



REVIEWED PROVISIONAL CONSOLIDATED RESULTS AND DISTRIBUTION ANNOUNCEMENT

For the year ended 30 June 2019 • Net Rental Income Growth 12% • Core Portfolio Growth 14.6% • Gearing 34.9% • Vacancies 3.2%

Oryx
Properties Limited

(Incorporated in the Republic of Namibia)
(Registration number 2001/673) ("Oryx" or "the company")
(NSX Share code: ORY) (ISN code: NA 0001574913)
www.oryxprop.com

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019 (N\$'000)

	Notes	Reviewed 2019	Audited 2018
Revenue		324,816	304,893
Rental - cash flows inherent in leases		320,154	299,511
Rental - straight-line adjustment		4,662	5,382
Rental expenses		(101,384)	(101,824)
Net rental income		223,432	203,069
Other property income	3.1	-	2,687
Investment income		489	1,714
Dividend income		2,462	3,778
Share of profit from associate after tax	3.2	26,263	-
Amortisation of debenture premium		29,986	25,587
Profit / (Loss) on sale of investment property		1,457	(686)
Changes in fair value of investment property		274,169	18,048
As per valuations	2.7	278,831	23,430
Straight-line adjustment		(4,662)	(5,382)
Changes in fair value of hedging instrument		(5,072)	1,460
Changes in fair value of listed investments		(2,752)	(3,747)
Exchanges differences on foreign currency loan	3.2	(9,852)	-
Other expenses		(19,227)	(17,485)
Operating profit before finance costs and debenture interest		521,355	234,425
Less: Finance costs		(99,639)	(77,286)
Operating profit before debenture interest		421,716	157,139
Less: Debenture interest		(118,757)	(108,027)
Profit before taxation		302,959	49,112
Taxation		96	(10,864)
Profit for the year	2.2	303,055	38,248
Other comprehensive income - Exchange differences on associate	3.2	9,760	-
Total comprehensive income for the year		312,815	38,248

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019 (N\$'000)

	Notes	Reviewed 2019	Audited 2018
ASSETS			
Non-current assets			
Investment properties		2,857,834	2,509,955
At valuation	2.7	2,913,942	2,561,400
Straight-line basis adjustment		(56,108)	(51,445)
Furniture and equipment		218	40
Investment in listed shares		23,623	26,379
Investment in associate	3.2	326,068	-
Deferred expenditure		11,911	14,498
Rental receivable - straight-line adjustment		51,089	48,201
Derivative asset	2.9	-	1,251
		3,270,743	2,600,324
Current assets			
Trade and other receivables		35,909	31,340
Trade and other receivables		30,890	28,095
Rental receivable - straight-line adjustment		5,019	3,245
Deferred expenditure		5,345	6,219
Tax receivable		736	736
Cash and cash equivalents		6,658	9,747
		48,648	48,042
TOTAL ASSETS		3,319,391	2,648,366
EQUITY AND LIABILITIES			
Capital and reserves			
		1,296,390	996,658
Non-current liabilities			
Debentures		392,127	349,387
Debenture premium		353,107	245,131
Interest-bearing borrowings	2.8	774,760	428,813
Derivative liability	2.9	2,904	360
Deferred taxation		22,990	23,087
		1,545,888	1,046,778
Current liabilities			
Trade and other payables		26,691	29,876
Derivative liability		2,257	981
Deferred income		1,159	1,293
Interest-bearing borrowings	2.8	384,927	521,992
Linked unitholders for distribution		62,079	50,788
		477,113	604,930
TOTAL EQUITY AND LIABILITIES		3,319,391	2,648,366

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2019 (N\$'000)

	Note	Reviewed 2019	Audited 2018
OPERATING ACTIVITIES			
Net cash from operating activities		(20,303)	(13,657)
Cash generated by operations		200,978	196,390
Net finance costs		(103,099)	(80,748)
Distributions to linked unitholders		(120,644)	(130,001)
Taxation paid		-	(1,794)
Dividend received		2,462	2,496
Net cash from investing activities		(362,613)	(103,860)
Additions		(86,043)	(173,578)
Proceeds from sale of investment properties		13,475	69,869
Net movement in investments		-	(151)
Investment in associate	3.2	(290,045)	-
Net cash from financing activities		379,888	114,872
Proceeds from issue of linked units		180,798	-
Movement in loans		199,090	114,872
Net movement in cash and cash equivalents		(3,028)	(2,645)
Cash and cash equivalents at beginning of the year		9,747	12,392
Foreign exchange differences on cash balances		(61)	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		6,658	9,747

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019 (N\$'000)

	Share capital	Distributable reserves	Non-distributable reserves	Total
Audited balance at 30 June 2017	779	10	960,931	961,720
Total comprehensive income	-	38,248	-	38,248
Transfer to non-distributable reserves	-	(38,316)	38,316	-
Transfer from non-distributable reserves	-	12,708	(12,708)	-
Dividends paid	-	(3,310)	-	(3,310)
Audited balance at 30 June 2018	779	9,340	986,539	996,658
Total comprehensive income	-	312,815	-	312,815
Transfer to non-distributable reserves	-	(297,839)	297,839	-
Transfer from non-distributable reserves	-	1,837	(1,837)	-
Issue of Linked Units	95	-	-	95
Dividends paid	-	(13,178)	-	(13,178)
Reviewed balance at 30 June 2019	874	12,975	1,282,541	1,296,390

The results have been reviewed by Deloitte & Touche Chartered Accountants (Namibia). The review was conducted in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". The unmodified review report is available for inspection at the Company's registered office. Any reference to the future financial performance included in this announcement has not been reviewed or reported on by the Company's auditors.

The auditor's report does not necessarily report on all the information contained in this announcement. Unitholders are therefore advised in order to obtain a full understanding of the nature of the auditor's engagement to obtain a copy of the auditor's report, together with the accompanying financial information from the issuer's registered office.

1. OTHER INFORMATION

	Notes	Reviewed 2019	Audited 2018
Linked units in issue		87,378,835	77,859,791
Net asset value on non IFRS basis (cents per linked unit)	3.3	2,337	2,043
Realisable NAV (before providing for distributions payable)	3.3	2,408	2,108
Listed market price (cents per linked unit)		1,950	2,020
Discount to net asset value on IFRS basis		(16.5%)	(1.1%)
Vacancy factor (based on lettable area)		3.2%	6.5%
Capital commitments (including approved but not contracted)		N\$52m	N\$398m
Earnings per linked unit (cents)	2.2	533.00	187.98
Distribution per linked unit (cents) as declared	2.3	147.25	138.75
Dividend per linked unit (cents)	3.1	2.75	18.25

2. NOTES TO THE FINANCIAL RESULTS

2.1 Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the NSX Listings Requirements for provisional reports and the requirements of the Companies Act of Namibia. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of the condensed consolidated financial statements are in terms of IFRS. This is consistent with those applied in the previous consolidated annual financial statements, except for the effect of IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers which were adopted during the period under review. The new accounting policies did not have a significant impact on the results of the Group and therefore the Group has elected not to adjust the effects on opening balances.

2.2 Weighted earnings and headline earnings

The weighted average number of issued linked units as at 30 June 2019 is 79,138,137 (2018:77,814,291), excluding 45,500 linked units held by the Oryx Long Term Share Incentive Trust. The weighted earnings and headline earnings per linked unit for the year are calculated as follows:

	Reviewed 2019	Reviewed 2019	Audited 2018	Audited 2018
	N\$'000	Cents Per Unit	N\$'000	Cents Per Unit
Profit for the year	303,055	382.94	38,248	49.15
Debt interest	118,757	150.06	108,027	138.83
Earnings attributable to linked units	421,812	533.00	146,275	187.98
Adjusted for:				
Amortisation of debenture premium	(29,986)	(37.89)	(25,587)	(32.88)
Capital surpluses (net of deferred taxation)*	(274,146)	(346.42)	(5,499)	(7.07)
Associate fair value adjustment	(8,978)	(11.35)	-	-
Headline earnings attributable to linked units	108,702	137.34	115,189	148.03
Debt interest	(118,757)	(150.06)	(108,027)	(138.83)
Headline (loss) / earnings attributable to shares (Note 2.3)	(10,055)	(12.72)	7,162	9.20

*Headline earnings circular 04/2018 applied

2.3 Distribution attributable to linked unitholders

The distribution per linked unit is based on the actual number of units in issue at the end of the respective distribution period:

	Reviewed 2019	Reviewed 2019	Audited 2018	Audited 2018
	N\$'000	Cents Per Unit	N\$'000	Cents Per Unit
Headline earnings attributable to shares (Note 2.2)	(10,055)	-	7,162	-
Reconciliation to undistributed earnings:				
Debt interest	118,757	-	108,027	-
Distributable earnings	108,702	131.04	115,189	147.94
Adjusted for:				
Elisenheim head lease income	5,748	6.58	-	-
Antecedent interest	3,373	3.86	-	-
Capital surpluses not included in headline earnings*	16,053	18.37	-	-
Adjusted distributable income	133,876	159.85	115,189	147.94
1st half distribution	(61,184)	(77.50)	(57,422)	(73.75)
2nd half distribution	(60,946)	(69.75)	(50,605)	(65.00)
Undistributed income for the year (Note 2.4)	11,746	12.60	7,162	9.19

2.4 Dividend paid per linked unit

	Reviewed 2019	Reviewed 2019	Audited 2018	Audited 2018
	N\$'000	Cents Per Unit	N\$'000	Cents Per Unit
Undistributed income transferred to reserves (Note 2.3)	11,746	12.60	7,162	9.19
Transfer from realised capital profits to distributable reserves	-	-	12,708	16.32
Dividends paid	(2,277)	(2.75)	(3,310)	(4.25)
Undistributed reserves	9,469	9.85	16,560	21.26

2.5 Primary business segments for the year ended 30 June 2019 (Reviewed N\$'000)

The basis of segmentation and measurement is consistent with the prior year.

	Retail	Industrial	Office	Fund	Group
Rental - cash flow inherent in leases	218,843	62,040	39,209	62	320,154
Rental - straight-line adjustment	6,264	53	(1,655)	-	4,662
Revenue	225,107	62,093	37,554	62	324,816
Profit / (Loss) for the year	293,526	75,890	36,732	(103,093)	303,055
Other information					
Properties as per valuations	1,972,033	622,642	319,267	-	2,913,942
Sectoral spread	68%	21%	11%	-	100%
Total assets	2,149,672	624,881	179,036	365,802	3,319,391
Total liabilities	(30,075)	(23,472)	(3,126)	(1,966,328)	(2,023,001)

Comparative primary business segments for the year ended 30 June 2018 (Audited N\$'000)

Rental - cash flows inherent in leases	201,500	58,130	39,934	(53)	299,511
Rental - straight-line adjustment	5,862	(442)	(38)	-	5,382
Revenue	207,362	57,688	39,896	(53)	304,893
Profit / (Loss) for the year	(17,055)	51,482	37,119	(33,298)	38,248
Other information					
Properties as per valuations	1,677,044	580,500	303,856	-	2,561,400
Sectoral spread	65%	23%	12%	-	100%
Total assets	1,715,427	585,188	301,214	46,537	2,648,366
Total liabilities	(25,071)	(20,592)	(3,592)	(1,602,453)	(1,651,708)

2.6 Secondary business segments for the year ended 30 June 2019 (Reviewed N\$'000)

	Namibia	Non-Namibian	Group
Rental - cash flows inherent in leases	311,490	8,664	320,154
Rental - straight-line adjustment	4,662	-	4,662
Revenue	316,152	8,664	324,816
Share of profit from associate after tax	-	26,263	26,263
Profit for the year	295,998	7,057	303,055
Other information			
Properties as per valuations	2,831,192	82,750	2,913,942
Sectoral spread	97%	3%	100%
Total assets	2,878,123	441,268	3,319,391
Total liabilities	(1,652,164)	(370,837)	(2,023,001)

Comparative secondary business segments for the year ended 30 June 2018 (Audited N\$'000)

Rental - cash flows inherent in leases	288,479	11,032	299,511
Rental - straight-line adjustment	7,105	(1,723)	5,382
Revenue	295,584	9,309	304,893
Profit / (Loss) for the year	43,102	(4,854)	38,248
Other information			
Properties as per valuations	2,466,000	95,400	2,561,400
Sectoral spread	96%	4%	100%
Total assets	2,513,490	134,876	2,648,366
Total liabilities	(1,568,725)	(82,983)	(1,651,708)

Secondary segment amended to refer to non-Namibian due to offshore investment concluded during the year.

2.7 Property portfolio



REVIEWED PROVISIONAL CONSOLIDATED RESULTS AND DISTRIBUTION ANNOUNCEMENT

For the year ended 30 June 2019 (continued)

2. NOTES TO THE FINANCIAL RESULTS (continued)

2.8 Interest-bearing borrowings

Expiry	Reviewed 2019		Audited 2018	
	Utilised facility N\$'000	Weighted average interest rate	Utilised facility N\$'000	Weighted average interest rate
Non-current liabilities				
2020	-	-	57,314	9.0%
2021	75,000	9.4%	71,499	9.7%
2022	549,760	4.0%	150,000	8.9%
2023	150,000	9.1%	150,000	8.9%
Total	774,760	7.5%	428,813	9.1%
Current liabilities				
Revolving facilities	116,227	9.0%	183,292	8.9%
Maturing within 1 year	268,700	8.9%	338,700	8.9%
Total	384,927	9.0%	521,992	8.9%
GRAND TOTAL	1,159,687	7.4%	950,805	9.0%

Total available unutilised facilities are N\$149m (2018: N\$86m), excluding the DMTNP.

2.9 Derivative (liability) / asset

	Net fair value N\$'000	Non-current fair value N\$'000	Current fair value N\$'000	Nominal value N\$'000	Average swap fixed interest rate*
30.06.2019 Reviewed	(5,161)	(2,904)	(2,257)	440,000	7.4%
Liability	(5,161)	(2,904)	(2,257)		
30.06.2018 Audited	(90)	891	(981)	470,000	7.4%
Asset	1,251	1,251	-		
Liability	(1,341)	(360)	(981)		

* Floating rate is the 3 months Jibar rate.

The interest rate swaps are classified as level 2 financial instruments which is derived from inputs, other than quoted prices (unadjusted) in active markets for identical assets and liabilities, that are observable for the asset and liability, either directly or indirectly. The valuation technique used is the discounted cash flow model, with the discount rates being a key input.

3. DIRECTORS' COMMENTARY

3.1 Financial results and distribution

Net property income increased from the prior year by 12% (inclusive of the Eisenheim head lease income and excluding straight lining) as a result of management significantly reducing vacancies, improving recoveries from tenants, a healthy increase in rental income from the GVC, post the completion of the upgrade, a full year of income from the Family Entertainment Centre, the Eisenheim head lease income and positive lease renewals.

The vacancy rate reduced to 3.2% (2018: 6.5%) by year end which is mainly due to the finalisation of the sale of the Isando property in South Africa which accounted for 53% of the total vacancy rate. The focused efforts by management to reduce vacancies has resulted in Oryx having an occupancy rate, given the current economic climate, well above the industry standard where vacancy rates are trending upwards. This is testament to the quality of the Group's portfolio.

The Group's distribution for 2019 amounts to 150 cents per unit (cpu) (2018: 157 cpu) comprising N\$119m interest realised from operations, N\$3.4m antecedent interest from the rights issue and N\$2m dividend from the Tower Property Fund continuing from 2018. Interest distribution is 69.75 cpu (2018: 65.00 cpu) and a dividend of 1.25 cpu (2018: 14.00 cpu), resulting in a total distribution of 71 cpu (2018: 79) for the six months ended 30 June 2019. The Board made a strategic and necessary decision to only pay out 90% of distributable income for the six months period in order to improve the overall liquidity of the Group which resulted in the decrease in distributions. The Board has also determined to apply the 90% principle to next year's distribution. The Eisenheim head lease treatment was amended in line with IFRS requiring that the rental income generated on the property be recorded against investment property and not as revenue however this has been included in the distributable income.

3.2 Investment in associate

Oryx concluded the planned offshore investment into TPF International Limited (TIL) during July 2018 acquiring 26% of the entity for N\$300m Euro equivalent. The investment from associate yielded a return on net property income of 8.21% of which Oryx's share is N\$26m. Of the net property income, N\$9m relates to Oryx's share of the fair value adjustment which was not included in distributable income. Foreign exchange (loss) / gain incurred on the translation of the loan of (N\$9.8m) and the associate of N\$9.7m (other comprehensive income) from Euro to Namibia Dollar has been included in the above results using a spot rate of N\$15.96 as at 30 June 2019.

3.3 Net asset value (NAV)

The net asset value per linked unit increased by 14.4% (2018: 0.6%) from N\$20.43 per unit in 2018 to N\$23.37 per unit in the current year which is attributable to the positive fair value adjustments to the properties. The realisable net asset value is N\$24.08 per unit (2018: N\$21.08 per unit) and is calculated by adding back distributions that have been raised as a provision and declared to unitholders.

3.4 Interest-bearing borrowings

Oryx gearing ratio was 34.9% (2018: 35.9%) which is a reduction compared to the start of the financial year at 42.2% post the TIL investment. The weighted average interest rate is currently 7.4% (NAD debt 9.1%, Euro debt 2.7%) (2018: 9.0%), 65% (2018: 49%) of total debt drawn was fixed using interest rate swaps with a nominal value of N\$440m (2018: N\$470m). During the year management successfully re-financed the OMIGNAM facility, increasing it from N\$70m to N\$90m, and rolled the commercial paper, of N\$128.7m, for another year on the same terms. Management utilised N\$78m from the rights issue monies to settle the Nedbank South Africa loans. Total unencumbered assets amounted to N\$426m which is a significant improvement from 2018 of N\$40m.

3.5 Rights issue

The purpose of the March 2019 rights issue was to repay debt, reduce the cost of funding, improve gearing and our security to loan ratio and help fund several yield enhancing projects. Oryx raised a satisfactory N\$165m (53%) of the intended N\$309m issuing 8,366,538 new linked units. 75% of shareholders followed their rights and 99% of all rights made available for trading changed hands, with some institutions increasing their overall shareholding.

3.6 The market and prospects

2019 was a challenging year as most businesses had to tighten their belts and diversify or reinvent themselves to survive the current recession. Bank of Namibia revised GDP growth forecasts downwards from 1.5% to 0.3% for 2019. This is due to negative growth in primary and tertiary industries. Oryx is heavily exposed to the Namibian economy and was not immune to these challenges. This resulted in an intense focus to strengthen and diversify our balance sheet from being overly exposed to the local economy.

We anticipate that difficult trading conditions will persist into the new financial year. Consumers will remain under pressure which in turn maintains pressure on rental income. Nevertheless, our portfolio has shown resilience and good growth during the year. Coupled with our strong tenant retention ratios, this bodes well for us during the new financial year. We will continue to focus on achieving operational efficiencies, overall cost reduction, improving our cash flow and pursuing yield enhancing assets for the year ahead.

3.7 Changes to the Board

The Chairperson, Mr F Uys, suffered an unfortunate accident which prevented him from discharging his responsibilities and has not availed himself for re-election. Mr PM Kazmaier was appointed Deputy Chairperson to the Board effective 1 April 2019 and he will serve as Acting Chairperson until the Annual General Meeting.

Mr M Shikongo retired from the Board effective 30 June 2019. Ms LP Smit, Chief Financial Officer, and Ms RMM Gomachas were appointed to the Board effective 1 September 2018 and 1 July 2019, respectively.

3.8 Subsequent events

There were no subsequent events other than the conclusion of the re-financing of the N\$140m and N\$85m facilities with Standard Bank Namibia and the approval by the Namibian Competition Commission of the residential acquisition.

3.9 Appreciation

The Board would like to thank Mr Shikongo for his valued contribution to the Oryx Board during his tenure and would also like to wish Mr Uys a speedy recovery. The Board would further like to thank management, the staff and service providers for their commitment and dedication during trying times. Finally, we would like to thank our tenants, financiers and unitholders for their dedication and association with Oryx.

4. DECLARATION OF DISTRIBUTION NUMBER 33

Notice is hereby given of the declaration of Distribution Number 33, amounting to interest of 69.75 cents per linked unit and a dividend of 1.25 cents per linked unit, in respect of the six month period ended 30 June 2019.

Last date to trade cum distribution	Friday, 6 September 2019
Units will trade ex-distribution	Monday, 9 September 2019
Record date to participate in the distribution	Friday, 13 September 2019
Payment of debenture interest and dividend	Friday, 27 September 2019

By order of the Board

PM Kazmaier - Acting Chairperson
30 August 2019

REGISTERED OFFICE

Maerua Mall Office Tower, 2nd Floor
Corner of Jan Jonker & Robert Mugabe Avenue, Windhoek
P O Box 97723, Maerua Park, Windhoek, Namibia

COMPANY SECRETARY

Bonsai Secretarial Compliance Services

DIRECTORS

F Uys (Chairman) #, A Angula #, JJ Comalie #, RMM Gomachas #, B Jooste #, NBS Harris #, PM Kazmaier # (Deputy Chairperson), JC Kuehrt #, LP Smit #, A Swanepoel # (*South African, #Independent, #Executive)

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd
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