



# DESTINATA

EQUITY FUND LTD | AUTHORISED FSP 50349

PROSPECTUS 01 OF 2024



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## 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 8 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 the following shares in the share capital of Destinata Equity Fund:

- Class 2 Investor Shares: 10 000 shares at an issue price of R10 000 per share
- Class 3 Investor Shares: 10 000 shares at an issue price of R10 000 per share.

The date of the issue of this prospectus is 03 June 2024.

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

The directors of Destinata Equity Fund, 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.

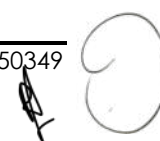
The auditor and company secretary, whose names appear on this prospectus, have consented in writing to act in the capacities as stated and to their names being included in this prospectus. None of such parties have withdrawn any such consent prior to the publication of this prospectus.

An English copy of this prospectus was registered by the CIPC on or about 03 June 2024 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 30 September 2024 from the registered office of Destinata Equity Fund, the details of which are set out on page 6.

Date of issue: 03 June 2024

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**SUMMARY**

The purpose of this prospectus is to raise capital for the company through issuing share capital, which will be applied at the discretion of the directors.

The share classes on offer are the Class 2 & Class 3 Investor shares. The main objective is to use the funds raised to set up subsidiaries that will acquire and operate hospitality properties for short-letting purposes in the top 10 Airbnb cities in the world, refer to Section 6 on page 37 for more details.

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**FORWARD LOOKING STATEMENTS DISCLAIMER**

This prospectus contains statements about Destinata Equity Fund 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 Equity Fund 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 Equity Fund 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 Equity Fund 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 Equity Fund or not currently considered material by Destinata Equity Fund.

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 Equity Fund 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 Equity Fund 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 Equity Fund Limited  
(Registration number 2019/193661/06)

FSP number: 50349  
Registered address: Unit B1, Block 7, Fairways Office Park, 5 Niblick Way, Somerset West, 7129

## COMPANY SECRETARY

Tikvah Secretarial Services (Pty) Ltd  
(Registration number 2020/457790/07)

Physical address: 22 Firwood Crescent, Stonewood Estate, Kraaifontein, 7570

Represented by Elanza Vosloo

## AUDITORS

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

Physical address: Melksloot 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: 98 Dorp Street, Stellenbosch, 7600  
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: [charmainemaa@absa.co.za](mailto:charmainemaa@absa.co.za)  
Tel: 021 816 4355

Represented by Charmaine Maasz

## SALIENT FEATURES

## INTRODUCTION

This prospectus relates to an offer to members of the public for the subscription of up to:

10 000 Class 2 Investor Shares in the share capital of Destinata Equity Fund at an issue price of R10 000 per share, and 10 000 Class 3 Investor Shares at an issue price of R10 000 per share.

The prospectus contains details of the offer together with relevant information on Destinata Equity Fund 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 an opportunity to subscribe for shares in Destinata Equity Fund and, as a consequence, raise up to R100 000 000 in Class 2 Investor Shares and R100 000 000 in Class 3 Investor Shares.

## DETAILS OF THE OFFER AND SALIENT DATES

**Class 2 Investor Shares**

Total number of shares to be placed pursuant to the offer:	10 000
Issue price per offer share:	R10 000
Maximum amount to be raised:	R100 000 000

**Class 3 Investor Shares**

Total number of shares to be placed pursuant to the offer:	10 000
Issue price per offer share:	R10 000
Maximum amount to be raised:	R100 000 000

Last practicable date:	28 February 2023
Date of registration:	03 June 2024
Opening date of the offer:	03 June 2024 at 09:00
Closing date of the offer:	30 September 2024 at 16:30
Issue of share certificates by:	10 October 2024

If applicable, any refund of any offer application monies by	10 October 2024
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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.

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## 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 Equity Fund 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"	Tikvah Secretarial Services (Pty) Ltd (Registration number 2020/457790/07), a private company incorporated in accordance with the laws of South Africa, and being the company secretary;
"Destinata Equity Fund"	Destinata Equity Fund Ltd;
"directors" or "the board"	the directors of Destinata Equity Fund;
"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;
"financial year"	a financial year of the Company;
"FSCA"	Financial Sector Conduct Authority;
"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 R10 000 per Class 2 Investor Share and R10 000 per Class 3 Investor Share;

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"last practicable date"	the last practicable date prior to the finalisation of the prospectus, being 28 February 2023;
"MOI"	means the Memorandum of Incorporation of Destinata Equity Fund;
"offer shares"	10 000 Class 2 Investor Shares and 10 000 Class 3 Investor Shares;
"offer"	the offer by Destinata Equity Fund to members of the public of the offer shares, at the issue price of R10 000 per share for each of the classes of shares available, the terms of which are set out in this prospectus;
"the Company"	Destinata Equity Fund Ltd;
"SARS"	South African Revenue Service

## PROSPECTUS

## SECTION 1 – INFORMATION ABOUT THE COMPANY

## 1. NAME, ADDRESS AND INCORPORATION [REGULATION 57]

- 1.1. Company name: Destinata Equity Fund Limited **[Regulation 57(1)(a)]**  
 1.2. Registration number: 2019/193661/06 **[Regulation 57(1)(a)]**  
 1.3. FSP Number: 50349  
 1.4. Registered office: Unit B1, Block 7, Fairways Office Park, 5 Niblick Way, Somerset West, 7130  
**[Regulation 57(1)(b)]**  
 1.5. Date of incorporation: 17 April 2019 **[Regulation 57(1)(c)]**  
 1.6. The company is a Holding Company with subsidiaries listed in paragraph 3.1 on page 12. **[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
<b>JC Maree</b>	42	CA (SA), B. Compt (Hons) (UNISA), B. Acc (US), PPRE	South African	Unit B 1, Block 8 Fairways Office Park Somerset West 7130	Businessman, <b>Chief Executive Officer</b>
<b>ZR Williams</b>	38	Advanced Diploma in Financial Management (NQF 7)	South African	Unit B 1, Block 8 Fairways Office Park Somerset West 7130	Accountant, <b>Non-executive director</b>
<b>R Scheepers</b>	33	B. Accounting (UNISA)	South African	Unit B 1, Block 8 Fairways Office Park Somerset West 7130	Businessman, <b>Non-executive director</b>

## The abbreviated CVs of the directors are as follows:

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

Mr. Maree is a qualified CA (SA) and PPRE (Professional Practitioner in Real Estate) with the EAAB). He has extensive experience at executive level in various public and private companies in the property and financial services sectors, as well as extensive fund management experience in the private equity space.

2.1.2. **ZR Williams – NON-EXECUTIVE DIRECTOR**

Mrs. Williams has been in the accounting industry for the past 17 years. In 2003 she completed a Bookkeeping to Trial Balance course through ICB (Institute for Certified Bookkeepers), and in 2023 obtained an Advanced Diploma in Financial Management (NQF 7). She is currently the Group Financial Manager and a director of Destinata Holdings (Pty) Ltd.

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### 2.1.3. R Scheepers – NON-EXECUTIVE DIRECTOR

Mr. Scheepers is an experienced management professional with a strong financial and executive background, currently being the CEO of Destinata Holdings (Pty) Ltd.

### 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 Equity Fund. **[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 3. **[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 3 to this prospectus. **[Regulation 58(3)(b)]**
- 2.2.5. The borrowing powers of Destinata Equity Fund, exercisable by the directors and the manner in which some borrowing powers may be varied, are set out in Annexure 3 to this prospectus. These borrowing powers have not been exceeded since Destinata Equity Fund was incorporated. **[Regulation 58(3)(c)]**
- 2.2.6. The business of Destinata Equity Fund, or any part thereof, will not be managed by any third party under a contract. **[Regulation 58(3)(d)]**

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


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3.1. As at the last practicable date, Destinata Equity Fund had 2 subsidiaries, being: **[59(2)(a)&(b)]**

3.1.1. Defco 1 (Pty) Ltd

3.1.2. Defco 4 (Pty) Ltd

3.2. The Company was incorporated on 17 April 2019 as a private company, and converted to a public company on or about 5 October 2020. As at the last practicable date Destinata Equity Fund had the subsidiaries listed under 3.1. **[59(3)(a)]**

3.3. Since incorporation Destinata Equity Fund 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 directors intend to raise an amount of R20 000 000 with this prospectus for each of the share classes on offer.

3.4.2. The capital raised will be applied to acquire mainly investments in entities and industries, as explained in the summary on page 4, and to provide working capital where necessary.

3.4.3. The potential investments are to be sourced through relationships with auditors, developers, estate agents, bankers, business associates' networks, other private equity firms and other existing relationships in our network.

3.5. Destinata Equity Fund, at the last practicable date, has a small amount of cash on hand. This capital is to be pooled with capital raised from this prospectus and applied as described in 3.4.2. For detail on the state of affairs of the company and the group refer to the tables shown under paragraph 6 on page 21. **[59(3)(d)]**

3.6. Destinata Equity Fund does not own any movable property or leasehold properties, nor does Destinata Equity Fund 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)]**

	<b>COMPANY</b>	<b>COMPANY</b>
	<b>2022/02/28</b>	<b>2023/02/28</b>
Revenue & Other Income	620 200	363 260
Finance income	-	59 762
Net profit before tax	524 173	335 892
Taxation	-	-212 427
<b>Net profit after tax</b>	<b>524 173</b>	<b>123 465</b>
Dividends cover	n/a	n/a
Dividends paid	-	-
Management Shares	-	-
Class 1 Investor Shares	-	-

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**4. SHARE CAPITAL OF THE COMPANY [REGULATION 60]**


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- 4.1.1. The authorised and issued share capital of Destinata Equity Fund, before and after the offer, is set out below. The figures have been prepared on the assumption that 2 000 of the offer shares of both Class 2 and 3 Investors shares have been taken up pursuant to the offer.
- 4.1.2. Share capital before the offer: **[Regulation 60(a)(i)]**

AUTHORISED		
100 000	Class 1 Investor Shares	-
100 000	Class 2 Investor Shares	
10 000 000	Management Shares	-
ISSUED		
986	Class 1 Investor Shares	977 800
-	Class 2 Investor Shares	-
-	Class 3 Investor Shares	
10 000 000	Management Shares	100 000
		<b>1 077 800</b>

Share capital after the offer:

AUTHORISED		
100 000	Class 1 Investor Shares	977 800
10 000 000	Management Shares	-
ISSUED		
10 986	Class 1 Investor Shares	10 977 800
2 000	Class 2 Investor Shares	20 000 000
2 000	Class 3 Investor Shares	20 000 000
10 000 000	Management Shares	100 000
		<b>51 077 800</b>

- 4.1.3. In terms of the MOI, the rights attaching to the different classes of shares are as set out in Annexure 3. **[Regulation 60(a)(ii)]**
- 4.1.4. Details of the founder and management shareholder's shares are contained on page 14, paragraph 8 of this prospectus. **[Regulation 60(a)(iii)]**
- 4.1.5. Since incorporation, share capital was issued as shown in 4.1.2. **[Regulation 60(b)]**

- 4.1.6. There had been one previous offer to the public, which was for Class 1 Investor Shares, a different class to the shares being offered in this prospectus. **[Regulation 60(c)]**

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

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### 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 various share classes are as set out in Annexure 3.

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

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- 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 Equity Fund. **[Regulation 62(2)(a)]**
- 6.2. With regards to subscription in terms of this prospectus, brokers and referrers will receive a placement commission of up to 5% of the value of subscription, should they be the effective cause of the transaction.
- 6.3. No commission or fees are payable to anyone acting as a promotor, except as provided in 6.2 above. **[Regulation 62(2)(e)]**
- 6.4. This prospectus is not underwritten.

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## 7. MATERIAL CONTRACTS [REGULATION 63]

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- 7.1. There are currently no material contracts in place.

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

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- 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	Management Shares			Class 2 Investor Shares		
	Direct beneficial	Indirect beneficial	Percentage of Ordinary Class A Share Capital	Indirect beneficial	Percentage of Ordinary Class B Share Capital	Percentage of effective voting rights
<i>Executive directors</i>						
JC Maree	-	-	0.0%	-	0.0%	0.0%
<i>Non-executive directors</i>						
ZR Williams	-	-	0.0%	-	0.0%	0.0%
R Scheepers	-	-	0.0%	-	0.0%	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>

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#### 9. LOANS [REGULATION 65]

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9.1. As at the last practical date, the Company had advanced and owed the following loans (all loans in excess of R50 000 included).

Loans advanced:

R943 124

Loans incurred:

R986 681

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.

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

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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.

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

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

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

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

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**13. PRELIM EXPENSES AND ISSUE EXPENSES [REGULATION 69]**

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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 Equity Fund from the offer share proceeds.

Expense	R
<b>CIPC fees</b>	7 000
<b>Auditor's fees</b>	8 000
<b>Other costs</b>	2 000
<b>Total</b>	<b>17 000</b>

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## SECTION 2 – INFORMATION ABOUT OFFERED SECURITIES

## 1. PURPOSE OF THE OFFER [REGULATION 70]

- 1.1. The purpose is to raise a target of R20 000 000 Class 2 Investor Shares, to a maximum of R100 000 000 and R20 000 000 Class 3 Investor Shares, to a maximum of R100 000 000. **[Regulation 70(a)]**
- 1.2. The offer is subject to a minimum subscription of R10 000 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:	28 February 2023
Opening date of the offer:	03 June 2024 at 09:00
Closing date of the offer:	30 September 2024 at 16:30
Applicants to be advised of allocations by:	10 October 2024
Issue of share certificates by:	10 October 2024
If applicable, any refund of any offer application monies by	10 October 2024

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.def.com](http://www.def.com)

## 3. PARTICULARS OF THE OFFER [REGULATION 72]

**3.1. Details of securities**

- 3.1.1. In terms of the offer 10 000 Class 2 Investor Shares are offered at a price of R10 000 per share, and 10 000 Class 3 Investor Shares are offered at a price of R10 000 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% or more of the total issued ordinary shares in Destinata Equity Fund 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 October 2024, 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:

**Or Via email to:**

[zinzi@destinataholdings.com](mailto:zinzi@destinataholdings.com) using "DEF Subscription" as subject line;

**Or physically at:**

Destinata Equity Fund 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 30 September 2024 . 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 Equity Fund 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 Equity Fund 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 R10 000 the board shall, in its sole and unfettered discretion, be entitled to accept such applications or any follow up applications after the initial R10 000 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 Equity Fund Limited
Bank:	ABSA
Branch code:	632 005
Account number:	Will be supplied after FIC verification of applicant

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An electronic funds transfer must be evidenced by proof of payment with the following reference: “DEF – “and the applicant’s name. Cheques must be crossed, marked “non-transferable” and made payable in favour of Destinata Equity Fund 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 Equity Fund will issue the share certificates in respect of the offer shares, and such share certificates will be held at the offices of Destinata Equity Fund. 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 Equity Fund 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 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 Equity Fund to make the necessary arrangements. Destinata Equity Fund will not act as a purchaser of last resort.

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

- 3.7.1. As at 28 February 2023, the following shares have been issued:
- 3.7.1.1. 10 000 000 Management Shares at R0.001 each.
- 3.7.1.2. 986 Class 1 Investor Shares at an average price of R992 each.
- 3.7.2. The reasons for the difference in price of the Management shares already in issue and the Class 2 Investor Shares now being offered are:
- It is a different class of share with different rights attached to it.
  - The Management shares serve the purpose to keep the founders involved with the company as they will also benefit from value created, and to provide the required control to manage the Company.
- 3.7.3. The reason for the difference in price of the Class 1 Investor Shares already in issue and the Classes 2 and 3 Investor Shares now being offered is:
- It is a different class of share with different rights and underlying assets attached to it.
- 3.7.4. No Class 2 Investor Shares have previously issued, up to and including the last practicable date.
- 3.7.5. The Class 2 and 3 Investor Shares are now offered at R10 000 each.
- 3.7.6. Since incorporation the Company has not issued any shares at a premium. **[Regulation 72(3)]**

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## 4. MINIMUM SUBSCRIPTION [REGULATION 73]

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- 4.1. The offer is subject to a minimum subscription of R10 000 .

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**SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER**

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**1. ADEQUACY OF CAPITAL [REGULATION 74]**

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- 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.

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

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- 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.

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

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- 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.

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

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

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

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- 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.

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


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

The company is a holding company with subsidiaries. As the company is essentially an investment fund managed on behalf of various investors, investments in subsidiaries are recognised at fair value through profit and loss as permitted in IFRS 10. The "Group" column represents the consolidated figures of the company and its subsidiaries in accordance with the disclosure election made in terms of REGULATION 79 (3)(a)(iii) and REGULATION 79 (3)(b)(iii).

**Profits and losses**

	<b>COMPANY</b>	<b>COMPANY</b>
	<b>2022/02/28</b>	<b>2023/02/28</b>
Revenue & Other Income	620 200	363 260
Finance income	-	59 762
Net profit before tax	524 173	335 892
Taxation	-	-212 427
<b>Net profit after tax</b>	<b>524 173</b>	<b>123 465</b>
Dividends cover	n/a	n/a
Dividends paid	-	-
Management Shares	-	-
Class 1 Investor Shares	-	-

**Assets and liabilities**

	<b>COMPANY</b>	<b>COMPANY</b>
	<b>2022/02/28</b>	<b>2023/02/28</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
Loans receivable	790 000	943 124
Investments	1 600 000	1 963 360
	<b>2 390 000</b>	<b>2 906 484</b>
<b>Current Assets</b>		
Cash and cash equivalents	247 273	7 159
Trade receivables		13 300
	<b>247 273</b>	<b>20 459</b>
<b>Total Assets</b>	<b>2 637 273</b>	<b>2 926 943</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Issued Capital - Management Shares	100 000	100 000
Issued Capital - Class 1 Investor Shares	1 072 800	977 800
Accumulated profit / (loss)	524 173	647 638
Dividends paid	-	-
	<b>1 696 973</b>	<b>1 725 438</b>
<b>Non-Current Liabilities</b>		
Loans from related parties	940 300	986 681
Deferred tax		212 427
	<b>940 300</b>	<b>1 199 108</b>
<b>Current liabilities</b>		
Current tax liability	-	-
Dividend payable	-	-
Trade payables	-	2 397
	<b>-</b>	<b>2 397</b>
<b>Total Equity and Liabilities</b>	<b>2 637 273</b>	<b>2 926 943</b>

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.

6.4.5. The annual financial statements have been audited up to 28 February 2023.

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## 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 Equity Fund:

RISK	POTENTIAL EFFECT / NOTES
1.1.1. Investment risk	There is no guarantee on the price of the shares or any returns thereon.
1.1.2. 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.
1.1.3. 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 and performance of due diligence investigations.

## 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 Equity Fund 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 03 June 2024 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 Equity Fund 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.

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## 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]

## DIRECTOR SIGNATURES

Director	Date	Signature
JC Maree	22 May 2024	
ZR Williams	22 May 2024	
R Scheepers	22 May 2024	

## ANNEXURES

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

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16 Melcksloot Village  
Somerset Mall  
274 Postnet Suite  
Private Bag X15  
Somerset West 7129  
Telephone (021) 851-2385  
E-mail: info@sw.tdp.co.za  
Web: www.theronduplessis.com

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

To the directors of Destinata Equity Fund Limited

We have completed our assurance engagement to report on the process applied by Destinata Equity Fund Limited (the company) to compile the pro forma financial information, consisting of the annual statements of financial position as at 28 February 2022 and 28 February 2023, the annual statements of comprehensive income for the period ended 28 February 2022 and 28 February 2023 and the annual cash flow statements for the period ended 28 February 2022 and 28 February 2023 set out on pages 21-22 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 on the company's share capital as at 28 February 2025.

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 Equity Fund 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 21-22 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 21-22 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**

**22 May 2024**

**THON DU PLESSIS SOMERSET-WES INCORPORATED Reg No: 2005/028545/21**

Directors: S Theart CA (SA), Registered Auditor, B. Compt. PG Dip. Acc Science, PG Dip. Applied Acc Science; 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). 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); AS Delpont B.Comm, CertIR, (SAIPA)  
**OTHER OFFICES - Aliwal-North - Burgersdorp - Cradock - De Aar - Durbanville - Port Elizabeth - Middelburg EC - Stellenbosch - Somerset West - Tulbagh - Villiersdorp - Piketberg**



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**2. PRO FORMA FINANCIAL INFORMATION OF DESTINATA EQUITY FUND**


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The pro forma information has been prepared to show the expected results of the share issue in terms of this prospectus. Pro forma financial information:

	<b>AT last practicable date</b>	<b>Effect of Issue</b>	<b>Pro Forma</b>
<b>Assets</b>			
<b>Non-Current Assets</b>	<b>2 906 484</b>	<b>-</b>	<b>22 906 484</b>
Loans receivable	943 124		20 943 124
Investments	1 963 360		1 963 360
<b>Current Assets</b>	<b>20 459</b>	<b>20 000 000</b>	<b>20 020 459</b>
Cash and cash equivalents	7 159	20 000 000	20 007 159
Trade receivables	13 300		13 300
<b>Total Assets</b>	<b>2 926 943</b>	<b>20 000 000</b>	<b>42 926 943</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>	<b>1 725 438</b>	<b>40 000 000</b>	<b>41 725 438</b>
Issued Capital - Management Shares	100 000		100 000
Issued Capital - Class 1 Investor Shares	977 800		977 800
Issued Capital - Class 2 Investor Shares		20 000 000	20 000 000
Issued Capital - Class 3 Investor Shares		20 000 000	20 000 000
Accumulated profit / (loss)	647 638		647 638
Dividends paid	-		-
<b>Non-Current Liabilities</b>	<b>1 199 108</b>	<b>-</b>	<b>1 199 108</b>
Loans from related parties	986 681		986 681
Deferred tax	212 427		212 427
<b>Current liabilities</b>	<b>2 397</b>	<b>-</b>	<b>2 397</b>
Current tax liability	-		-
Dividend payable	-		-
Trade payables	2 397		2 397
<b>Total Equity and Liabilities</b>	<b>2 926 943</b>	<b>40 000 000</b>	<b>42 926 943</b>

## 8 SHARES

### Authorised Share Capital

8.1 The The Company is authorised to issue up to a maximum of:

8.1.1 100,000 (one hundred thousand) authorised Shares of each class of Investor Shares, comprising classes "1" (one) to "100" (one hundred), with each class allowing the Holders of Investor Shares in that class to the exclusive Economic Benefit derived by the Company from the Corresponding Investee Company/ies of such class; and

8.1.2 10,000,000 (ten million) Management Shares.

### Variation of Share Capital and Rights

8.2 All Securities of a class shall rank *pari passu* in all respects.

8.3 By amendment of the MOI in terms of clause 5.1 above, the Board shall have the power to:

8.3.1 amend the authorisation, including increasing or decreasing the number of authorised Shares of any class of Shares;

8.3.2 reclassify any classified Shares that have been authorised, but not yet issued;

8.3.3 All or any of the rights, privileges or conditions for the time being attached to any class of Securities of the Company may (unless otherwise provided by the terms of issue of the Securities of that class) be varied only if approved by way of Class Special Resolution.

### Issue of Shares

8.4 The Board shall have the power to:

8.4.1 Issue authorised Shares; and

8.4.2 Issue options relating to the authorised Shares; and

8.4.3 authorise and issue shares where the Board needs to create further classes of Investor Shares to enable the Company to invest in Investee Companies.

8.5 The Board may issue capitalisation Shares or offer a cash payment in *lieu* of awarding a capitalisation Share in accordance with Section 47 of the Act.

### Issue of Management Shares

8.6 The issue of the Management Shares shall not require any Shareholder approval and no Shareholder (apart

from the Management Company, or its nominees) shall have a pre-emptive right to subscribe for such shares.

- 8.7 For every class of Investor Share issued, the Company and the Management Shareholders and the Class Investor Shareholders will determine the Economic Benefit ascribed to the Management Shares (if any) and record such rights in detail in the Class Subscription Agreement.

### **Economic Benefit relating to Shares**

- 8.8 Each Investor Share entitles the Holder to:
- 8.9 participate with other Investor Shares in its class in any Economic Benefit from the Corresponding Investee Company to the Holders in its class, after paying the Management Dividends in terms of clauses 8.12; and
- 8.10 share with other Holders in its class in the Company's residual Economic Benefit received from the Corresponding Investee Company upon the Company's dissolution, after paying the Management Dividends or other Economic Benefit in terms of clause 8.12 below.
- 8.11 No Holder of Investor Shares shall be entitled to participate in the Economic Benefit derived by the Company from any Investee Company, unless such Shareholder is a Corresponding Investor in relation to that Investee Company ("the Corresponding Investee Company") and participation will only take place after paying the Management Dividends or other Economic Benefit.
- 8.12 The Management Shares shall, regardless of the number of Management Shares issued by the Company from time to time, entitle its Holders to collectively (and in proportion to their *pro rata* holding of Management Shares compared to other Holders of Management Shares) participate in the Economic Benefit with the particular class of Investor Shares limited to the Management Dividends or other Economic Benefit payable in terms of each Class Subscription Agreement.

### **Voting Rights relating to Shares**

- 8.13 Each Share issued, Management Shares and Investor Shares of any class, by the Company shall entitle its Holder to 1 (one) vote per share in respect of approving any Ordinary Resolution or Special Resolution;
- 8.14 Each Share issued by the Company shall entitle its Holder to vote, on the basis described in clause 8.15 below, on any proposal to amend the preferences, rights, limitations and other terms specifically related to the class of share for which the Holder subscribed, which proposal shall require to be approved by a Class Special Resolution.
- 8.15 In respect of matters requiring a Class Special Resolution, each Holder of a Share in the class in question shall have 1 (one) Vote per share in respect of such matter.

## **28 DIRECTORS**

- 28.1 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.

## 28.2 Number of Directors

- 28.2.1 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.
- 28.2.2 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 28.3.5 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.
- 28.2.3 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 28.2.2, 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.

## 28.3 Nomination and appointment of Directors

- 28.3.1 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.
- 28.3.2 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 –
- 28.3.2.1 the notice of general meeting sets out the Shareholder's intention to propose a specific person for election as Director; and
- 28.3.2.2 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).
- 28.3.3 In any election of Directors –
- 28.3.3.1 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
- 28.3.3.2 in each vote to fill a vacancy –
- 28.3.3.2.1 each vote entitled to be exercised may be exercised once; and

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28.3.3.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

28.3.4 Save as provided for in clauses 28.3.5 and 31, the Company shall have elected Directors and may have appointed or *ex officio* Directors, as contemplated in section 66(4).

28.3.5 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 28.2.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i).

#### 28.4 Alternate Directors

28.4.1 A Director may –

28.4.1.1 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;

28.4.1.2 remove such alternate Director.

provided that at least 50% (fifty percent) of all alternate Directors shall be elected by Shareholders as contemplated in clause 28.4.2.

28.4.2 The Shareholders may –

28.4.2.1 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 28.3 to act as alternate Director in the place and during the absence of any Director; and

28.4.2.2 remove such alternate Director.

28.4.3 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.

28.4.4 Each alternate Director, whilst so acting, shall be entitled to –

28.4.4.1 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;

28.4.4.2 attend and vote at any such meeting at which the person for whom he acts as alternate is not personally present;

28.4.4.3 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.

28.4.5 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.

- 28.4.6 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.
- 28.4.7 Any appointment or removal of an alternate Director shall be effected by written notice delivered at the office and signed by the appointer.
- 28.4.8 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.

### 28.5 Eligibility, resignation and retirement of Directors

- 28.5.1 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.
- 28.5.2 Subject to any provisions of clause 28.5.4, a Director shall vacate his office as Director if –
- 28.5.2.1 his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;
- 28.5.2.2 he is found to be or become of unsound mind;
- 28.5.2.3 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;
- 28.5.2.4 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;
- 28.5.2.5 he is, pursuant to the provisions of the Act or any order made thereunder, prohibited from acting as a Director;
- 28.5.2.6 he resigns his office as Director by notice in writing to the Company;
- 28.5.2.7 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.
- 28.5.3 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).

- 28.5.4 The elected Directors shall rotate in accordance with the following provisions of this clause 28.5.4 –
- 28.5.4.1 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,  $\frac{1}{3}$  (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  $\frac{1}{3}$  (one third), but not less than  $\frac{1}{3}$  (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;
- 28.5.4.2 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;
- 28.5.4.3 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;
- 28.5.4.4 a Director retiring at a meeting shall retain office until the election of Directors at that meeting has been completed;
- 28.5.4.5 a retiring Director shall be eligible for re-election;
- 28.5.4.6 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
- 28.5.4.7 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 22.4.2 to 22.4.5 (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.

## 28.6 Directors' interests

- 28.6.1 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.

28.6.2 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.

28.6.3 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.

### 30 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

30.1 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.

30.2 Any Director who –

30.2.1 serves on any executive or other committee; or

30.2.2 devotes special attention to the business of the Company; or

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

30.2.4 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.

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

30.3.1 the business of the Company; and

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

30.4 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.

### 31 EXECUTIVE DIRECTORS

31.1 The Directors may from time to time appoint –

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- 31.1.1 managing and other executive Directors (with or without specific designation) of the Company;
- 31.1.2 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.

31.2 Any Director appointed in terms of clause 31.1 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.

31.3 The remuneration of a Director appointed to any position or executive office in terms of clause 31.1 –

- 31.3.1 shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;
- 31.3.2 shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;
- 31.3.3 may consist of a salary or a commission on profits or dividends or both, as the Directors may direct.

31.4 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.

## 32 INDEMNIFICATION OF DIRECTORS

32.1 The Company may –

- 32.1.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(4);
- 32.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or
- 32.1.3 purchase insurance to protect the Company or a Director as set out in section 78(7),

and the power of the Company in this regard is not limited, restricted or extended by this Memorandum of Incorporation.

32.2 The provisions of clause 32.1 shall apply *mutatis mutandis* in respect of any former Director, Prescribed Officer or member of any committee of the Board, including the audit committee.

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### 33 POWERS OF THE BOARD OF DIRECTORS

- 33.1 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.
- 33.2 The general powers granted to the Board by this clause 33 shall not be limited or reduced by any special authorization or power granted to the Board by any other clause.
- 33.3 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.
- 33.4 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.
- 33.5 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.

### 34 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 -

- 34.1 borrow for the purpose of the Company such sums as they think fit; and
- 34.2 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.

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#### 4. AUDITED ANNUAL FINANCIAL STATEMENTS

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The Audited Annual Financial Statements for the period ending 28 February 2023 are available as a separate document, refer to document titled AUDITED ANNUAL FINANCIAL STATEMENTS – YEAR ENDING 28 FEBRUARY 2023, included in this communique.

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#### 5. KING IV REPORT AND CODE STATEMENT [REGULATION 54(1)(B)]

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Destinata is fully committed to and compliant with, where practical for an organisation of this size and nature, the principles of the Code of Corporate Practices and Conduct set out in the new King Report on Corporate Governance ("King III").

In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders providing a proper and objective perspective of the Company and its activities.

The directors have established mechanisms and policies appropriate to the Company's business in keeping with its commitment to best practices in corporate governance in order to ensure compliance with King III. The board will review these from time to time.

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#### 6. FURTHER INFORMATION AND MODEL

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Through operating in the private equity space for 6 years now, members of the management team have gained significant experience and expertise in terms of the Cape Town, and more specifically, the Atlantic Seaboard hospitality sector.

Through a combination of:

- Acquiring the correct properties
- At the right prices
- Using the right furniture layout for the target market
- Using the top short let management company in Cape Town
- Having all units run by Airbnb hosts with Superhost status
- Effective gearing
- And other factors

The management team has returned impressive results on short-let property companies owned by a private equity fund, also managed by them.

#### **The strategy**

We intend to follow a model of purchasing hospitality properties in the top 10 tourist cities in the world, currently being:

1. Cape Town
2. Venice
3. Seville
4. Vancouver
5. Rome
6. Florence
7. Rio de Janeiro
8. Sydney
9. Kyoto
10. Dubrovnik

This is according to leading website [www.capetownetc.com](http://www.capetownetc.com)

The following articles, from leading publications, back up the fact that Cape Town especially is so highly rated:

<https://insideguide.co.za/cape-town/best-city-in-the-world/>

<https://www.yahoo.com/lifestyle/cape-town-named-2023-best-204500888.html>

<https://www.capetownetc.com/cape-town/take-a-bow-cape-town-youve-been-voted-best-city-in-the-world/>

See below the results that can be achieved through a combination of decent yields, good capital growth and smart gearing, from the underlying assets (before taxes, fees and other administration costs):

## Simple ROI calculation

<b>Data</b>				
Yield	9%			
Capital growth	10%			
Finance cost	11%			
<b>Gearing</b>	<b>0%</b>	<b>50%</b>	<b>70%</b>	<b>80%</b>
Cash	100	50	30	20
Financed	-	50	70	80
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Yield	9	9	9	9
Capital growth	10	10	10	10
Finance cost	-	-6	-8	-9
<b>Simple Return</b>	<b>19</b>	<b>14</b>	<b>11</b>	<b>10</b>
Cash in deal	100	50	30	20
<b>Return on cash</b>	<b>19%</b>	<b>27%</b>	<b>38%</b>	<b>51%</b>

Note, these numbers are based on assumptions and cannot be guaranteed.

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Traditionally, prospective property investors face 3 barriers of entry to the property market:

1. Not wishing to deal with tenants.
2. Qualifying for, securing, and then bearing the risk of property finance (including personal sureties).
3. Having sufficient capital to invest.

By investing in a professionally managed property company, investors get to share in the rewards of property investment, whilst not being tied to the 3 barriers mentioned above – a true armchair investment experience.

### **Exit**

There will be 3 potential ways for investors to exit:

1. Buyback at fair value by the company (subject to sufficient liquidity, deemed by the directors).
2. Selling to another shareholder.
3. Selling on an exchange, should the company list in the future.



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## 7. APPLICATION FORMS

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### DESTINATA EQUITY FUND LIMITED

Registration number: 2019/193661/06  
FSP Number: 50349

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### APPLICATION FORM

In respect of offer of:

10 000 **Class 2 Investor Shares for an amount equal to R10 000 per share, and;**

10 000 **Class 3 Investor Shares for an amount equal to R10 000 per share.**

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

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**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. Applications can be submitted by the following methods:  
By email: [zinzi@destinataholdings.com](mailto:zinzi@destinataholdings.com)  
OR  
Physically at the registered office;

and must be accompanied by the relevant FIC documents requested. Only after screening will payment details be provided.

4. The minimum investment per investor in terms of this prospectus is R100 000. The amount may be lowered in the sole discretion of the directors if so agreed with the subscriber.
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.
8. Shares issued in respect of this prospectus shall be issued on issue date 30 September 2024
9. Prospective investors can apply for either Class 2 or Class 3 Investor Shares by completing the relevant Class Subscription Agreement hereunder.

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 CLASS 2 INVESTOR SHARE – CLASS SUBSCRIPTION AGREEMENT
 

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**These shares are payable upfront. A minimum investment of R100 000 upfront applies.**

**Details of subscriber:**

Class Subscribed for	Class 2 Investor Shares
Name of applicant	
ID / Registration number	
Tax Reference Number	
Number of offer shares applied for	
Price per offer share	R10 000
Total value of offer shares applied for	
Full names of authorized signatory (If applicant is a legal entity)	
Capacity of signatory (If applicant is a legal entity)	
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 "DEF – "and your name.

**Destinata Banking Details:**

Account name	Destinata Equity Fund Limited
Account number	Will be supplied after FIC verification of applicant
Bank	ABSA Bank Limited
Branch	632 005
Account type	Current

**Subscriber Banking Details:**

Account name	
Account number	
Bank	
Branch	
Account type	

**It is agreed as follows:**

1. The investor shall supply all relevant FIC documents required and submit to [zinzi@destinataholdings.com](mailto:zinzi@destinataholdings.com)
2. Voting rights shall be in accordance with the MOI as detailed in Annexure 3.
3. Corresponding Investee Companies
  - a. Capital shall be deployed to Defco 2 (Pty) Ltd, a newly formed company with no assets and liabilities at date of this document.
  - b. Defco 2 (Pty) Ltd shall follow the strategy as outlined in this document.
  - c. Capital may be deployed to other companies from time at the discretion of the directors and said companies will be listed on the annual financial statements as Corresponding Investee Companies linked to the Class 2 Investor Shares.
4. Economic Benefits
  - a. Between the holders of the Management Shares and the Class 2 Investor Shares as follows.
  - b. Class 2 Investor Shareholders
    - i. 1<sup>st</sup> Right to capital contributed by the class.
    - ii. 100% of dividends and retained earnings, less the portion due to the management shareholders.
  - c. Management Shareholders
    - i. 20% of dividends and retained earnings achieved per annum, above a hurdle rate of 10%. For example, if 20% after tax profits are achieved, that is 10% above the hurdle, and the Management Shareholders then are entitled to 20% x 10% = 2%; whilst the Class 2 Investor Shareholders shall be entitled to 18% (being 20% - 2%).
    - ii. The right to charge a management fee of up to 2% of the net asset value of the Class 2 Investor Shares.
    - iii. The right to charge a fee of 10% of the gross revenue less interest and capital repayments on loans in the Corresponding Investee Companies.
5. The investor shall pay the full subscription amount within 2 business days of acceptance of this application by the Company.

**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:

\_\_\_\_\_.

- Are you, a close family member or a known associate a DPIP (Domestic Prominent Influential Person) and / or a FPPO (Foreign Prominent Public Official)?

YES (If yes, provide details per email)     NO

**ACKNOWLEDGEMENTS AND UNDERTAKINGS BY APPLICANT:**

- I / We undertake to pay the subscription amount to Destinata Equity Fund 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:

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Individual/s	Legal entity
Certified ID copy	Company registration documents (if company)
	MOI / Trust deed
	Resolution
	Letter of Authorization (in case of a trust)
Proof of address	Proof of address
Proof of Banking Detail	Proof of Banking Detail

- 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 Section

	Investor	Company
Name and Surname		
Place		
Date		
Signature		

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 CLASS 3 INVESTOR SHARE – CLASS SUBSCRIPTION AGREEMENT
 

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**These shares are payable in instalments. A minimum investment of R100 000 applies. The total subscription amount is paid off over 20 instalments of R5 450 per R100 000 of investment.**

**Details of subscriber:**

Class Subscribed for	Class 3 Investor Shares
Name of applicant	
ID / Registration number	
Tax Reference Number	
Number of offer shares applied for	
Price per offer share	R10 000
Total value of offer shares applied for	
Instalment per month (R5 450 per R100 000)	
Full names of authorized signatory (If applicant is a legal entity)	
Capacity of signatory (If applicant is a legal entity)	
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 "DEF – "and your name.

**Destinata Banking Details:**

Account name	Destinata Equity Fund Limited
Account number	Will be supplied after FIC verification of applicant
Bank	ABSA Bank Limited
Branch	632 005
Account type	Current

**Subscriber Banking Details:**

Account name	
Account number	
Bank	
Branch	
Account type	

**It is agreed as follows:**

6. The investor shall supply all relevant FIC documents required and submit to [zinzi@destinataholdings.com](mailto:zinzi@destinataholdings.com)
7. Voting rights shall be in accordance with the MOI as detailed in Annexure 3.
8. Corresponding Investee Companies
  - a. Capital shall be deployed to Defco Hospitality 3 (Pty) Ltd, a newly formed company with no assets and liabilities at date of this document.
  - b. Defco Hospitality 3 (Pty) Ltd shall follow the strategy as outlined in this document.
  - c. Capital may be deployed to other companies from time at the discretion of the directors and said companies will be listed on the annual financial statements as Corresponding Investee Companies linked to the Class 2 Investor Shares.
9. Economic Benefits
  - a. Between the holders of the Management Shares and the Class 3 Investor Shares as follows.
  - b. Class 2 Investor Shareholders
    - i. 1<sup>st</sup> Right to capital contributed by the class.
    - ii. 100% of dividends and retained earnings, less the portion due to the management shareholders.
  - c. Management Shareholders
    - i. 20% of dividends and retained earnings achieved per annum, above a hurdle rate of 10%. For example, if 20% after tax profits are achieved, that is 10% above the hurdle, and the Management Shareholders then are entitled to 20% x 10% = 2%; whilst the Class 3 Investor Shareholders shall be entitled to 18% (being 20% - 2%).
    - ii. The right to charge a management fee of up to 2% of the net asset value of the Class 3 Investor Shares.
    - iii. The right to charge a fee of 10% of the gross revenue less interest and capital repayments on loans in the Corresponding Investee Companies.
10. Payment of subscription amount.
  - a. Shares are issued upfront, creating a loan account due to the Company.
  - b. The investor agrees to pay off the subscription amount in 20 instalments, at an interest rate of 10% per annum, capitalized monthly.
  - c. The investor agrees to sign a debit order authorization to this effect, amount to be deducted on the 1<sup>st</sup> of every month.
  - d. The investor hereby pledges the shares subscribed for as security for the loan obtained.
  - e. Should the investor default on repayments, or breach in any other way, and fails to remedy within 5 business days, the Company may cancel the loan agreement and claim back all shares pledged as security by means of a share buyback. The investor hereby grants a full power of attorney to any duly authorized director of the company to complete and sign any documents on their behalf in order to enforce the required share buybacks.

**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:
 

\_\_\_\_\_.

  - Are you, a close family member or a known associate a DPIP (Domestic Prominent Influential Person) and / or a FPPO (Foreign Prominent Public Official)?

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YES (If yes, provide details per email)  NO

#### ACKNOWLEDGEMENTS AND UNDERTAKINGS BY APPLICANT:

- I / We undertake to pay on demand the subscription amount to Destinata Equity Fund Limited.
- 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	Company registration documents (if company)
	MOI / Trust deed
	Resolution
	Letter of Authorization (in case of a trust)
Proof of address	Proof of address
Proof of Banking Detail	Proof of Banking Detail

- 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 Section

	Investor	Company
Name and Surname		
Place		
Date		
Signature		

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