



Capmed Holdings Ltd

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The story of

CRYPTIQUE LTD

A business for today and for tomorrow

A. Introduction

Cryptique is a product of the fourth industrial revolution (4IR).

Cryptique is closely linked to the major developments in the internet of things (IOT), artificial intelligence (AI) and biotechnology.

These technology streams are, in terms of the definition of 4IR supported by the influential author Yuval Harari in his “21 Questions for the 21st century”, the basis of innovative business developments during the present and the following decades.

He has major support in many countries.

And many disciples.

But he missed one key element.

Money.

Digital money.

All business is based on money.

And Satoshi Nakamoto’s creation of bitcoin in 2008, caused a paradigm shift in all financial thinking, and in financial structures.

For the foreseeable future the activity in cryptocurrencies and other digital payment units will rival (even exceed) that in information and communication technology (ICT).

Cryptique is a player on this field.

And has the ambition to be a major player.

Its direction, strategy and business base are all described in detail in the listing prospectus with explanatory and supporting documentation exceeding 400 A4 pages.

This brochure provides a brief summary.

Of both the new, and the future strategy.

B. Digital currencies – general

The blockchain based cryptocurrencies like bitcoin not only shook up currency technology, it upset the whole monetary macro structure of the past few centuries.

With its system of peer-to-peer payments and distributed ledger technology (DLT) it bypassed the pyramidal structure whereby all financial transactions are accommodated within the banking system.

The trust in such transactions, based on the soundness and reputation of banks, was replaced by a superior mathematical system with advanced algorithmical support. The trust was in the robustness of the technology and the extensive scrutiny of each transaction due to the public character thereof.

The tight crypto-based security (making hacking and double spending practically impossible) as well as the limited number of bitcoins created and issued (maximum 21 000 000) made the currency a sought after investment unit.

To such an extent that many experts regard it as e-gold, a technological substitute for the physical metal, but just as collectable.

The “mining” procedure for obtaining new coins and the jargon accompanying it, created a glamour and buzz element like the gold rushes of the nineteenth century.

Satoshi Nakamoto intended to create a general bankless e-currency or e-cash.

He did not succeed – the number of coins issued is too low to support global e-trade.

But he did succeed in providing a high quality e-investment, with the finite quantity supporting the possibility of a ceilingless price.

A large number (thousands) of alternative cryptocurrencies followed, with Ethereum (with its smart contract based system) and Ripple’s XRP (with its pay-gate links) contenders.

In general these altcoins (as they are named in the market) also have not achieved the trade use or tradeability to support an e-cash society.

And even as investments they lag bitcoin.

Due to the radicalism of the break with traditional banking recent developments in cryptocurrencies has focused on finding neutral ground, with official money (fiat money). This is primarily done by tethering the digital coin(s) with an international currency like the US dollar, euro or pound sterling. The relative values are coupled.

These currencies (called stable coins) therefore do not fluctuate in value such as bitcoin (it has a floor and a ceiling in its value) but a sky high price (with profits) is not possible.

C. Digital currencies – own

The main text of Cryptique's prospectus concerns Cryptique's own digital coin creations.

The specific dual purpose was:

1. To create a cheap and widely used utility coin, specifically to fulfil the need for e-cash, an electronic based trade enhancer.

This unit, called ECU (for electronic cash unit) is a mobile based peer-to-peer, bankless payment currency. It includes elements of the various regional fiat currencies that were started in various parts of the world as local trade enhancers, but were smothered by the macro banking control mechanisms.

Of these the tapering value, the decrease in purchase power if not used within a certain period, is key. This is done to increase the velocity and the turnover.

Two further features are included:

On receipt by a willing seller or service provider the original value of the ECU is re-instated. The taker therefore has the built-in possibility a capital appreciation up front.

In addition the ECU is the main (and in certain circumstances) the only, access port to the other Cryptique currency viz the STAR.

2. The STAR, although based on and serviced by different and adapted logarithmical technology has some of the features of bitcoin.

But it is a security backed unit, unlike bitcoin.

Whereas the ECU is primarily a trade facilitator, the STAR is intended as an investment currency.

A conserver and storer of value.

With the specific support of a dedicated diamond fund.

With the fund including diamond and diamond related assets of all classes.

Including rough stones, cut stones, jewellery, diamond exploration and mining rights and operations, cutting facilities, diamond derivatives and similar benefits.

The Stellar Diamonds subsidiary of Cryptique will specifically be structured to provide the maximum contribution to the fund.

But in addition : a fixed percentage of all income flows of the Cryptique group will be added to the fund. And all windfall profits and receipts.

The STAR will allow small investors, ordinary members of the public, directly (and in very liquid manner) to participate in the glamour of the diamond industry. And share in the anticipated diamond boom of the next few decades.

And since the STAR is not a stable coin, it will find its own price level. With price increases linked to the strength of the diamond fund. And the demand for this most glamorous of gems.

D. Communities

The Cryptique currencies are not primarily for random use.

With the intention to complement fiat money and not replace it, it will find its main market in selected and defined communities.

E-communities.

Which may overlap social, financial, geographical, cultural, religious communities, but are in essence new creations.

With new needs, ambitions and relationships.

With these attended to by and in their communities.

Bottom up.

They are their own authority.

E. Programmes

In addition the own currencies are not issued, used or distributed in isolation.

They form an integral of Cryptique's various other activities.

This specifically applies to the business of Cryptique Care and its portfolio of affordable wellness benefits.

Structured as part of a health loyalty programme (for a specific community or in general), these always include free ECU coins.

To support internal trade.

To provide an upfront bonus.

To make members aware of, and participants in, this new e-way of doing business and interacting with fellow-members, fellow citizens.

With a advantages built into the system, especially for more energetic and active members, Cryptique intends these as multipliers exponentially to expand its mass of participants.

F. Official reaction

Although these currencies have the 4IR, novelty and present wave of interest on its side, Cryptique is certainly aware that digital currencies will not soon replace fiat currencies.

If ever.

But it will fulfil a specific need in the modern technology age.

Banks and governments realize that.

That it is why they work hard to create their own digital currencies.

At most they can create hybrids because their products can be little more than upgraded fiat money. These are commonly called CBDC's or "central bank digital currencies".

But there is no democratization.

No peer-to-peer mechanism.

Since governments rule the world, Cryptique and colleagues will, however, have to live with the bureaucratic and physical part of reality.

It must have a complementary approach.

Not a conflicting one.

Work together wherever possible.

Not against.

But ensure that, though regulation is probably necessary for good order, it must never lapse to control.

Authoritarianism must be reduced. Strongly. Not enhanced.

Therefore the Cryptique technology provides ample room for bank wallets integrated with internal e-wallets.

G. Partners/associates : Megaton International

It was clear from the beginning that, although Cryptique could quickly established its name as a significant brand in e-finance, it needed a major supporting and knowledgeable associate to do business at a macro level.

It had to create its own independent platform with (in due course) an international reach.

The first and obvious link was with the Megaton group.

The crossholding between Cryptique and Megaton International is not only a huge quality investment, it also provides a direct interface between Cryptique's digital currencies and the Megaton's re-modelling of commercial space from primarily bricks and mortar to a virtual trading centre.

This provides ample room for an encompassing advertising framework based on virtual and augmented reality.

Three aspects of this should be noted:

1. Whereas Google Maps allows a user/client to orientate/locate himself horizontally and find his way to a physical address, Megaton extends this to vertical location via its unique beacon based orientation framework.
2. The massive and versatile advertising structure (allowing everything from virtual billboard to virtual streams of classifieds) will quickly make Megaton a serious competition to specialists in this area like Nasionale Pers.

3. The virtual shopping experience includes, amongst others, online advertising, online trading, and even online entertainment all rounded off by virtual payment, using digital money such as the ECU.

It is foreseen that within a few years Megaton will be a major platform, listing on international securities exchanges, which will put a substantial value on Cryptique's 20% holding.

H. Technological support : Megaton Devco

The substantial software development work for both the creation and the maintenance/ management of Cryptique's digital currencies was contracted out to Megaton Devco, an associate of Megaton International.

Megaton Devco has created similar inhouse coins (the AFRO and the MEGABUCK). These were based on the principles underlying the latest blockchain, matrix and Ripple payment gate developments. The final architecture is, however, a unique Megaton structure.

The inhouse currencies have passed trial runs and the ECU and STAR can be grafted onto the same operational loop but with own distinct technological and user protocols.

With the back-end of its digital currencies secure, Cryptique can spend all its time on sourcing or creating massive outlets therefor.

I. Partners/associates II

With 4IR specifically extended to biotechnology and with Cryptique shareholders involved in various projects in this field, it was only natural that Cryptique would include it in its macro strategy.

The more so since some of the ventures could add specific value to its wellness programmes.

For this purpose it acquired a 20% interest in EnviroLiq.

The latter holds the African rights to a fuel enhancer that not only reduces consumption but substantially cuts harmful emissions. EnviroLiq is negotiating with African governments as part of the group's African strategy as described in M below.

But more important is the involvement of an EnviroLiq in water based sanitizers with an anti-pathogen component.

Although several advanced water purifiers have been developed (especially in the Western Cape) AquaSana may be the most promising.

Although primarily a low cost external sanitizer, the corona virus pandemic allowed a rethink of the use of the product.

Although not a medicine for curative reasons, there are specific possibilities of using it as an internal cleanser or sanitizer.

For this it requires registration with SAHPRA (South African Health Products Regulatory Authority). This must be preceded by specific clinical trials.

EnviroLiq (assisted by Cryptique) has requested assistance from the CSIR (Water Division – Stellenbosch) and SAMRA (the South African Medical Research Council) in this regard.

EnviroLiq is in the process of budgeting therefor. A process will be started to find a sponsor. A successful listing of Cryptique should, however, provide adequate funding.

Although this route may take some time, both companies are positive that AquaSana can be used/developed as a “blocker” against the spread of COVID-19.

Should they succeed this will be a major income earner.

Cryptique’s low cost health package (see J below) in any event includes a regular quantity of AquaSana.

J. Subsidiaries

Apart from lateral investments in associate companies that can enhance synergies with Cryptique’s business, the latter also acquired downstream entities that would give practical effect to both Cryptique’s macro business strategy and the application of its private digital currency framework.

To this end it acquired a controlling interest in Capmed Holdings. The latter will contribute in a number of ways of which the following three are material.

1. Capmed created a broad based theoretical model for a capitation based medical scheme that will fit well with Cryptique’s low cost health loyalty programme.

The large number of possible members to which Capmed has access will therefore at an early stage be introduced to the ECU private money framework.

2. Capmed’s joint health ventures with public institutions/persons in the DRC and Angola, will substantially increase this project. It also fits in well with Cryptique’s Africa strategy (see M below).
3. Finally : the fact that Capmed has negotiated mineral rights (especially diamond rights) as consideration for providing wellness programmes to the populations of these countries, will also expand the resources portfolio that forms a key part of Cryptique’s asset base.

Capmed will be used as the platform to expand Cryptique’s wellness divisions viz medical finance, virtual clinics and virtual pharmacies (based on Megaton technology) Africa wide.

K. Subsidiaries (other)

Apart from Capmed (which has a business history) Cryptique will create a number of new subsidiary units to take advantage of the fact that the digital architecture and databases created for the private currency may be adapted to accommodate the other main streams in information technology viz:

1. Online shopping;
2. Online streaming;
3. Online gaming; and
4. Online advertising.

An own vehicle to support the former was incorporated viz Up-to-You Ltd. The name indicates the direct delivery. The bringing of the merchandise “Up-to-You”.

The most important internal subsidiary will, however, be Stellar Diamonds Ltd (see O below) which will be responsible to create, acquire or supply all the diamond related assets for the fund backing the STAR currency.

Information on further subsidiaries in, specifically, biotechnology, resources and in other African jurisdictions as provided in the prospectus.

L. Supporting equipment

All the digital business divisions of Cryptique (and especially its relationship with Megaton) are based on the key hardware supportware of 4IR namely the mobile unit (mobile smartphone).

Originally designed and developed as a hand held, transportable communication unit over distance, a large additional features were added over time. The communication aspect was broadened to create a versatile ICT (information and communication technology) unit, with use for voice connectivity reduced to a bare 10%.

Many features of computers were added, built into the same equipment.

And cameras of increasing capacity and quality.

And the unit became smaller, smoother, sleeker. It had style added to substance.

Especially the smart phones.

But the idea that they are only for smart people has already long gone.

More and more people own smart phones.

Soon all people will have one.

Or have to have one.

Because technology has gone beyond the mobile, the cell (hardly a cellphone anymore) as a handy and advanced and easy to use social platform.

It has become more than a communication tool.

Even a data tool.

A general information tool.

It has become a power tool.

With many features of AI and IOT already added, built in.

And with the advent of large scale private digital currencies that will all use the mobile as portal.

The development will take a quantum leap.

It will become everyone's own bank.

His/her private crypt, vault, cache, bank.

The unit will move from a social platform to a commercial platform. It will no longer be a matter of communication, of information, but of participation. Of taking part in the trading world.

Of being actively involved.

Of being a player.

And no person can afford not to participate.

And no government can afford to have citizens, residents, people in the country who can not participate.

Who do not have the tools.

The mobile units.

It will have to provide every person with one.

That is how the world will work in future.

And Cryptique wants to be there.

At the front.

It technically already is there.

With the support of Megaton.

The Cryptique platform exists. It works.

It must merely be taken worldwide.

M. Africa

But Cryptique's explicit strategy is to first take it to Africa.

Because Cryptique is part of Africa.

Because Africa is the marketplace of tomorrow.

It will have 1 500 000 000 inhabitants by 2050.

Most of them younger than 40.

With a massive, developing, growing buying power.

With all these young people born in the new digital universe.

And an Africa uncluttered by previous digital institutions and structures.

With 5G introduced almost from the start.

And with Cryptique noting the specific statements by the USA government that America wants to assist Africa, especially from a capital point of view. Not only because it is the market of the future, but also to keep China at a distance.

And with Cryptique tapping into such funds.

N. Listing

The Africa strategy largely also dictates Cryptique's listing policy.

The ZARX listing, while important and a critical source of early cash, it will also be regarded as a stepping stone for secondary listings in a number of African countries. Namibia, Angola, Zimbabwe, Zambia, DRC and Kenya are favoured.

In each of these countries Cryptique is already creating a business presence.

In each of these countries, the health authorities are keenly interested in Cryptique's wellness loyalty programmes.

But most important all of these countries have already indicated that they favour the using mineral rights to compensate Cryptique for assistance on the medical front.

This will strongly expand Cryptique's portfolio of viable, even valuable mineral rights.

Each Africa listing will allow local subscription for up to 200 000 000 additional Cryptique shares.

Negotiations have already started with governments in these countries to allow a free capital flow via trade in Cryptique shares.

Ultimately a tertiary listing in New York will crown the listing framework. New York is the key market for both advanced technology shares (the Nasdaq) and larger cut diamonds.

An additional amount will be raised in dollars by issuing a further tranche of Cryptique shares to American investors.

An open trade arrangement in Cryptique shares will allow strong capital flow between New York and Africa in a possibility that has already received substantial comment and support.

The listing on the Nasdaq will make Cryptique a world class player in the digital/mineral field.

O. Listing II

Not only the place of listing is important, but also the composition of the assets.

The cutting edge digital currency framework and technology are new ventures. With no track record. They are described by the (often derogatory) term "blue sky". Something for tomorrow.

But that is the essence of new ventures.

Provided that it is balanced by more solid assets.

Intangible with tangible.

Steeple with foundation.

Cryptique partly overcomes this with the mineral assets for which the competent person's reports indicate a substantial asset value.

But also with additional assets.

Additional businesses.

But without taking away from the glamour of cryptocurrencies and diamonds.

Venture capitalists are essentially idealists.

But a modicum of realism will do them no harm.

P. Future strategy

Although development and listing have to date been the key elements in Cryptique's digital currency project, with only the subsidiaries directly involved being managed in some depth, a broad outline of expansion in 2020/2021 has been drafted.

The essence is the use of the main brand CRYPTIQUE in all its possible guises.

It is clear that the name found immediate resonance in the market and a number of business groups have approached Cryptique about possible co-operation. These will be explored and referred to Cryptique shareholders for guidance.

Broadly the name Cryptique will be used for a number of specific divisions which will be created after listing, including but not necessarily limited to the following:

1. Cryptique Ltd – the main private digital currency business.
2. Cryptique Technology Ltd – Cryptique's internal technology arm; separate from Megaton but with the latter advising.
3. Cryptique Care Ltd – including Capmed Holdings, the clinic and pharmaceutical projects.
4. Cryptique Resources Ltd - the holding company for all the mineral ventures, with Stellar Diamonds Ltd as central asset, but also including the interest in EnviroLiq Ltd.
5. Cryptique Cultural Holdings Ltd – created on the basis of Afri-Can Guitars Ltd.
6. Cryptique Capital Ltd – Cryptique's financial business division.
7. Cryptique Space Holdings Ltd – which will include all immovable property as well as the holding in Megaton International Ltd.

The organogram in the original prospectus will only partly reflect these assets, since it is still work in progress.

More particulars will be provided in the prospectuses for the follow-up listings.

Q. Value to investor

Cryptique will, at listing, offer 200 000 000 ordinary shares of no par value to the public at R1.00 per share.

This will increase the total issue shares to 4 000 000 and the total market value to R4 000 000 000.

To establish whether this will provide equitable value to an investor, a brief reference to the following is necessary.

1. The net asset value per share:

1.1 In terms of the acquisition agreements for Megaton International, EnviroLiq and Capmed. Cryptique purchase shares in the three public companies have ± R1 000 000 000.

The paper asset support for each Cryptique share will therefore be ± 25 cents.

1.2 But if the competent person's reports (CPR's) are used for this purpose the asset value leaps to more than R15 per share.

2. The earnings potential:

The investments in Megaton International and EnviroLiq will, as the cash flow projections in the business indicate, provide an early dividend flow.

Earnings for the wellness loyalty programme and the digital coins will, though modest at the start, increase exponentially after a fair amount of market penetration.

The African and New York listings will support this trajectory.

Earnings of 20 cents per share and dividends of 7 cents per share after year 5 appears to be possible.

This will put the shares on a gross future p:c after tax of 5 and a dividend yield of 7%.

3. Capital growth:

With both digital currencies and diamonds basic glamour stocks, adequate management and market conditions will lead to substantial growth of up to 300% over the first five year period.

Although with a certain amount of risk, as all venture capital projects are, the capital gain possibilities are enormous.