

Summarised consolidated statement of comprehensive income (N\$'000)

Notes	Year ended 30 June	
	2021	2020
Revenue	336,482	332,777
Rental – operating income	340,252	329,388
Rental – straight-line adjustment	(3,770)	3,389
Property expenses	(108,968)	(106,114)
Net rental income	227,514	226,663
Investment income	180	413
Dividends received	319	1,189
Share of profit from associate after tax	19,381	23,427
Amortisation of debenture premium	37,167	41,217
Changes in fair value of investment property	(90,275)	(156,344)
As per valuations	(94,045)	(152,955)
Straight-line adjustment	3,770	(3,389)
Changes in fair value of derivative instruments	10,027	(17,839)
Changes in fair value of listed investments	2,569	(11,812)
Exchange differences on foreign loan	39,806	(64,594)
Other expenses	(60,631)	(39,071)
Operating profit before finance costs and debenture interest	186,057	3,249
Less: Finance costs	(81,304)	(93,786)
Operating profit/(loss) before debenture interest	104,753	(90,537)
Less: Debenture interest	(87,160)	(60,947)
Profit/(loss) before taxation	17,593	(151,484)
Taxation	(7,586)	(6,084)
Profit/(loss) for the year	10,007	(157,568)
Other comprehensive (loss)/income – items that may be reclassified subsequently to profit or loss	(42,112)	69,131
Total comprehensive loss for the year	(32,105)	(88,437)
Basic and diluted earnings/(loss) per share (cents)	11.46	(180.42)
Basic and diluted earnings/(loss) per linked unit (cents)	111.28	(110.63)

Summarised consolidated statement of financial position (N\$'000)

Notes	As at 30 June	
	2021	2020
ASSETS		
Non-current assets		
Investment properties	2,775,091	2,854,783
At valuation	2,830,818	2,914,280
Straight-line adjustment	(55,727)	(59,497)
Furniture and equipment	707	901
Investment in listed shares	-	11,811
Investment in associate	288,029	362,993
Deferred expenditure	5,805	9,245
Rental receivable – straight-line adjustment	52,129	53,056
Derivative asset	1,438	-
	3,123,199	3,292,789
Current assets		
Receivables	24,004	31,204
Trade and other receivables	20,406	24,764
Rental receivable – straight-line adjustment	3,598	6,440
Deferred expenditure	3,335	4,037
Tax receivable	2,393	2,398
Investment in listed shares	14,174	-
Derivative asset	1,740	-
Cash and cash equivalents	7,569	28,298
	53,215	65,937
TOTAL ASSETS	3,176,414	3,358,726
EQUITY AND LIABILITIES		
Capital and reserves	1,175,845	1,207,950
Non-current liabilities		
Debentures	392,008	392,127
Debenture premium	274,636	311,891
Interest-bearing borrowings	1,122,615	1,114,071
Derivative liability	6,686	13,546
Deferred taxation	33,025	27,433
	1,828,970	1,859,068
Current liabilities		
Trade and other payables	32,831	21,535
Derivative liability	9,465	9,455
Deferred income	1,288	1,198
Interest-bearing borrowings	90,000	198,530
Linked unitholders for distribution	38,015	60,990
	171,599	291,708
TOTAL EQUITY AND LIABILITIES	3,176,414	3,358,726

Summarised consolidated statement of cash flows (N\$'000)

Notes	Year ended 30 June	
	2021	2020
Net cash from operating activities	(2,398)	32,331
Cash generated by operations	191,881	188,465
Investment income	180	413
Finance costs	(82,340)	(92,608)
Distribution paid to linked unitholders	(110,135)	(62,036)
Taxation paid	(1,984)	(1,903)
Net cash from investing activities	40,983	(94,090)
Additions/acquisitions	(10,887)	(154,130)
Dividends received from listed shares	319	2,422
Dividends received from associate	17,381	14,057
Proceeds from share buy-back from associate	34,170	43,561
Net cash from financing activities	(58,504)	86,370
Additional facilities drawn	104,644	429,923
Repayment of loans	(163,148)	(343,553)
Net movement in cash and cash equivalents	(19,919)	24,611
Cash and cash equivalents at beginning of the year	28,298	6,658
Foreign exchange differences on cash balances	(810)	(2,971)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7,569	28,298

Summarised consolidated statement of changes in equity (N\$'000)

	Share capital	Distributable reserves	Non-distributable reserves	Total
Balance at 30 June 2019	874	12,874	1,282,639	1,296,387
Total comprehensive loss	-	(88,437)	-	(88,437)
Transfer loss to non-distributable reserves	-	130,813	(130,813)	-
Balance at 30 June 2020	874	55,250	1,151,826	1,207,950
Total comprehensive loss	-	(32,105)	-	(32,105)
Transfer loss to non-distributable reserves	-	50,877	(50,877)	-
Balance at 30 June 2021	874	74,022	1,100,949	1,175,845

Audited results – auditors' opinion

The auditors, Deloitte, have issued their unmodified opinion on the Group's financial statements for the year ended 30 June 2021 on 10 September 2021. The audit was conducted in accordance with the International Standards on Auditing. These summarised consolidated financial statements are themselves not audited but have been derived from and are consistent in all material respects with the audited consolidated financial statements. A copy of Deloitte's report on the consolidated financial statements is available for inspection at the Groups' registered office. The auditors' report on the consolidated financial statements does not necessarily cover all the information in this announcement. Any reference to future financial performance included in this announcement has not been audited, reviewed or reported on by the Group's auditors.

1. Other information

Notes	2021	2020
Linked units in issue	87,378,835	87,378,835
Net asset value (NAV) on a non-IFRS basis (cents per linked unit (cpu))	2,109	2,188
Realisable NAV (before distributions payable)	2,152	2,258
Listed market price (cpu)	1,146	1,749
Discount to NAV (%)	(45.65)	(20.07)
Vacancy factor commercial (based on lettable area)	5.9%	5.4%
Vacancy factor residential (average)	11.2%	9.3%
Capital commitments (incl. approved but not contracted)	N\$29m	N\$32m
Earnings/(loss) per linked unit (cents)	111.28	(110.63)
Distribution per linked unit (cents) as declared	99.75	69.75

2. Notes to the financial results

2.1 Basis of preparation

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of Namibia, 28 of 2004. The principal accounting policies and methods of computation are consistent in all material aspects with those applied as at 30 June 2021. The estimates and judgements made in applying the accounting policies are consistent to those applied and disclosed in the Annual Financial Statements for the year ended 30 June 2020. These summarised consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

This announcement does not include the information required pursuant to paragraph 16A(i) of IAS 34 as allowed by the NSX Listings Requirements. The consolidated annual financial statements are available at the issuers' registered offices upon request. This announcement is itself not reviewed or audited but is extracted from the underlying audited information. There were no revised or new standards adopted in the current year that had an effect on the Group's reported earnings, financial position or reserves, or a material impact on the accounting policies. The directors take full responsibility and confirm that this information has been correctly extracted from the consolidated financial statements from which the summarised consolidated financial statements were derived.

Ms Francis Heunis CA(NAM) supervised the preparation of the summarised consolidated financial results. The Group's Integrated Annual Report will be published on its website on or about 24 September 2021.

2.2 Earnings and headline earnings per share and linked unit

The weighted average number of issued linked units for the year ended 30 June 2021 is 87,320,147 (June 2020: 87,333,335), following a purchase of 26,449 linked units by the Oryx Long Term Share Incentive Trust. The weighted earnings and headline earnings per linked unit for the period are calculated below. There is no difference between basic and diluted earnings and headline earnings.

	2021		2020	
	N\$'000	cpu	N\$'000	cpu
Profit/(loss) for the year	10,007	11.46	(157,568)	(180.42)
Debenture interest	87,160	99.82	60,947	69.79
Earnings/(loss) attributable to linked units	97,167	111.28	(96,621)	(110.63)
Adjustments for:				
Amortisation of debenture premium	(37,167)	(42.56)	(41,217)	(47.20)
Fair value gain associate investment property	3,529	4.04	(4,076)	(4.67)
Capital deficits (net of deferred taxation)*	93,126	106.65	145,307	166.38
- Fair value adjustments on investment property	94,045	107.70	152,955	175.14
- Loss on sale of property	287	0.33	-	-
- Profit on sale of associate property	-	-	(6,978)	(7.99)
- Deferred tax on fair value adjustment of investment property	-	-	(1,754)	(2.01)
- Deferred tax on straight-line adjustments	(1,206)	(1.38)	1,084	1.24
- Rental straight-line adjustment	3,770	4.32	(3,389)	(3.88)
- Rental straight-line adjustment to revaluation	(3,770)	(4.32)	3,389	3.88
Headline earnings attributable to linked units	156,655	179.41	3,393	3.88
Debenture interest	(87,160)	(99.75)	(60,947)	(69.79)
Headline earnings/(loss) (note 2.3)	69,495	79.66	(57,554)	(65.91)

* Headline earnings circular 01/2021 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 and is calculated as follows:

	2021		2020	
	N\$'000	cpu	N\$'000	cpu
Headline earnings/(loss) (note 2.2)	69,495		(57,554)	
Adjusted for:				
Debenture interest	87,160		60,947	
Distributable earnings	156,655	179.28	3,393	3.88
Adjusted for:				
Elisenheim headline income	-	-	5,678	6.50
Dividends received from investment in associate ^A	17,380	19.89	-	-
Fair value gain associate investment property ^A	(3,529)	(4.04)	-	-
Share of profit from associate after tax ^A	(19,381)	(22.18)	-	-
Deferred tax	3,589	4.11	10,822	12.39
Capital surpluses not included in headline earnings	(49,192)	(56.29)	96,338	110.26
Adjusted distributable income	105,522	120.77	116,231	133.03
1st half distribution	(49,369)	(56.50)	(60,947)	(69.75)
2nd half distribution	(37,791)	(43.25)	-	-
Undistributed income for the year and distributable reserves (note 4)	18,362	21.02	55,284	63.28

^A These adjustments were necessitated by a change in the Debenture Trust Deed, which occurred during the period under review. There are no such adjustments made to comparative figures.

2.4 Primary business segments for the year ended 30 June 2021 (N\$'000)

	Retail	Industrial	Office	Residential	Fund	Group
Rental – operating income	228,434	68,686	33,197	9,935	-	340,252
Rental – straight-line adjustment	1,452	(5,761)	539	-	-	(3,770)
Revenue	229,886	62,925	33,736	9,935	-	336,482
Profit/(loss) for the year	26,351	45,023	21,644	(8,701)	(74,310)	10,007
Properties as per valuations	1,800,600	601,358	301,100	127,760	-	2,830,818
Sectoral spread	64%	21%	10%	5%	-	100%
Total assets	1,818,101	607,935	301,003	129,121	320,254	3,176,414
Total liabilities	(30,883)	(16,774)	(5,988)	(6,541)	(1,940,383)	(2,000,569)

Comparative primary business segments for the year ended 30 June 2020 (N\$'000)

	Retail	Industrial	Office	Residential	Fund	Group
Rental – operating income	217,548	66,091	39,042	6,707	-	329,388
Rental – straight-line adjustment	3,372	(1,107)	1,173	(49)	-	3,389
Revenue	220,920	64,984	40,215	6,658	-	332,777
(Loss)/profit for the year	(66,206)	38,942	10,996	54,209	(195,509)	(157,568)
Properties as per valuations	1,863,076	611,280	302,724	137,200	-	2,914,280
Sectoral spread	64%	21%	10%	5%	-	100%
Total assets	1,891,231	617,307	304,706	138,106	407,376	3,358,726
Total liabilities	(33,818)	(24,210)	(5,583)	(1,116)	(2,086,049)	(2,150,776)

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¹South African, ²Independent,
^AExecutive, ^BNon-executive



2. Notes to the financial results (continued)

2.5 Secondary business segments (N\$'000)

	2021			2020		
	Namibian	Non-Namibian	Group	Namibian	Non-Namibian	Group
Rental – operating income	329,677	10,575	340,252	319,101	10,287	329,388
Rental – straight-line adjustment	(1,805)	(1,965)	(3,770)	2,481	908	3,389
Revenue	327,872	8,610	336,482	321,582	11,195	332,777
Share of profit from associate after tax	–	19,381	19,381	–	23,427	23,427
Profit/(loss) for the year	2,513	7,494	10,007	(171,532)	13,964	(157,568)
Properties as per valuations	2,770,818	60,000	2,830,818	2,838,280	76,000	2,914,280
Sectoral spread	98%	2%	100%	97%	3%	100%
Total assets	2,841,838	334,576	3,176,414	2,916,260	442,466	3,358,726
Total liabilities	(1,746,029)	(254,540)	(2,000,569)	(1,805,921)	(344,855)	(2,150,776)

2.6 Property portfolio

The portfolio was independently valued at N\$2.8 billion (2020: N\$2.9 billion) by Mills Fitchet Magnus Penny with a negative fair value adjustment of N\$94 million (2020: N\$153 million). The negative fair value adjustment is mainly attributed to the retail and residential segments remaining under pressure, contracting by 3% and 7% respectively. Oryx applied a conservative valuation approach to account for the prolonged negative impact of the COVID-19 pandemic and its expected impact on tenants in both the commercial and residential portfolios.

Total capital expenditure amounted to N\$11 million (2020: N\$153 million). This significant reduction is due to the acquisition of three residential complexes in the prior period. Capital expenditure in the current period was kept at a minimum to enable necessary maintenance to be effected on Oryx's high quality assets.

The property portfolio is classified as a level 3 asset. Level 3 fair value measurements are those derived from valuation techniques that include inputs for an asset or liability that are not based on observable market data. Discount rates, capitalisation rates, market rental growth rates and vacancy rates are key inputs into the models.

2.7 Interest-bearing borrowings

	2021			2020		
	Utilised facility N\$'000	Weighted average interest rate %		Utilised facility N\$'000	Weighted average interest rate %	
Expiry						
Non-current liabilities						
2022	–	–		575,761	4.1	
2023	193,306	4.3		311,310	6.0	
2024	283,746	6.1		–	–	
2025	494,041	5.6		227,000	5.9	
2026	151,522	5.5		–	–	
Total	1,122,615	5.6		1,114,071	5.2	
Current liabilities						
Revolving facilities	–	–		123,530	3.7	
Maturing within one year	90,000	5.8		75,000	2.4	
Total	90,000	5.8		198,530	6.0	
GRAND TOTAL	1,212,615	5.6		1,312,601	5.2	

Total available unutilised facilities increased by 182% to N\$183 million (June 2020: N\$65 million) and €4.8 million (June 2020: €2 million) in the Euro facility, excluding the Domestic Medium-Term Note Programme of N\$416.7 million (June 2020: N\$416.7 million) and cash balances.

2.8 Derivative (liability)/asset

	Total fair value N\$'000	Non-current fair value N\$'000	Current fair value N\$'000	Nominal value N\$'000	Average fixed interest rate*
2021	(12,973)	(5,248)	(7,725)	610,000	5.9%
Asset	3,178	1,438	1,740		
Liability	(16,151)	(6,686)	(9,465)		
2020	(23,001)	(13,546)	(9,455)	340,000	6.5%
Liability	(23,001)	(13,546)	(9,455)		

* Floating rate is the three-month Johannesburg Inter-bank Average Rate (JIBAR).

The interest rate swaps are classified as level 2 financial instruments which are 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 rental income increased by 1% from the previous year. The reduction from previous years' annual escalations of between 6% and 8% was due to the impact of negative rental reversions where most of the large South African national retailers' lease agreements were renewed during the latter part of the financial year, against a backdrop of an industry being under immense pressure. Total COVID-19-related rent concessions provided to tenants in the current year amounted to N\$27.2 million which brings the total rent concessions to date to N\$44.7 million. Rental reversions remained flat or negative for the retail sector and the Group continued to focus on controlling property expenditure costs during the year. The commercial and residential vacancy factors deteriorated to 5.9% (June 2020: 5.4%) and 11.2% (June 2020: 10.8%) respectively.

The Group's distribution per linked unit for the year ended 30 June 2021 amounts to 99.75cpu (June 2020: 69.79cpu), being interest of N\$87 million (June 2020: N\$61 million). The increase in distribution compared to June 2020 is the result of not declaring a final distribution during the 2020 financial year. The result of unitholders voting in favour to reduce the minimum distributions payout ratio to 75% for a three-year period resulted in the Board of Directors (Board) deciding on only paying out 75% of distributable income for the final six-month period in order to further improve the overall liquidity of the Group.

3.2 Investment in associate

The investment in associate yielded an average cash return of 6.7% (June 2020: 4.4%) for the year of which Oryx's 26% share amounts to N\$17 million (June 2020: N\$14 million). The average income yield for the year amounted to 6.8% (June 2020: 7.3%) of which Oryx's 26% share amounted to N\$19 million (June 2020: N\$23 million). Unitholders voted in favour at the November 2020 Annual General Meeting to amend the Debenture Trust Deed to include the cash dividend instead of the share of profit from associate after tax in the definition of distributable income, to ensure that only cash received forms part of distributable income. The translation of the loan from Euro to Namibia Dollar resulted in a foreign exchange gain of N\$40 million (June 2020: loss of N\$65 million), which is included in profit and loss for the year. The translation of the associate in turn resulted in a foreign exchange loss of N\$42 million (June 2020: gain of N\$69 million), which is included in other comprehensive income. A spot rate of N\$17.04 was used as at 30 June 2021 (June 2020: N\$19.45).

The sale of the Super Konzum Velika Gorica property, a diversified retail shopping mall situated in Croatia, resulted in a proportional reduction in issued capital of the associate via a share buy-back. This in turn resulted in a reduction in the value of the investment in associate on 30 July 2020 of €1.3 million (26%) or N\$25 million, which is the sale proceeds recorded. There has been no change in the percentage holding.

3.3 Interest-bearing borrowings

Gearing amounted to 38.2% (2020: 39.1%) with the decrease mainly resulting from not distributing a final distribution for the 2020 financial year, although investment property reduced from the prior year. The weighted average interest rate was 6.7% (2020: 5.8%) which increased due to additional swaps entered during the year. 57% (2020: 49%) of total debt drawn was fixed at year-end, with a nominal value of N\$610 million (2020: N\$340 million). The increase resulted from entering a N\$50 million swap option, followed by two capped swap options with nominal values of N\$50 million and N\$170 million respectively. The Group considered it prudent to enter these options and increase the fixed to total debt ratio, given the interest rate outlook that interest rates are expected to rise.

3.4 The market and prospects

Namibia's economic performance is expected to improve during 2022, following what is estimated to be the country's deepest contraction in 2020 and 2021. Risks to domestic growth are dominated by the continued impact of COVID-19 where a successful accelerated vaccination rollout in Namibia is required to protect and improve our economic prospects. During the first quarter of 2021, activity in the tourism and retail sectors remained subdued and registered declines of 79.2% and 1.5% respectively year-on-year. The reduction in the number of international and regional airport arrivals had and continues to have a severe impact on the tourism sector.

Management continues to strengthen the balance sheet by focusing on the retention of tenants, cash preservation, prudent capital management and spending, strategic capital expenditure, reduction to vacancies and intense management of our debtors book. Our focus is on our major assets, with a specific focus on ensuring that new trends in the retail sector are incorporated with the vision we have for our properties. In addition, we will ensure that opportunities which present themselves are analysed and, where feasible, undertaken to ensure long-term sustainability of our company.

3.5 Subsequent events

Subsequent to year end, the Group refinanced the N\$90 million Old Mutual Promissory Note facility set to mature in September 2021, at three-month Johannesburg Interbank Average Rate (JIBAR) plus 2.05% for a four-year term. The Group further received two covenant condonements from Absa and two from Old Mutual Investment Group Namibia (OMIGNAM). The Absa vacancy covenant has been relaxed from 5% to 10% until 30 September 2022 and the Absa interest cover ratio covenant has been relaxed from 2.25 to 2 until 30 September 2022. The OMIGNAM age analysis of debtors and interest cover ratio covenants will not be measured until 1 October 2022.

3.6 Going concern

Due to the undetermined impacts that COVID-19 will ultimately have on the Namibian economy and the Group, the detailed budgets reviewed by the Board received additional scrutiny during the year. By September 2021, the N\$90 million in promissory notes held with Old Mutual Investment Group Namibia (OMIGNAM) had expired and this was refinanced at three-month Johannesburg Interbank Average Rate (JIBAR) plus 2.05% for a four-year term. It is pleasing to note that management has managed to improve performance and reduce debt levels during the 2021 financial year. However, due to an increase in bad debts and decrease in liquidity in the market and the undetermined impacts that an ongoing COVID-19 pandemic will continue to have, the Board deems it appropriate to ensure that sufficient cash reserves are in place to cover the debt, and together with management, has implemented a number of measures to ensure this.

The directors are thus of the opinion that Oryx will remain a going concern for the foreseeable future from the date of this results announcement even after taking into account any reasonable adverse effect resulting from reverting to stricter lockdown measures than what are currently in place in Namibia. The going concern basis was therefore adopted in preparing these results.

3.7 Appreciation

The Board would like to thank its management, employees and service providers for their commitment and dedication during the year. We also thank our tenants, financiers and unitholders for their continued support in these unprecedented times.

4. Declaration of distribution number 36

Notice is hereby given of the declaration of Distribution Number 36, amounting to interest of 43.25cpu, in respect of the six-month period ended 30 June 2021.

Last date to trade cum distribution Thursday, 23 September 2021*

Units will trade ex-distribution Monday, 27 September 2021

Record date to participate in the distribution Friday, 1 October 2021

Payment of debenture interest Friday, 15 October 2021

* Unitholders are advised that 24 September 2021, the initial date communicated in the company's 2020 integrated report is a public holiday in South Africa and thus a non-trading day. The last date to trade therefore moved from 24 September 2021 to 23 September 2021 to guarantee Unitholders entry into the share register of the company.

By order of the Board
Mr PM Kazmaier – Chairperson
 10 September 2021

