

## OFFERING MEMORANDUM

### PART II OF OFFERING STATEMENT (EXHIBIT A TO FORM C)

Divinia Water, INC.

149 Chestnut St.  
Idaho Falls, ID 83402

[www.diviniawater.com](http://www.diviniawater.com)



6666 shares of Common Stock

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

## THE OFFERING

### Multiple Closings

If we reach the target offering amount prior to the offering deadline, we may conduct the first of multiple closings of the offering early, if we provide notice about the new offering deadline at least five business days prior (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment).

## THE COMPANY AND ITS BUSINESS

### The company's business

#### *Description of Business*

Divinia Water is essential hydration without ingredients or additives. Divinia is free from toxic pollutants and chemicals, making it what we believe to be the healthiest option for consumers. Bottled in recyclable glass bottles with clean lines and timeless packaging, Divinia is, in our opinion, easily recognized as an exceptionally unique product.

#### *Sales, Distribution, & Customer Base*

##### **Sales**

As of Q1 2018, Divinia maintains diverse revenue streams through three different avenues. First is direct-to-consumer sales, made via Divinia's e-commerce store ([www.diviniawater.com](http://www.diviniawater.com)), Amazon, and local deliveries; consumers are either private individuals, stores, or private doctor practices. Second route is retail sales through outlets/grocery stores located in Idaho and Wyoming. Third stream is from sales to distributor and authorized resellers, with business in Hawaii and Southern California.

##### **Distribution**

Divinia has built a simple but unique distribution plan. Expansion into cities is contingent upon the establishment of hubs owned and operated by Divinia. Each Divinia hub will service distribution within a 300 mile radius. These hubs are pre-fabricated and, once complete, will be shipped to the new warehouse location; approximate set-up of anew hub is believed to take 3 days to 1 week.

In the future, we anticipate distribution channels will be established through relationships with regional brokers/wholesalers who will update the company on demands and trends for each market. Distribution will be made with restaurants, high-end resorts, gyms, exercise studios, specialty stores, etc. We will have the capabilities to ship/deliver to our customers directly or through brokers. Direct shipment helps reduce last mile costs, which are often associated with approximately



28% of the total transportation charges. Direct delivery helps customers save in storage/warehouse costs as we can plan for just-in-time delivery of inventory.

## Customers

According to a 2013 article in Foodnavigator-USA.com, natural and organic foods sales rose "... \$81.3 billion in 2012, up 13.5% from the year before. But two small 'power shopper' groups, together comprising 18% of consumers, account for almost half of all sales of natural/organic products, according to a recent study by Information Resources Inc. and SPINS. This leaves 82% of consumers who still haven't reached their buying potential in this fast-growing CPG segment." SPINS and IRI surveyed 5,000 consumers for the study and found that two of the seven segments, dubbed True Believers and Enlightened Environmentalists, comprise 46% of all natural/organic product sales.

We believe Divinia is the ideal brand for consumers who seek natural foods, clean ingredients, high standards, and transparent operations. Below are the target customer groups:

- *True Believers* – These shoppers are passionate about staying fit and healthy. They are focused on trying new things, serving as strong role models for their children, and are strong believers in the benefits of natural/organic products. True Believers enjoy a median income of \$65,000, have an average age of 40, attended college and, in some cases, embarked on post-graduate studies.
- *Enlightened Environmentalists* – This segment is passionate about the environment and making good choices to support it. These shoppers are making a real effort to make healthier choices and will go out of their way to shop at stores that carry natural/organic products. Enlightened Environmentalists are older than True Believers, averaging 63 years old, attended graduate school and have a median income of \$57,000.
- *Healthy Realists* – Being healthy and fit and making exercise a priority is important to these shoppers. They are often the first among their friends to try something new, but can have difficulty deciding whether to buy healthy or traditional products. Their average age is 39; they have attended college and earn a median income of \$65,000

## Customer Needs

According to a study conducted by IRI and SPINS, True Believers and Enlightened Environmentalists (who make up 46% of natural/organic food sales) are willing to pay more for beverages that are organic, all natural, non-GMO, eco-friendly, and fair trade; Healthy Realists will pay more for all natural foods. Additionally, all three types of consumers look for beverages made with all natural ingredients and taste best.

Divinia meets the needs of all three types of main consumers. The functional hydrating qualities of Divinia (without ingredients or additives), the purity of water

(free from toxic pollutants or chemicals), and award-winning taste (silver medal at Berkeley Springs) make Divinia an easy purchase for all three targeted consumer groups.

The beverage industry is growing more and more diverse. Bottle waters promise new levels of hydration from alkaline water to ocean water, appealing to the 83% of consumers who want a functional benefit in their water according to Beverage World. Mintel reports that although price is a factor for 62% of consumers, over half of them(53%) prefer to drink premium bottled waters. Furthermore, 39% of consumers indicate that premium water is worth the cost. According to Beverage Industry, purchases for the home are made at grocery stores (34%), convenience stores (29.5%), and warehouseclubs/supercenters (19%).

### **Direct Competitors**

Bottled water is a highly competitive, saturated category within the beverage industry. The majority of bottled water in the United States is made up of small companies (10 employees or less) who generate less than \$10 million in annual sales. In 2017 private labeled brands dominate the category amassing over \$2.5 billion in sales collectively, up 5.8% from the previous year. However, brands owned by PepsiCo and Coca Cola are key competitors in the landscape with about \$1 billion dollars in sales for Dasani (-1.2%) and Aquafina (+2.4%), each. Nestlé Pure Life and and Glaceau SmartWater come in at fourth and fifth place with \$908 million (+1.9%) and \$828 million (-3.2%) respectively, all according to Information Resources, Inc. in respect to PET/bottled water sales in supermarkets, drug stores, convenience stores, mass merchandise,etc.

### **Indirect Competitors**

With consumers looking for functionality in their drinks, some are moving outside of bottled water and into ready-to-drink tea and sport beverages. According to a study by the International Bottled Water Association “...bottled water added more gallons to its per-person consumption rate in ten years than either ready-to-drink tea or sports beverages reached by the end of that period,” with about 5 gallons per American in 2015.

Information Resources, Inc. lists the best-selling brands of energy drinks (dollar sales in millions) for 2017, with percentage change from the prior year in parentheses, as: 1. Red Bull, \$2,929.9 (-1.1%); 2. Monster Energy, \$1,570.4 (+3.7%); 3. Red Bull SugarFree, \$733.9 (+6.3%); 4. Monster Energy Zero, \$560.9 (+18.2%); 5. NOS, \$411.0 (-0.9%).

Top-selling brands of RTD teas in 2018 (sales in millions), with change from the previous year in parentheses: 1. Lipton Pure Leaf, \$720.5 (+8.2%); 2. AriZona, \$584.4 (-8.1%); 3. Gold Peak, \$396.3 (-+8.8%); 4. Lipton Brisk, \$370.2 (+8.5%); 5. Lipton, \$287.8 (-7.3%).

### ***Liabilities and Litigation***

No litigation

## The team

### Officers and directors

Steven Sedlmayr	President, CEO & Director
Crosby Sedlmayr	COO & Director
Remy Sedlmayr	Treasurer
Kiersten Landers	Secretary
Ron Mezzetta	Director
Michael Breen	Director
Dr. Sheldon Lu	Director

#### Steven Sedlmayr

In the early 1980's, Sedlmayr founded Advanced Displays Technology, Inc., where he pioneered the first million pixel display and patented one of the first digital laser projectors in existence, which was the basis to his second display company in the early 90's. He went through SEC registration and took the ADTI public on NASDAQ. Upon the lucrative exit of the company, Sedlmayr pursued water filtration technology by inventing a revolutionary purification process. This same process is the foundation to Divinia Water and is what gives us our competitive advantage, changing the way people perceive bottled water. Foreseeing future market trends and consumer demands, Sedlmayr has taken Divinia from strength to strength in its evolution from small family business to industry interrupter. Sedlmayr founded the company in 2014 and incorporated Divinia in October 2015; he has dedicated all of his full time and effort to Divinia since early 2014. He serves as the company's President and CEO since inception of the company, October 2015.

#### Crosby Sedlmayr

Crosby has worked alongside Steven since the inception of Divinia, becoming COO and co-founder in October 2015. From 2005 - 2008, Crosby attended Northern Arizona University where he sought a degree in mechanical engineering. From April 2012 to September 2015, Crosby was hired as a call center manager at wellness vitamin company, Melaleuca, where he supervised 25+ employees. Instrumental in the development and research of Divinia Water technology, Sedlmayr maintains the day-to-day operations/functions of the company while driving the company forward in advanced scientific development and research and works only full time at Divinia.

#### Remy Sedlmayr

Remy has over 20 years of office management and bookkeeping and helped Steven take their company public in the 80's. She is instrumental in the maintenance of important documents and financial records. Remy works closely with our CPAs to make sure that Divinia is compliant in the realm of taxes, payroll, banking, etc. and is the liaison between Steven and Kiersten, helping to provide important legal documentation to the IRS, SEC, and other governmental agencies. Remy has been

with Divinia full time since 2014 and became Treasurer in October 2015, when the company was officially incorporated.

#### Kiersten Landers

Kiersten has worked with the company since its early days and carved a role for herself as co- founder and secretary in October 2015. In July 2015, before joining Divinia, Kiersten was appointed regional sales manager for BTH Hospitality Group, where she lead sales efforts and assisted in the opening of a new Hilton hotel. She left in September 2015 to augment sales efforts at Divinia Water. She attended Loyola Marymount University and has a degree in Business Administration - Entrepreneurship. Kiersten works full time with the CEO in harnessing legal matters, marketing, customer service, compiling important documents, and assisting with investor relations.

#### Ron Mezzetta

In 2017, Ron joined Divinia's board bringing with him a wealth of experience and knowledge in food manufacturing and marketing. Mr. Mezzetta was previously President and General Manager of Mezzetta Foods, a company that creates sauces and condiments as a national brand. In 2004, Ron retired from Mezzetta Foods, appointing his son, Jeff, as President. Ron is President of MacArthur Court Properties and Mezzetta Court Ventures, both commercial real estate companies.

#### Michael Breen

Before joining Divinia's board in 2017, Mickey became CEO of Convergent Mobile in 2013 and has continued to drive success by raising equity, building strong relationships, evolving products and establishing 25%+ year over year growth for the last four years. Previously, he lead expansive growth for over 18 years in the finance industry working for companies that include JPMorgan Chase, Cornerstone Mortgage Capital and First Security.

#### Dr. Sheldon Lu

Sheldon has been a board member of Divinia since the company officially incorporated in 2015. Dr. Sheldon Lu, DMD, is a board certified periodontist.. After graduating in 2007 from University of Pittsburgh, School of Dental Medicine, Sheldon became a commissioned dental officer serving in the US Army Dental Corp. In 2012 Sheldon successfully completed his training in the specialty of periodontics from the US Army Advanced Education in Periodontics and received his specialist certificate, as well as a Master of Science degree in Oral Biology from Georgia Regent University. Since December 2015, Dr. Lu owns and operates his own practice in California.

Number of Employees: 11

#### **Related party transactions**

The company has a convertible note of \$300,000 with board members Ron Mezzatta & Mickey Breen. The terms are a 5% interest charge per annum fixed. Minimum payments are anticipated to be interest-only of \$1,458.33 a month and will not start

until approximately 4 months after equipment purchased is installed. This note carries warrants of 600,000 shares of Common Stock at \$0.50 per share, upon exercise will which will bring in \$300,000 in capital funding. The Company owes back salaries to officers. Management intends to offset back salaries against loans and distributions to officers.

## RISK FACTORS

These are the principal risks that related to the company and its business:

- **The Company's value is heavily dependent on its intellectual property.** One of the Company's most valuable assets is its intellectual property. We currently hold a number of trademarks, copyrights, Internet domain names, and trade secrets. We believe the most valuable component of our intellectual property portfolio is our in-house R&D and trade secrets. The Company does require employees and possible partners to sign Non-Disclosure Agreements to mitigate the risk of leaked information. The Company intends to continue in the practice of obtaining signed NDAs from outside parties that are privy to such technical and protected information.
- **Investments in small businesses and start-up companies are often risky.** The Company's management may be inexperienced and investors will not be able to evaluate the Company's operating history. Small businesses may also depend heavily upon a single customer, supplier, or employee whose departure would seriously damage the company's profitability. The demand for the company's product may be seasonal or be impacted by the overall economy, or the company could face other risks that are specific to its industry or type of business. The Company may also have a hard time competing against larger companies who can negotiate for better prices from suppliers, produce goods and services on a large scale more economically, or take advantage of bigger marketing budgets. Furthermore, a small business could face risks from lawsuits, governmental regulations, and other potential impediments to growth.
- **The Company may need additional capital, which may not be available.** The Company may require funds in excess of its existing cash resources to fund operating deficits, develop new products or services, establish and expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the Company may need additional funding, or due to its financial condition at that time, it is possible that the Company will be unable to obtain additional funding as and when it needs it. If the Company is unable to obtain additional funding, it may not be able to repay debts when they are due and payable. If the Company is able to obtain capital it may be on unfavorable terms or terms which excessively dilute then-existing equity holders. If the Company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.
- **There are several potential competitors who are better positioned than we are to take the majority of the market.** The Company faces competition from other companies, some of which might have received more funding than the Company

has. One or more of the Company's competitors could offer services similar to those offered by the Company at significantly lower prices, which would cause downward pressure on the prices the Company would be able to charge for its services. If the Company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the Company's results of operations and financial condition. In addition, while the Company believes it is well-positioned to be the market leader in its industry, the emergence of one of its existing or future competitors as a market leader may limit the Company's ability to achieve national brand recognition, which could also have a material adverse effect on the Company's results of operations and financial condition.

- **The Company's growth relies on market acceptance.** While the Company believes that there will be significant customer demand for its products/services, there is no assurance that there will be broad market acceptance of the Company's offerings. There also may not be broad market acceptance of the Company's offerings if its competitors offer products/services which are preferred by prospective customers. In such event, there may be a material adverse effect on the Company's results of operations and financial condition, and the Company may not be able to achieve its goals.
- **The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies.** The Company may not have the internal control infrastructure that would meet the standards of a publicly-held company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately-held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.
- **Forward Looking Statements.** The information available to Investors may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance in connection with discussions of future operating or financial performance. Examples of forward-looking statements include, but are not limited to, statements regarding: (i) the adequacy of a Company's funding to meet its future needs, (ii) the revenue and expenses expected over the life of the Company, (iii) the market for a company's goods or services, or (iv) other similar matters. Each Company's forward-looking statements are based on management's current expectations and assumptions regarding the Company's business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. As with any projection or



forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. The Company's actual results may vary materially from those expressed or implied in its forward-looking statements. Important factors that could cause the Company's actual results to differ materially from those in its forward-looking statements include government regulation, economic, strategic, political and social conditions and the following factors: changes in consumer behavior; recent and future changes in technology, services and standards; changes in the plans, initiatives and strategies of the third parties that are necessary or important to the Company's success; changes in a Company's plans, initiatives and strategies, and consumer acceptance thereof; competitive pressures, including as a result of changes in technology; the Company's ability to deal effectively with economic slowdowns or other economic or market difficulties; the failure to meet earnings expectations; changes in tax, federal communication and other laws and regulations; changes in U.S. GAAP or other applicable accounting policies; the adequacy of the Company's risk management framework; the impact of terrorist acts, hostilities, natural disasters (including extreme weather) and pandemic viruses; increased volatility or decreased liquidity in the capital markets, including any limitation on the Company's ability to access the capital markets for debt securities, refinance its outstanding indebtedness or obtain equity, debt or bank financings on acceptable terms; a disruption or failure of the Company's or its vendors' network and information systems or other technology on which the Company's businesses rely; other risks and uncertainties which may or may not be specifically discussed in materials provided to Investors; and changes in foreign exchange rates and in the stability and existence of foreign currencies. Any forward-looking statement made by a Company speaks only as of the date on which it is made. Companies are under no obligation to, and generally expressly disclaim any obligation to, update or alter their forward-looking statements, whether as a result of new information, subsequent events or otherwise. The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring equity securities in a Company. Each Investor is urged to seek its own independent legal and tax advice and read the relevant investment documents before making a determination whether to invest in a Company.

- **Tax Risks.** Tax risks relating to investments in Companies can be difficult to address and complicated. You should consult your tax advisor for information about the tax consequences of purchasing equity securities of a Company.
- **Withholding and Other Taxes.** The structure of any investment in a Company may not be tax efficient for any particular Investor, and no Company guarantees that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on Investors under the laws of the jurisdictions in which Investors are liable for taxation. Investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Company under the laws of the jurisdictions in which the Investors and/or the Company are liable for taxation.

## **OWNERSHIP AND CAPITAL STRUCTURE; RIGHTS OF THE SECURITIES**



## **Ownership**

- Steven Sedlmayr, 49.6% ownership, Common Stock

## **Classes of securities**

- Common Stock: 10,872,089

The Company is authorized to issue up to 20,000,000 shares of common stock. There are a total of 10,872,089 shares currently outstanding.

## **Voting Rights** *(of this security)*

Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote of shareholders.

Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, other than elections to office, but, if the shareholders fails to specify the number of shares such shareholder is voting affirmatively, it will be conclusively resumed that the shareholder's approving vote is with respect to all shares such shareholder is entitled to vote.

Unless otherwise provided by Idaho law or by the Articles of Incorporation or these bylaws, the affirmative vote of the holders of a majority of the share entitled to vote on the subject matter at a meeting in which a quorum is present shall be the act of the shareholders. Where a separate vote by class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes at a meeting in which a quorum is present shall be the act of such class or classes, except as otherwise provided by Idaho law or by the Articles of Incorporation or these bylaws.

## **Dividend Rights**

The Board of Directors may from time to time declare. and the Corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by Idaho law.

No distribution may be made if, after giving it effect:

- a) The Corporation would not be able to pay its debts as they become due in the usual course of business; or
- b) The Corporation's total assets would be less than the sum of its total liabilities plus (unless the Articles of Incorporation permit

otherwise), the amount that would be needed , if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

### **Rights to Receive Liquidation Distributions**

See part "b" of above

### **Rights and Preferences**

The rights, preferences and privileges of the holders of the company's Common Stock are subject to and may be adversely affected by any additional classes of stock that we may designate in the future.

- Convertible Notes into Common Stock: 0

#### **Current Convertible Note**

The company has a convertible note of \$272,000 with board members Ron Mezzatta & Mickey Breen. The terms are a 5% interest charge per annum fixed. Minimum payments are anticipated to be interest only of \$1,458.33 a month and will not start until approximately 4 months after equipment purchased is installed. There is an additional \$78,000 available on this note for equipment purchases. The principal is not payable for 5 years. This note carries warrants of 600,000 Common Stock at \$0.50 per share, upon exercise will which will bring in \$300,000 in capital funding.

The company has a convertible promissory note for \$1,000 with Bruce Sanders which can convert into the equivalent amount of principal and interest earned in shares at a strike price of \$1.00 per share of Common Stock.

The company has a convertible promissory note for \$10,000 at 8% per annum with Robin R. Kaowili which can convert into 1the equivalent amount of principal and interest earned in shares at a strike price of \$1.00 per share of Common Stock.

The company has a convertible promissory note for \$10,000 at 8% per annum with Lorna Kometani which can convert into the equivalent amount of principal and interest earned in shares at a strike price of \$1.00 per share of Common Stock.

The company has a convertible promissory note for \$10,000 at 8% per annum with Steve & L. Kauai Stanfield which can convert into the equivalent amount of principal and interest earned in shares at a strike price of \$1.00 per share of Common Stock.

#### **Voting Rights of Common Stock upon conversion *(of this security)***

Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote of shareholders.

Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, other than elections to office, but, if the shareholders fails to specify the number of shares such shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares such shareholder is entitled to vote.

Unless otherwise provided by Idaho law or by the Articles of Incorporation or these bylaws, the affirmative vote of the holders of a majority of the share entitled to vote on the subject matter at a meeting in which a quorum is present shall be the act of the shareholders. Where a separate vote by class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes at a meeting in which a quorum is present shall be the act of such class or classes, except as otherwise provided by Idaho law or by the Articles of Incorporation or these bylaws.

#### **Dividend Rights** *(include if applicable )*

The Board of Directors may from time to time declare. and the Corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by Idaho law.

No distribution may be made if, after giving it effect:

- a) The Corporation would not be able to pay its debts as they become due in the usual course of business; or
- b) The Corporation's total assets would be less than the sum of its total liabilities plus (unless the Articles of Incorporation permit otherwise), the amount that would be needed , if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

#### **Rights to Receive Liquidation Distributions**

See part "b" of above

#### **Rights and Preferences**

The Corporation has only issued common shares of stock, of which each has the

same the rights and preferences.

### **What it means to be a Minority Holder**

As a minority holder of common stock, you will have limited ability, if all, to influence our policies or any other corporate matter, including the election of directors, changes to the Company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the Company or of assets of the Company, or transactions with related parties.

### **Dilution**

Investors should understand the potential for dilution. Each Investor's stake in the Company, could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will decrease, even though the value of the Company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an Investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (although this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, referring to invest any earnings into the Company).

The type of dilution that hurts early-stage investors mostly occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it is important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

### **Transferability of securities**

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust

controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

## **FINANCIAL STATEMENTS AND FINANCIAL CONDITION; MATERIAL INDEBTEDNESS**

### **Financial Statements**

Our financial statements can be found attached to this document. The financial review covers the period ending in 2019-12-31.

### **Financial Condition**

### **Results of Operation**

### **Financial Statements**

Our financial statements for the years ending December 2019 and 2018 can be found in Exhibit B to the Form C of which this offering memorandum forms are a part.

Results of operations

### **Year ended December 31, 2019, compared to the year ended December 31, 2018**

### **Year ended December 31, 2019**

Sales for 2019 was \$757,449; compared to \$549,059 in 2018, which is over a 37.95% increase in income (from sales). The percent increase of the income than had a positive impact on the company's gross profit. In 2019, gross profit was \$406,072, compared to \$356,308, which is a 13.96 % increase. Net operating income (loss) decreased year over year to (450,649) in 2019 from \$(515,159) in 2018, a \$64,990 decrease with increased sales; this includes the payment of loans for more equipment to improve output, with such equipment including an 800-gallon distiller, bottle stamper and bottling line. The upside continues into other ratios of consideration, including the margins on COGS; the cost of goods in 2019 settled at \$351,377 versus \$192,751 in 2018. Due to an increase in costs to keep up with higher demand and augmented sales, the COGS was 53.61 % in 2019, while it was 35.1% in 2018. This was also partially attributed to a change in accounting procedures to more accurately reflect COGS.

### **Year ended December 31, 2018**

Total income for 2018 was \$549,059.82; compared to \$183,713 in 2017, which is over a 198% increase in income (from sales). The percent increase of the income than had a positive impact on the company's gross profit. In 2018, gross profit was \$356,308.92, compared to \$66,920, which is a 432% increase. Net operating income (loss) increased year over year from \$-515, 159 in 2017 to \$104,223 in 2018, a \$619,382 improvement; this includes the payment of loans for more equipment to improve output, with such equipment including an 800-gallon distiller, bottle stamper and bottling line (with installment in January 2019). The upside continues into other ratios of consideration, including the margins on COGS; the cost of goods in 2018 settled at \$192,751 versus \$116,793 in 2017. Despite the increase in costs to keep up with higher demand and augmented sales, the COGS was 35.1% in 2018, while it was 63.5% in 2017. Over the summer of 2018, Divinia experienced an increase in sales over the historic sales of the company. In August 2018, for instance, the company broke \$60,000 which is a 150% increase in sales versus August 2017.

### **Financial Milestones**

2019 started with the installation of a new automated bottling line, built to our specifications. The line, which was manufactured and customized by Norland International, was implemented into DIVINIA's warehouse on January 31, 2019. The total amount of the equipment was \$209,186; we believe that there is a significant ROI to having this particular piece of equipment. The bottling line has a capacity of 60 bottles per minute, which is about 10 times faster compared to our semi-automated bottling line used between 2016 to 2018.

Due to the increased volume of purchased corrugated boxes, we have been able to significantly reduce the amount per box by approximately \$1.00 per 24 pack case. Whereby we have sold over 25,000 (24) pack cases last year, the savings amount to greater than \$25,000 for having purchasing power to buy as many corrugated boxes possible (within our budget) at one time. As we see the reductions in COGS, we fully intend to take advantage of economies of scale by as many goods in bulk as possible.

As part of our efforts to increase efficiency and streamline processes, our CEO worked with our engineering team to develop an entirely new method to build the metal shell of our proprietary, in-house purification units. What used to take 3 days to do, our engineering team can now build and materialize a new unit within a day, cutting our building time by  $\frac{1}{3}$ . This not only means that we are able to rapidly reproduce our proprietary units, but it also means that we are able to save on time and salary for the engineering team. Our current calculation for gross annual revenue for each operating unit is \$40,000.

Additionally, the company continues to diversify revenue streams through selling

through multiple channels, including distributors and wholesalers. Our top 3 performing distributors/wholesalers yielded approximate sales of \$45,493 (Northern California), \$39,989 (United Kingdom), and \$28,628 (Southern California) in 2019 respectively. The ability to supply water quickly to these distributors was contingent upon our ability to fund expansion and R&D to build our proprietary units in-house. It was also imperative that we perfected the building of our crates/pallets for rapid turnaround and shipping. We foresee a need for automated crate building and wrapping to ensure even faster turnaround to supply retailers, wholesalers, and distributors. Our Southern California distributor has made strides in getting DIVINIA sold in larger retail outlets, including Erewhon - a high-end, natural food chain of 6 stores located throughout Southern California. Locally, we have expanded our retail presence in Broulim's, another high-end chain of 11 food stores located throughout Eastern Idaho and Western Wyoming.

Our current pricing for online sales is based on 12 or 24 count cases at \$55.00 and \$101.00, respectively, with \$5.00 shipping and handling per case. The company is also selling pallets directly to customers within a range of \$1,101 - \$2,010 per pallet before shipping costs (the range depends on the number of bottles per pallet). The online retail cost of the pallets do not include shipping costs, which vary depending on location.

For retail, we schedule wholesale pricing to be between \$1.75 - \$2.05 per bottle with an MSRP between \$3.99 - \$4.75 (includes distributor and retailer fees). This puts Divinia in a range of \$0.25 - \$0.30 per ounce. The average cost of Perricone Water, a hydrogen water with perceived health benefits, ranges between \$0.30 - \$0.36 per ounce depending on the bottle or can size.

Sales in 2019 were \$757,449, compared to \$549,059 in 2018. This is a 37.95% increase. We anticipate that through the completion of the fundraising on StartEngine, that we will be able to hire more staff to support sales, customer service, engineering, and R&D.

### **Liquidity and Capital Resources**

The company intends for a crowdfunding raise through StartEngine of a maximum of \$1,070,000. The company plans to continue raising capital with a target of \$5 million within the next few years with an additional goal to raise \$35 million in capital. This capital raise plan is necessary to fund a build-out of production facilities and sales and marketing to distribute nationwide and expand to global markets. This is necessitated by the Company signing a Letter of Intent with a vodka manufacturing company to use the company's water exclusively for a high-end vodka.



The continuing raising of capital through StartEngine will allow the Company to build more processors to meet additional sales needs.

Capital fundraises will allow for increased production and sales of water for the next 6 months as additional capital is scheduled to be raised for continuous growth. The company has not pursued other lines of credit, notes, or loans than listed below.

On December 31, 2019, the Company had cash of \$ 38,139, with \$ 24,000 additional cash held in an escrow fund to be released 6 months after closing of the company's crowdfund raising on StartEngine. The Company intends to raise additional funds through equity financing.

As of January 2, 2019, the Company had a note in default in the amount of \$300,000 for which repayment has been requested by the creditor. Currently, the Company believes the defaulted note does not affect the Company's liquidity and capital resources as the Company is negotiating a resolution with the noteholders through respective counsels and for the resolution of the note. Subsequent to the year-end of 2019 Divinia Water has \$300,000 in a bank account to pay the capital on the note after negotiations with the noteholders and determination of the amount to be paid.

However in the future it might have an undetermined effect if it is not paid off in a timely manner, but that is to be determined by the resolution of the note and whether it has payment terms that would affect our liquidity and capital resources. The noteholders are on the Board of Directors and also shareholders.

Net Operating Loss Carryover

Valuation Allowance Net Deferred Tax Assets

2019 (316,391) 316,391

Federal and state net operating losses start to expire in 16 years. Due to a history of losses, the Company has determined that it is more likely than not that the Company will be able to utilize its net operating losses. Consequently, the Company has applied for a full valuation allowance.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2019, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expenses. As of December 31, 2019, the Company had no accrued interest and penalties related to uncertain tax positions.

### **Indebtedness**

As of December 1st, 2019, the company has an outstanding loan in default. The principal amount owed on the note that in default is \$300,000. The company's corporate council is in discussions with the creditor regarding the resolution of this note, and any future fees that may be due under its terms. The company currently carries debt with the following institutions as of December 31st, 2019: SquareUp Loan The Company has a loan agreement with Celtic Bank Corporation, Square Capital LLC, and Square, Inc. in the amount of \$25,181 as of December 31, 2019. The loan matures in 2021 and carries an interest rate of 18.5%. The company is required to make a minimum payment in the amount of \$3,392 at the end of each 60 day period, starting November 4, 2019. North Mill Loan The Company has a commercial security agreement with North Mill Credit Trust in the amount of \$110,892 as of December 31, 2019. The original amount was used for a stainless Steel Vapor Compression Distiller and also for additional working capital. The loan matures in 2024. The required monthly payment on the loan is in the amount of approximately \$3,562. Future payments on the loan are \$42,747 for 2020, 2021, 2022, 2023 and \$7,125 for 2024. PayPal Working Capital The Company has a working capital loan agreement with PayPal Inc. via WebBank.. The loan has a loan fee of \$12,514 and has interest of 30%. As of December 31, 2019 the loan balance was \$52,472. The loan has a minimum payment required every 90 days of \$3,625. The minimum payment is 5% of the total payment amount for loans expected to be repaid in 12 months or more and 10% of the total payment amount for loans expected to be repaid in less than 12 months, based on the Company's PayPal account history. CONVERTIBLE PROMISSORY NOTES In 2017, the Company entered a loan agreement with certain lenders in the amount of \$300,000 to acquire equipment. The loan matures after 2 years on November 30, 2019 and carries an interest rate of 5%. The Company shall make interest only payments on the first day of each month following the date that is from the date on installation of the equipment. The principal amount shall be paid in full at the maturity date. As of December 31, 2019 the loan has an outstanding balance of \$350,000. As of the date of the financials, this loan was still outstanding. In 2018 the Company entered into several loan agreements with certain lenders in the total amount of \$61,000. These loans mature after 1 year and carry an interest rate of 8%. As of December 31, 2019, these loans have an outstanding balance of \$51,000. COMMITMENTS AND CONTINGENCIES The Company leases warehouse space under a commercial operating lease which requires monthly payments according to the lease schedule. The lease terminates in 2020. Rent expense for this lease totaled \$43,457 for 2019.

Future payments for 2020 are expected to be \$3,629 monthly. The Company leases a forklift for use in their warehouse. The forklift lease is for 5 years, expires in 2022 and is classified as a capital lease. Fixed assets include \$27,375, which have been capitalized. Lease amortization is included in depreciation expense. Future minimum payments are \$5,475 a year through 2022. The long-term obligation under the capital lease as of December 31, 2019 is \$18,002. The Company has a lease agreement with CIT Direct Capital for a logo jet and ink cups for a total amount of \$32,460. The lease expires in 2020 and has monthly payments of \$624 and carries an interest rate of 3.19%. As of December 31, 2019 the outstanding balance is \$39,532. The Company entered into a lease agreement with Teton Motors Inc DBA Teton Toyota for a Toyota 4Runner in the amount of \$42,542 in 2018. As of December 31, 2019 the balance is \$22,369. The lease expires in 2021 and is classified as a capital lease. The lease has been capitalized and the lease amortization is included in the depreciation expense. The monthly lease payment is approximately \$1,063. The Company entered into a lease agreement with BMW of Idaho Falls for a BMW in the amount of \$69,538 in 2018. As of December 31, 2019 the balance was \$18,892. The lease expires in 2021 and is classified as a capital lease. The lease has been capitalized and the lease amortization is included in the depreciation expense. The monthly lease payment is approximately \$1,054. The Company has a lease agreement with Geneva Capital, LLC in the amount of \$19,471 as of December 31, 2019. The lease term is for 37 months that started in June 2019. The monthly amount due is \$894 after the initial one time payment of \$6,959.

#### **Recent offerings of securities**

- 2017-07-20, Regulation D of the Securities Act of 1933, Rule 506(b) safe harbor as amended by the Jobs Act, 200000 Common Shares. Use of proceeds: Normal operations of Divinia Water, Inc along with purchases of equipment.

#### **Valuation**

\$16,308,133.50

The Board of Directors of Divinia Water, Inc. have not undertaken any efforts to produce a formal evaluation of the Company by an independent third party. The price of these notes merely reflects the opinion of the board as to what would be fair market value. The Company has based this opinion on the strength of its intellectual property its proprietary trade secret for the purity of our water), the experience of the management team, its sales, and operations. The Company has also compared the value of similarly situated competitors and believes that the valuation is correct to the best of their abilities. We believe our valuation is well-placed due to the strengthening non-alcoholic beverage market (<https://www.statista.com/outlook/200000000/109/non-alcoholic-drinks/united-states>), specifically the burgeoning Bottled Water segment (<https://www.statista.com/outlook/20010000/109/bottled-water/united-states>), where Bottled Water is now being consumed more than Soda (<https://www.marketwatch.com/story/americans-now-drink-more-bottled-water->

than-soda-2017-03-09). Divinia is uniquely positioned in this market due to the company's core model of offering functional water that is currently in clinical trials, localized production facilities for cost and minimized carbon emissions, as well as further lessening Divinia's environmental impact through its packaging. A comparison of the same market buy-outs of beverage companies has shown large multiples. Setting the precedence in 2007 was Coca-Cola's buy out of Glaceau (Smart Water) for \$4.1 Billion, which is roughly an 11-times multiple of their \$350 Million in annual revenues (<https://www.investopedia.com/articles/markets/081315/vitaminwater-has-been-cocacolas-best-purchase.asp>). Further supporting the argument for our valuation in the health-oriented "functional" drinks is Dr. Pepper Snapple Group's purchase of Bai for \$1.7 Billion with annual sales of roughly \$210 Million(<https://www.bevnet.com/news/2017/dps-completes-bai-acquisition>). In Coca-Cola's quest to bolster slumping soda sales, Coca-Cola is even acquiring older brands with only a local presence, such as Topo Chico for \$220 million with \$63.5 Million in sales(<https://www.dallasnews.com/business/business/2017/10/02/breaking-coca-cola-buy-texas-cult-favorite-sparkling-water-brand-topo-chico>). Further supporting our evaluation is that Divinia Water, Inc. sold shares to accredited investors in July of 2017 for a post evaluation of \$10,872,089. One of these investors was involved in the food industry for over 30 years managing a large firm. At that time the installation in Idaho Falls for the new facility was not fully complete and we only had 7 processors running at that time. We believe that he invested in that evaluation because he saw the potential that Divinia Water, Inc. has to offer, and knowing the beverage market segment. Since then we have completed our facility, ordered a bottling line, and purchased, awaiting installation, a new vapor distiller that is 10 times more efficient than the current installed one, and increased our revenue YTD over %315, and perfected a new generation of processors. We believe that these new developments justify the increase in the evaluation from 1 year ago.

#### USE OF PROCEEDS

	Minimum	Maximum
<b>Total Proceeds:</b>	\$9,999	\$1,069,999.50
Less: Offering Expenses	\$1001	\$106,999.95
StartEngine Fees (6% total fee)	\$600	\$64,199.97
<b>Net Proceeds</b>	<b>\$8,398</b>	<b>\$898,799.58</b>
<b>Use of Net Proceeds:</b>		
Production		

	\$5,038	\$350,000
Working Capital	\$3,360	\$398,000
Marketing	\$0	\$150,000
Total Use of Net Proceeds	\$8,398	\$898,780

Nothing has changed from our original intentions of raising the money and usage of funds. The use of net proceeds at the maximum amount will include the investments made at the lower funding levels as well as increasing or production capacity to meet the anticipated demand and increase sales.

As net proceeds increase additional funding will allow for equipment to increase production capacity and lower labor costs. Additional processors will also be built to increase the volume of water production. At the higher funding levels, there will be funds allocated for marketing and advertising. Specifically targeting the wellness industry influencers.

It will also allow us to start planning for the next capital raise that allows us to start building these production plants in other cities, thereby increasing sales and revenue.

Since the production facilities will be located in a regional area that allows us to distribute regionally, the shipping costs will be reduced allowing us to increase net income and lower expenses, making the product less expensive to purchase for consumers.

At this time we do not contemplate using funds from the offering to pay back the outstanding loan in default.

#### ***Irregular Use of Proceeds***

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000: Any expense labeled "Administration Expenses" that is not strictly for administrative purposes; Any expense labeled "Travel and Entertainment";

### **REGULATORY INFORMATION**

#### **Disqualification**

No disqualifying event has been recorded in respect to the company or its officers or directors.

**Compliance failure**

The company has not previously failed to comply with Regulation CF.

**Annual Report**

The company will make annual reports available at <https://www.diviniawater.com/annualreport> in the bottom portion of the website/footer, labeled "Investor Portal". The annual reports will be available within 120 days of the end of the issuer's most recent fiscal year.

**EXHIBIT B TO FORM C**


**FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR  
Divinia Water, INC.**

*[See attached]*



**DIVINIA WATER, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2019**



**DEATON  
COMPANY**

*Certified Public Accountants*

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management  
Divinia Water, Inc  
Idaho Falls, Idaho

We have reviewed the accompanying financial statements of Divinia Water, Inc (a corporation), which comprise the balance sheet as of December 31, 2019 and the related statements of income and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Going Concern

As discussed in Note A, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

*Deaton & Company*

Blackfoot, Idaho  
April 24, 2020

**DIVINIA WATER, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2019**

	<u>2019</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 38,139
Accounts receivable, net allowance for doubtful accounts	-
Other current assets	24,887
Inventories	71,293
	<u>134,319</u>
<b>LONG-TERM ASSETS</b>	
Property and equipment - at cost	
Buildings and improvement	104,386
Furniture, fixtures, and equipment	933,388
	<u>1,037,774</u>
Less accumulated depreciation	(420,163)
	<u>617,611</u>
	<u>617,611</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 751,930</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 42,784
Deferred revenue	69,964
Current portion - Notes and lease payable	83,442
Other current liabilities	27,588
	<u>223,778</u>
<b>LONG-TERM DEBT - NET CURRENT PORTION</b>	
Note payable	135,318
Notes and lease payable	78,445
Long term - Non current portion	411,000
	<u>624,763</u>
<b>TOTAL LIABILITIES</b>	<u>848,541</u>
<b>STOCKHOLDERS' EQUITY</b>	
Common stock, par value \$0.001	
Authorized 20,000,000 shares	
11,401,975 issued and outstanding	11,402
Additional paid in capital	1,311,374
Retained earnings	(968,738)
Net Income	(450,649)
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<u>(96,611)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u><u>\$ 751,930</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

**DIVINIA WATER, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>
<b>SALES</b>	\$ 757,449
<b>COST OF SALES</b>	<u>351,377</u>
	406,072
<b>OPERATING EXPENSES</b>	
General and administration	650,405
Sales and marketing	23,212
Research and Development	<u>7,526</u>
	681,143
<b>OPERATING INCOME/LOSS</b>	(275,071)
<b>OTHER INCOME OR (DEDUCTIONS)</b>	
Depreciation	(138,850)
Interest expense	<u>(36,728)</u>
	<u>(175,578)</u>
<b>NET INCOME (LOSS)</b>	<u><u>\$ (450,649)</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

**DIVINIA WATER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>
<b>OPERATING ACTIVITIES</b>	
Net income	\$ (450,649)
Adjustments to reconcile Net Income to cash provided by operations:	
Depreciation	138,850
Inventories	(28,564)
Other current assets	(12,512)
Accounts payable	36,196
Other current liabilities	27,588
Deferred revenue	<u>(31,777)</u>
Net cash provided by operating activities	(320,868)
<b>INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(140,072)</u>
Net cash provided (used) by investing activities	(140,072)
<b>FINANCING ACTIVITIES</b>	
Proceeds from long-term borrowing	193,075
Capital stock issued	409
Increase in paid in additional paid in capital	<u>219,545</u>
Net cash used by financing activities	413,029
<b>NET CHANGE IN CASH</b>	(47,911)
<b>CASH AT BEGINNING OF YEAR</b>	<u>86,050</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 38,139</u></u>
<b><u>Supplemental Cash Flows Information</u></b>	
Cash paid for:	
Interest	<u><u>\$ 36,728</u></u>

**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Divinia Water, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are the representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of these financial statements. The Company is headquartered in Idaho Falls, Idaho.

**Nature of Operations**

The Company was formed in 2015. The Company's principal business activity is manufacturing hand-crafted, purified water. Divinia Water is the result of patented purification technology that delicately removes the effects of man. The result is balanced, deuterium depleted, cellular EZ water-renatured water. This process recreates the natural formation of water far beneath the earth's surface, where hydrogen and oxygen from heat and rock combine to make clean, pure, H<sub>2</sub>O.

**Going Concern and Management's Plans**

The Company lacks significant working capital. The Company has historically relied on pre-sales of product, product sales, debt, advances from related parties, and sales of common stock for operating capital. The Company will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from its proposed Regulation Crowdfunding campaign, and the additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm the business, financial condition, and operating results. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are recorded at the invoice amount. Accounts receivable are not interest bearing. Accounts receivable are considered past due based on contractual terms. Accounts receivable are periodically evaluated for collectability based on past credit history with clients and other factors. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance, and current economic conditions. As of December 31, 2019 the company did not have any accounts receivable.

**Inventories**

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) or market. Inventories consisted of raw materials, including bottles, boxes, lids, and shipping's supplies. As of December 31, 2019 the company had inventory in the amount of \$71,293.

**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

**Property and Equipment**

Property and equipment are carried at cost. Depreciation of property and equipment is provided for using the straight-line method over the useful lives of the assets ranging 5-7 years. Leasehold improvements are amortized using the straight-line method basis over the lesser of the useful life or the term of the lease. Depreciation expense for the year ended December 31, 2019 was \$138,850.

As of December 31, 2019, property and equipment consisted of the following:

	2019
Buildings and Improvements	\$ 104,386
Furniture and Equipment	598,008
Processor Build	224,827
Vehicles	108,919
Shed	<u>1,634</u>
Total Property and Equipment	1,037,774
Less: Accumulated Depreciation	<u>(420,163)</u>
Net Property and Equipment	<u><u>\$ 617,611</u></u>

**Advertising**

The Company expenses all advertising costs when incurred. Advertising expense was \$23,212 for the year ended December 31, 2019.

**Income Taxes**

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if its is "more likely than not" that the position is sustainable upon examination by the relevant tax authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files it's corporate tax returns in the U.S. Federal jurisdiction and the Idaho state jurisdiction. The Company is subject to U.S. Federal and state income tax examinations by tax authorities for all periods since inception. The tax periods that remain open to examination by the federal and state jurisdictions as of December 31, 2019 covers three fiscal years from the date of filing.



**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

**Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. As of the date of the financial statements, the Company did not have any fair value financial instruments.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The Company recognizes revenue from sales of water when; persuasive evidence that an agreement exists, the services has been performed, the prices are fixed and determinable and not subject to refund or adjustment, and collection of the amounts due is reasonably assured.

**Shipping and Handling Costs**

Shipping and handling cost are included in cost of goods sold at the time the related revenue is recognized.

**Research and Development Costs**

Research and development costs consists primarily of third-party product design consultants. The cost of research, development and product improvement are expensed as they are incurred until the resulting product has been completed, tested, and made ready for commercial use.

**NOTE B - CONCENTRATION OF CREDIT RISK**

The Company maintains its cash balances with various financial institutions. The balance, at times, may exceed federally insured limits. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company did not exceed the insured limit at December 31, 2019.

The Company grants credit to its customers in the normal course of business. During the year ended December 31, 2019, the Company did not write off any customers' accounts as bad debts. There were no accounts receivable as of December 31, 2019.

**NOTE C - DEFERRED REVENUE**

The Company has entered into various contracts as of December 31, 2019, in which they were paid \$69,964 and to provide goods that were not shipped.

**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LOANS PAYABLE**

**SquareUp Loan**

The Company has a loan agreement with Celtic Bank Corporation, Square Capital LLC, and Square, Inc. in the amount of \$25,181 as of December 31, 2019. The loan matures in 2021 and carries an interest rate of 18.5%. The company is required to make a minimum payment in the amount of \$3,392 at the end of each 60 day periods, starting November 4, 2019.

**North Mill Loan**

The Company has a commercial security agreement with North Mill Credit Trust in the amount of \$110,892 as of December 31, 2019. The original amount was used for a stainless Steel Vapor Compression Distiller and also for additional working capital. The loan matures in 2024. The required monthly payment on the loan is in the amount of approximately \$3,562. Future payments on the loan are \$42,747 for 2020, 2021, 2022, 2023 and \$7,125 for 2024.

**PayPal Working Capital**

The Company has a working capital loan agreement with PayPal Inc. via WebBank. The loan has a loan fee of \$12,514 and has interest of 30%. As of December 31, 2019 the loan balance was \$52,472. The loan has a minimum payment required every 90 days of \$3,625. The minimum payment is 5% of the total payment amount for loans expected to be repaid in 12 months or more and 10% of the total payment amount for loans expected to be repaid in less than 12 months, based on the Company's PayPal account history.

**NOTE E - CONVERTIBLE PROMISSORY NOTES**

In 2017, the Company entered a loan agreement with certain lenders in the amount of \$300,000 to acquire equipment. The loan matures after 2 years on November 30, 2019 and carries an interest rate of 5%. The Company shall make interest only payments on the first day of each month following the date that is from the date on installation of the equipment. The principal amount shall be paid in full at the maturity date. As of December 31, 2019 the loan has an outstanding balance of \$350,000. As of the date of the financials, this loan was still outstanding.

In 2018 the Company entered into several loan agreements with certain lenders in the total amount of \$61,000. These loans mature after 1 year and carry an interest rate of 8%. As of December 31, 2019, these loans have an outstanding balance of \$51,000.

**NOTE F - COMMITMENTS AND CONTINGENCIES**

The Company leases warehouse space under a commercial operating lease which requires monthly payments according to the lease schedule. The lease terminates in 2020. Rent expense for this lease totaled \$43,457 for 2019. Future payments for 2020 are expected to be \$3,629 monthly.

The Company leases a forklift for use in their warehouse. The forklift lease is for 5 years, expires in 2022 and is classified as a capital lease. Fixed assets include \$27,375, which have been capitalized. Lease amortization is included in depreciation expense. Future minimum payments are \$5,475 a year through 2022. The long-term obligation under the capital lease as of December 31, 2019 is \$18,002.

**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

The Company has a lease agreement with CIT Direct Capital for a logo jet and ink cups for a total amount of \$32,460. The lease expires in 2020 and has monthly payments of \$624 and carries an interest rate of 3.19%. As of December 31, 2019 the outstanding balance is \$39,532.

The Company entered into a lease agreement with Teton Motors Inc DBA Teton Toyota for a Toyota 4Runner in the amount of \$42,542 in 2018. As of December 31, 2019 the balance is \$22,369. The lease expires in 2021 and is classified as a capital lease. The lease has been capitalized and the lease amortization is included in the depreciation expense. The monthly lease payment is approximately \$1,063.

The Company entered into a lease agreement with BMW of Idaho Falls for a BMW in the amount of \$69,538 in 2018. As of December 31, 2019 the balance was \$18,892. The lease expires in 2021 and is classified as a capital lease. The lease has been capitalized and the lease amortization is included in the depreciation expense. The monthly lease payment is approximately \$1,054.

The Company has a lease agreement with Geneva Capital, LLC in the amount of \$19,471 as of December 31, 2019. The lease term is for 37 months that started in June 2019. The monthly amount due is \$894 after the initial one time payment of \$6,959.

**NOTE G - RECENT ACCOUNTING PRONOUNCEMENTS**

In 2016, The FASB issued ASU no. 2016-02, Leases (Topic 842). The new standard introduces a new lease model that brings substantially all leases onto the balance sheets. The amendments in the ASU are effective for fiscal years beginning after December 15, 2019. The Company is evaluating the potential impact of adoption of the ASU No. 2016-02 on its financial statements, but generally would expect that the adoption of this new standard will result in a material increase in the long-term assets and liabilities of the Company as a result of it's lease agreements.

**NOTE H - INCOME TAXES**

The following table outlines income tax provision and deferred taxes:

	2019
Net Operating Loss	\$ (450,649)
Valuation Allowance	450,649
Net Provision/(Benefit) for Income Tax	\$ -
	2019
Net Operating Loss Carryover	\$ (316,391)
Valuation Allowance	316,391
Net Deferred Tax Assets	\$ -

Federal and state net operating losses start to expire in 16 years. Due to history of losses, the Company has determined that it is more likely than not that the Company will be able to utilize its net operating losses. Consequently, the Company has applied full valuation allowance.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2019, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expenses. As of December 31, 2019, the Company had no accrued interest and penalties related to uncertain tax positions.

**DIVINIA WATER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE I - RELATED PARTY TRANSACTION**

The Company owes back salaries to officers. Management intends to offset back salaries against loans and distributions to officers.

**NOTE J - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 24, 2020 the date the financial statements were available to be issued.

**DIVINIA WATER, INC**  
Financial Statements (Unaudited) and Independent Accountant's Review Report  
December 31, 2018

Divinia Water, Inc  
Index to Financial Statements  
(unaudited)

	<b><u>Pages</u></b>
Balance Sheet as of December 31, 2018	3
Statements of Operations for the Period ended December 31, 2018	4
Statements of Stockholders' Equity for the Period ended December 31, 2018	5
Statements of Cash Flows for the Period ended December 31, 2018	6-7
Notes to the Financial Statements	8-14

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

**SetApart Financial Services**  
**10586 W Pico Blvd, Suite 224**  
**Los Angeles, CA 90065**  
**P: (213) 814 – 2809**  
**W: [www.setapartfs.com](http://www.setapartfs.com)**

To the Board of Directors of  
Divinia Water, Inc  
Idaho Falls, Idaho

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

We have reviewed the accompanying financial statements of Divinia Water, Inc (the "Company,"), which comprise the balance sheets as of December 31, 2018, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the years ending December 31, 2018, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**Going Concern**

As discussed in Note 1, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Marko Glisic, CPA  
Los Angeles, California  
04/29/2019

*Marko Glisic, CPA*

**DIVINIA WATER, INC**  
**BALANCE SHEETS**  
**FOR THE PERIODS ENDED DECEMBER 31, 2018**  
(unaudited)

	December 31, 2018
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	86,050
Inventory	42,729
Other Current Assets	12,375
Total Current Assets	141,154
Fixed Assets	
Furniture, Equipment, Vehicles, Leasehold Improvements, net	616,389
Deferred Tax Asset	-
Total Non Current Assets	616,389
<b>TOTAL ASSETS</b>	<b>\$ 757,542</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	6,588
Credit Cards	
Long Term Loan-Current Portion	6,323
Other Current Liabilities	101,741
Total Current Liabilities	114,652
Non-Current Liabilities	
Loan Payable	21,899
4Runner Loan	35,364
BMW Loan	37,943
Long Term Loan- Non Current Portion	413,600
Total Non-Current Liabilities	508,806
Total Liabilities	623,459
Equity	
Common Stock, par value \$0.001	
20,000,000 shares authorized, 10,992,815 issued and outstanding	10,993
Additional Paid In Capital	1,091,829
Retained Earnings	(694,077)
Net Income	(274,661)
Total Equity	134,084
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 757,542</b>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.



**DIVINIA WATER, INC**  
**STATEMENTS OF OPERATIONS**  
**FOR THE PERIODS ENDED DECEMBER 31, 2018**  
(unaudited)

	December 31, 2018	December 31, 2017
<b>Revenue</b>	\$ 549,060	\$ 183,713
Cost of Goods Sold	<u>192,751</u>	<u>116,793</u>
Gross Margin	356,309	66,920
Expenses		
Advertising and Marketing	21,641	1,136
General and Administrative Expenses	224,744	580,943
Research and Development	5,701	-
Total Expense	<u>252,086</u>	<u>582,079</u>
Operating Income/(Loss)	104,223	(515,159)
Depreciation	(119,213)	(2,775)
Non Operating Expenses		
Interest Expense	(23,142)	(3,825)
Interest Earned	<u>2</u>	<u>90</u>
Total Other Income (Expense)	(142,353)	(3,735)
Deferred Income Taxes	(236,530)	130,520
<b>Net income/(Loss)</b>	<u><u>\$ (274,661)</u></u>	<u><u>\$ (391,149)</u></u>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

**DIVINIA WATER, INC**  
**STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE PERIODS ENDED DECEMBER 31, 2018**  
(unaudited)

	<b>Common stock</b>		<b>Additional Paid-in Capital</b>	<b>Accumulated Earnings</b>	<b>Total Stockholders' Equity</b>
	Shares	Amount			
December 31, 2017	10,872,089	\$ 10,872	\$ 1,416,313	\$ (694,077)	\$ 733,108
Contributions	120,726	121			121
Return of Capital			(324,484)		(324,484)
Net loss				(274,661)	(274,661)
<b>December 31, 2018</b>	<b>10,992,815</b>	<b>\$ 10,993</b>	<b>\$ 1,091,829</b>	<b>\$ (968,738)</b>	<b>\$ 134,084</b>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

**DIVINIA WATER, INC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2018**  
(unaudited)

	<b>December 31, 2018</b>
Cash flows from operating activities	
Net income	\$ (274,661)
Depreciation	119,213
Bad debt expense	-
Gain on settlement of liabilities	-
Deferred Taxes	236,530
Stock Based Compensation	-
Total Adjustments to reconcile Net Cash Provided By Operations:	
Account Receivables	-
Inventory	(68)
Other Current Assets	(12,375)
Account Payables	281
Credit Cards	-
Deferred Revenue	-
Other Current Liabilities	101,741
Other Assets	
<b>Net Cash Provided By Operating Activities:</b>	<b>170,662</b>
Cash flows from Investing Activities	
Sale of property and equipment	-
Purchase of property and equipment	(292,582)
Issuance of notes receivables	-
<b>Net Cash used in investing activities</b>	<b>(292,582)</b>
Cash flows from Financing activities	

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

Loans Payables	(24,463)
Shareholders Loans	430,845
Issuance of stock	121
Return of Capital	(324,484)
	<hr/>
<b>Net cash received from financing activities</b>	<b>82,019</b>
Net (decrease) increase in cash and cash equivalents	(39,900)
Cash and cash equivalents at beginning of period	125,951
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 86,051</u></b>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

## NOTE 1 – NATURE OF OPERATIONS

Divinia Water, Inc. was formed on October 29, 2015 ("Inception") The financial statements of Divinia Water, Inc (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters are located in Idaho Falls, Idaho.

The Company's principal business activity is manufacturing hand-crafted, purified water. Divinia Water is the result of patented purification technology that delicately removes the effects of man. The result is balanced, deuterium depleted, cellular EZ water-renatured water. This process recreates the natural formation of water far beneath the earth's surface, where hydrogen and oxygen from heat and rock combine to make clean, pure, H2O.

### *Going Concern and Management's Plans*

The Company lacks significant working capital. We have historically relied on pre-sales of product, product sales, debt, advances from related parties, and sales of common stock for operating capital. We will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Presentation*

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("US GAAP").

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of expenses during the reporting periods. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

### *Fair Value of Financial Instruments*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities

See accompanying Independent Accountant's Review Report

in active markets.

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2018 and 2017. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

#### *Cash and Cash Equivalents*

For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### *Account Receivables*

Accounts receivable are carried at the invoiced amounts. Accounts receivable are periodically evaluated for collectability based on past credit history with clients and other factors. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance, and current economic conditions. As of December 31, 2018, the Company had no account receivables.

#### *Inventory*

Inventories consist of raw materials, including bottles, boxes, lids, and shipping supplies. All inventories are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) basis. As of December 31, 2018, the Company had inventory in the amount of \$42,729.

#### *Property and Equipment*

Property and equipment is recorded at cost. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging from three to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the useful lives or the term of the lease. Depreciation expense for the years ended December 31, 2018 was \$119,212.99

As of December 31, 2018, property and equipment consisted of the following:

	<b>2018</b>
Buildings and Improvements	\$ 101,371
Furnitures and Equipment	522,724
Processor Build	163,054
Vehicles	108,919
Shed	1,634
Total property and equipment	897,702

See accompanying Independent Accountant's Review Report

Accumulated Depreciation	(281,313)
Total	<u>\$ 616,389</u>

#### *Intangible Assets-Patent*

The company capitalizes patent filing fees and it expenses legal fees, in connection with internally developed pending patents. The company also will capitalize patent defense costs to the extent these costs enhance the economic value of an existing patent. Patent are amortized over the expected period to be benefited, not to exceed the patent lives, which may be as long as 17 years.

The Company uses patented technology. The patent is held by Remy and Steve Sedlmayr, the majority shareholder of the Company. Divinia Water, Inc. has exclusive right to utilize the patent.

#### *Revenue Recognition*

The Company recognizes revenue from sales of water when (a) persuasive evidence that an agreement exists; (b) the service has been performed; (c) the prices are fixed and determinable and not subject to refund or adjustment; and (d) collection of the amounts due is reasonably assured.

#### *Shipping and Handling Costs*

Costs incurred for shipping and handling are included in cost of sales at the time the related revenue is recognized. Amounts billed to a customer for shipping and handling are reported as an increase in revenue.

#### *Advertising*

The Company expenses the cost of advertising and promotions as incurred. Advertising expenses for the year ended December 31, 2018 was \$21,641.

#### *Research and Development*

We incur research and development costs during the process of researching and developing us product and future offers. Our research and development costs consist primarily of third-party product design consultants. We expense these costs as incurred until the resulting product has been completed, tested, and made ready for commercial use.

#### *Income Taxes*

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and Idaho state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The tax periods that remain open to examination by the federal and state jurisdictions as of December 31, 2018 covers three fiscal years from the date of filing.

#### *Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

### **NOTE 3 – DEBT**

#### *Convertible Promissory Notes*

On November 30, 2017, the company entered a loan agreement with certain lenders in the amount of \$300,000 to acquire Equipment. The loan matures after 2 years on November 30, 2019 and carries an interest rate of 5%. Borrower shall make interest only payments on the first day of each month following the date that is for months from the date of installation of the equipment. The principal amount shall be paid in full at the maturity date. As of December 31, 2018, the loan has an outstanding balance of \$350,000.

On April 3, 2018, the company entered a convertible promissory note agreement with a certain lender in the amount of \$10,000. The loan matures after 1 year and carries an interest rate of 8%. As of December 31, 2018, the loan has an outstanding balance of \$10,000.

On April 4, 2018, the company entered a convertible promissory note agreement with a certain lender in the amount of \$10,000. The loan matures after 1 year and carries an interest rate of 8%. As of December 31, 2018, the loan has an outstanding balance of \$10,000.

On May 24, 2018, the company entered a convertible promissory note agreement with a certain lender in the amount of \$30,000. The loan matures after 1 year and carries an interest rate of 8%. As of December 31, 2018, the loan has an outstanding balance of \$30,000.

On July 10, 2018, the company entered a convertible promissory note agreement with a certain lender in the amount of \$1,000. The loan matures after 1 year and carries an interest rate of 8%. As of December 31, 2018, the loan has an outstanding balance of \$1,000.

#### *Paypal Working Capital*

On August 24, 2018, the company received PayPal working capital loan in the amount of \$23,500. The loan has a fee of \$4,265, bringing the total repayment amount to \$27,765. The loan is to be repaid through 30% of sales deduction from company's merchant account every time a sale is processed through PayPal and the company is required to make an average daily payment of \$156 for 177 days.

As of December 31, 2018, the PayPal working capital loans outstanding balance is \$12,667.

#### *Loans Payables*

##### *BMW Loan*

On August 8, 2018, the company signed a loan agreement in the amount of \$25,000 with BMW Financial Services NA, LLC. The loan matures on August 8, 2021 and is secured by a 2018 BMW 640XI. The company is required to make the first monthly payment of \$1,053.98 starting August 8, 2018, followed by 35 payments of \$1,053.98 for a total of \$37,943.28. As of December 31, 2018, the outstanding balance of the loan is \$37,943.28.

##### *SquareUp Loan*

On September 4, 2018, the company signed another loan agreement with Celtic Bank Corporation, Square Capital LLC, and Square, Inc in the amount \$27,000. The loan matures on March 4, 2020 and carries an interest rate of 14%. The company is required to make a minimum payment in the amount of \$1,710 at the end of each 60 days periods, starting September 6, 2018.

See accompanying Independent Accountant's Review Report



As of December 31, 2018, the outstanding balance of both SquareUp loan is \$16,607

*North Mill Loan*

On December 3, 2018, the company entered a commercial security agreement with North Mill Credit Trust in the amount of \$125,000. \$69,923 of that amount was used for a Stainless Steel Vapor Compression Distiller and \$55,077 was applied to working capital. The loan matures after months. The required monthly payment on the loan is in the amount of \$3,562.25, starting April 1, 2019. Future payments on the loan are \$32,060 for 2019, \$42,747 for 2020, \$42,747 for 2021, and \$10,687 for 2022.

**NOTE 5 – STOCKHOLDERS’ EQUITY**

*Common Stock*

We have authorized the issuance of 20,000,000 shares of our common stock with \$0.001 par value. As of December 31, 2018, 10,992,815 shares are issued and outstanding for a consideration of \$10,993.

**NOTE 6 – INCOME TAX**

The following table outlines income tax provision and deferred taxes:

	<b>2018</b>
Net Operating Loss	\$ (38,131)
Valuation Allowance	274,661
Net Provision/(Benefit) for Income Tax	<u>\$ 236,530</u>

	<b>2018</b>
Net operating Loss carryover	\$ 278,260
Valuation allowance	(278,260)
Net Deferred Tax Assets	<u>\$ -</u>

Federal and state net operating losses start to expire in 17 years. Due to history of losses, the Company has determined that it is more likely than not that the Company will be able to utilize its net operating losses. Consequently, the Company has applied full valuation allowance.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2018, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2018, the Company had no accrued interest and penalties related to uncertain tax positions.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The company owes back salaries to officers and management intends to offset those against loans and  
See accompanying Independent Accountant’s Review Report

distributions to officers.

#### NOTE 7 – RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*. The Company adopted ASU No. 2014-09 on January 1, 2018.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. ASU No. 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective for the period beginning January 1, 2018. The Company early adopted the provisions of ASU No. 2015-17 during the 2018 year.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new standard introduces a new lessee model that brings substantially all leases onto the balance sheets. The amendments in the ASU are effective for fiscal years beginning after December 15, 2019. The Company is evaluating the potential impact of adoption of ASU No. 2016-02 on its financial statements, but generally would expect that the adoption of this new standard will result in a material increase in the long-term assets and liabilities of the Company as result of our lease agreements.

#### NOTE 8 – COMMITMENTS AND CONTINGENCIES

The Company leases warehouse space under a commercial operating lease which requires monthly payments according to the lease schedule. The lease terminates in 2020. Rent expense for this lease totaled approximately \$42,707 for 2017 and \$20,227 for 2016. Future rental payments required under this lease are \$42,368 for 2018, \$43,457 for 2019 and \$3,629 for 2020.

As of December 31, 2018, rent expense was in the amount of \$43,254.

The Company leases a forklift for use in their warehouse. The forklift lease, which is for 5 years, expires in 2022 and is classified as a capital lease. Fixed assets include \$27,375 which have been capitalized. Lease amortization is included in depreciation expense.

Future minimum payments, by year and in the aggregate, under the capital lease with initial or remaining terms in excess of one year consisted of the following:

Year	Obligation
2019	\$ 5,475
2020	5,475
2021	5,475
2022	5,475
Total minimum lease payments	\$ 21,900
Amount representing interest	-
Present value of future minimum lease payments	21,900
Less - current maturities	(5,475)
Long Term obligation under capital lease	\$ 16,425

On September 24, 2018, the Company entered a lease agreement with CIT Direct Capital for a logo jet and ink cups for a total amount of \$32,460. The lease expires after 45 monthly payments of \$624 and carries an

See accompanying Independent Accountant's Review Report

interest rate of 3.19%. As of December 31, 2018, the company outstanding balance on this loan is in the amount of \$50,119.

On October 8, 2018, the Company entered a lease agreement with Teton Motors Inc DBA Teton Toyota for a Toyota 4runner in the amount of \$42,542.4 The lease expires after 3 years in 2021 and is classified as a capital lease. The lease has been capitalized and the lease amortization is included in depreciation expense.

Future minimum payments, by year and in the aggregate, under the capital lease with initial or remaining terms in excess of one year consisted of the following:

Year	Obligation
2019	\$ 848
2020	899
2021	953
2022	925
Total minimum lease payments	\$ 3,625
Amount representing interest	-
Present value of future minimum lease payments	3,625
Less - current maturities	(848)
Long Term obligation under capital lease	\$ 2,777

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers.

#### **NOTE 8 – SUBSEQUENT EVENTS**

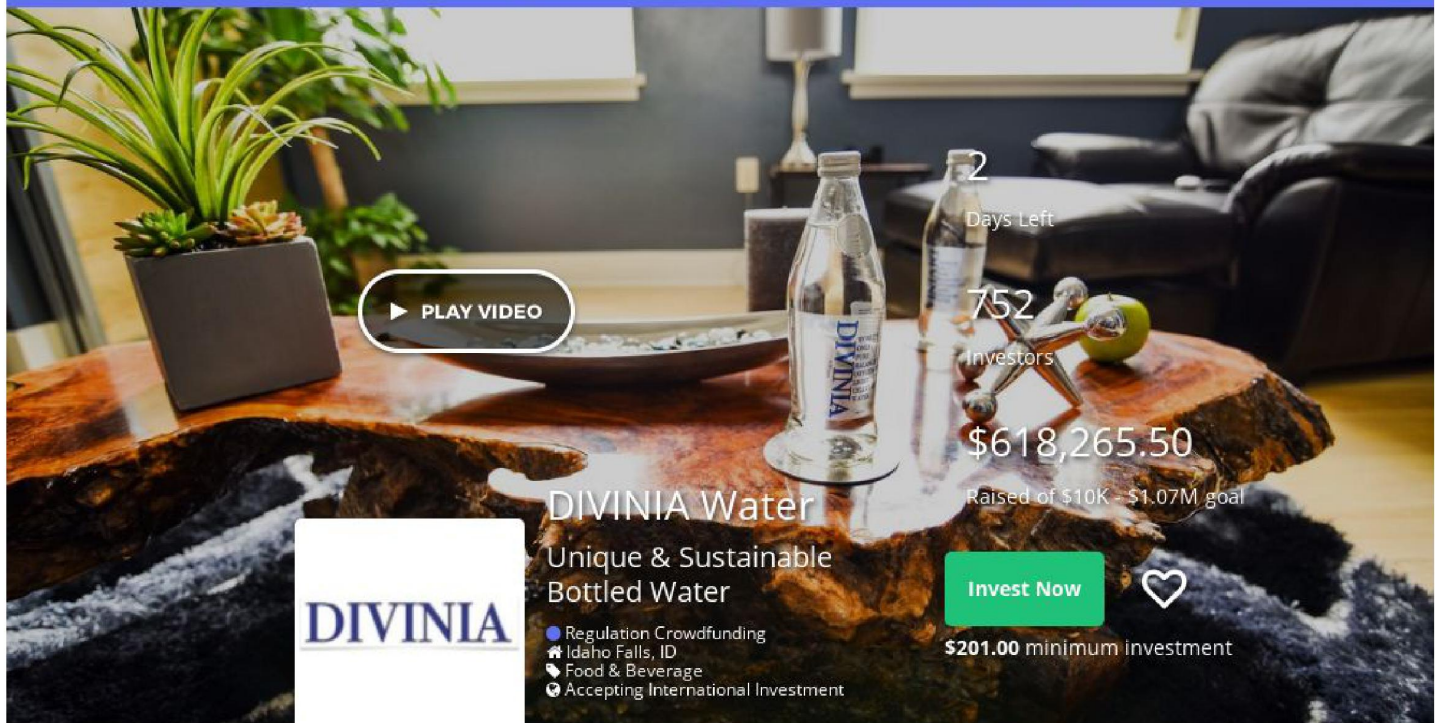
The Company has evaluated subsequent events that occurred after December 31, 2018 through April 29, 2019, the issuance date of these financial statements. There have been no other events or transactions during this time which would have a material effect on these financial statements.

**EXHIBIT C TO FORM C**

**PROFILE SCREENSHOTS**

*[See attached]*

DIVINIA Water is a Title III - Regulation Crowdfunding Campaign and is actively accepting investments.



PLAY VIDEO

2 Days Left

752 Investors

\$618,265.50

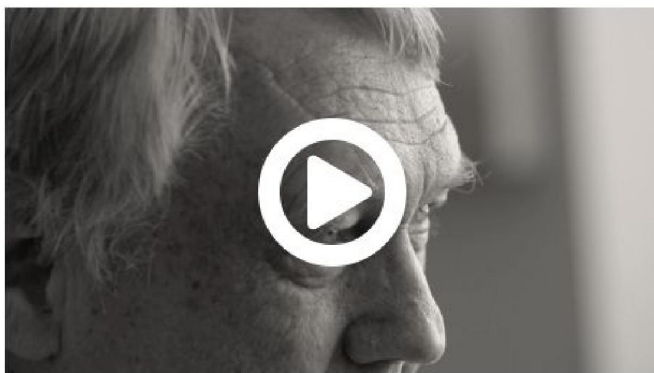
Raised of \$10K - \$1.07M goal

**DIVINIA Water**  
Unique & Sustainable Bottled Water

- Regulation Crowdfunding
- Idaho Falls, ID
- Food & Beverage
- Accepting International Investment

**Invest Now**

\$201.00 minimum investment

[Overview](#)[Team](#)[Terms](#)[Updates](#)[Comments](#)[Share](#)

## DIVINIA Is *The* Water for the 21st Century

### Invest In DIVINIA

Water is the most precious resource on the planet, **yet water everywhere is contaminated**. Originating from polluted sources, bottled water is transported across oceans and continents in **potentially toxic plastic containers to consumers**, while simultaneously contributing to the global crisis of pollution and carbon emissions. Recently, the World Health Organization released a study revealing **98% of all bottled waters contain microplastics**.

***As a market expected to hit \$200 billion globally by 2020, things need to change.***

Introducing DIVINIA, ***the*** breakthrough in bottled water.

We've exploited our niche by anticipating modern consumer concerns and demands for clean, functional, *healthy* water. DIVINIA is uniquely positioned in the market because of our







*DIVINIA's current 12,000 sq ft. facility (Idaho Falls, ID)*

mission: bottling water that's *actually* good for consumers *and* better for the world.

Developed for sustainability by a scientist, DIVINIA Water comes from a multi-stage purification system, perfected by our proprietary and trade secret technology. As a result, our process delicately removes the effects of man, leaving only pH balanced, pure, **cellular water** that allows it to be **easily recognized and absorbed by the human body**. (Unlike other polluted water today.) DIVINIA is water renatured.

Our unique, eco-conscious approach brings water back to its original, unadulterated form. The steps we take recreate the **natural formation of water far beneath the earth's surface, where hydrogen and oxygen from heat and rock combine to make clean, pure H<sub>2</sub>O**. It's what we believe people are supposed to drink.

**When you invest in DIVINIA you're investing in the expansion of a living, breathing, growing company... not just an idea.**

Our multi-stage purification system and proprietary trade secret technology are designed to fit into shipping containers for easy implementation into facilities around the world - giving people access to reliable, fresh, and bottled water made within 300 miles of their homes, reducing our carbon footprint and providing jobs to regional communities.

DIVINIA Water is free from contaminants at approximately 0 ppm, an unprecedented level of purity that, as far as we know, no one else can match. We believe DIVINIA Water does more than hydrate. It's also functional for the human body.

According to lab tests from UC Davis, DIVINIA Water is Deuterium Depleted Water\* (DDW). Independent studies about DDW confirm the range of health benefits, including: **anti-cancerous properties, anti-aging properties, better sleep, and reduced depression**.

After years of observations and anecdotal statements from loyal customers, we postulate that DIVINIA Water may have many health benefits. Because of these reasons, we have elected to undergo clinical trials conducted by National University of Natural Medicine to better quantify the functional effects of DIVINIA on kidney and liver function.

*\* Deuterium-depleted water (DDW), also known more ambiguously as light water, is water which has a lower concentration of deuterium than occurs naturally. Deuterium is a heavier isotope of hydrogen which has, in addition to its one proton, a neutron that roughly doubles the mass of the hydrogen atom.*

---



**May 2017 - DIVINIA Water moved into a larger building with 9 employees and focused on achieving breakeven sales**



**July 2018 - DIVINIA Water has 11 employees, achieved breakeven in sales (since April), and anticipates expansion to another building by 2020**

---

## ***Together, Let's Make a Change For Good***

***Water for Clean Living in a Polluted World***

---

### **The Offering**

#### **Investment**

Investment \$1.50/share of Common Stock | \$201.00 Minimum. When you invest, you are betting DIVINIA's future value will exceed \$17.3M.

#### **Perks\***

**\$402+ DIVINIA Water t-shirt**

**\$1,005+ Free case of DIVINIA (24 pack)**



**\$2,010+** 2 free cases of DIVINIA (24 pack)  
**\$10,050+** 10 free cases of DIVINIA (24 pack)  
**\$50,250+** 50 free cases of DIVINIA (24 pack)

*\*All perks occur after the offering is completed.*

**Proceeds from this fundraiser go directly to the expansion of DIVINIA Water**

*For details on the bonus, please see the **Offering Summary** below.*

---

## *DIVINIA Is **Pure** Hydration*

---

## **DIVINIA Is Unparalleled**

*Clean + Eco-Conscious + Functional*

*DIVINIA is lab tested and clinically studied by Nobel Laureates, renowned scientists, and doctors from six American universities.*

**DIVINIA is:**

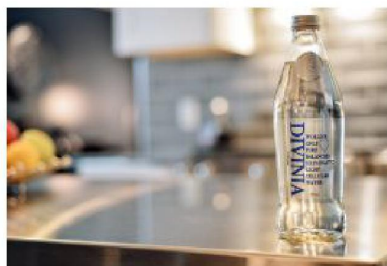
- Neutral pH
- Made in Idaho (until our anticipated expansion nationwide, including Hawaii) with sustainable hydroelectric power
- Made with 100% recyclable materials
- BPA, BPS, PTFE, and POA free
- Free from arsenic, Chromium-6, Chlorine, formaldehyde, Fluoride, Lead, MTBE, and trace pharmaceuticals and pesticides.
- Clinically studied at the Natural University of Natural Medicine in Oregon and Amity University in India

### *Clean*



**DIVINIA is free from contaminants at approximately 0 ppm, an unprecedented level of purity matched, as far as we know, by no other.** Our proprietary trade secret process recreates the natural formation of water far beneath the earth's surface, where hydrogen and

### *Eco-Conscious*



We use **sustainable hydroelectric power to produce clean water, bottled in recyclable glass free of BPAs and BPS.** Our goal is to install plants across the nation, thereby reducing our carbon footprint in transportation.

### *Functional*



**Our water has a positive effect on your body.** According to a 2017 study conducted by Amity Institute of Biotechnology, participants who drank a DIVINIA-based beverage had a "...significant increase (1141.59 0.22 mmol/L) in serum and osmolality (288.56 0.61 mol/kgH2O) and salivary



oxygen from heat and rock combine to make clean, pure H<sub>2</sub>O.

flow rate from 0.56 0.05g/min to 0.66 0.04g/min and lower urine volume (1766.45 80.80 ml) in formulated isotonic beverage compared to the isotonic beverage prepared using deionized water."



## Offering Conscientious Consumers A Sustainable Alternative

We're *advancing* water purification technology that's energy efficient and eco-friendly, without sacrificing an exceptional drinking experience. Additionally, we're community driven. By establishing plants across the nation, we'll be able to keep resources local, increase local employment, and reduce carbon emissions.

Furthermore, we contribute to empirical, scientific research of water to educate people on the benefits of hydration while protecting our natural resources for future generations.

## The Benefits of DIVINIA Are Clear

*Backed by Research from Seven Universities*

DIVINIA is the subject of research by the National University of Natural Medicine, through a clinical trial studying and identifying its potential benefits for individuals with faulty liver and kidney function. We're eagerly anticipating the preliminary results of that study, which will be announced in the near future. DIVINIA, studied at six American universities, has test results highlighting the unique characteristics of DIVINIA. Statements made by individuals with problematic diseases signify that consumers believe in beneficial results from consistently drinking DIVINIA.

### Penn State University

**Dr. Rustum Roy**

*Pioneering Material Scientist*

In a test of 1,000's of waters, **DIVINIA is the only water to have a true energy change** that stays with the water.

*"With appropriate development, these properties have, we believe, considerable potential for being exploited in a wide range of applications"*

### University of Washington

**Dr. Gerald Pollack**

*Leading Researcher on Water*

As one of the world's leading experts on intracellular water called "EZ water," Dr. Pollack **confirmed the energetic properties** of Divinia.

*Dr. Pollack has been offered a role as scientific advisor for DIVINIA Water.*



**PennState**



---

***A 2017 study conducted by Amity Institute of Biotechnology in India concluded that DIVINIA, in conjunction with a holistic and healthy diet, is effective at hydrating.***

"Consumption of sugar-sweetened, artificially sweetened beverages with different synthetic chemical additives are likely to contribute to an increased risk of dehydration, type-2 diabetes, cancer, heart diseases, asthma, COPD (Chronic Obstructive Pulmonary Disease) and obesity... These negative health effects have received considerable attention to our present research to formulate isosmotic cellular health diet by using exclusion zone (EZ) water (DIVINIA) in the form of isotonic fruit based beverage with natural ingredients with significant amounts of bioactive compounds and new natural preservative in order to make organoleptically acceptable self-stable product to improve health with hydration and well-being....

Based on the results, it is concluded that it is a novel rehydration beverage as it had the same osmolality as serum which is useful for the restoration of normal body fluid volumes to maintain intracellular and extracellular body fluids distribution."

**Dr. J. Shankaraswam and Sarika Saxen**  
Amity University Uttar Pradesh

---

## **Voluntary Consumer Statements**

*"My wife just received her order of Divinia water for the first time. This is by far the best tasting water. Thank you for all that you do... We look forward to placing many orders for the health and well being of our family!"*

**John Smith**  
Facebook Review

*"The taste alone is worth buying and the fact that it helps your digestion and health is additional benefit. Seriously the best tasting water ever."*

**Darcie Snyder**  
Amazon Review

*"Best water in the market."*

**Nicholas Priest**  
Amazon Review





## The Bottled Water Market Is Thriving...

Bottled Water Sales in the US **Exceeded \$24B\***

From 2014 to 2017, the global bottled water market grew over **\$200B** following **9% yearly growth**

Americans drink **58 gallons of water, on average, versus 44 gallons of soda** per year.

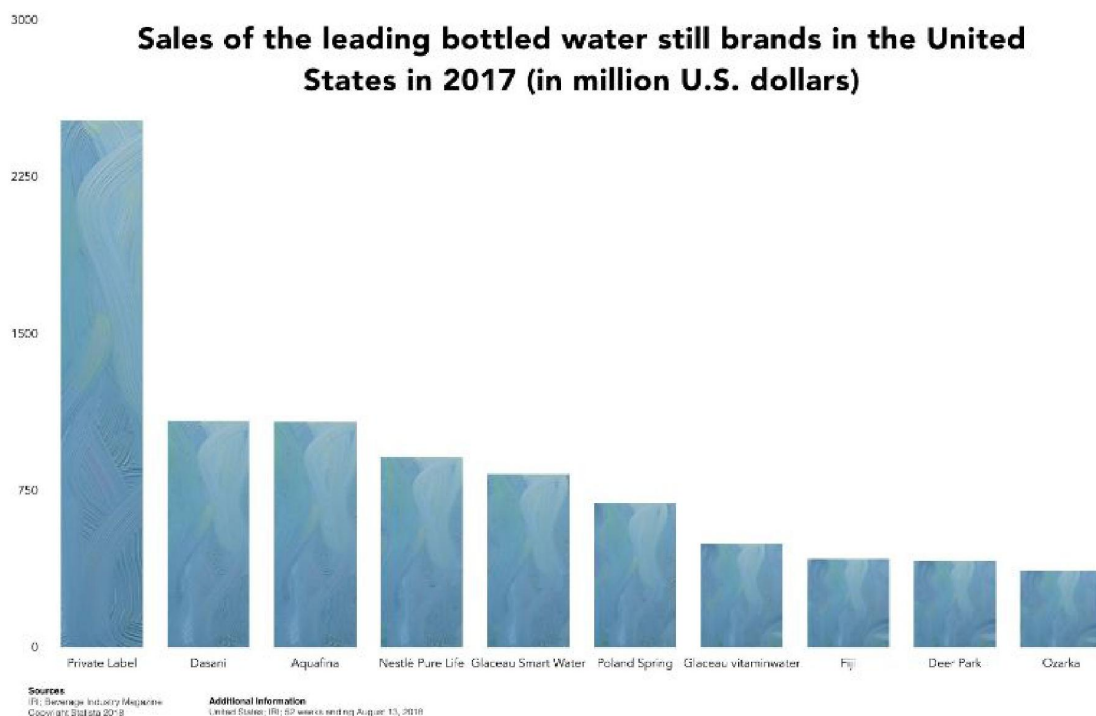
**For the second year in a row, more Americans will drink more water** than All types of soda combined

*The Business Research Company*

*The Atlantic*

*Market Watch*

*\*Bloomberg*





DIVINIA Water falls within the "Private Label" category, as shown in the graph above.

## ...And Word About DIVINIA Has Begun To Spread

*As Seen In New York Magazine*



*2016 Berkeley Springs International Water Tasting Silver Medalist*



*Official Fin Fun Pool Party Sponsor*



*On Local Grocery Store Shelves*



*Sold On AMAZON*



**Five Star Rating on Amazon**

*As of July 16, 2018*

## DIVINIA: Momentum Forward

C-Corp Established in 2015

### **Past - Build Phase**

DIVINIA was officially incorporated as a C-Corp. in October, 2015. The incorporation was a natural progression for the company following 10 years of careful research and development of the purification

### **Present - Growth Phase**

As of May 2017, DIVINIA operates out of a 12,000 square-foot plant located in the heart of Idaho Falls, ID. Through the efforts of DIVINIA's engineering team, **the company is now at breakeven revenues following a**

### **Future - Expansion Phase**

Whether or not the corporation is successful in its future funding raising efforts of an additional \$900,000, it is planning for further future expansion. This would entail building more

In 2016, the company moved from a boutique, garage-based business into a 3,200 square-foot facility. **Sales reached \$100,000 after the first year.**

processors and installation of the bottling line to bottle over 6400 bottles per day. However, the additional \$900,000 crowdfunding raise will allow it to move faster and potentially enter into more markets quicker. With the increased output up to 6400 bottles per day, projections estimate that the sales income could exceed \$3.025 million, with freight costs of \$1.525 million, packaging costs of \$267,533, overhead costs of \$542,795, cost of goods sold of \$557,440, netting a potential net profit of \$832,000 yearly. These numbers are estimates and do not take into consideration discounts for scaling. This would also allow the corporation to drop the price of their product by approximately 20%. The above numbers are estimates based on historical costs for the company and may or may not be attainable, and do not take into account a scaling factor.



*Join the Movement for Healthy, Sustainable Bottled Water*

"Through our growth, we are perfecting and completing our



To some, the word might define a lifestyle - to eat food from the garden and live without chemicals. To others, "natural" might mean familiar or known - to live and act in a way that is innate to our humanness.

At DIVINIA, "natural" is everything to us. It's in our DNA, our thoughts, our outlook, and what we do.

Caring about what we eat and drink, only to discover all water is contaminated, our four family members naturally joined together to create a company dedicated to clean living through water.

We are committed to making water at its most **pure** state - without man's imprint of pharmaceuticals, hormones, chemicals, and toxins. What you're left with is natural h2o, close to what our ancestors drank thousands of years ago.

We believe that water, water with quality you trust, means a healthier and happier life. Because we believe water is natural to who we are as people... as humans.

But what's our ambition? Our mission? We want for our customers exactly what we want for our own family and friends: **a better life with good water, free of pain.**

...reducing our footprint on the planet by using commercial purifiers, so that we will be able to produce the same quality of water at a much more efficient rate - about 96 gallons a day per unit. With our R&D, we will be able to generate many units, all working together to build an eco-friendly bottled water facility that meets larger demand."

**Kiersten Sedlmayr Landers**

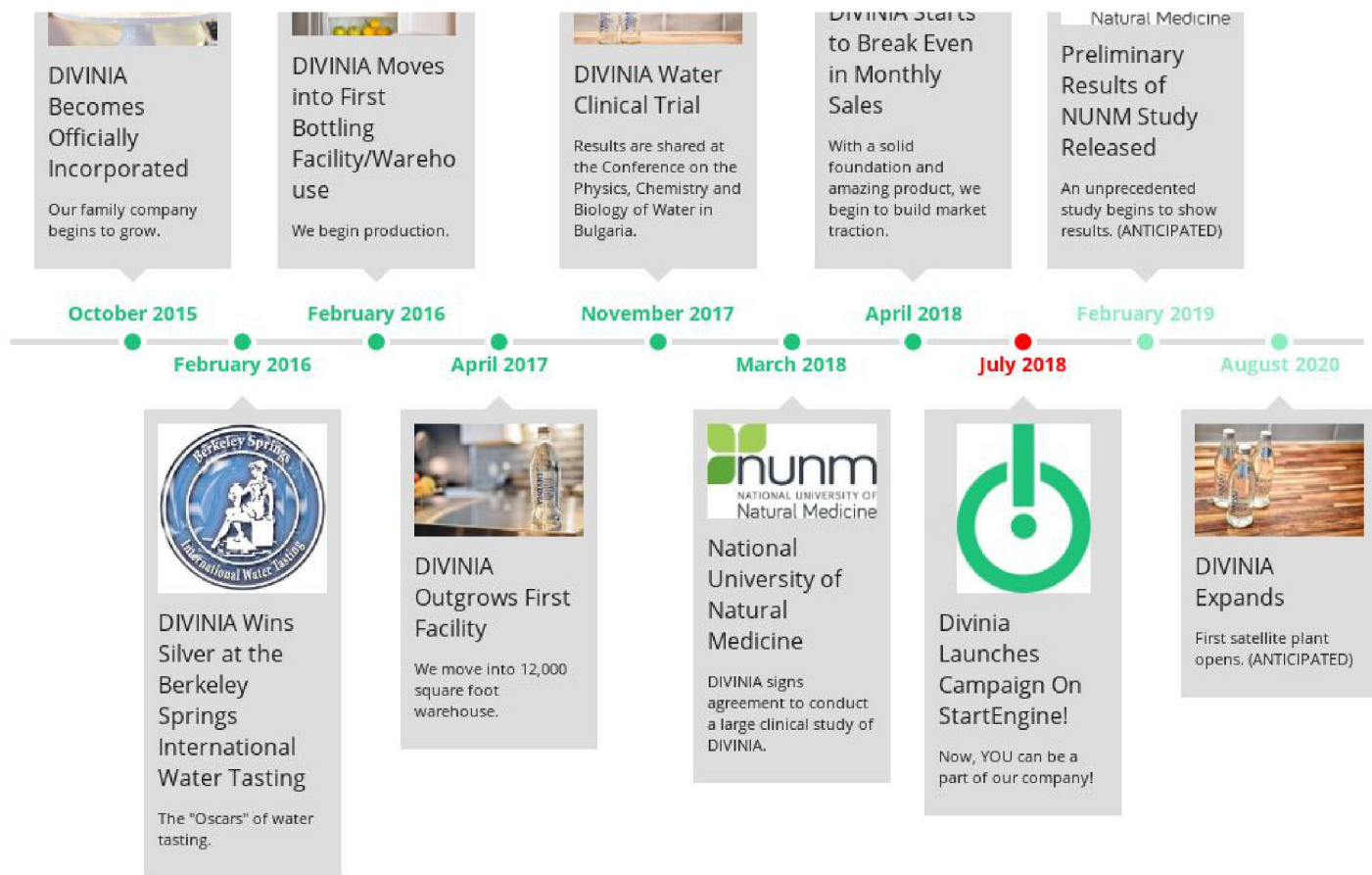
DIVINIA COO



**DIVINIA strives to lead in pioneering purification technology, contribute scientific research, and make clean water ubiquitous to all people in order to become the Earth's "default" water. To accomplish this goal, DIVINIA maintains a five-pillar mission:**

1. Continually practice sustainable operations that are good for people and the environment.
2. Produce a profit and increase value for shareholders, so that consumers have a safe and healthy default for bottled water.
3. Pioneer the advancement of water purification technology that is energy efficient and eco-friendly, while offering an exceptional drinking experience.
4. Be community driven by establishing plants in various regions to keep resources local, add employment, and reduce carbon emissions.
5. Contribute to the overall understanding and scientific research of water for the benefit of generations to come.





## In the Press

BEVNET

CISION

perfumer  
& flavorist

SHOW MORE

## Meet Our Team





## Steven Sedlmayr

President, CEO & Director

*In the early 1980's, Sedlmayr founded Advanced Displays Technology, Inc., where he pioneered the first million pixel display and patented one of the first digital laser projectors in existence, which was the basis to his second display company in the early 90's. He went through SEC registration and took the ADTI public on NASDAQ. Upon the lucrative exit of the company, Sedlmayr pursued water filtration technology by inventing a revolutionary purification process. This same process is the foundation to Divinia Water and is what gives us our competitive advantage, changing the way people perceive bottled water. Foreseeing future market trends and consumer demands, Sedlmayr has taken Divinia from strength to strength in its evolution from small family business to industry interrupter. Sedlmayr founded the company in 2014 and incorporated Divinia in October 2015; he has dedicated all of his full time and effort to Divinia since early 2014. He serves as the company's President and CEO since inception of the company, October 2015.*



### Ray Steitz

Advisor

*Ray Steitz brings over 25 years of beverage sales experience as ex- Vice President of Sales and Marketing Operations with Anheuser Busch. Ray is a senior executive with extensive experience with a Fortune 150 Corporation. He has demonstrated ability to maximize sales force organizational design for business growth, cost reduction and service excellence. Experience Ray brings includes direct supervision of channel*



### Crosby Sedlmayr

COO & Director

*Crosby has worked alongside Steven since the inception of Divinia, becoming COO and co-founder in October 2015. From 2005 - 2008, Crosby attended Northern Arizona University where he sought a degree in mechanical engineering. From April 2012 to September 2015, Crosby was hired as a call center manager at wellness vitamin company, Melaleuca, where he supervised 25+ employees. Instrumental in the development and research of*



### Remy Sedlmayr

Treasurer

*Remy has over 20 years of office management and bookkeeping and helped Steven take their company public in the 80's. She is instrumental in the maintenance of important documents and financial records. Remy works closely with our CPAs to make sure that Divinia is compliant in the realm of taxes, payroll, banking, etc. and is the liaison between Steven and Kiersten, helping to provide important legal documentation to the IRS, SEC,*



### Kiersten Landers

Secretary

*Kiersten has worked with the company since its early days and carved a role for herself as co-founder and secretary in October 2015. In July 2015, before joining Divinia, Kiersten was appointed regional sales manager for BTH Hospitality Group, where she lead sales efforts and assisted in the opening of a new Hilton hotel. She left in September 2015 to augment sales efforts at Divinia Water. She attended Loyola Marymount University and has a*



(wholesale and retail) sales forces, marketing programming, training, sales systems development, incentive development, succession planning, and contract compliance; extensive experience in all aspects of sales force and sales operations management.

Divinia Water technology, Sedlmayr maintains the day-to-day operations/functions of the company while driving the company forward in advanced scientific development and research and works only full time at Divinia.

and other governmental agencies. Remy has been with Divinia full time since 2014 and became Treasurer in October 2015, when the company was officially incorporated.

degree in Business Administration - Entrepreneurship. Kiersten works full time with the CEO in harnessing legal matters, marketing, customer service, compiling important documents, and assisting with investor relations.



**Ron Mezzetta**

Director

In 2017, Ron joined Divinia's board bringing with him a wealth of experience and knowledge in food manufacturing and marketing. Mr. Mezzetta was previously President and General Manager of Mezzetta Foods, a company that creates sauces and condiments as a national brand. In 2004, Ron retired from Mezzetta Foods, appointing his son, Jeff, as President. Ron is President of MacArthur Court Properties and Mezzetta Court Ventures, both commercial real estate companies.



**Michael Breen**

Director

Before joining Divinia's board in 2017, Mickey became CEO of Convergent Mobile in 2013 and has continued to drive success by raising equity, building strong relationships, evolving products and establishing 25%+ year over year growth for the last four years. Previously, he lead expansive growth for over 18 years in the finance industry working for companies that include JPMorgan Chase, Cornerstone Mortgage Capital and First Security.



**Dr. Sheldon Lu**

Director

Sheldon has been a board member of Divinia since the company officially incorporated in 2015. Dr. Sheldon Lu, DMD, is a board certified periodontist.. After graduating in 2007 from University of Pittsburgh, School of Dental Medicine, Sheldon became a commissioned dental officer serving in the US Army Dental Corp. In 2012 Sheldon successfully completed his training in the specialty of periodontics from the US Army Advanced Education in Periodontics and received his specialist certificate, as well as a Master of Science degree in Oral Biology from Georgia Regent University. Since December 2015, Dr. Lu owns and operates his own practice in California.

## Offering Summary

### Irregular Use of Proceeds

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000: Any expense labeled "Administration Expenses" that is not strictly for administrative purposes; Any expense labeled "Travel and Entertainment";

[Offering Details](#)

[Form C Filings](#)

SHOW MORE

## Risks

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature. These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

## Updates

### Notice of Funds Disbursement

21 days ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, DIVINIA Water has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in DIVINIA Water be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

### Proactive Measures

about 1 month ago

Hello StartEngine Community and Investors,

We wanted to take a moment to let you know how we and the rest of the DIVINIA Water team are doing!

Please be assured that we are still open and operating. As a food/bottled water company, we understand that it is our responsibility to maintain a safe and productive environment for our customers and employees, especially at this time.

**Please read below, as we have outlined some additional measures/protocols put into place in light of the coronavirus outbreak.**

-----

Our #1 objective has always been and will always be our customers' safety and well-being.

We have been monitoring the COVID-19 spread over the past few months and have enacted further policies/procedures to maintain a clean and safe environment for our employees, customers, and product since news of the spread. With the helpful participation of our wonderful team, we are already operating with additional measures to keep our facility safe and secure.

Here are just *some* of the measures that have been implemented:

- We have increased cleaning and sanitization services and follow multiple cleaning schedules daily, which are logged and monitored. As usual, food safe wipes and sanitizing sprays are positioned near workstations so that employees can keep them continuously

cleaned. The facility is ozonated every night after everyone leaves.

- Per regular operation, all of our employees adhere to strict food manufacturing practices set by the FDA which include protocols on hand washing, sanitizing surfaces, wearing gloves, covering hair/face, etc. We recently held a "refresher" training course on food safety and hand washing to keep our employees current on this knowledge.
- Workplace employees are scheduled on opposing shifts to minimize any potential cross exposure throughout our organization.
- We have a diversified supplier strategy that enables us to change sourcing to mitigate risk in the event of supply interruptions in most situations to ensure material flow throughout the supply chain. We also keep in close touch with UPS and other carriers to ensure safe shipping across the country, without interruption.
- We have stopped all tours and have restricted all office visitation. Although this might be inconvenient for visitors, vendors, and customers, we view these restrictions as a necessary safety measure.
- We instituted a company-wide travel ban and cancelled any large gatherings or meetings to help prevent risk of exposure.
- Our employees are fully aware that they must stay home if they feel sick or or return from an area of the world identified as posing a coronavirus-related risk. Per CDC recommendations, we have told employees that if they must travel to such locations or have been exposed to others who have traveled to such locations to self-quarantine for at least 14 days; employees will be monitored in case there is a need for doctor's visits and testing.
- Office staff are equipped and prepared to work remotely as the need arises.

We are closely following the [Centers for Disease Control's \(CDC\)](#) guidelines and recommendations on the steps we can take to help prevent the spread of the virus.

As always, our [online store](#) and customer service team will be available to continue to serving customers - we understand the importance of having water sent to homes during this critical time. As we continue to ship, our inventory levels are strong and we are being proactive to ensure that we continue to have the inventory to take care of customers.

Due to high volumes, please be patient in allowing us to return any emails or phone calls.

We will continue to closely monitor the situation and do all we can to support customers and our employees.

While this pandemic is a challenge that we will have to manage for the foreseeable future, it is extremely important that we maintain a safe and healthy workplace and to continue to service our customers and their families with excellence, especially at this time.

We thank you for your continued support! Please be safe, wise, and healthy out there.

Best,  
DIVINIA Water Team

## Notice of Funds Disbursement

about 2 months ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, DIVINIA Water has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in DIVINIA Water be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

## Notice of Material Change in Offering

about 2 months ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the DIVINIA Water offering. Here's an excerpt describing the specifics of the change:

*Extended length of campaign.*

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

## Brand-New Vodka Dazzles With DIVINIA Water

2 months ago

### Brand-New Vodka Dazzles With DIVINIA Water

IDAHO FALLS, Idaho -- A super-premium, organic vodka is in development in eastern Idaho. The brand-new drink will utilize DIVINIA Water to make the spirit the superstar of the alcoholic beverage world.

"Astria" is projected to make its debut in craft-quality bars, restaurants, and spirits retailers in northern California this spring, according to Hugh Miracle, CEO of Astria Spirits.

DIVINIA will be the sole provider of water for Astria Spirits. Distilled Resources Inc. (DRINC), from Rigby, has consented to produce the drink with the finest, American grown and harvested, organic grains.

"Astria is the perfect name for this product because Astria is the Greek goddess of purity," said Miracle. "Astria will be distributed in both the United States and across the globe, making it truly a super-premium spirits brand."

DIVINIA Water CEO Steven Sedlmayr feels there is a positive future for the beverage based on the properties of the water.

"We take extreme care in creating ultra-clean water," said Sedlmayr. "Our proprietary process creates water with unique properties. Those properties create additional opportunities for DIVINIA Water usage in more markets that other water cannot capitalize on."

"A tasting panel made of industry experts have confirmed Astria's flavor profile surpasses those of any ultra-premium vodka on the market today," said Miracle.

Consumers typically use vodka as a mixer for their drinks. Still, both Miracle and Sedlmayr think Astria could become the one vodka people enjoy sipping by itself.

"Astria delivers a unique, exclusive quality that can be enjoyed up or on the rocks, just like fine whiskeys and Cognacs," Miracle said.

"While taste-testing and trying to find the right recipe for ingredients, we could tell DIVINIA Water made the biggest difference," said Sedlmayr.

"The flavors of the organic ingredients dazzle with DIVINIA Water," added Miracle.

"A consumer expects vodka to present a pungent feeling to the palate," said Sedlmayr. "Astria, crafted with DIVINIA, helps eliminate that sensation, imparting a distinctively smooth and enjoyable experience to the consumer."

Two eastern Idaho companies will join together to produce the beverage.

"Miraculously, the largest distillery to use U.S. farmed, organic grains west of the Mississippi happens to be just up the road from us," Sedlmayr said. "Hugh Miracle is brilliant for pairing DIVINIA Water with the manufacturers at DRINC. We will deliver premium water, and Astria has the right distiller to turn that into super-premium vodka."

Astria buying the water in bulk helps DIVINIA's overall growth strategy by diversifying the company's revenue stream and demonstrating DIVINIA's unique range of qualities.

"We're excited to be selling water to Astria," said Kiersten Landers, V.P. of Sales and Marketing for DIVINIA Water. "We love this opportunity because of the organic ingredients. Supplying to Astria aligns with our core values because we are passionate about products that are organic, natural, sustainable, and sourced responsibly."

"DRINC will manufacture Astria with renewable wind power, so that's a bonus for the eco-conscious consumers," said Miracle.

-- DIVINIA --

About DIVINIA Water:

DIVINIA Water is a bottled water brand focused on offering uniquely pure, clean, functional, eco-friendly and hydrating water produced through our proprietary purifiers. DIVINIA is lab tested, exclusion zone, and deuterium depleted water (DDW) with naturally bioavailable



through our proprietary purifiers. DIVINIA is lab tested, exclusion zone, and deuterium depleted water (DDW), with naturally bioavailable hydrogen. There are no other substances added to DIVINIA water, with all solids removed; DIVINIA's extraordinary functionality comes from its proprietary process. Bottled in glass bottles for easy recycling, DIVINIA is headquartered in Idaho Falls, Idaho, and was the 2016 Silver Medalist at the Berkeley Springs International Water Tasting.

#### About DRINC:

DRINC is redefining the spirits industry with a product of unparalleled quality, clarity, and smoothness. Our revolutionary technology and superior knowledge of the distilling process give our spirits a smoothness, a sweetness, and a precision that you can find in no other spirit. Distilled Resources can produce 750,000 gallons of 190-proof beverage alcohol every year. One gallon of 190-proof beverage alcohol makes one 9-liter case of 80-proof bottled vodka.

## Whiskies of the World Chooses DIVINIA Water

2 months ago

IDAHO FALLS, Idaho -- The premier whiskey and bourbon tasting event in the United States has chosen DIVINIA Water as the finest back at Whiskies of the World in 2020, highlighting the versatility of the world's premier bottled water.

In mixology, a "back" can be added to the drink or sipped along with the main beverage.

DIVINIA Water becomes the tasting water of preference by Whiskies of the World to enhance the user experience with its ultra-pure, scientifically proven properties. "Adding DIVINIA Water to a glass of whiskey illuminates and enhances the notes and flavors of the spirit," says DIVINIA Water CEO Steven Sedlmayr. "Our water will help bring out the amazing and subtle flavors of these fine spirits at the events. It will allow people to fully enjoy their glass of whiskey."

Whiskies of the World is the United States' foremost whiskey tour, bringing over 200 craft and established brands to consumers at 15 events across the U.S. Each event hosts between 800 and 2,000 guests.

"As a fan of whiskey, I'm ecstatic for this opportunity," said Crosby Sedlmayr, COO of DIVINIA Water. "I cannot wait to show the world how DIVINIA Water refines the consumer's experience."

DIVINIA Water's distinct, scientifically proven properties are the driving factors behind its ability to combine with and magnify the taste of other beverages. It's deuterium-depleted, exclusion-zone water, which makes it lighter and more energized at the atomic level. That gives DIVINIA Water a flawless taste and unique mouthfeel.

"Those properties are unsurpassable by any other water on the market," said Steven Sedlmayr. "To support excellence with Whiskies of the World is a match made in spirits heaven. This opportunity shows our product has the legs to enter into new markets, not just bottled water."

DIVINIA's first showcase at Whiskies of the World comes in March at the events in Denver, San Francisco and San Jose.

-- END --

#### About DIVINIA Water:

DIVINIA Water is a bottled water brand focused on offering uniquely pure, clean, functional, eco-friendly and hydrating water, produced through our proprietary purifiers. DIVINIA is lab tested, exclusion zone, and deuterium depleted water (DDW), with naturally bioavailable hydrogen. There are no other substances added to DIVINIA water, with all solids removed; DIVINIA's extraordinary functionality comes from its exclusive process. Bottled in glass bottles for easy recycling, DIVINIA is headquartered in Idaho Falls, Idaho, and was the 2016 Silver Medalist at the Berkeley Springs International Water Tasting.

#### About Whiskies of the World:

With its origins in San Francisco, Whiskies of the World features a diverse portfolio of whiskies from around the world: Scotland, Ireland, the USA, Canada, Japan and Australia. The event focuses on bringing educational and intense sensory perception opportunities to whisky enthusiasts across the U.S. Both The Whisky Extravaganza and Whiskies of the World have engaged thousands of consumers and have showcased hundreds of brands, offering guests from coast to coast the opportunity to taste superlative whiskies and to meet the outstanding personalities of the whisky world.

## Notice of Funds Disbursement

3 months ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, DIVINIA Water has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in DIVINIA Water be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

### Notice of Funds Disbursement

3 months ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, DIVINIA Water has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in DIVINIA Water be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

### Notice of Material Change in Offering

4 months ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the DIVINIA Water offering. Here's an excerpt describing the specifics of the change:

---

*Note in default and extension of offering*

---

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

### Notice of Funds Disbursement

5 months ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, DIVINIA Water has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in DIVINIA Water be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

[SHOW MORE UPDATES](#)

Comments (207 total)

Add a public comment...

0/2500

☐ I'm not a robot



Post

**Hip Montano** 8 INVESTMENTS INVESTED 4 days ago

Hi, could I buy the product of may I be a distributor? I like to tasted and see what's the future behold of our investment

**Sean Stobart** 11 INVESTMENTS 4 days ago

Steven,

I really like what you are trying to do & love your leadership team.

I usually only invest into these companies if they have raised \$1M, do you plan on extending your campaign to get up to that max raise limit of \$1M or not? Please advise so I can budget here accordingly.

Can we help you raise \$1M?!

Thank you, all the best!

**Steven Sedlmayr** - DIVINIA Water 4 days ago

Hello Sean: Yes we do plan to extend the campaign to get to 1 million. When this is over we are building more processors (we are still doing that now) and build the infrastructure up so that we can also provide water for the vodka sales and whiskey sales.

**Larry Graham** SE OWNER 5 INVESTMENTS INVESTED 8 days ago

Hi! How and when do we as investors will start to see profits for ourselves? Thank you.

**Stacy Lemonds** 1 INVESTMENT 16 days ago

My wife and I are thinking about investing in Divinia. However, we would like to see a more recent P&L statement. Where can we find one? We have viewed your website, as well as the info on this page. As well as your offering details. And it shows a lot of promise. But we would like more recent info to help us complete our research. Thank you in advance!

**Steven Sedlmayr** - DIVINIA Water 15 days ago

We are having the review done right now and hope to have it posted to this site very soon. coronavirus is slowing the review process down a bit.

**Steven Sedlmayr** - DIVINIA Water a month ago

Good afternoon everyone,

I wanted to let you know about a friend of mine whom I recommended Divinia water to for his father who has Alzheimer's.

Before taking the water he had become very unresponsive and they had to use a lift to help move him from the bed to a chair. He was taking a drug also that was supposed to be helping and it wasn't. He started drinking the water and shortly there after the drug he was on he ran out of and my friend got extra busy and did not replace the drug. after about a week of taking the water daily his father became responsive again! He started sitting up and talking and making jokes!!

My friend is very thankful and says thank you for your incredible water and the amazing work you are doing! He is very happy and blessed to have his father back now!

Thought you might like to hear a great praise report in the midst of things going on in the world and a reminder of what you're doing is so important and so necessary for people. I'm glad I could share your God

blessed water with him to help his father! He thanks God for you as well!

Blessings of love, light And energy to you all today and every day!!

Ben

**Steven Sedlmayr** - **DIVINIA Water** a month ago

Just wanted to share this email with everyone. It is hard times all around, and we are not claiming anything medical with this. This comes from a third party that uses our water, and is telling his friends about it. This is the reply that his friend sent back to us. This does not mean that we are endorsing any claims whatsoever about the water, just sharing an email to us that made us feel good in these hard times.

This also does not mean that you should invest in this company based upon what you have just read. This is purely just an email that we received and we cannot verify the facts in this case, nor endorse it for any reason whatsoever. This made us feel good and I wanted to share it with our supporters, all of those that have invested in us.

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature. These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

Best Regards to all.

---

**Deborah Bolner Prost TTE Deborah Bolner Prost Trust** **4 INVESTMENTS** a month ago

I am just seeing this product for the first time -- how were your revenues in 2019? and like the gentleman below -- what is the profit sharing, dividend plan, etc.. for investors and exit plan for company founders and execs, please

**Steven Sedlmayr** - **DIVINIA Water** a month ago

Hello Deborah: We will release the revenue figures for 2019 shortly, but I can tell you they were up again over 2018. We are not at profit sharing yet, but are looking at it. There is no dividend plan at this moment. We are in a growth phase right now trying, and all of our product is sold at the end of every day and every week. We are trying to get more processors up to produce more product, which is already spoken for. I cannot predict or tell you how much more, as this could be considered hype, but we did sign a Letter of Intent to provide multiple times of what we currently make for a vodka manufacturer. No comment on anything else we might have going at this time.

We do not have any exit plans right at this time, and I can not comment one way or another about anyone we might be talking with. Our family goal is to take this to a much larger corporation, probably with the help of professional management, and make sure that our legacy continues, with us or not, to help people and deliver the best product on the market. We are trying to change the type of water people get that enhances their health, provide for a clean environment, and reduces pollution, especially plastic contamination that might be the worst thing that has happened to this planet in decades, along with all the other contamination in water that decreases people's health and longevity.

As per the caveat, these are forward looking statements and should not be relied upon for investment purposes.

Steven Sedlmayr  
CEO

---

**Larry Graham** **SE OWNER** **5 INVESTMENTS** **INVESTED** a month ago

Hi! How and when do we as investors will start to see profits for ourselves? Thank you.

---



**Rolando Retana** SE OWNER 16 INVESTMENTS INVESTED 2 months ago

I see in amazon the 12 pack of water bottles has a price of \$55, that is about \$5.48 per 16 plz oz bottle. How much does it cost produce/send one unit? Or actually what is the approximate profit per bottle? Or any markup information you can share.  
Thanks!

**Steven Sedlmayr** - DIVINIA Water 2 months ago

Hello Rolando: Thank you for your inquiry, but like any other water or drink manufacturer we do not disclose these costs or prices, however everything is reflected in our profit and loss statements and balance sheets that we file annually. You can find them in our documentation at this site.

[SHOW MORE COMMENTS](#)

#### About

[Our Team](#)  
[Equity Crowdfunding 101](#)  
[Blog](#)  
[Careers](#)  
[Reserve StartEngine Shares](#)

#### Companies

[Get Funding](#)  
[How It Works](#)  
[Why StartEngine](#)  
[Founder FAQ](#)  
[Refer Founders](#)

#### Investors

[Start Investing](#)  
[Investing 101](#)  
[Investor FAQ](#)  
[Earn 10% Bonus](#)

#### Legal/Contact

[Terms of Use](#)  
[Privacy Policy](#)  
[Disclaimer](#)  
[Annual Reports](#)  
[Help Center](#)  
[Contact Us](#)



©2020 All Rights Reserved



#### Important Message

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENTS ON STARTENGINE ARE SPECULATIVE, ILLIQUID, AND INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF YOUR ENTIRE INVESTMENT.

www.StartEngine.com is a website owned and operated by StartEngine Crowdfunding, Inc. ("StartEngine"), which is neither a registered broker-dealer, investment advisor nor funding portal.

Unless indicated otherwise with respect to a particular issuer, all securities-related activity is conducted by regulated affiliates of StartEngine: StartEngine Capital, LLC, a funding portal registered [here](#) with the US Securities and Exchange Commission (SEC) and [here](#) as a member of the Financial Industry Regulatory Authority (FINRA), or StartEngine Primary, LLC, a broker-dealer registered with the SEC and [FINRA/SIPC](#). You can review the background of our broker-dealer and our investment professionals on FINRA's BrokerCheck [here](#).

Investment opportunities posted and accessible through the site are of three types:

1) Regulation A offerings (JOBS Act Title IV; known as Regulation A+), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Primary, LLC (unless otherwise indicated). 2) Regulation D offerings (Rule 506(c)), which are offered only to accredited investors. These offerings are

made through StartEngine Primary, LLC. 3) Regulation Crowdfunding offerings (JOBS Act Title III), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Capital, LLC. Some of these offerings are open to the general public, however there are important differences and risks.

Any securities offered on this website have not been recommended or approved by any federal or state securities commission or regulatory authority. StartEngine and its affiliates do not provide any investment advice or recommendation and do not provide any legal or tax advice with respect to any securities. All securities listed on this site are being offered by, and all information included on this site is the responsibility of, the applicable issuer of such securities. StartEngine does not verify the adequacy, accuracy or completeness of any information. Neither StartEngine nor any of its officers, directors, agents and employees makes any warranty, express or implied, of any kind whatsoever related to the adequacy, accuracy, or completeness of any information on this site or the use of information on this site. See additional general disclosures [here](#).

By accessing this site and any pages on this site, you agree to be bound by our [Terms of Use](#) and [Privacy Policy](#), as may be amended from time to time without notice or liability.

#### Canadian Investors

Investment opportunities posted and accessible through the site will not be offered to Canadian resident investors.

Potential investors are strongly advised to consult their legal, tax and financial advisors before investing. The securities offered on this site are not offered in jurisdictions where public solicitation for offerings is not permitted; it is solely your responsibility to comply with the laws and regulations of your country of residence.

California Investor Only - [Do Not Sell My Personal Information](#)



## VIDEO TRANSCRIPT (Exhibit D)

### Video 1 (header and 1st video on page):

Steve: Federal regulations for tap water is that it has to be less than 500 parts per million. Except they only look at about 40 different contaminants. Right now, there's 80,000 contaminants in water. People should come on and look at EWG's tap water database. We can actually enter our own zip code. Okay, so this is the New York City system. Bromodichloromethane. Chloroform. Chromium. They are all above the contamination level that will cause cancer. This is Los Angeles. Again, they have five contaminants above health guidelines. Arsenic. Bromate. Chromium. Radiological contaminants. Trihalomethanes. Then 16 other detected contaminants. I don't need to go through the list. Over 170-million Americans are actually drinking radioactive tap water. I decided, being an inventor and a scientist, I could come up with a better method. Our water is zero parts per million. There's no contaminants left in it. So, you're putting medical grade water into your body. You're drinking it. Divinia Water has several different properties to it. The first one is called Exclusion Zone Water. Cellular Water. What it does, it rearranges the electrical charge, so that it excludes contaminants around cells. When you absorb it into your body, it doesn't have to use energy to create it. It actually is created for you. So, water flows in and out of the cells in an extraordinary fashion.

Brad: We did a health screening for my insurance at work. I had these numbers for my liver and kidney - ALT, AST, Creatinine and BUN levels were through the roof. This nurse was calling me up and saying you gotta get to the hospital because your liver is shutting down, and you have to do it now. And, I elected not to. I didn't change anything. I just kept drinking the water. Over the course of a few months, my levels went from the 360, I believe on the Creatinine, to I think 100. Then the next go around, it was down below 60. So, it was bringing them down. I was feeling 100-percent better than I had in years. I feel better now than I did when I was probably 30. There's never been anything like an exclusion zone and a deuterium depleted water together. The more people find out about it, the more people are ordering from us. We're sending out pallets. The subscriber base is growing. We have medical professionals ordering the water for their patients. Different cancer centers have ordered water from us. It's really pretty amazing.

Steve: When we found out it was deuterium-depleted, we decided to enter into a FDA-approved clinical study on drinking this water and the effects on the liver and kidneys. We have sold over the entire world at this point. Dubai. Saudi Arabia. China. Argentina. Chile. Canada. Mexico and of course, every state in the United States. We've been growing at a rate of over 30-percent per month.

### 2nd video

Dane: My name is Dane Croft. I'm 28 years old. I'm from Ammon, Idaho. I live in Idaho Falls now. For me, it started when we were on the journey of trying to get me healthy from kind of a bad liver due to alcohol abuse. And, we were looking at different things. And, I had a friend kind of talk to me about it at my shop. He sells it. And my wife went to work one day, and a lady

came in and was sending a bunch of it to Hawaii. And, they really started talking about things. She really started teaching her about what it can do. And was showing her lab results of other people (laughs) and like all this other stuff. Super enthusiastic about it, so my wife actually traded her some shipping for some water. And we got started. She said, you know, wait a couple of days. Wait about two days, and you'll feel the difference. So, I drank it and two days went by. Didn't really feel much difference. Three days went by, and really didn't feel much difference. About the four or five day mark, I remember waking up and looking at my wife and telling her 'I did not know it was this possible' or 'that it was possible to feel this good.' And I was just blown away by it, so we've been... We've been on this journey to get my Bilirubin down and to do everything. So, I completely cut out all other sources of liquid. Like, soda, sugar, everything is gone. And, my only source of water is Divinia. And, since then, my liver has kind of gone through these healing stages where my levels will drop down, and then come back up a little bit then drop down. And it does that, but for the first time in 5 years, my levels are completely within normal ranges as far as Bilirubin and things like that go. In fact, all my levels across the board are all in normal ranges. For me, I'm just very grateful. I'm a father of four. I'm a husband, a business owner. I have a lot going on, and in the state that I was in, trying to juggle all of those balls, was almost impossible. Now, I'm in recovery. I'm getting healthy. I'm becoming a better husband, father and businessman. All of this accumulated together, has provided me, essentially, with a second chance. I don't give my recommendation easily. I don't just pass stuff out, but it's one thing I feel very comfortable letting people know they should try it because I have experienced it myself. I have felt the difference, and I'm feeling the difference. It's something that I... I think everybody should try it. I want everybody to be able to feel this good.

### 3rd Video

Divinia Water produces 225 bottles per hour at current production levels.

Prototype purifiers and a labor-intensive bottling line limit output.

A custom-built bottling line has been ordered.

Water production increases weekly with new purifiers crafted in-house.

The new line will allow Divinia Water to produce up to 3,600 bottles per hour, a 1,500-percent increase.

### 4th Video

Remy: I hate, hate tap water. Hate it

Remy: So, he made water, so I could drink it.

Steve: She loved bottled water. So, I said why not make something better than what is existing today in bottled water.

Steve: It's not rocket science. It's better. Divinia Water has been tested at five American

Universities.

Crosby: Divinia has a stretched O-H bond, and with that, it has an increased energy level.

Steve: Water has many different forms, just like carbon can take three different forms. That's what this water is, we have changed the bonds to make it a different form of  $H_2O$ .

Crosby: We had a decent life in phoenix, and we essentially gave everything up to pursue this dream.

Remy: We knew we had a gift. So, we put everything we had into it. We put everything we had.

Kiersten: In 2009, we were homeless. We lost everything, but the water is what gave us hope.

Remy: We kept the dream, though. We kept working on the processor and the process of purifying water, of making water.

Kiersten: It's been a long journey. We started out by bottling water in my mom's kitchen.

Remy: We got jobs. Continued working. Continued selling water. Continued giving water. Continued the dream we felt we were called to do. The mission that laid before us, and that was providing water. Clean, pure water.

Kiersten: We've come a long way, and now we're in a 12-thousand square foot facility.

Remy: There's no one else providing the clean water that we do. Nobody.

Crosby: Divinia Water is our lives.

Remy: This is my love story.

Steve: It's why I'm here everyday.

Kiersten: Now we've got some momentum going.

Crosby: We're just getting started. That's the fun part.

## STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

### Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 6-8% (six to eight percent) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the issuer on StartEngine Capital's website.

### Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

### Hitting The Target Goal Early & Oversubscriptions

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuer hits its goal early, and the minimum offering period of 21 days has been met, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach \$1.07M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its

target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

#### Minimum and Maximum Investment Amounts

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.
- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than \$107,000, then during any 12-month period, they can invest up to the greater of either \$2,200 or 5% of the lesser of their annual income or net worth. If both their annual income and net worth are equal to or more than \$107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is less, but their investments cannot exceed \$107,000.

**EXHIBIT F TO FORM C**

**ADDITIONAL CORPORATE DOCUMENTS**





# ARTICLES OF INCORPORATION (General Business)

Title 30, Chapters 21 and 29, Idaho Code

Filing fee: \$100 typed, \$120 not typed

Complete and submit the form in duplicate.**FILED EFFECTIVE**

2015 OCT 29 AM 9:25

SECRETARY OF STATE  
STATE OF IDAHO

- ☐ This general business corporation is a **benefit corporation**.  
(Check if applicable pursuant to Title 30, Chapter 20, Idaho Code)

Article 1: The name of the corporation shall be:

Divinia Water, Inc.

Article 2: The number of shares the corporation is authorized to issue: 10,000,000

Article 3: Registered agent name and address:

United States Corporation Agents, Inc. 950 Bannock Street, Suite 1100 Boise, ID 83702  
(Name) (Address)

Article 4: Incorporator name and address:

LegalZoom.com, Inc., 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203  
(Name) (Address)

Article 5: The mailing address of the corporation shall be:

368 W. 129 N, Idaho Falls, Idaho 83401  
(Address)

Optional Articles (director names and addresses, for example):

Signature of at least one incorporator:

Cheyenne Moseley, Assistant Secretary,

Printed Name: LegalZoom.com, Inc.Signature: 

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Revised 08/2010

Secretary of State use only

IDAHO SECRETARY OF STATE

10/29/2015 05:00

CK:3322510 CT:172099 BH:1498224

1@ 100.00 = 100.00 CORP #2

1@ 20.00 = 20.00 EXPEDITE C #3

C207594