

2018

DESTINATA

CAPITAL LIMITED

An Authorised Financial Service Provider FSP: 48729

PROSPECTUS 01/2018

CONTENTS

CONTENTS	1
PROSPECTUS.....	3
DIRECTOR SIGNATURES	3
SUMMARY	4
INVESTMENT FOCUS.....	5
FORWARD LOOKING STATEMENTS DISCLAIMER.....	6
CORPORATE INFORMATION	7
SALIENT FEATURES	8
DEFINITIONS AND INTERPRETATIONS	9
PROSPECTUS.....	11
SECTION 1 – INFORMATION ABOUT THE COMPANY.....	11
1. NAME, ADDRESS AND INCORPORATION [REGULATION 57]	11
2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES [REGULATION 58].....	11
3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY [REGULATION 59].....	12
4. SHARE CAPITAL OF THE COMPANY [REGULATION 60].....	14
5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [REGULATION 61]	15
6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING [REGULATION 62]	15
7. MATERIAL CONTRACTS [REGULATION 63].....	15
8. INTERESTS OF DIRECTORS AND PROMOTORS [REGULATION 60(a), 64].....	16
9. LOANS [REGULATION 65].....	16
10. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH [REGULATION 66].....	16
11. PROPERTY ACQUIRED OR TO BE ACQUIRED [REGULATION 67].....	16
12. AMOUNTS PAID OR PAYABLE TO PROMOTORS [REGULATION 68]	16
13. PRELIM EXPENSES AND ISSUE EXPENSES [REGULATION 69].....	17
SECTION 2 – INFORMATION ABOUT OFFERED SECURITIES	18
1. PURPOSE OF THE OFFER [REGULATION 70]	18
2. DATE AND TIME OF THE OPENING AND THE CLOSING OF THE OFFER [REGULATION 71].....	18
3. PARTICULARS OF THE OFFER [REGULATION 72]	18
4. MINIMUM SUBSCRIPTION [REGULATION 73]	21
SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER	22
1. ADEQUACY OF CAPITAL [REGULATION 74]	22
2. REPORT BY THE DIRECTORS AS TO MATERIAL CHANGES [REGULATION 75]	22
3. STATEMENT AS TO LISTING ON STOCK EXCHANGE [REGULATION 76]	22
4. REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE ACQUIRED [REGULATION 77]	22

5.	REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [REGULATION 78].....	22
6.	REPORT BY THE AUDITOR OF THE COMPANY [REGULATION 79].....	23
SECTION 4 – ADDITIONAL MATERIAL INFORMATION.....		25
1.	RISK FACTORS	25
2.	RESPONSIBILITY STATEMENT	26
3.	CONSENTS	26
4.	REGISTRATION OF PROSPECTUS	26
5.	DOCUMENTS AVAILABLE FOR INSPECTION.....	26
SECTION 5 – INAPPLICABLE OR IMMATERIAL MATTERS		27
ANNEXURES		28
1.	INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF DESTINATA CAPITAL	28
2.	PRO FORMA FINANCIAL INFORMATION OF DESTINATA CAPITAL.....	30
3.	EXTRACTS FROM MOI [REGULATION 58(3)(a), (c), 60(a)(ii)].....	36
4.	AUDITED ANNUAL FINANCIAL STATEMENTS – PERIOD ENDING 28 FEBRUARY 2018.....	42
5.	PROJECTS PIPELINE	43
6.	FREQUENTLY ASKED QUESTIONS	44
7.	APPLICATION FORMS	45

PROSPECTUS

THIS PROSPECTUS IS A COPY OF A REGISTERED PROSPECTUS (AS DEFINED IN SECTION 95(1)(k) OF THE COMPANIES ACT 71 OF 2008)

The definitions and interpretation contained on page 9 of this prospectus apply to this front cover.

This prospectus is prepared and issued in terms of the Companies Act relating to an offer to the public for the subscription of 19 933 913 ordinary shares in the share capital of Destinata Capital at an issue price of R100 (one hundred rand) per Ordinary Class A share ("the offer").

The date of the issue of this prospectus is 2 November 2018.

This prospectus contains the terms and conditions for the proposed offer.

The directors of Destinata Capital, collectively and individually, accept full responsibility for the accuracy of the information given in this prospectus and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement herein contained false or misleading, and that all the reasonable enquiries to ascertain such facts have been made and that the prospectus contains all information required by law.

The auditor and company secretary, whose names appear on this prospectus, have consented in writing to act in the capacities as stated and to their names being included in this prospectus. None of such parties have withdrawn any such consent prior to the publication of this prospectus.

An English copy of this prospectus was registered by the CIPC on or about 2 November 2018 in terms of section 99(8) of the Act.

Copies of this prospectus (in English) may be obtained during the normal business hours from the date of issue of this prospectus to 28 February 2019 from the registered office of Destinata Capital, the details of which are set out on page 7.

Date of issue: 2 November 2018

DIRECTOR SIGNATURES

Director	Date	Signature
JC Maree	12 October 2018	
PJ Reinhardt	12 October 2018	
R Steyn	12 October 2018	

SUMMARY

The purpose of this prospectus is to raise capital for the company, a duly registered VCC in terms of Section 12J of the Income Tax Act, through issuing share capital, which will be applied to acquire investments in qualifying companies and fund operations.

Taxpayers investing in the fund are entitled to a 100% tax deduction of the cost of the investment in the year of assessment the investment is duly made.

For example, should the investor be a taxpayer falling in the 45% tax bracket the impact would be:

Scenario 1 – IF NO INVESTMENT IS MADE INTO A 12J FUND

Income	1 000 000
Deductions	-
Taxable Income	1 000 000
Tax payable at 45%	450 000

Scenario 2 – IF R1 000 000 IS INVESTED INTO A 12J FUND

Income	1 000 000
Deductions - 12J Investment	-1 000 000
Taxable Income	-
Tax payable at 45%	-
Effective tax saving / return	450 000

The Destinata Capital shareholder, in the example above, will effectively obtain a R1 000 000 investment at a cost of R550 000 (R1 000 000 less R450 000 tax saving).

Destinata Capital, being a VCC, is obliged to invest in qualifying companies. The following criteria apply to a qualifying company:

- The book value must not exceed R50 000 000 (R500 000 000 for junior mining companies).
- There is no limit on the type of business it can invest in, except for the following 'impermissible trades' in terms of the specific legislation, being: immovable property (hotel keep is allowed), banking, insurance, finance services, financial advisory, legal services, tax advisory services, stock broking services, management consulting services, auditing or accounting services, gambling trade, liquor, tobacco, arms or ammunition trade, or any trade carried on mainly outside South Africa.
- The qualifying company's investment income should not exceed 20% of its gross income.

Further requirements, at VCC level:

- At least 80% of expenditure incurred must be in acquiring shares in qualifying companies.

- No more than 20% of the share capital raised by the VCC may be used to acquire shares in a single qualifying company.

INVESTMENT FOCUS

Investment focus:

- Primary: Permissible trades backed by property – hotel keep, hospitality, student accommodation, health care and elderly care
- Secondary: Permissible trades with synergies to the residential property sector – private security, renewable energy, maintenance, connectivity, etc.

Objectives – Target 8% dividend return to investors per annum and maximum capital growth for exit purposes

FORWARD LOOKING STATEMENTS DISCLAIMER

This prospectus contains statements about Destinata Capital that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; earnings; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, and expansion prospects or future capital expenditure levels and other economic factors, such as, inter alia, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Destinata Capital cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Destinata Capital operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this prospectus.

All these forward-looking statements are based on estimates and assumptions, although Destinata Capital believes them to be reasonable, they are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Destinata Capital or not currently considered material by Destinata Capital.

Applicants should keep in mind that any forward-looking statement made in this prospectus or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Destinata Capital not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extents to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Destinata Capital has no duty to, and does not intend to, update or revise the forward-looking statements contained in this prospectus after the date of this prospectus, except as may be required by law.

CORPORATE INFORMATION**COMPANY**

Destinata Capital Limited
(Registration number 2017/340362/06)

FSP number: 48729
VCC number: VCC-0073

Registered address: Unit B1, Block 7, Fairways Office Park, 5 Niblick Way, Somerset West, 7129

COMPANY SECRETARY

Exceed (Cape Town) Incorporated
(Registration number 2000/011257/21)

Physical address: 7 Niblick Way, Parc du Links Building, Somerset West, 7130

Represented by Ms Frances Burger

AUDITORS

Theron du Plessis Somerset Wes Inc.
(Registration number 2005/028545/21)

Physical address: Melcksloot Village 16, Somerset Mall, Somerset West, 7130
Postal address: Postnet Suite 274, Private Bag X15, Somerset West, 7129

LEGAL ADVISOR

Kellerman Hendrikse Attorneys, Notaries and Conveyancers

Physical address: 30 Bloem Street, Boston, Bellville, 7530
Postal address: PO Box 1612, Bellville, 7535
Docex: Docex 44, Bellville
Tel: 021 944 6600

Represented by Barend Kellerman

BANKERS

ABSA – Commercial Business Tygervalley

Physical address: 1st Floor, Bridge Park East, Bridge Way, Century City, Cape Town
Email: werner.hefer@absa.co.za
Tel: 021 816 4355

Represented by Jacobus Louw and Werner Hefer

SALIENT FEATURES

INTRODUCTION

This prospectus relates to an offer to members of the public for the subscription of up to 19 933 913 ordinary Class A shares in the share capital of Destinata Capital at an issue price of R100 per share.

The prospectus contains details of the offer together with relevant information on Destinata Capital in accordance with the Companies Act, 71 of 2008.

PURPOSE OF THE OFFER

The purpose of the offer is to provide members of the public with a tax-efficient investment in Destinata Capital and, as a consequence, raise up to R 1 933 391 300 which will be applied in acquiring shares in qualifying companies and to provide working capital.

DETAILS OF THE OFFER AND SALIENT DATES

Total number of ordinary shares to be placed pursuant to the offer:	19 933 913
Issue price per offer share:	R100
Maximum amount to be raised:	R 1 933 391 300
Last practicable date:	30 April 2018
Opening date of the offer:	2 November 2018 at 09:00
Closing date of the offer:	28 February 2019 at 16:30
Issue of share certificates by:	10 March 2019
If applicable, any refund of any offer application monies by	10 March 2019

Applications must be made in the name of either an individual, company or a trust. No applications from partnerships or other unincorporated associations will be accepted.

DEFINITIONS AND INTERPRETATIONS

In the prospectus, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*. Words importing natural persons shall include corporations and associations of persons and *vice versa* and an expression denoting any gender shall include the other genders:

"applicant"	any member of the public who applies to Destinata Capital to subscribe for shares in respect of the offer;
"auditor"	Theron Du Plessis Somerset Wes Inc. (Registration Number 2005/028545/21), a personal liability company incorporated in accordance with the laws of South Africa, and being the auditor;
"business day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"CIPC"	the Companies and Intellectual Property Commission;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"company secretary"	Exceed (Cape Town) Incorporated (Registration number 2000/011257/21), a private company incorporated in accordance with the laws of South Africa, and being the company secretary;
"Destinata Capital"	Destinata Capital Ltd;
"Destinata Group"	Destinata Holdings Limited and subsidiaries, with Destinata Holdings Limited holding 100% of the Class B ordinary shares in Destinata Capital;
"directors" or "the board"	the directors of Destinata Capital;
"distributable profit"	in respect of each financial year, the net after tax profits of the Company, calculated in accordance with IFRS, available for distribution to shareholders, less the reasonable working capital requirements of the Company, as determined by the board;
"EFT"	Electronic funds transfer;
"FSB"	Financial Services Board;
"financial year"	a financial year of the Company;
"IFRS"	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, International Financial Reporting Interpretations Committee and International Accounting Standards, and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee;

"issue price"	the issue price of each offer share, being R100 (one hundred rands) per offer share;
"last practicable date"	the last practicable date prior to the finalisation of the prospectus, being 30 April 2018;
"MOI"	means the Memorandum of Incorporation of Destinata Capital;
"offer shares"	19 933 913 Ordinary Class A shares;
"offer"	the offer by Destinata Capital to members of the public of the offer shares, at the issue price of R100, the terms of which are set out in this prospectus;
"the Company"	Destinata Capital Ltd;
"VCC"	Venture Capital Company, duly registered with the FSB and SARS in terms of Section 12J of the Income Tax Act 58 of 1962;
"SARS"	South African Revenue Service

PROSPECTUS

SECTION 1 – INFORMATION ABOUT THE COMPANY

1. NAME, ADDRESS AND INCORPORATION [REGULATION 57]

- 1.1. Company name: Destinata Capital Limited **[Regulation 57(1)(a)]**
 1.2. Registration number: 2017/340362/06 **[Regulation 57(1)(a)]**
 1.3. FSP Number: 48729
 1.4. VCC number: VCC-0073
 1.5. Registered office: Unit B1, Block 7, Fairways Office Park, 5 Niblick Way, Somerset West, 7130
[Regulation 57(1)(b)]
 1.6. Date of incorporation: 31 July 2017 **[Regulation 57(1)(c)]**
 1.7. The company is a Holding Company but currently owns no subsidiaries. **[Regulation 57(3)(b)]**

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES [REGULATION 58]

2.1. The board of directors is comprised as follows: **[Regulation 58(2)(a)]**

Name	Age	Qualifications	Nationality	Business address	Occupation and function
JC Maree	36	CA (SA), B. Compt (Hons) (UNISA), B. Acc (US)	South African	Unit B 1, Block 8 Fairways Office Park Somerset West 7130	Businessman, Chief Executive Officer
PJ Reinhardt	48	NDEE	South African	3 rd Floor Pentagon House 699 Plettenberg Street Faerie Glen 0043	Businessman, Non-executive director
R Steyn	27	PA (SA), B.Comm (SU), PGDip Taxation	South African	Unit B 1, Block 8 Fairways Office Park Somerset West 7130	Professional Accountant, Non-Executive director

The abbreviated CVs of the directors are as follows:

2.1.1. **JC Maree CA (SA) – EXECUTIVE DIRECTOR, CHIEF EXECUTIVE OFFICER**

Mr. Maree received a B.Acc degree from the University of Stellenbosch in in 2004, and subsequently obtained a B.Compt (Hons) degree from the University of South Africa the following year.

After successfully completing the SAICA 1st Board Exam in 2005, he moved to the UK for 2 years before returning to South Africa and completing his SAICA articles through LDP Inc. in Stellenbosch, gaining experience in various industries. He has built up experience in both audit and financial management positions before joining the Destinata Group in 2015 as Group CFO and Managing Director of Topaz Trust

Accounting (until 1 March 2016), a Destinata Group company. As of February 2017, he serves as the Chief Executive Officer of the Destinata Group.

Mr. Maree has also completed the Directors Induction Programme through the Institute of Directors in Southern Africa (IoDSA).

2.1.2. PJ Reinhardt – NON-EXECUTIVE DIRECTOR

Mr. Reinhardt is the Chief Operations Officer of the Destinata Group. He has over 21 years' experience in sales and marketing.

As sales executive for PERSETEL, one of the largest South African owned IT companies, he moved on to become the account manager for UNISYS Africa, where he implemented and sold the first UNISYS/Microsoft consolidated platform in South Africa to Old Mutual (on a 3-year project) and consolidated platforms at Sanlam, T-Systems and Metropolitan. He then joined ALTECH as a business development manager, managing a sales team and developing new markets and associated solutions.

Mr. Reinhardt then became the Managing Director of Legacy-Map (Pty) Ltd, a company within the Destinata Group, and took the position as Chief Operations Officer of the Destinata Group in 2016.

2.1.3. R Steyn – NON-EXECUTIVE DIRECTOR

Mr. Steyn is a qualified Professional Accountant PA (SA), also holding a PG Dip Taxation qualification. He's completed his articles as LDP Inc. in Stellenbosch, and has been with the Destinata Group since December 2016, fulfilling the role of Western Cape Regional Manager – Accounting Services.

2.2. Other Information

- 2.2.1. The details of the Company's auditor and company secretary are set out on page 6 of this document as part of the Corporate Information section. **[Regulation 58(2)(b)]**
- 2.2.2. There is currently no right held by any person or entity relating to the appointment of any particular director or number of directors in Destinata Capital. **[Regulation 58(3)(a)]**
- 2.2.3. The relevant provisions of the MOI relating to the appointment, term of office, qualification and remuneration of the directors are set out in the Annexure containing extracts of the MOI, being Annexure 1. **[Regulation 58(3)(a)]**
- 2.2.4. There are no directors' service contracts in place. The relevant provisions of the MOI relating to the appointment, term of office, qualification and remuneration of the directors are set out in Annexure 1 to this prospectus. **[Regulation 58(3)(b)]**
- 2.2.5. The borrowing powers of Destinata Capital, exercisable by the directors and the manner in which some borrowing powers may be varied, are set out in Annexure 1 to this prospectus. These borrowing powers have not been exceeded since Destinata Capital was incorporated. **[Regulation 58(3)(c)]**
- 2.2.6. The business of Destinata Capital, or any part thereof, will not be managed by any third party under a contract. **[Regulation 58(3)(d)]**

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY [REGULATION 59]

- 3.1. As at the last practicable date, Destinata Capital has no subsidiaries and holds no assets, but has been incorporated to make and hold investments. In addition, as at the last practical date, Destinata Capital does not carry on more than one business. Destinata Capital will engage in investments as a principal and will operate primarily in South Africa. **[59(2)(a)&(b)]**

- 3.2. The Company was incorporated on 31 July 2017 as a public company. As at the last practicable date Destinata Capital does not have any subsidiaries. **[59(3)(a)]**
- 3.3. Since incorporation Destinata Capital has not undergone any material changes in its business. **[59(3)(b)]**
- 3.4. In the opinion of the directors, the company has the following prospects: [59(3)(c)]**
- 3.4.1. The company has been duly registered as a Venture Capital Company in terms of Section 12J of the Income Tax Act, 58 of 1962, with the required establishments being the FSB and SARS.
- 3.4.2. The directors foresee that raising capital will be immensely stimulated by the tax incentive on offer for the investor and intend to raise an amount of R250 000 000 with this prospectus.
- 3.4.3. The capital raised will be applied mainly (a minimum of 80% is required) to acquire investments in qualifying companies as explained in the summary on page 4.
- 3.4.4. The potential investments are to be sourced through relationships with auditors, bankers, business associates' networks, private equity firms, other VCC's and other existing relationships in our network.
- 3.4.5. While we do not exclude any sectors from potential investments we would target, we have identified the following sectors as priority:
- Primary: Permissible trades backed by property – hotel keep, hospitality, student accommodation, health care and elderly care
 - Secondary: Permissible trades with synergies to the residential property sector – private security, renewable energy, maintenance, connectivity, etc.
- 3.5. Destinata Capital, at the last practicable date, has cash on hand of R6.5m which was raised through by means of a share issue. It holds no other material assets or liabilities and does not have any subsidiaries. This capital is to be pooled with capital raised from this prospectus and applied to investments in qualifying companies or utilised as working capital in the discretion of the directors as and when investment opportunities and operations needs arise. **[59(3)(d)]**
- 3.6. Destinata Capital does not own any movable property or leasehold properties, nor does Destinata Capital have any commitments for purchase, construction or installation of buildings or machinery. **[59(3)(e)&(f)]**
- 3.7. Since incorporation the Company has shown the following in terms of turnover, profit or loss, and dividends.**[59(3)(g)]**

	INCORPORATION - 28 FEBRUARY 2018	1 MARCH 2018 - 30 APRIL 2018
Revenue	60 000	-
Finance income	6 791	39 790
Net profit before tax	-21 808	28 441
Net profit after tax	-21 808	28 441
Dividends paid	-	-
Dividends cover	N/A	N/A

4. SHARE CAPITAL OF THE COMPANY [REGULATION 60]

4.1.1. The authorised and issued share capital of Destinata Capital, before and after the offer, is set out below. The figures have been prepared on the assumption that 2 500 000 of the offer shares have been taken up pursuant to the offer and have been fully subscribed for.

4.1.2. Share capital before the offer: **[Regulation 60(a)(i)]**

AUTHORISED		
20 000 000	Class A Ordinary Shares	-
20 000 000	Class B Ordinary Shares	-
ISSUED		
66 087	Class A Ordinary Shares	6 488 280
20 000 000	Class B Ordinary Shares	20 000
		6 508 280

4.1.3. Share capital after the offer:

AUTHORISED		
20 000 000	Class A Ordinary Shares	-
20 000 000	Class B Ordinary Shares	-
ISSUED		
2 566 087	Class A Ordinary Shares	256 488 280
20 000 000	Class B Ordinary Shares	20 000
		256 508 280

4.1.4. In terms of the MOI, the rights attaching to the different classes of shares are as set out in Annexure1.**[Regulation 60(a)(ii)]**

4.1.5. Details of the founder and management shareholder's shares are contained on page 16, paragraph 8 of this prospectus.**[Regulation 60(a)(iii)]**

4.1.6. Since incorporation, share capital was issued as shown in 4.1.2. **[Regulation 60(b)]**

4.1.7. The company issued a prospectus on 1 December 2017 with a subscription period of 1 December 2017 – 28 February 2018.

Class A ordinary shares were offered at R100.

Offer shares allotted: 42 003

The shares were offered to all members of the public and issued to all who applied to subscribe.
[Regulation 60(c)]

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [REGULATION 61]

5.1. Options

5.1.1. No options are applicable.

5.2. Preferential rights in respect of shares

5.2.1. In terms of the MOI, the rights attaching to the Class A Ordinary shares and Class B Ordinary shares are as set out in Annexure 1.

5.2.2. The Ordinary Class A shares, offered in this prospectus, have the following salient rights attached to them:

- 49% of the voting rights.
- 80% of dividends and retained earnings.
- Pro-rata share of the share capital contributed by the Class A shareholders.

5.2.3. The Ordinary Class B shares, held by the founders Destinata Holdings Limited, have the following salient rights attached to them:

- 51% of the voting rights.
- 20% of dividends and retained earnings.
- Pro-rata share of the share capital contributed by the Class B shareholders.

6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING [REGULATION 62]

6.1. Since incorporation and to date of this prospectus, no person was paid nor was any commission payable to any person for subscribing or agreeing to subscribe for, or procuring or agreeing to procure the subscription of any securities of Destinata Capital. **[Regulation 62(2)(a)]**

6.2. With regards to subscription in terms of this prospectus, brokers will receive a placement commission of 2% of the value of subscription, should they be the effective cause of the transaction.

6.3. Broker consultants that were the effective cause of brokerage agreements with the brokers mentioned in 156.2 will receive a commission of 0.5%.

6.4. No commission or fees are payable to anyone acting as a promotor, except as provided in 6.2 and 6.3 above. **[Regulation 62(2)(e)]**

7. MATERIAL CONTRACTS [REGULATION 63]

7.1. The company will pay a management fee to Destinata Holdings Limited in return for management services. It is noted that the directors will not be remunerated by the company. The fee will be equal to 2% of the issued share capital per annum.

7.2. Parveen Sondag has been appointed as the company's Key Individual, and is tasked with ensuring FSB compliance and maintenance of the required FSB licenses. Her remuneration for the role is R15 000 per month. The contract commenced on 1 May 2018 and will run for a minimum of twelve months, where after a 4 month notice period will apply for either party.

7.3. The contracts above will be reviewed from time to time.

7.4. As at the last practicable date, Destinata Capital has not entered into any other contracts or proposed contracts, either written or oral, relating to the directors' and managerial remuneration, royalties, and technical fees payable by the Company.

8. INTERESTS OF DIRECTORS AND PROMOTORS [REGULATION 60(A), 64]

8.1. At the last practical date, the directors and promoters, directly or indirectly, have the following beneficial interests:

Number of shares held: **[Regulation 60(a)(iii)]**

Director / Promotor	Direct beneficial	Ordinary Class A Shares		Ordinary Class B Shares		Percentage of effective voting rights
		Indirect beneficial	Percentage of Ordinary Class A Share Capital	Indirect beneficial	Percentage of Ordinary Class B Share Capital	
<i>Executive directors</i>						
JC Maree	-	-	0,0%	-	0,0%	0,0%
<i>Non-executive directors</i>						
PJ Reinhardt	-	-	0,0%	-	0,0%	0,0%
R Steyn	-	-	0,0%	-	0,0%	0,0%
Total	-	-	0,0%	-	0,0%	0,0%

9. LOANS [REGULATION 65]

9.1. As at the last practical date, the Company had advanced a loan of R22 124 to Destinata Holdings Ltd and owed a loan of R28 515 to Treoc (Pty) Ltd, which is not deemed material.

9.2. Other than the loans above the Company had not incurred any material loans and had not advanced any material loans other than in the ordinary course of business.

10. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH [REGULATION 66]

10.1. Since incorporation to the date of this prospectus, the Company had not issued or agreed to issue any shares to any person other than for cash.

11. PROPERTY ACQUIRED OR TO BE ACQUIRED [REGULATION 67]

11.1. The Company has not purchased nor acquired any immovable property or other fixed assets since incorporation to the date of this prospectus.

12. AMOUNTS PAID OR PAYABLE TO PROMOTORS [REGULATION 68]

12.1. Commissions payable to brokers and broker consultants are detailed in 6.2 and 6.3 above.

12.2. Other than the above point, since incorporation, the Company has not paid or proposed to pay any amounts to any promoter, any partnership, syndicate, or other association of a promoter.

13. PRELIM EXPENSES AND ISSUE EXPENSES [REGULATION 69]

The professional fees and costs of this prospectus and of the offer, are based on the assumption that the offer has been fully subscribed for and are expected to total approximately the amount stated below and will be settled by Destinata Capital from the offer share proceeds.

Expense	R
CIPC fees	7 000
Auditor's fees	10 000
Other costs	13 000
Total	30 000

SECTION 2 – INFORMATION ABOUT OFFERED SECURITIES

1. PURPOSE OF THE OFFER [REGULATION 70]

- 1.1. The purpose is to raise a target of R250 000 000 Class A Ordinary Share Capital, to a maximum of R 1 933 391 300, in order to establish a VCC Fund. **[Regulation 70(a)]**
- 1.2. There is no minimum subscription in relation to this offer. **[Regulation 70(b)]**

2. DATE AND TIME OF THE OPENING AND THE CLOSING OF THE OFFER [REGULATION 71]

2.1. Important dates are:

Last practicable date:	30 April 2018
Opening date of the offer:	2 November 2018 at 09:00
Closing date of the offer:	28 February 2019 at 16:30
Applicants to be advised of allocations by:	10 March 2019
Issue of share certificates by:	10 March 2019
If applicable, any refund of any offer application monies by	10 March 2019

Note: The dates and times mentioned above are South African times and are subject to amendment at the sole discretion of the directors. Any such amendment will be published on:

www.destinatacapital.com

3. PARTICULARS OF THE OFFER [REGULATION 72]

3.1. Details of securities

- 3.1.1. In terms of the offer 19 933 913 Ordinary Class A Shares are offered at a price of R100 (one hundred rand) per share to members of the public.
- 3.1.2. Members of the public are invited to apply for the ordered securities by completing the attached application form as attached in Annexure 7.
- 3.1.3. No offer shares will be issued at a discount to the issue price.
- 3.1.4. Should applications exceed the shares on offer, the directors cannot increase the number of shares offered and reserve the right to apportion the available offer shares in an equitable manner.
- 3.1.5. The offer will be subject to the provision that no applicant, whether acting alone or in concert with connected parties, may acquire 35% of the total issued ordinary shares in Destinata Capital to the extent that it would result in the obligation to make a mandatory offer in terms of section 123 of the Companies Act.
- 3.1.6. The offer will be exclusively governed by the laws of South Africa and each applicant will be deemed, by applying for the ordinary shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the offer.
- 3.1.7. An announcement will be published on the Company's website on 10 March 2019, stating the results of the offer and the number of ordinary shares allocated under the offer.

3.2. Procedures for application

- 3.2.1. Applications in respect of the offer must be made on the relevant attached application form/s provided to applicants, and deliver the completed application forms to:

Via email (preferred method) to:

info@destinataholdings.com using "DCL Subscription" as subject line;

Or physically at:

Destinata Capital Limited
Unit B1, Block 7
Fairways Office Park
5 Niblick Way
Somerset West
7130

So as to be received by not later than 16:30 on 28 February 2019 . No late deliveries of application forms will be accepted, and applicants are advised to take into consideration delays in postal deliveries.

- 3.2.2. Photocopies, electronic copies or reproductions will be accepted. Each application will be regarded as a single application.
- 3.2.3. No applications from minors, deceased estates or partnerships will be accepted. Executors, trustees and individual partners may apply for offer shares in their own name (but in their official capacities) or through nominee companies. No documentary evidence of capacity need accompany the application form, but the directors of Destinata Capital reserve the right to call upon any applicant to furnish such evidence for noting.
- 3.2.4. Applications are irrevocable once received by the Company.
- 3.2.5. No receipts will be issued for applications and/or payments received.

3.3. Payment of offer price

- 3.3.1. The amount payable for the offer shares is payable in full on acceptance of the offer in the currency of South Africa, upon the terms and conditions set out in this prospectus.
- 3.3.2. Payment may only be made by cheque or an electronic funds transfer. The use of postal orders, cash or telegraphic transfers will not be accepted. If a cheque is used as the form of payment, it must be attached to and submitted with the relevant application form. All applications must be accompanied by proof of electronic transfer, or by a cheque. No post-dated cheques will be accepted. Cheques must be crossed, and marked "non-transferable" and made payable in favour of "Destinata Capital Limited". All electronic funds transfers must be evidenced by proof of payment with the applicant's full name as reference.
- 3.3.3. All money received in respect of applications will be paid into a bank account of the Company with a banking institution registered under the Banks Act, No 94 of 1990, as amended, and, subject to paragraph 3.3.4, not be used or made available for use by the Company or for the satisfaction of its debts until the offer has been closed. Any interest accruing will be for the benefit of the Company.
- 3.3.4. Subject to the Company receiving applications in excess of at least R1 000 000 (one million rand), the board shall, in its sole and unfettered discretion, be entitled to accept such applications or any follow up applications after the initial R1 000 000 (one million rand) minimum has been reached, and apply such funds for the purposes described in this prospectus, notwithstanding that the offer period has not expired.
- 3.3.5. Remittances and applications will only be accepted as complete when the relevant cheque/electronic funds transfer has been paid/made. Should any cheque or electronic funds transfer be dishonoured/fail, the directors may in their absolute discretion regard the relevant application as revoked or take such other steps in regard thereto as they may deem fit.
- 3.3.6. Payment by electronic funds transfer (EFT) is to be made to the following account, and a proof of payment attached to either the email, if applying via email, or the hard copy application, if applying at the physical address:

Name of Account: Destinata Capital Limited
 Bank: ABSA
 Branch code: 632 005
 Account number: 40 9324 5875

An electronic funds transfer must be evidenced by proof of payment with the following reference: “DCL – “and the applicant’s name. Cheques must be crossed, marked “non-transferable” and made payable in favour of Destinata Capital Limited.

3.4. Over-subscription

- 3.4.1. In the event of an over-application for the offer, the directors shall not be entitled to increase the number of offer shares.
- 3.4.2. If the offer shares applied for in an offer exceeds 100% of the offer shares available, the directors will apportion the available offer shares in an equitable manner. Non-equitable allocations of excess offer shares will only be allowed in instances where they are used to round holdings up.

3.5. Reservation of rights

- 3.5.1. The directors reserve the right to accept or reject, either in whole or in part, any applications should the terms and the instructions contained in this prospectus and in the applicable application form not be properly complied with.

3.6. Issue of the offer shares

- 3.6.1. Once the offer has closed, Destinata Capital will issue the share certificates in respect of the offer shares, and such share certificates will be held at the offices of Destinata Capital. Applicants may elect that share certificates be posted to them. If such election is made, share certificates will be posted by registered mail at the risk of the applicant to the address shown on the application, within 10 days following the closing of the offer.
- 3.6.2. Destinata Capital accepts no liability for share certificates which may be lost in the post. Requests for the issue of replacement share certificates must be made in writing and be accompanied by an acceptable indemnity.
- 3.6.3. The ordinary shares issued in terms of this prospectus will be allotted subject to the provisions of the MOI.
- 3.6.4. Shareholders wishing to sell their offer shares in the future will need to contact Destinata Capital to make the necessary arrangements. Destinata Capital will not act as a purchaser of last resort.

3.7. Issue of shares [Regulation 72(2)]

- 3.7.1. Upon incorporation of the company, on 31 July 2017, the following shares were issued: 20 000 000 Class B Ordinary Shares at R0.001 each.
- 3.7.2. The reasons for the difference in price of the Class B Ordinary shares issued upon incorporation to the Class A Ordinary shares now being offered are:
- It is a different class of share with different rights attached to it.
 - The Class B Ordinary shares serve the purpose to keep the founders involved with the company as they will also benefit from value created, and to provide protection against hostile takeovers.
- 3.7.3. Class A Ordinary shares previously issued:

Date: Year ended 28 February 2018

Price issued at: 42 003 issued at R100 in terms of the prospectus, i.e. investments under R1m.

24 084 issued at R95 in terms of a private placement, i.e. investments over R1m.

- 3.7.4. A Private Placement Memorandum was issued on or about 8 November 2017, offering Class A Ordinary shares at R95 per share, with a minimum investment of R1 000 000 required. The reason for the discounted price relevant to the offer price of R100 as per this prospectus, is the incentive to invest in

larger blocks, being the minimum R1 000 000. The Private Placement Memorandum is published on the Destinata Capital website:

http://www.destinata-holdings.com/images/downloads/DCL_-_PPM.pdf

Should the reader of this prospectus prefer to invest via the Private Placement Memorandum instead of via this prospectus, he is welcome to do so.

3.7.5. Since incorporation the Company has not issued any shares at a premium. **[Regulation 72(3)]**

4. MINIMUM SUBSCRIPTION [REGULATION 73]

4.1. The offer is not subject to any minimum subscriptions.

SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER

1. ADEQUACY OF CAPITAL [REGULATION 74]

1.1. The directors are of the opinion that for the 12 (twelve) month period pursuant to the offer:

- 1.1.1. the Company will be able, in the ordinary course of business, to pay its debts;
- 1.1.2. the assets of the Company will be in excess of the liabilities of the Company;
- 1.1.3. the share capital and reserves of the Company will be adequate for its ordinary business requirements;
and
- 1.1.4. the Company will have sufficient working capital that is adequate for its future requirements.

2. REPORT BY THE DIRECTORS AS TO MATERIAL CHANGES [REGULATION 75]

2.1. The directors report that there have been no material changes in the assets and liabilities of the Company from the end of the previous financial year to the last practicable date.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE [REGULATION 76]

3.1. No formal application has been made for a listing of the securities offered. It is however not excluded as a possible strategy in the future.

4. REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE ACQUIRED [REGULATION 77]

4.1. None of the proceeds of the issue of the offer shares will be used, directly or indirectly, to acquire a business undertaking.

5. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [REGULATION 78]

5.1. None of the proceeds of the issue of the offer shares will be used, directly or indirectly, to acquire securities of any other juristic person with the direct or indirect result of another juristic person becoming a subsidiary of the Company.

 6. REPORT BY THE AUDITOR OF THE COMPANY [REGULATION 79]

6.1. Find below the concise audited financial information for the last 3 years of Destinata regarding:

Profits and losses

	INCORPORATION - 28 FEBRUARY 2018	1 MARCH 2018 - 30 APRIL 2018
Revenue	60 000	-
Finance income	6 791	39 790
Net profit before tax	-21 808	28 441
Net profit after tax	-21 808	28 441
Dividends paid	-	-
Dividends cover	N/A	N/A

Assets and liabilities

	28 FEBRUARY 2018
Assets	
Current Assets	
Cash and cash equivalents	6 528 131
Total Assets	6 528 131
Equity and Liabilities	
Equity	6 486 472
Issued Capital	6 508 280
Accumulated profit / (loss)	-21 808
Non-Current Liabilities	34 351
Loan from shareholder	4 836
Loan from related party	29 515
Current liabilities	
Trade and other payables	7 308
Total Equity and Liabilities	6 528 131

- 6.2. Nothing has come to our attention to indicate that the financial information of the company and its subsidiaries have been materially misstated.
- 6.3. The financial statements have been compiled in accordance with the International Financial Reporting Standards and the Companies Act, 71 of 2008.
- 6.4. Furthermore
 - 6.4.1. Debtors and creditors do not include accounts other than trade accounts.
 - 6.4.2. The provisions for doubtful debt appear to be adequate.
 - 6.4.3. Adequate provision has been made for obsolete, damaged or defective goods, and for supplies purchased at prices in excess of the current market prices.
 - 6.4.4. There have not been any material changes in the assets and liabilities of the company since the date of the last annual financial statements.

SECTION 4 – ADDITIONAL MATERIAL INFORMATION

1. RISK FACTORS

1.1. Applicants should consider the following risks, read together with the rest of this prospectus. The factors described below are not an exhaustive list of factors relating to an investment in Destinata Capital:

RISK	POTENTIAL EFFECT / NOTES
1.1.1. VCC's are subject to a sunset clause that ends on 30 June 2021.	Post 30 June 2021 the tax incentive would not be available to new investors, i.e. they will not be able to claim a deduction equal to investment in terms of section 12J of the Income Tax Act. It will not negatively impact on investors investing prior to 30 June 2021. The only potential issue could be that selling existing shares to new investors could be more difficult as the tax incentive would not be available for said new investors.
1.1.2. VCC shares are to be held for 5 years in order to avoid a recoupment.	Should VCC shares be disposed of less than 5 years after acquisition, a recoupment will be triggered. As the investment is initially 100% tax deductible, it will be carried at a base cost of R0. Should the share be disposed of after 5 years, normal capital gains will be triggered.
1.1.3. Withdrawal of VCC status by SARS for non-compliance.	<p>The Company must satisfy the VCC requirements at the end of each year after the expiry of 36 months from the 1st date of issue of VCC shares by the VCC. The requirements are:</p> <ul style="list-style-type: none"> • Minimum 80% of expenditure incurred must be for acquisition of qualifying shares in qualifying companies. • Maximum 20% of issued VCC capital is to be spent on a single investment. <p>Should the VCC status be withdrawn, after SARS has issued written notification of non-compliance and a grace period to correct, an amount equal to 125% of the aggregate VCC share capital issued will be included in the VCC's taxable income in the year of withdrawal.</p> <p>Through careful management and a focus on compliance, the directors intend to ensure compliance with the VCC requirements as stated by SARS.</p>
1.1.4. Operating history	The Company has very little recent operating history and as such does not have any profitable operations. Applicants should take note that the future prospects contained in this prospectus is a forward-looking statement and does not represent guaranteed returns.
1.1.5. Investment risk	There is no guarantee on the price of the shares or any returns thereon.
1.1.6. Liquidity risk	The Company will invest in unlisted securities, amongst others, which are inherently illiquid in nature and carry a large amount of liquidity risk. This

	may increase the overall risk of the investment in the Company.
1.1.7. Performance risk	The performance of the fund will be directly linked to the performance of the investee companies. Risk will be mitigated through careful selection of investee companies, performance of due diligence investigations and the fact that that a VCC may only invest up to 20% of capital raised in a single investee company, in essence forcing diversification.

2. RESPONSIBILITY STATEMENT

2.1. The directors certify that to the best of their knowledge and belief there are no facts that have been omitted which may make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the prospectus contains all information required by law. The directors accept full responsibility for the information contained in this prospectus and its annexures.

3. CONSENTS

3.1. Each of the auditor and company secretary of Destinata Capital have given consent and have not, prior to the last practicable date, withdrawn their written consents to the inclusion in this prospectus of their names and, where applicable, their reports, in the form and context in which they appear.

4. REGISTRATION OF PROSPECTUS

4.1. An English copy of this prospectus was registered in terms of Section 99(8) of the Companies Act by CIPC on or about 2 November 2018 together with written consents of the various parties provided for in this prospectus, to act in the capacities as stated and/or to their names being stated herein, which consents have not been withdrawn prior to registration.

5. DOCUMENTS AVAILABLE FOR INSPECTION

5.1. Copies of the following documents will be available for inspection during normal business hours at the registered office of Destinata Capital from 09h00 up until 16h00.

- 5.1.1. the MOI;
- 5.1.2. the pro forma financial information;
- 5.1.3. the signed independent practitioner's assurance report;
- 5.1.4. the advisors' consent letters, and
- 5.1.5. a signed copy of this prospectus.

SECTION 5 – INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of the Companies Regulations dealing with the requirements for a Prospectus are not applicable to this Prospectus:[52(2), 55, 57(2), 58(3)(d), 59(2)(a), 62, 65(2)(b), 68, 69(a), 69(b), 70(b), 72(3), 73, 74(b), 75, 76, 77, 78 and 80]

ANNEXURES

1. INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF DESTINATA CAPITAL

ANDER KANTORE / OTHER OFFICES:

ALIWAL-NOORD/NORTH
BURGERSDORP
CRADOCK
DE AAR
DURBANVILLE

HELDERBERG
MIDDELBURG OK/EC
STELLENBOSCH
VILLIERSDORP



GEOKTROOIEERDE REKENMEESTERS (SA)
CHARTERED ACCOUNTANTS (SA)

Fairways Kantoorpark 13
Postnet Suite 274
Privaatsak X15
Somerset Mall
Somerset-Wes 7129
Telefoon (021) 851-2385
Faks (021) 851-2271
E-pos: info@sw.tdp.co.za

13 Fairways Office Park
274 Postnet Suite
Private Bag X15
Somerset Mall
Somerset West 7129
Telefoon (021) 851-2385
Fax (021) 851-2271
E-mail: info@sw.tdp.co.za

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE PROCESS TO COMPILE PRO FORMA FINANCIAL INFORMATION

To the directors of Destinata Capital Limited

We have completed our assurance engagement to report on the process applied by Destinata Capital Limited (the company) to compile the pro forma financial information, consisting of the pro forma statements of financial position as at 29 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024, the pro forma statements of comprehensive income for the period ended 29 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024 and the pro forma cash flow statements for the period ended 29 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024 as set out on pages 31- 35 of the prospectus issued by the company.

The pro forma financial information has been compiled by management to illustrate the impact of the issue of the relevant shares set out in note 4 and 5 on the company's financial position as at 29 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024 and its financial performance and cash flows for the periods then ended. As part of this process, information about the company's financial position, financial performance and cash flows has been extracted from the company's financial statements for the period ended 30 April 2018, on which no audit or review report has been published. Because of its nature, the pro forma financial information does not represent the company's actual financial position, financial performance, or cash flows.

Management's Responsibility for the Pro Forma Financial Information

Management of Destinata Capital Limited is responsible for applying the process to compile the pro forma financial information in accordance with the applicable criteria.

Practitioner's Responsibilities

Our responsibility is to express a conclusion, about whether the process to compile the pro forma financial information has been applied by management in accordance with the applicable criteria.

We are not responsible for updating or reissuing any reports or conclusions on any financial information used in compiling the pro forma financial information. In addition, we have not performed an audit or review of the pro forma financial information and, accordingly, we do not express an independent review conclusion on the pro forma financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the responsible party has applied the process to compile the pro forma financial information in accordance with the applicable criteria.

Our procedures included:

- Making inquiries of management regarding the process management has applied to compile the pro forma financial information;
- Evaluating whether management has used an appropriate source of the unadjusted financial information in compiling the pro forma financial information;
- Checking whether management has appropriately extracted the unadjusted financial information from the source documents;
- Evaluating whether management has compiled the pro forma financial information on a basis consistent with the company's financial reporting framework and its accounting policies under that framework;
- Considering management's evidence supporting the pro forma adjustments;
- Determining whether the calculations within the pro forma financial information are arithmetically accurate; and
- Evaluating the overall presentation and disclosure of the pro forma financial information and related explanatory notes;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

It should be noted that our procedures were only performed on the pro forma financial information included on pages 31 - 35 and our conclusion is only expressed in respect of the pro forma financial information and do not extend to the remainder of the prospectus.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- The pro forma financial information as included on pages 30 - 35 has not been properly compiled on the basis stated;
- That the basis applied is inconsistent with the accounting policies of the company

We hereby consent to the inclusion of this letter and the reference to our conclusion in the prospectus in the form and context in which it appears.

Theron du Plessis Somerset Wes Ing.

S Theart CA(SA) RA
30 July 2018

Theron du Plessis Somerset-Wes Ingelyf / Incorporated Reg. No. 2005/028545/21
Direkteur/Director: JV Swartz CA (SA), MBA (Madrid), CIMA (United Kingdom), CAIB (SA), B. Compt (Cum Laude), Hons. B. Compt (Cum Laude), Adv. Dip. Audit, Adv. Dip. Treasury and Int. Banking (Cum Laude)
Bygestaan deur/Assisted by: G Botha B.Comm, Post Grad Dip. Tax Law, CertIR, Prof. Tax Specialist (SA), (SAIPA); SAN Louw B.Tech CMA, Post Grad Dip. Tax Law, CertIR, Prof. Tax Specialist (SA), (SAIPA).



2. PRO FORMA FINANCIAL INFORMATION OF DESTINATA CAPITAL

The pro forma and estimate information have been prepared to show the expected results of the share issue in terms of this prospectus and subsequent application of capital, based on the assumptions shown below.

Columns:

- At last practicable date – Shows state of affairs at last practicable date being 30 April 2018.
- Effect of share issue – Shows the movement effect on the statement of financial position, statement of comprehensive income and statement of cash flows.
- Directly after share issue – Shows state of affairs after the share issue, i.e. a total of the 1st two columns.
- 2020 to 2024 – Shows the forecast results for the following 5 years

Assumptions:

Additional to the below tables, the following assumptions are made:

- Projects are exited after 5 years
- The full amount of capital raised is invested in qualifying companies on the 1st day of the 2020 financial year (i.e. 1 March 2019)
- All projects are exited after 5 years and the maximum dividend declared together with capital returned.
- The assumptions are based on the type of projects Destinata Capital investigates. Project-for-projects returns will likely vary. The projects A – E listed are examples of projects. The projects that Destinata Capital invests in might be other projects, within the discretion of the directors.
- No gearing has been applied in order to keep the forecast simplistic. Applying gearing to the projects should further increase the ROI. The directors will use gearing in their discretion.

Notes:

- The projects listed under Annexure 4 are used in the assumptions, except for project E, where an additional amount is included in order for the company to reach the target of 80% of capital being invested in qualifying companies. It can be assumed that Project E for purposed of this hypothetical forecast consists of more than one project.
- Deals will not necessarily be exited after 5 years – it will be in the discretion of the directors.

A blanket view was taken on the potential returns to be generated from projects. Results may vary.

ECONOMIC	
Inflation	7%
Interest rate - Borrowings	10%
Corporate Tax Rate	28%
CGT Inclusion Rate	80%
Discount rate	7%
Interest rate - Savings	6%

AT VCC LEVEL	
Management fees	2,0%
Broker Consultant Commission	0,5%
Broker Commission	2,0%
Dividend target	8,0%
Costs linked to shares issue	30 000
OVERHEADS	370 000
Key Individual	180 000
Secretarial fees	30 000
Audit fees	50 000
Accounting fees	30 000
Other	80 000

PROJECTS	A	B	C	D	E
Initial Investment	34 000 000	32 000 000	31 000 000	35 000 000	72 000 000
Initial Fair Value	34 000 000	32 000 000	31 000 000	35 000 000	72 000 000
Annual ROI	13%	13%	13%	13%	13%
Dividend policy	100%	100%	100%	100%	100%
Capital Growth per annum	8%	8%	8%	8%	8%
Gearing	0%	0%	0%	0%	0%

Pro forma and forecast financial information:

	AT LAST PRACTICABLE DATE	EFFECT OF SHARE ISSUE	DIRECTLY AFTER SHARE ISSUE	2020	2021	2022	2023	2024
STATEMENT OF FINANCIAL POSITION								
Assets								
Non-Current assets								
Investments in subsidiaries & associates @ Cost				204 000 000	204 000 000	204 000 000	204 000 000	-
	-	-	-	204 000 000	204 000 000	204 000 000	204 000 000	-
Current assets								
Cash and cash equivalents	6 518 626	243 720 000	250 238 626	39 329 544	36 357 651	34 679 732	34 271 484	0
	6 518 626	243 720 000	250 238 626	39 329 544	36 357 651	34 679 732	34 271 484	0
Total assets	6 518 626	243 720 000	250 238 626	243 329 544	240 357 651	238 679 732	238 271 484	0
Equity and Liabilities								
Equity								
Issued Capital								
Ordinary - Class A	6 488 280	250 000 000	256 488 280	256 488 280	256 488 280	256 488 280	256 488 280	6 488 280
Ordinary - Class B	20 000		20 000	20 000	20 000	20 000	20 000	20 000
Retained earnings	7 030	-6 280 000	-6 272 970	7 321 264	23 249 371	38 971 452	54 563 204	70 098 733
Dividends Paid				-20 500 000	-39 400 000	-56 800 000	-72 800 000	-76 607 013
	6 515 310	243 720 000	250 235 310	243 329 544	240 357 651	238 679 732	238 271 484	0

Non-current Liabilities	-		-	-	-	-	-
Current liabilities	3 316		3 316	-	-	-	-
Total Equity and Liabilities	6 518 626	243 720 000	250 238 626	243 329 544	240 357 651	238 679 732	238 271 484

STATEMENT OF COMPREHENSIVE INCOME

Income

Profit on sale of investment			-	-	-	-	-
Interest received				2 359 773	2 181 459	2 080 784	2 056 289
Dividends received			19 094 400	19 094 400	19 094 400	19 094 400	19 094 400
			-	19 094 400	21 454 173	21 275 859	21 175 184

Expenses

Commission Paid	6 250 000	6 250 000	-	-	-	-	-
Costs linked to share issue	30 000	30 000	-	-	-	-	-
Management fees			-	5 130 166	5 130 166	5 130 166	5 130 166
Overheads				370 000	395 900	423 613	484 995
	6 280 000	6 280 000	5 500 166	5 526 066	5 553 779	5 583 432	5 615 160

Net profit before tax	-6 280 000	-6 280 000	13 594 234	15 928 107	15 722 080	15 591 752	15 535 529
Taxation expense			-	-	-	-	-
Net profit after tax	-6 280 000	-6 280 000	13 594 234	15 928 107	15 722 080	15 591 752	15 535 529

STATEMENT OF CASH FLOWS

Cash flows from operating activities

Net profit	-6 280 000	-6 280 000	13 594 234	15 928 107	15 722 080	15 591 752	15 535 529
------------	------------	------------	------------	------------	------------	------------	------------

Tax expense	-	-	-	-	-	-	-
Tax paid		-	-	-	-	-	-
Profit on sale of investment			-	-	-	-	-
Receivables / Payables movement		-	-3 316	-	-	-	-
	-6 280 000	-6 280 000	13 590 918	15 928 107	15 722 080	15 591 752	15 535 529
Cash flows from investing activities							
Investments		-	-204 000 000	-	-	-	204 000 000
	-	-	-204 000 000	-	-	-	204 000 000
Cash flows from financing activities							
Shares issued	250 000 000	250 000 000					
Share buyback							-250 000 000
Dividends paid	-	-	-20 500 000	-18 900 000	-17 400 000	-16 000 000	-3 807 013
	250 000 000	250 000 000	-20 500 000	-18 900 000	-17 400 000	-16 000 000	-253 807 013
Net cash movement for the period	243 720 000	243 720 000	-210 909 082	-2 971 893	-1 677 920	-408 248	-34 271 484
Cash at the beginning of the period		-	250 238 626	39 329 544	36 357 651	34 679 732	34 271 484
Total cash at end of the period		243 720 000	39 329 544	36 357 651	34 679 732	34 271 484	0

Example of potential impact on a group of individual taxpayer investors:

Assumptions:

- Income tax rate: 45%
- Dividends tax rate 20%
- Capital Gains Inclusion rate: 40%
- The capital inserted comes from a group of 6+ natural persons as investors.

	Y0	Y1	Y2	Y3	Y4	Y5
Investment	-250 000 000					
Tax saving	112 500 000					
Actual Cost	-137 500 000					
Dividends received		20 500 000	18 900 000	17 400 000	16 000 000	3 807 013
Dividends tax		-4 100 000	-3 780 000	-3 480 000	-3 200 000	-761 403
Capital returned						250 000 000
Capital Gains Tax						-45 000 000
Net cash flow	-137 500 000	16 400 000	15 120 000	13 920 000	12 800 000	208 045 610
ROI - 5 YEARS	194%					
ROI PER ANNUM	39%					

7. SHARES

7.1. The Company is authorised to issue up to –

20,000,000 (twenty million) Class A Ordinary Shares; and

20,000,000 (twenty million) Class B Ordinary Shares,

7.1.1. Rights attaching to Class A ordinary shares:

Each A ordinary share ranks *pari passu* in all respects, other than specifically specified below, and entitles the holder to the right to be entered in the securities register of the Company as the registered holder of a Class A Ordinary share:

7.1.1.1. With regard to voting, in the case of a vote by means of a show of hand or a poll, 1 (one) vote for every Class A ordinary share held by the investor shareholder;

7.1.1.2. The Class A shareholders are entitled to 49% (forty nine percent) of the voting rights;

7.1.1.3. The right to attend, participate in, speak at and vote on any matter to be considered at, any meeting of ordinary shareholders;

7.1.1.4. To receive a portion of 80% (eighty per cent) of the total amount of any dividend declared by the Company, if and when declared on the ordinary shares and 80% (eighty per cent) of retained earnings in proportion to the investor shares held by each of them. Where a distribution consists of a return of share capital, Class A shares are entitled to the proportion of share capital contributed by that Class of shareholders on an equal basis per share;

7.1.1.5. The right to receive a portion of the total net assets of the Company remaining upon its liquidation; and

7.1.1.6. Any other rights attaching to the Class A ordinary share in terms of the Act of any other law.

7.1.2. Rights attaching to Class B ordinary shares:

Each B ordinary share ranks *pari passu*, other than specifically specified below, in all respects and entitles the holder to the right to be entered in the securities register of the Company as the registered holder of a Class B Ordinary share:

7.1.2.1. With regard to voting, in the case of a vote by means of a show of hands or a poll, 1 (one) vote for every Class B ordinary share held by the investor shareholder.

7.1.2.2. The Class B shareholders are entitled to 51% (fifty one percent) of the voting rights.

7.1.2.3. The right to attend, participate in, speak at and vote on any matter to be considered at, any meeting of ordinary shareholders;

7.1.2.4. To receive a portion of 20% (twenty per cent) of the total amount of any dividend declared by the Company, if and when declared on the ordinary shares and 20% (twenty per cent) of retained earnings in proportion to the investor shares held by each of them. Where a distribution consists of a return of share capital, the Class B shares are entitled to the portion of share capital contributed by that Class of shareholders on an equal basis per share.

7.1.2.5. The right to receive a portion of the total net assets of the Company remaining upon its liquidation; and

7.1.2.6. Any other rights attaching to the Class B ordinary share in terms of the Act of any other law.

7.2. The Board may, subject to clause 7.3, resolve to issue Shares at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

7.3. Notwithstanding the provisions of clause 7.2, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

- 7.4. The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders.
- 7.5. The Board shall not have the power to –
- 7.5.1. increase or decrease the number of authorised Shares of any class of the Company's Shares; or
 - 7.5.2. reclassify any classified Shares that have been authorised but not issued; or
 - 7.5.3. classify any unclassified Shares that have been authorised but not issued; or
 - 7.5.4. determine the preferences, rights, limitations or other terms of any Shares, and such powers shall only be capable of being exercised by the Shareholders by way of special resolution of the Shareholders.
- 7.6. Save to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company, and section 39 shall not apply to the Company.
- 7.7. Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.

26. DIRECTORS

- 26.1. Every person holding office as a Director, Prescribed Officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.
- 26.2. Number of Directors
- 26.2.1. In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 3 (three) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.
 - 26.2.2. If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 6 (six) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.3.5 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 6 (six) month period does not limit or negate the authority of the Directors or invalidate anything done by the Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
 - 26.2.3. The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 6 (six) month period contemplated in clause 26.2.2, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.
- 26.3. Nomination and appointment of Directors
- 26.3.1. The Directors shall be elected in terms of section 68(1) by the persons entitled to exercise voting rights in such an election, being the Shareholders of the Company and the holders of any other Securities of the Company to the extent that the terms on which such Securities were issued confer such rights.
 - 26.3.2. No person, other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election as a Director at any general meeting, unless –
 - 26.3.2.1. the notice of general meeting sets out the Shareholder's intention to propose a specific person for election as Director; and

- 26.3.2.2. notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).
- 26.3.3. In any election of Directors –
- 26.3.3.1. the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
- 26.3.3.2. in each vote to fill a vacancy –
- 26.3.3.2.1. each vote entitled to be exercised may be exercised once; and
- 26.3.3.2.2. the vacancy is filled only if a majority of the votes exercised support the candidate.
- 26.3.4. Save as provided for in clauses 26.3.5 and 29, the Company shall have elected Directors and may have appointed or ex officio Directors, as contemplated in section 66(4).
- 26.3.5. The Board has the power to appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as additional Director, provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.2.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i).
- 26.4. Alternate Directors
- 26.4.1. A Director may –
- 26.4.1.1. appoint another Director or any person approved for that purpose by a resolution of the Directors to act as alternate director in his place and during his absence;
- 26.4.1.2. remove such alternate Director.
provided that at least 50% (fifty percent) of all alternate Directors shall be elected by Shareholders as contemplated in clause 26.4.2.
- 26.4.2. The Shareholders may –
- 26.4.2.1. elect another Director or any person approved for that purpose by a resolution of the Board *mutatis mutandis* in the manner provided for in clause 26.3 to act as alternate Director in the place and during the absence of any Director; and
- 26.4.2.2. remove such alternate Director.
- 26.4.3. A person so appointed or elected shall, except as regards authority to appoint an alternate Director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other Directors of the Company.
- 26.4.4. Each alternate Director, whilst so acting, shall be entitled to –
- 26.4.4.1. receive notices of all meetings of the Directors or of any committee of the Directors of which the person for whom he acts as alternate is a member;
- 26.4.4.2. attend and vote at any such meeting at which the person for whom he acts as alternate is not personally present;
- 26.4.4.3. generally exercise and discharge all the functions, powers and duties of the person for whom he acts as alternate in such person's absence as if he were a Director.
- 26.4.5. Any Director acting as alternate Director shall in addition to his own vote have a vote for each Director for whom he acts as alternate.
- 26.4.6. An alternate Director shall *ipso facto* cease to be an alternate Director if the person for whom he acts as alternate ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise, but is re-elected at the same meeting, any alternate of him who was appointed or elected as such immediately before his retirement shall remain in force as though he had not retired.
- 26.4.7. Any appointment or removal of an alternate Director shall be effected by written notice delivered at the office and signed by the appointer.
- 26.4.8. The remuneration of an alternate Director shall be payable only out of the remuneration payable to the Director for whom he acts as alternate and he shall have no claim against the Company for any remuneration.
- 26.5. Eligibility, resignation and retirement of Directors

- 26.5.1. Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.
- 26.5.2. Subject to any provisions of clause 26.5.4, a Director shall vacate his office as Director if –
- 26.5.2.1. his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;
- 26.5.2.2. he is found to be or become of unsound mind;
- 26.5.2.3. a majority of his co-Directors sign a written notice in which he is requested to vacate his office and lodge it at the principal place of business of the Company, (which shall come into effect upon lodging thereof at the principal place of business of the Company), but without prejudice to any claim for damages;
- 26.5.2.4. he is removed from office by a resolution of the Company of which proper notice have been given in term of the Act, but without prejudice to any claim for damages;
- 26.5.2.5. he is, pursuant to the provisions of the Act or any order made thereunder, prohibited from acting as a Director;
- 26.5.2.6. he resigns his office as Director by notice in writing to the Company;
- 26.5.2.7. he is absent from meetings of the Board for 6 (six) consecutive months without leave of the Directors while not engaged in the business of the Company, and he is not represented at any such meeting during such 6 (six) consecutive months by an alternate Director; and the Directors resolve that his office be, by reason of such absence, vacated, provided that the Directors shall have the power to grant to any Director leave of absence for a definite or indefinite period.
- 26.5.3. Notwithstanding any provisions to the contrary in this Memorandum of Incorporation, no Shareholder shall appoint as its nominee to the Board any person who is a director, officer, employee or other representative of any person which has any direct or indirect interest in any entity or business which is in direct competition with the business of the Company, whether as a proprietor, partner, director, shareholder, member of a syndicate or close corporation or advisor (in any way) or otherwise (other than for funding which is provided in the normal course of such person's lending business to members of the public generally).
- 26.5.4. The elected Directors shall rotate in accordance with the following provisions of this clause 26.5.4 –
- 26.5.4.1. at the general meeting of the Company contemplated in clause 22.2 all the elected Directors shall retire from office, and at each annual general meeting referred to in clause 22.2.1, 1/3 (one third) of the elected Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if an elected Director is appointed as executive Director or as an employee of the Company or any of its subsidiaries in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
- 26.5.4.2. the elected Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- 26.5.4.3. the length of time a director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected;
- 26.5.4.4. a Director retiring at a meeting shall retain office until the election of Directors at that meeting has been completed;
- 26.5.4.5. a retiring Director shall be eligible for re-election;
- 26.5.4.6. the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto; and
- 26.5.4.7. if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned

and the further provisions of this Memorandum of Incorporation, including clauses 22.4.5 to 22.4.8 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

26.6. Directors' interests

26.6.1. A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

26.6.2. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the Directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

26.6.3. Each Director and each alternate Director, Prescribed Officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

28. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

28.1.1. The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

28.2. Any Director who –

28.2.1. serves on any executive or other committee; or

28.2.2. devotes special attention to the business of the Company; or

28.2.3. goes or resides outside South Africa for the purpose of the Company; or

28.2.4. otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

28.3. The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

28.3.1. the business of the Company; and

28.3.2. attending meetings of the Directors or of committees of the Directors of the Company.

28.4. The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

29. EXECUTIVE DIRECTORS

29.1. The Directors may from time to time appoint –

29.1.1. managing and other executive Directors (with or without specific designation) of the Company;

29.1.2. any Director to any other executive office with the Company,

as the Directors shall think fit, for a period as the Directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

- 29.2. Any Director appointed in terms of clause 29.1 shall be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold office as a Director, his appointment to such position or executive office shall ipso facto terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.
- 29.3. The remuneration of a Director appointed to any position or executive office in terms of clause 29.1 –
- 29.3.1. shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;
- 29.3.2. shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;
- 29.3.3. may consist of a salary or a commission on profits or dividends or both, as the Directors may direct.
- 29.4. The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

31. POWERS OF THE BOARD OF DIRECTORS

- 31.1. The business and affairs of the Company shall be managed by or under the directions of the Board, which has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the Act or this Memorandum of Incorporation provides otherwise.
- 31.2. The general powers granted to the Board by this clause 31 shall not be limited or reduced by any special authorization or power granted to the Board by any other clause.
- 31.3. The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with agents as the Directors think fit. Any such agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 31.4. All cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 31.5. All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

32. BORROWING POWERS

Subject to the provisions of clause 14 and all other provisions of this Memorandum of Incorporation, the Directors may from time to time -

- 32.1. borrow for the purpose of the Company such sums as they think fit; and

32.2. secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

4. AUDITED ANNUAL FINANCIAL STATEMENTS – PERIOD ENDING 28 FEBRUARY 2018

The Audited Annual Financial Statements for the period ending 28 February 2018 are available as a separate document, refer to document titled Annexure 4: AUDITED ANNUAL FINANCIAL STATEMENTS – PERIOD ENDING 28 FEBRUARY 2018, included in this communique.

5. PROJECTS PIPELINE

Destinata Capital has set up a project pipeline that focuses on permissible trades in terms Section 12J of the Income Tax Act, 58 of 1962, with a specific primary focus on trades backed by real estate assets, i.e. hotel keeping, hospitality, student accommodation and medical care.

Property-backed permissible present the following advantages:

- Low risk, due to the fact that the underlying properties provide security.
- Potential for increased ROI through finance gearing – made possible by the security provided by real estate assets.

Destinata Capital, with its head office situated in Somerset West, is perfectly placed in close proximity to Cape Town and surrounds (with a strong tourist industry) and Stellenbosch (the country's most sought after tertiary institution) which puts it in the ideal space to take advantage of opportunities in line with the investment focus mentioned above.

The following are examples of projects that have recently or are currently being investigated for potential investment of capital raised in this prospectus:

PROJECT A:

Description: Boutique Hotel in Cape Winelands – 24 Luxury 5-star suites in excellent location.
Deal size: R49m [R34m for 69%]

PROJECT B:

Description: Health Care Centre in Centurion area – 36 bed private sub-acute, convalescent, rehabilitation and transitional care; 40 bed frail care; Doctors consulting rooms.
Deal size: R47m [R32m for 69%]

PROJECT C:

Description: Health Care Centre in Rembrandt Park – 36 bed private sub-acute, convalescent, rehabilitation and transitional care; 40 bed frail care; Doctors consulting rooms.
Deal size: R45m [R31m for 69%]

PROJECT D:

Description: Hotel and conference centre in Cape Winelands – 54 x 4-star rooms, restaurant, 3 x conference facilities to house 250 delegates in total, various outdoor and exercise facilities.
Deal size: R50m [R35m for 69%]

PROJECT E:

Description: Tertiary campus – 100 bed accommodation, lecture halls, cafeteria, gym and other sports facilities
Deal size: R30m [R21m for 69%]

6. FREQUENTLY ASKED QUESTIONS

Q: How does a section 12J tax deduction work?

A: An investor qualifies for a deduction equal to the amount invested in a 12J VCC, duly registered with the FSB and SARS, in the tax period the investment is made. The effective saving for the taxpayer is therefore the amount of the investment multiplied by his or her marginal tax rate.

Q: When do I need to make the investment?

A: In the tax period you wish to claim the deduction in, e.g. if your financial year end is 28 February 2018, you need to make the investment, and have the cash paid over, on or before 28 February 2018.

Q: Can I reinvest dividends, and will such an additional investment also qualify for the deduction?

A: Yes.

Q: What differentiates Destinata Capital from other VCC's?

A: Destinata Capital is a public company and have issued a public prospectus in line with the Companies Act 71 of 2008, which allows the investor to make a minimum investment below the R1m threshold that is applicable to VCC's that have not issued a prospectus.

Q: Can I view my tax savings as part of my return on investment?

A: Yes, you can. See the following example:

Mr A falls within the 45% tax bracket. In year 1 he invests R1 000 000 in a VCC. In that same year he receives a dividend of R200 000, which he reinvests. The total effect for Mr A is as follows:

Own cash invested:	R1 000 000	
Tax saving:	R540 000	$[(1\ 000\ 000 + 200\ 000) * 45\%]$
Actual cost, after tax deduction effect:	R460 000	$[1\ 000\ 000 - 540\ 000]$
Value received (investment + dividend):	R1 200 000	$[1\ 000\ 000 + 200\ 000]$
Return on Investment [ROI] (Year 1):	161%	$[(1\ 200\ 000 - 460\ 000) / 460\ 000]$

Therefore, the effective ROI achieved is substantially better than the 20% dividend received.

In subsequent years, should a 20% dividend still apply, assuming no growth in the value of the investment, the effective ROI will be:

	43%	$[200\ 000 / 460\ 000]$
--	-----	-------------------------

Q: Are recoupments applicable?

A: By claiming the 12J 100% tax deduction upon making the investment, the tax value or base cost of the investment becomes R0. If the investment is sold within 5 years then a recoupment will be applicable. If held on to for more than 5 years, when sold, only capital gains tax will be applicable.

Q: Is there risk involved?

A: Yes. The performance of the fund will be directly linked to the performance of the investee companies. Risk will be mitigated through careful selection of investee companies, performance of due diligence investigations and the fact that that a VCC may only invest up to 20% of capital raised in a single investee company, in essence forcing diversification.

7. APPLICATION FORMS

DESTINATA CAPITAL LIMITED

Registration number: 2017/340362/06
VCC number: VCC-0073
FSP Number: 48729

APPLICATION FORM

In respect of offer of 19 933 913 ordinary Class A shares for an amount equal to R100 (one hundred rand) per share in terms of a public prospectus.

This application form is for the use of invited applicants only.

Please refer to the instructions set out below prior to the completion of this form. If the instructions set out below and in the prospectus are not fully complied with, the Company reserves the right to accept or decline such applications in whole or in part at its discretion.

INSTRUCTIONS:

1. Applications may be made on this application form only. Copies or reproductions of the application form will be accepted.
2. Applications are irrevocable and may not be withdrawn once submitted.
3. All applications must be accompanied by proof of EFT, or by cheque. No post-dated cheques will be accepted. Applications and proof of payments can be submitted by the following methods:
By email: info@destinataholdings.com
OR
Physically at the registered office.
4. The minimum investment per investor in terms of this prospectus is R100 000.
5. No receipts will be issued for application forms and monies received. Applications will only be regarded as complete once the relevant EFT or cheque payment has been effected.
6. The directors accept no responsibility, nor will they be held liable, for any damages or loss suffered by any applicant as a result of an illegible irrevocable undertaking to subscribe or otherwise, pursuant to payment being made or purporting to be made, nor will such parties be liable for any damages or loss suffered by any applicant should Destinata or the directors be unable, for any reason whatsoever, to reconcile a payment or purported payment with a particular application. In the case of any dispute regarding alleged payment, Destinata and the directors, reserve the right to determine in their sole discretion what evidence constitutes satisfactory proof of payment.
7. Alterations to this application to be authenticated by full signature.

Details of subscriber:

Name of applicant	
ID / Registration number	
Names of Director/s or Trustees	
ID Number of all Related Directors/Trustees	
Number of offer shares applied for	
Price per offer share	R100
Total value of offer shares applied for	
Full names of authorized signatory	
Capacity of signatory	
Address	
Postal code	
Telephone	
Email	
Deposit reference number*	

*Please ensure that the deposit reference number entered above is quoted when making payment. The reference should read "DCL – "and your name.

Destinata Banking Details:

Account name	Destinata Capital Limited
Account number	40 9324 5875
Bank	ABSA Bank Limited
Branch	632 005
Account type	Current

Subscriber Banking Details:

Account name	
Account number	
Bank	
Branch	
Account type	

FIC DECLARATION

- In terms of section 42 of the Financial Intelligence Centre Act 38 of 2001 (“FICA”), an accountable institution must develop, document, maintain and implement a programme for anti-money laundering and counter-terrorist financing risk management and compliance. For this reason all Investors has to declare FULL source of funds: _____

ACKNOWLEDGEMENTS AND UNDERTAKINGS BY APPLICANT:

- I / We undertake to pay the subscription amount to Destinata Capital Limited on date of or before delivering the application.
- I / We undertake, in compliance with the Financial Intelligence Centre ACT (THE FICA ACT), to deliver, together with my application, the following documents:

Individual/s	Legal entity
Certified ID copy	Entity registration documents
Proof of address	MOI / Trust deed
Proof of Source of Funds	Resolution
Proof of Banking Detail	Letter of Authorization
	Proof of address

- I / We warrant that the subscription price will be payable from a reputable source and shall not be in contravention of the Financial Intelligence Centre Act
- I / We acknowledge and accept that the directors of Destinata reserve the right to accept or refuse any application for subscription, either in whole or in part, or to abate any or all application(s) (whether or not received timeously) in such manner as they may in their sole and absolute discretion determine, and further may accept or reject, in whole or in part, any application should the terms and conditions set out in this document not be fully complied with.
- I warrant that the information set out below is true and correct.
- I have been provided with the factual information, being the prospectus in terms of which the offer shares are offered for subscription, and understand that I have not been provided with advice as to the appropriateness of the investment to my particular needs or circumstances.
- I have been duly and properly informed / advised of the full implications of my actions and, having considered same, hereby declare that I must obtain my own professional or investment advice, since the documents provided do not constitute investment advice, and that I should carefully consider whether the information / advice on its own is appropriate considering my objectives, financial situation and needs, to prevent the risk of concluding a transaction that is not appropriate to my needs, objectives and circumstances.

Signature

Date

Name