



REDESIGN | RENOVATE | REGENERATE

REAL ESTATE INVESTMENT TRUST

(Incorporated as a Trust in Zimbabwe and registered as a Collective Investment Scheme with SECZ registration number SECZ1011245)

ABRIDGED PROSPECTUS

Relating to the Offer for the sale of 121,378,791 units in Revitus REIT at an Offer Price of ZWL 400.00 per unit.



Transfer Secretaries
Corpserve
Registrars (Pvt) Ltd



Property Manager
Dawn Property
Consultancy (Pvt) Ltd



Fund Advisor
Intellego Investment
Consultants (Pvt) Ltd



REIT Manager
CBZ Asset
Management (Pvt) Ltd



Promoter and Underwriter
National Railways of Zimbabwe
Contributory Pension Fund



REIT Trustee
Stanbic Bank Limited



Legal Advisor
Mundia & Mudhara
Legal Practitioners



Sponsoring Broker
IH Securities (Pvt) Ltd



Auditors
BDO Zimbabwe

DATE OF PUBLICATION: 15 NOVEMBER 2023

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This is an Abridged Prospectus and should be read in conjunction with the full Prospectus available at the Registered Offices of the Manager, as well as on the Revitus REIT's website and the Zimbabwe Stock Exchange (ZSE) website.

Details of the Prospectus and the listing can also be downloaded from www.revitusreit.com or www.zse.co.zw

1. Introduction

The Revitus REIT is a duly incorporated and licensed Real Estate Investment Trust (REIT) whose Units are to be listed on the ZSE. The REIT has been seeded with legacy property assets from the NRZ Contributory Pension Fund's portfolio, in line with the Finance (No. 2) Act of 2020's qualifying requirement for tax exemption status to REITs. The REIT will strategically acquire distressed commercial properties in urban localities with a view to re-purposing them in to modern green buildings with greater commercial value and rental earning potential.

The REIT portfolio will comprise commercial properties including CBD office and retail, office parks and selected industrial properties with flexible tenancy and potential of being reconfigured, remodelled and turned around. A portion of the Fund is reserved as cash or near cash assets to cater for renovations and other liquidity requirements and will form part of the total investment portfolio.

2. The Case for the REIT

The depressed state of CBD properties and exodus by a number of entities from the CBDs to suburban areas presents an opportunity for a contrarian investor to purchase those properties, inject some capital and re-purpose them to suit current trends or new uses in response to a change in demand patterns within the CBDs. Whilst larger businesses may be exiting the CBDs, there is emerging demand from Small and Medium Scale Enterprise (SMEs) as well as the informal sector who prefer being located in the CBDs for the convenience of their customers. This therefore presents an opportunity for a Fund that pools together investors seeking an exposure to commercial real estate and purchase targeted distressed properties that have significant turnaround potential. Such properties would be acquired, reconfigured, remodelled and renovated positioning them for improved occupancy, rental income and capital value.

3. Terms of the Listing

The Promoter intends to sell a total of 121,378,791 units in the Revitus REIT at an Offer Price of ZWL 400.00 per unit by way of an offer for units to the investing public. At conclusion of the Initial Public Offer (IPO), it is envisaged that the units will be listed on the ZSE. The promoter reserves the right to postpone or withdraw its Offer for Sale and subsequent listing due to any circumstances which may be deemed to be prejudicial to the promoters' or investors' interests during the Offer Period. Should this occur, all subscriptions received during the offer period shall be refunded in full.

4. Rationale for the Listing

The summary reasons for the listing are as follows:

- To raise capital to fund the renovation and revitalisation of portfolio properties in order to enhance their income-generating capacity thus enhancing the pension benefits for NRZCPF members through uplifting the values of the underlying property portfolio;
- Act as a catalyst for the re-generation of Central Business Districts (CBDs) of major urban areas that are on the verge of urban decay;
- Provide smaller institutional and retail investors with an opportunity to own commercial real estate, which used to be the preserve of large institutional investors;
- Facilitate liquidity in real estate owned by larger institutional investors through unitisation and listing and
- Assist pension funds and insurance companies comply with the prescribed asset and asset exposure guidelines set by the Insurance and Pensions Commission (IPEC).

5. Summary Timetable of Events

Publication of Prospectus	Wednesday 15 November 2023
Opening date for the offer	Thursday 16 November 2023
Closing date for the offer	Thursday 07 December 2023
Allotment date	Tuesday 12 December 2023
Publication of offer results	Wednesday 13 December 2023
Last date of refunds in case of over subscriptions	Thursday 14 December 2023
Listing date	Friday 15 December 2023
Commencement of trading on ZSE	Monday 18 December 2023

6. Summary Details of Seed Properties

The Promoter, NRZCPF has seeded into the Fund, five properties which will be refurbished and re-purposed in phases. The funds to be raised in this IPO (Phase 1) will be targeted at refurbishing Chester House whilst the remaining properties to be refurbished over 2 phases. The seeded properties, their locations, size and value in summary are:

Chester House (Harare)	4,306 m2, USD 1.76 million
Electra House (Harare)	6,013 m2, USD 4.4 million
Pioneer House (Bulawayo)	6,803 m2, USD 2.27 million
Africa House (Bulawayo)	5,833 m2, USD 2.4 million
Atlas House (Harare)	2,459.7 m2, USD 1.3 million

The REIT is established through a Trust Deed with Stanbic Bank as the Trustee and DATVEST as the REIT Manager. An Advisory Board will be set up consisting of representations from the promoter, other investors in the Fund and identified independent experts. The main purpose of the Advisory Board is to oversee the general administration and management of the Fund. The Advisory Board will monitor and provide advice to the Trustee, Fund Manager and other service providers to the Fund in support of the development of strategy, policy and activity as well as act in a consultative capacity for the Manager and Trustee on key decisions. The initial Advisory Board members are as follows:

Name	Nationality
Sen. Dr. Bekithemba Mpfu	Zimbabwean
Chipo G. Hlabangana	Zimbabwean
Patience B. Dhliwayo	Zimbabwean

Other board members shall be appointed to represent minority investors in the Revitus as per provisions of the Trust Deed.

8. Financial Information

Below are extracts from the Prospectus relating to financial forecasts for the Revitus REIT

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rental Income	532,795	1,360,204	3,611,652	6,215,761	6,402,234
Allowance for vacancy and collection losses	159,838	408,061	1,083,496	1,864,728	1,920,670
Net Rental Income	372,956	952,143	2,528,156	4,351,033	4,481,564
Operating Expenses	79,919	204,031	541,748	932,364	960,335
Operating Profit	293,037	748,112	1,986,408	3,418,669	3,521,229
Maintenance Reserve	26,640	68,010	180,583	310,788	320,112
Net Income Available for Distribution	226,397	680,102	1,805,826	3,107,881	3,201,117

- Forecasts are in USD and 80% of the taxable income paid out as dividends to investors;
- A 5% provision has been made for a maintenance reserve; There are no revaluation gains assumed in the forecast period;
- The Phase 1 (Chester House) and Phase 2 (Electra House & Pioneer House) properties will be renovated in year 1 and 2 respectively and the remaining Phase 3 (Africa & Atlas House) properties will be renovated in year 4;
- The Phase 2 and 3 properties will continue to earn rental income on current operations prior to renovations and
- The properties are operated by selected reputable operators.

9. Costs of the Listing

The costs associated with the listing of Revitus REIT on the ZSE shall be an amount of ZWL 6.6 billion being legal, conveyancing, transaction and other miscellaneous costs.

10. Distribution of Income

On the recommendation of the Fund Manager and subject to the provisions of the Trust Deed and the Regulations governing REITs, the Trustee shall distribute income received by the Fund to unitholders on a regular basis, with the distribution being made by the Distribution Date, a minimum of eighty per centum (80 percent) of taxable income, if any, of the Fund, from cash held in the fund which is surplus to the investment requirements or from realized capital gains on the disposal of real estate assets where such funds are not intended to be used for reinvestment.

11. Authorisations for the Listing

The REIT is duly licensed by the Securities and Exchange Commission of Zimbabwe in terms of the Collective Investments Schemes Act (Chap 24:19). In a letter dated 7 July 2023, the Listings Committee of the ZSE approved the conditional listing of Revitus REIT on the ZSE.

12. Documents and Consents Available for Inspection

The following documents are available for inspection at the offices of the Trustee or REIT Manager during normal working hours upon giving seven days written notice:

- Trust Deed; Material Contracts entered into by the REIT and Expert Consents;
- Valuation reports of the properties and Concepts and designs for the refurbishment and repurposing of the properties and
- Reports on feasibility studies done.