company's bottled water all have a GLN number (Global Local Number) for purposes of export
- 1.9 The Company has an active import export license
- 1.10 The Company is part of the Proudly South African Brand
- 1.11 The Company is listed nationally with the Pick n Pay Group, Makro Group and Take-A-Lot
- 1.12 The Company has several corporate clients that include Shell, BP, Engen, PEG and Spar.
- 1.13 The purpose of the Offer is to raise capital to expand the Company's foot print nationally & internationally (SADC Region) through expansion of water production, bottling, fresh produce – greening, electricity production, marketing, deliveries & logistics

## Directors, Other Officers & Material Third Parties

2.1 The board embraces the principles of good corporate governance as espoused in the guidelines of the King IV Report on Corporate Governance of South Africa, 2016 (King IV)

2.2 The Board is committed to doing business ethically while also building a sustainable company but recognises the short and long-term impact of its activities on the economy, society and the environment. The Board believes in ethical leadership as the foundation upon which they create value for their stakeholders.

2.3. The Directors have established mechanisms and policies appropriate to the Company's business in keeping with its commitment to the best practices in Corporate Governance in order to ensure compliance with King IV. These are reviewed by the Directors from time to time.

2.4 The board currently comprises one Executive Active Director and Shareholder.

2.5 The full name, business address, position and experience of the Director are set out below:

|                            |   |
|----------------------------|---|
| Name                       | Audrey Ronelle Subramoney   |
| Business Address           | 17 Paramount Park<br>75 Siphosethu Road<br>Mount Edgecombe<br>Durban<br>4302  |
| Position                   | Executive Director  |
| Occupation                 | Holds Directorship at <ul style="list-style-type: none"> <li>• Massive Dynamix Business Solution</li> <li>• Massive Dynamix Medical Supplies</li> <li>• Double Edge holdings</li> <li>• Massive Dynamix Water</li> </ul>  |
| Qualification & Experience | <ul style="list-style-type: none"> <li>• GMAT Preparation MBA</li> <li>• 10 Years' in Public Sector</li> <li>• Performance Management (Public Sector)</li> <li>• Service Delivery Budget Implementation Plan Design &amp; Development</li> <li>• Integrated Development Plan Design &amp; Development</li> <li>• Annual Reports compilation</li> <li>• Municipal Turn-around Strategy Development.</li> <li>• Key Performance Area Development</li> <li>• Key Performance Indicators</li> </ul> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>Development</li> <li>• Performance Agreements</li> <li>Development</li> <li>• Blue Drop</li> <li>• Rapid Water Response Task Team</li> <li>• Prepaid Electricity Vending</li> <li>Software Implementation</li> <li>• Deployment of Network</li> <li>Infrastructure</li> <li>• Installation of Information Systems</li> <li>• Ithala Woman in Business</li> </ul> |
|--|---|

## 2.6 Company Advisors and Legal Team

2.6.1 The names and business addresses of the Advisors are set out in the Corporate Information and Advisors section of this Prospectus

## 2.7 Borrowing powers of the Company are exercised by the Directors

2.7.1 The provision of the MOI regarding the borrowing powers exercisable by the Directors.

2.7.2 The Company has not exceeded its borrowing powers since its registration

## 2.8 Management of the Company

2.8.1 Company is managed by several individuals.

2.8.2 Company management encompasses an experienced management team with both public and private sector experience including:

- Electricity Systems
- Energy within Environmental Constraints
- Incorporation of Renewables in to the Existing Grid
- Water Analysis
- Information Systems
- Employment Law
- Performance Management
- Energy Systems
- Reverse Osmosis
- Remineralisation
- Carbonation
- Logistics
- Accounting
- Hydroponics
- Originating, evaluating and selecting suitable technological opportunities
- Identifying and implementing effective exit strategies

## 2.9 Directors Declarations

2.9.1 The Director of the Company has not been declared bankrupt, insolvent or entered into any individual voluntary compromise arrangements, or has been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies, or been disqualified by court from acting as a director of a company or for acting in the management or conduct of the affairs of the Company, or has been convicted of any offence.

## History State of Affairs & Prospectus of Company

### 3.1 History of the Company

#### 3.1.1 Overview

3.1.1.1 Company was registered as a private company on Wednesday, August 26, 2020 at 13:44

3.1.1.2 The primary objectives of the Company is:

- The production of water through the use of Atmospheric Water Generators which abstract water from ambient air, purification and filtration of water and bottling.
- Sales and delivery of bottled water to the market.
- The production of electricity through heat reclamation, solar panels & eventually wind turbines.
- Fresh produce (micro-greens) through hydroponic farming methods specifically from the production of water abstracted by our generators.

#### 3.1.2 Nature of business

3.1.2.1 Company is a water producer and independent power provider

### 3.2 Material Changes

As at the Last Practicable Date, other than the subscriptions mentioned in paragraph 1.5 above. There are no other material changes in the assets and liabilities of the Company which have occurred between the date of registration and the date of this Prospectus.

### 3.3 Investment Objectives

3.3.1 Company needs to expand production of bottled water to cater to the growing demand of its customers in the retail and wholesale sector.

3.3.2 Expansion of hydroponics & growing of fresh produce through the use of our Atmospheric Water Generators.

3.3.3 Utilise our Independent Power Providing License by purchasing of larger solar panels and wind turbines, expand into grid creation and supplying of surplus electricity

3.3.4 Company requires a separate logistics division for the distribution and deliver in respect of the demand in the marketplace.

3.3.5 We have plans to expand our Sales & Marketing Departments in line with our Vision 2022/2023 in order to implement our aggressive marketing strategies which will gain further market share and penetration

### 3.4 Investment Strategy

- 3.4.1 There are two categories of shares viz; Class A Shares and Class B Shares.
- 3.4.2 Class A Shares are Shares with voting rights and rests with founding members.
- 3.4.3 Class B Shares are Shares with no voting rights.
- 3.4.4 The Director and management of Company have identified several areas of investment as stated above.
- 3.4.5 The Class A Shareholders portion of investment will be used to acquire movable assets with the intent of using partner direct programmes with OEMs to purchase assets below market price and as such, retain as much value as possible e.g. Wind Turbines & Solar Panels, & Inverters and Atmospheric Water Generators.

All of which will cater to the increase of bottled water production. The generation of electricity which will be utilized for our own production plant and the balance of which will be sold to Ithala –Paramount Business Park. The wind turbines are a part of an expansion plan that will be deployed in the Coega Industrial Development Zone in Port Elizabeth (Vision 2023/2024) which will be a secondary facility catering to a different market. The last segment will be the expansion of the hydroponic facility. We are also in the process of rolling out RVM'S (Reverse Vending Machines). This is in line with our ethos of reuse, recycle and to reduce our carbon footprint by recycling of our bottles through the RVM which will refund a portion of the value of the bottle to the consumer in order to encourage recycling.

- 3.4.5 The Class B Shareholders portion of the investment will be used to acquire media space for marketing of water brand, the expansion of our own in house logistics department and general operation and expansion of the production and bottling facility.
- 3.4.6 Asset choice in each of the share classes will be based on both existing customer needs and the exit value potential of the asset. This may result in the composition of the portfolio varying over time to optimise returns to shareholders.

### 3.5 Investment Process

3.5.1 The Company Investment Team with the assistance of the accounts have applied a comprehensive investment process in considering investments and have conducted rigorous due diligence investigation prior to purchase of new assets.

3.5.2 The results of the due diligence process is attached to this document.

### 3.6 Investment Mandate

3.6.1 Capital raised will be invested, in all of the above activities. The primary investment objective of the company is to expand the Company brand by diversifying our primary and secondary activities whilst expanding.

| Asset Types                    | Percentage of Fund | Target IRR | Average Time Frame of Investment (Years) |
|--------------------------------|--------------------|------------|--|
| Cash on hand, call & Fixed     | 0-100              | 10%        | 3  |
| Commercial Vehicles            | 0-20               | 10%        | 3  |
| Outdoor Media & Digital Assets | 0-20               | 10%        | 3  |
| Wind Turbines                  | 0-40               | 15%        | 15                                       |
| Solar Panels                   | 0-40               | 15%        | 5  |
| Atmospheric Water Generators   | 0-40               | 15%        | 5  |
| Inverters                      | 0-40               | 15%        | 5  |
| Bottling Plant & Equipment     | 0-20               | 10%        | 3  |

### 3.7 Exist Strategies

Company will continuously evaluate various exit mechanisms for its investments. The intended mechanism is to sell the assets in the secondary market after initial value is gained fully.



### **3.8 Deal flow**

- Outdoor Media Assets – the company will purchase out door media space and digital space to grow the brand exponentially.
- Acquiring refurbished Wind Turbines from Nordex, Vestas & Shanghai Electric will place the Company in a largely untapped African market which will benefit largely from renewables.
- Solar Panels will be purchased from Canadian Solar
- New Bottling equipment will be purchased from Seagle bottling equipment
- Hydroponic Equipment will be purchased from Hydroponic.
- All of the above purchases will result in larger sales of water, electricity and micro-greens and vegetables.

### **3.9 Directors opinion regarding prospects**

The Director is of the opinion the Company has good prospects of achieving its investment mandate based on the following:

- An experienced, well- balanced, innovative and motivated management team
- A developed pipeline of investment opportunities
- Good traction with large multinational corporates
- An extremely skilled task team to handle technical growth
- A rigid due diligence and selection process

## Material Contracts

- Company is contracted with the Pick n Pay Group on a lifetime contract, each year new trade terms are sent for inspection and sign off.
- Company is contracted with Makro Market Place on the online portal.

## Shares Issue

- There are Class A shares and Class B shares,
- There are 14 Class A shares available at R500 000 a share
- There are 357,142 Class B shares available at R 56 a share with a minimum subscription order of 50 shares per subscriber

## Preliminary Expenses & Issue Expenses

| Expenses             | Amount    |
|----------------------|-----------|
|                      |           |
| Marketing            | R 40 000  |
| JSE Listing          | R 20 000  |
| Launch               | R 15 000  |
| CIPC                 | R 2500    |
| Legal Consult        | R 20 000  |
| Accounting Consult   | R 20 000  |
| Share Issue Expenses | R 214 285 |

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## SECTION 2 – DETAILS OF THE OFFER

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### **Purpose of the Offer**

To raise capital to cater for the expansion of Massive Dynamix Water T/A Company water and electricity manufacturing plant both in terms of capacity to produce and deliver on existing contracts of Makro & Pick n Pay.

- To expand the capital base of the Company
- To invite members of the public, financial institutions and business associates of Company to invest directly in the Company
- To broaden the shareholder base of Company
- To enhance its profile as an asset backed water and electricity producer
- To fund the growth aspirations of the Company
- Any amounts raised in excess of the projected issuing expenses will be used to achieve the Company's goal to increase its share capital base

### **Salient Dates**

19 September 2022 – Commencement Date of IPO

20 October 2022- Closing Date

## Particulars of the Offer

- The Offer comprises an offer to the public to Subscribe for 14 Ordinary Class A shares at R 500 000 a share with voting rights
- The offer comprises an offer to the public to subscribe for 357142 Ordinary Class B shares at R56 a share with no voting rights with a minimum purchase of 50 shares per subscriber
- Application may be made by completing the Mandate and Application form in this prospectus or to purchase at JSE Private Placements
- Dividend pay of 10% per annum
- Guaranteed buy back of shares in 5 years at fair value
- All application forms completed in accordance with the provisions of this Prospectus and the instructions set out on the Mandate and Application form should emailed to [Investors@condens8water.co.za](mailto:Investors@condens8water.co.za)
- Proof of payment of cleared funds must be received by the Company by no later than 17h00 on 20 October 2022 via electronic funds transfer into the following bank account:

|                |                                 |
|----------------|---------------------------------|
| Account Name   | Massive Dynamix Water (Pty) Ltd |
| Bank Name      | First National Bank             |
| Branch Name    | The Crescent Umhlanga           |
| Branch Code    | 260231                          |
| Account Number | 62870490415                     |
| Swift Code     | FIRNZAJJ                        |

## Reservation of Rights

- Shares are issued subject to the provision of the application processes, the constitutional documents of the Company and the terms of this Prospectus. As such, the Director of the Company reserves the right to accept or refuse any application(s), either in whole or in part, or to abate any or all application(s) in such a manner as they may, in their sole and absolute discretion, determine.
- The Director of the Company reserves the right to accept applications for less than 50 Shares per application at their sole and absolute discretion
- If an application is refused by the Director, the money that has been received by the Company will be refunded to the applicant within 10 (ten) business days of the relevant closing date.

SECTION 3 – STATEMENT & REPORTS

**Statement of Financial Position**  
Massive Dynamix Water (Pty) Ltd

For: September 2022

|  | <u>Actual</u>              | <u>P Y Actual</u>          |
|--|----------------------------|----------------------------|
| <b>Assets</b>                              |                            |                            |
| <b>Non Current Assets</b>                  |                            |                            |
| <b>Property, Plant and Equipment</b>       |                            |                            |
| 6100>020 Computer Equipment>Cost           | 42 037.64                  | 25 890.00                  |
| 6200>020 Furniture & Fittings>Cost         | 3 260.87                   | 3 260.87                   |
| 6300>020 Motor Vehicles>Cost               | 70 000.00                  | 70 000.00                  |
| 6400>020 Office Equipment>Cost             | 43 178.71                  | 43 178.71                  |
| 6500>020 Plant & Machinery>Cost            | 1 216 579.08               | 865 050.84                 |
| <b>Total Property, Plant and Equipment</b> | <b>1 375 056.30</b>        | <b>1 007 380.42</b>        |
| <b>Intangible Asset</b>                    |                            |                            |
| 6600 Patents, Trademarks And Goodwill      | 5 700 000.00               |                            |
| <b>Total Intangible Asset</b>              | <b>5 700 000.00</b>        |                            |
| <b>Total Non Current Assets</b>            | <b>7 075 056.30</b>        | <b>1 007 380.42</b>        |
| <b>Current Assets</b>                      |                            |                            |
| <b>Trade Receivables</b>                   |                            |                            |
| 7100 Receivables Control                   | 37 438.99                  | 27 106.13                  |
| <b>Total Trade Receivables</b>             | <b>37 438.99</b>           | <b>27 106.13</b>           |
| <b>Other Current Assets</b>                |                            |                            |
| 7201 Rental Paid In advance                | 24 862.95                  | 24 862.95                  |
| 9500 Suspense                              | 50 613.44                  | 50 613.44                  |
| <b>Total Other Current Assets</b>          | <b>75 476.39</b>           | <b>75 476.39</b>           |
| <b>Cash and Cash Equivalents</b>           |                            |                            |
| 8420 Current Account                       | 11 561.70                  | 38 102.49                  |
| 8430 Deposit Account                       | 79 264.40                  | 79 264.40                  |
| <b>Total Cash and Cash Equivalents</b>     | <b>90 826.10</b>           | <b>117 366.89</b>          |
| <b>Total Current Assets</b>                | <b>203 741.48</b>          | <b>219 949.41</b>          |
| <b>Total Assets</b>                        | <b><u>7 278 797.78</u></b> | <b><u>1 227 329.83</u></b> |
| <b>Equity &amp; Liabilities</b>            |                            |                            |
| <b>Equity</b>                              |                            |                            |
| 5100 Share Capital                         | 1 000.00                   | 1 000.00                   |
| 5200 Accumulated Profit                    | (1 546 735.76)             | (1 546 735.76)             |
| Retained Earnings (Accumulated)            | (1 866 402.04)             |                            |
| Retained Earnings (Current Year)           | (9 350.22)                 | (1 466 393.92)             |
| <b>Total Equity</b>                        | <b>(3 421 488.02)</b>      | <b>(3 012 129.68)</b>      |
| <b>Non Current Liabilitie</b>              |                            |                            |
| 5300 Shareholder Loan                      | 6 104 257.47               |                            |
| 5400 Loans Payable                         | (60 835.42)                |                            |
| 5500 Long Term Liabilities                 | 3 829 343.62               | 3 829 343.62               |
| 7340 V Subramoney                          | 22 900.00                  |                            |
| <b>Total Non Current Liabilitie</b>        | <b>9 895 665.67</b>        | <b>3 829 343.62</b>        |
| <b>Current Liabilities</b>                 |                            |                            |
| <b>Trade Payables</b>                      |                            |                            |
| 9100 Payables Control                      | 489 667.20                 | 327 966.81                 |
| <b>Total Trade Payables</b>                | <b>489 667.20</b>          | <b>327 966.81</b>          |
| <b>Other Current Liabilities</b>           |                            |                            |
| 9000 Accruals                              | 12 000.00                  | 12 000.00                  |
| 9600 Vat Control                           | 302 952.93                 | 70 149.08                  |
| <b>Total Other Current Liabilities</b>     | <b>314 952.93</b>          | <b>82 149.08</b>           |
| <b>Total Current Liabilities</b>           | <b>804 620.13</b>          | <b>410 115.89</b>          |
| <b>Total Equity &amp; Liabilities</b>      | <b><u>7 278 797.78</u></b> | <b><u>1 227 329.83</u></b> |

## Current Performance and Projections

|                             | Year 22               | Year 23                | Year 24                | Year 25                | Year 26                | Total                   |
|-----------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>Number of Bottles</b>    | <b>2469312</b>        | <b>5611795</b>         | <b>6404449</b>         | <b>7341942</b>         | <b>8455536</b>         | <b>30283034,31</b>      |
| <b>Sales Revenue</b>        | <b>R 9 244 080,00</b> | <b>R 23 299 504,80</b> | <b>R 29 284 699,68</b> | <b>R 36 759 047,29</b> | <b>R 46 126 637,24</b> | <b>R 144 713 969,01</b> |
| <b>Total Expenses</b>       | <b>R 5 191 566,00</b> | <b>R 11 825 052,00</b> | <b>R 14 021 424,00</b> | <b>R 16 319 652,00</b> | <b>R 19 038 556,80</b> | <b>R 66 396 250,80</b>  |
| <b>PLANT RENTAL</b>         | R 210 000,00          | R 462 000,00           | R 508 200,00           | R 559 020,00           | R 614 922,00           | R 2 354 142,00          |
| <b>FLAT RENTAL</b>          | R 72 000,00           | R 158 400,00           | R 174 240,00           | R 191 664,00           | R 210 830,40           | R 807 134,40            |
| <b>ELECTRICITY</b>          | R 60 000,00           | R 132 000,00           | R 145 200,00           | R 159 720,00           | R 175 692,00           | R 672 612,00            |
| <b>SALARIES</b>             | R 390 000,00          | R 1 014 000,00         | R 1 318 200,00         | R 1 713 660,00         | R 2 227 758,00         | R 6 663 618,00          |
| <b>BOTTLES</b>              | R 3 654 582,00        | R 8 305 452,00         | R 9 478 584,00         | R 10 866 072,00        | R 12 514 188,00        | R 44 818 878,00         |
| <b>LABELS</b>               | R 241 200,00          | R 482 400,00           | R 964 800,00           | R 1 206 000,00         | R 1 447 200,00         | R 4 341 600,00          |
| <b>CAPS</b>                 | R 419 784,00          | R 954 000,00           | R 1 088 760,00         | R 1 248 132,00         | R 1 437 444,00         | R 5 148 120,00          |
| <b>HYSTER</b>               | R 66 000,00           | R 145 200,00           | R 159 720,00           | R 175 692,00           | R 193 261,20           | R 739 873,20            |
| <b>INTERNET &amp; PHONE</b> | R 12 000,00           | R 26 400,00            | R 24 000,00            | R 24 000,00            | R 24 000,00            | R 110 400,00            |
| <b>FUEL</b>                 | R 36 000,00           | R 79 200,00            | R 87 120,00            | R 95 832,00            | R 105 415,20           | R 403 567,20            |
| <b>OTHER</b>                | R 30 000,00           | R 66 000,00            | R 72 600,00            | R 79 860,00            | R 87 846,00            | R 336 306,00            |
| <b>Profit / Loss</b>        | <b>R 4 052 514,00</b> | <b>R 11 474 452,80</b> | <b>R 15 263 275,68</b> | <b>R 20 439 395,29</b> | <b>R 27 088 080,44</b> | <b>R 78 317 718,21</b>  |

### **Experts Consent**

- Each of the parties listed under Corporate Information and Advisors section have consented in writing to act in the capacities stated and to their names appearing in this Prospectus and have not withdrawn their consent prior to the publication of this Prospectus
- The independent reporting accountants have consented in writing to have their reports appear in the Prospectus in the form and context as they appear and have not withdrawn their approval prior to the publication of this Prospectus.

### **Directors Responsibility Statement**

The Director of the Company, whose name is given in Section 1 of this Prospectus, collectively and individually, accepts full responsibility for the accuracy of the information provided in this Prospectus and certifies that to the best of their knowledge and belief there are no facts relating to the Company that have been omitted which would make any statement relating to the Company false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Prospectus contains all information relating to the Company required by law.

### **Financial Advice**

This Prospectus constitutes objective information about Company. Nothing contained in it should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of any investment.

### **Risk factors of Venture Capital Investments**

- All the information in this Prospectus should be considered by potential investors before making a decision to invest in Company. Venture Capital Investments are considered to be speculative and are considered to be more suitable for investors in a high income bracket who are prepared to accept the risks inherent in investments of this nature.
- Prospective investors should carefully consider their financial position and make every effort to familiarise themselves with the consequences of non-attainment by Company of the objectives outlined in this Prospectus. It may be prudent to seek independent financial advice regarding this investment.
- Prospective investors should be aware that the value of the ordinary shares in Conden8 will fluctuate however should also consider the guaranteed future buy back value when making the investment.

## **Confidentiality**

Company will not use or disclose any confidential information obtained, except to the extent permitted by our investors or required by applicable law. Policies and procedures in terms of the Protection of Personal Information Act 4 of 2013 are in the process of implementation.

### **Investors not residing in South Africa**

- Investors who do not reside in South Africa should seek professional advice as to the consequences of making an investment in Company as they may be subject to tax in other jurisdictions as well as in South Africa.
- The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt in this regard, please consult your professional advisor.
- A former resident of the Common monetary Area who has emigrated from South Africa may use Blocked Rands to purchase shares in terms of the Offer
- All payments in respect of subscriptions for Shares by emigrants using Blocked Rands must be made through an authorised dealer in Foreign Exchange.
- Shares certificates will be restrictively endorsed as “non-resident”
- If applicable refund monies in respect of unsuccessful applications, emanating from Blocked Rand accounts will be returned to the authorised dealer administering such Blocked Rand accounts for the credit of such applicants Blocked Rand account.

### **Share Buy Back**

- Share dividends will be paid out at a value of 10% per 50 shares bought
- Share dividends will be paid once a year
- Share buy back at fair value in 3 years