

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

UNAUDITED INTERIM RESULTS AND DISTRIBUTION ANNOUNCEMENT  
 for the six months ended 31 December 2021

- Distribution yield 9.8% (Dec 2020: 8.1%)
- Gearing 38.1% (Dec 2020: 38.9%)
- Commercial vacancy factor (excl residential) 5.9% (Dec 2020: 4.4%)
- Rental income growth 2.9% (Dec 2020: -9.9%)
- Distribution - cents per linked unit (cpu) 44.00 (Dec 2020: 56.50)

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

	Notes	Six months ended		Year ended
		31.12.2021	31.12.2020	30.06.2021
		Unaudited	Unaudited	Audited
Revenue		155,817	146,590	336,482
Rental - operating income	3.1	157,932	153,493	340,252
Rental - straight-line adjustment		(2,115)	(6,903)	(3,770)
Property expense		(55,063)	(52,709)	(108,968)
Net rental income		100,754	93,881	227,514
Investment income		39	94	180
Dividends received		751	319	319
Share of profit from associate after tax	3.2	12,153	9,391	19,381
Amortisation of debenture premium		17,264	16,559	37,167
Changes in fair value of investment property		809	(67,141)	(90,275)
As per valuations	2.6	(1,306)	(74,044)	(94,045)
Straight-line adjustment		2,115	6,903	3,770
Changes in fair value of derivative instruments		7,053	(594)	10,027
Changes in fair value of listed investments		(15)	(1,052)	2,569
Exchange differences on foreign loan	3.2	(5,781)	32,830	39,806
Other expenses	3.1	(18,545)	(16,299)	(60,631)
Operating profit before finance costs and debenture interest		114,482	67,988	186,057
Less: Finance costs		(42,692)	(41,191)	(81,304)
Operating profit before debenture interest		71,790	26,797	104,753
Less: Debenture interest		(38,447)	(49,369)	(87,160)
Profit/(loss) before taxation		33,343	(22,572)	17,593
Taxation		(2,208)	1,666	(7,586)
Profit/(loss) for the period	2.2	31,135	(20,906)	10,007
Other comprehensive income/(loss) - exchange difference on associate	3.2	18,612	(34,377)	(42,112)
Total comprehensive income/(loss) for the period		49,747	(55,283)	(32,105)

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

	Notes	Six months ended		Year ended
		31.12.2021	31.12.2020	30.06.2021
		Unaudited	Unaudited	Audited
<b>ASSETS</b>				
Non-current assets				
Investment properties		2,786,448	2,792,906	2,775,091

At valuation	2.6	2,840,060	2,845,500	2,830,818
Straight-line adjustment		(53,612)	(52,594)	(55,727)
Furniture and equipment		888	838	707
Investment in listed shares		-	10,553	-
Investment in associate	3.2	309,137	312,754	288,029
Deferred expenditure		5,515	7,233	5,805
Rental receivable - straight-line adjustment		50,659	48,593	52,129
Derivative asset	2.8	4,162	-	1,438
		3,156,809	3,172,877	3,123,199
Current assets				
Trade and other receivables		25,507	27,953	24,004
Trade and other receivables		22,554	23,953	20,406
Rental receivable - straight-line adjustment		2,953	4,000	3,598
Deferred expenditure		2,900	3,951	3,335
Tax receivable		2,393	2,398	2,393
Derivative asset		-	-	1,740
Investment in listed shares		-	-	14,174
Cash and cash equivalents		24,972	11,476	7,569
Dividend receivable		9,656	-	-
		65,428	45,778	53,215
TOTAL ASSETS		3,222,237	3,218,655	3,176,414
EQUITY AND LIABILITIES				
Capital and reserves		1,225,592	1,152,667	1,175,845
Non-current liabilities				
Debentures		391,061	392,007	392,008
Debenture premium		256,709	295,244	274,636
Interest-bearing borrowings	2.7	1,000,043	683,284	1,122,615
Derivative liability	2.8	4,422	12,673	6,686
Deferred taxation		34,509	25,034	33,025
		1,686,744	1,408,242	1,828,970
Current liabilities				
Trade and other payables		36,163	27,728	32,831
Derivative liability		5,660	10,923	9,465
Deferred income		1,285	1,119	1,288
Interest-bearing borrowings	2.7	228,192	568,471	90,000
Linked unitholders for distribution	2.3	38,601	49,505	38,015
		309,901	657,746	171,599
TOTAL EQUITY AND LIABILITIES		3,222,237	3,218,655	3,176,414

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

		Six months ended		Year ended
		31.12.2021	31.12.2020	30.06.2021
	Notes	Unaudited	Unaudited	Audited
OPERATING ACTIVITIES				
Net cash from operating activities		5,820	(7,565)	(2,398)
Cash generated by operations		81,537	74,480	191,881
Investment income		39	94	180
Finance costs		(37,172)	(20,551)	(82,340)
Distribution paid to linked unitholders		(37,860)	(60,854)	(110,135)
Taxation paid		(724)	(734)	(1,984)
Net cash from investing activities		4,072	19,442	40,983
Additions/acquisitions		(10,853)	(5,674)	(10,887)
Dividends received from listed shares		751	319	319
Dividends received from associate		-	8,925	17,381
Proceeds from share buy-back from associate		-	15,872	34,170
Disposal of Investment in listed shares		14,174	-	-
Net cash from financing activities		7,511	(28,825)	(58,504)
Additional facilities drawn		69,944	112,775	104,644
Repayment of loans		(60,105)	(141,600)	(163,148)

Repurchase of linked units	(2,328)	-	-
Net movement in cash and cash equivalents	17,403	(16,948)	(19,919)
Cash and cash equivalents at beginning of the period	7,569	28,298	28,298
Foreign exchange differences on cash balances	-	126	(810)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	24,972	11,476	7,569

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

	Share capital	Distributable Reserves	Non-distributable reserves	Total
Audited balance at 30 June 2020	874	55,250	1,151,826	1,207,950
Total comprehensive income	-	(55,283)	-	(55,283)
Transfer to non-distributable reserves	-	58,280	(58,280)	-
Audited balance at 31 December 2020	874	58,247	1,093,546	1,152,667
Total comprehensive income	-	23,178	-	23,178
Transfer to non-distributable reserves	-	(7,403)	7,403	-
Audited balance at 30 June 2021	874	74,022	1,100,949	1,175,845
Total comprehensive income	-	49,747	-	49,747
Transfer to non-distributable reserves	-	(34,343)	34,343	-
Unaudited balance at 31 December 2021	874	89,426	1,135,292	1,225,592

1. Other information

		Six months ended 31.12.2021	31.12.2020	Year ended 30.06.2021
	Notes	Unaudited	Unaudited	Audited
Linked units in issue		87,378,835	87,378,835	87,378,835
Net asset value (NAV) on non IFRS basis (cpu)	3.2	2,144	2,106	2,109
Realisable NAV (before distributions payable)		2,188	2,162	2,152
Listed market price (cpu)		899	1,400	1,146
Discount to NAV (%)		(58.07)	(33.51)	(45.65)
Vacancy factor commercial (based on Lettable area)		5.9%	4.4%	5.9%
Vacancy factor residential (average)		2.5%	12.5%	11.2%
Capital commitments (including approved but not contracted)		N\$61m	N\$23m	N\$29m
Earnings per linked unit (cents)	2.2	79.77	32.59	111.28
Distribution per linked unit (cents) as Declared	2.3	44.00	56.50	99.75

2. Notes to the financial results

2.1 Basis of preparation

The condensed consolidated financial statements are prepared according to the requirements of the Namibian Stock Exchange (NSX) listings requirements for provisional reports and the Companies Act of Namibia, 28 of 2004. The listings requirements require provisional reports to be prepared according to the framework concepts and measurement and recognition requirements of International Financial Reporting Standards (IFRS). They also require, at a minimum, the information required by the International Accounting Standards (IAS) 34 Interim Financial Reporting.

IFRS accounting policies and methods of computation were applied in preparing these condensed consolidated financial statements. This is consistent with those applied in the previous consolidated Annual Financial Statements.

The content of this announcement has not been audited or reviewed. The directors take responsibility for the announcement's preparation which was prepared under the supervision of Mrs Francis Heunis CA(NAM) in her capacity as Chief Financial Officer.

## 2.2 Weighted earnings and headline earnings

The weighted average number of issued linked units for the six months ended 31 December 2021 is 87,228,977 (June 2021: 87,320,147), following a buy-back of 210,812 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.

	Six months ended 31.12.2021		Six months ended 31.12.2020	
	Unaudited		Unaudited	
	N\$'000	cpu	N\$'000	cpu
Profit/(loss) for the period	31,135	35.69	(20,907)	(23.94)
Debenture interest	38,447	44.08	49,369	56.53
Earnings attributable to linked units	69,582	79.77	28,462	32.59
Adjustments for:				
Amortisation of debenture premium <sup>^</sup>	(17,264)	(19.79)	(16,559)	(18.96)
Capital deficits (net of deferred taxation)*	533	0.61	71,835	82.25
Headline earnings attributable to linked Units	52,851	60.59	83,738	95.88
Debenture interest	(38,447)	(44.08)	(49,369)	(56.53)
Headline earnings (Note 2.3)	14,404	16.51	34,369	39.35

\* Headline earnings circular 01/2021 applied.

<sup>^</sup> An amendment in the Debenture Trust Deed to extend the redeemable date from 2 December 2027 to 2 December 2052 resulted in a change in the calculation of amortisation of debenture premium in the current period, effective 22 November 2021.

## 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:

	Six months ended 31.12.2021		Six months ended 31.12.2020	
	Unaudited		Unaudited	
	N\$'000	cpu	N\$'000	cpu
Headline earnings (Note 2.2)	14,404	16.51	34,369	39.35
Adjusted for:				
Debenture interest	38,447	44.00	49,369	56.50
Distributable earnings	52,851	60.51	83,738	95.85
Adjusted for:				
Headlease income	-	-	2,969	3.40
Dividends received from investment in Associate	9,656	11.05	8,925	10.21
Share of profit from associate after tax	(12,153)	(13.91)	(9,391)	(10.75)
Capital surpluses not included in headline Earnings	1,000	1.14	(31,373)	(35.90)
Adjusted distributable income	51,354	58.79	54,868	62.81
First half distribution	(38,447)	(44.00)	(49,369)	(56.50)
Undistributed income for the period and distributable reserves	12,907	14.79	5,499	6.31

2.4 Primary business segments for the period ended 31 December 2021 (Unaudited N\$' 000)

	Retail	Industrial	Office	Residential <sup>^</sup>	Fund	Group
Rental - operating income	100,151	35,403	16,971	5,407	-	157,932
Rental - straight-line adjustment	(4,067)	1,734	153	65	-	(2,115)
Revenue	96,084	37,137	17,124	5,472	-	155,817
Profit/(loss) for the period	58,210	23,713	10,378	1,458	(62,624)	31,135
Properties as per Valuations	1,811,272	601,408	301,330	126,050	-	2,840,060
Sectoral spread	64%	21%	11%	4%	0%	100%
Total assets	1,834,422	608,012	301,915	127,575	350,313	3,222,237
Total liabilities	(31,915)	(17,759)	(7,437)	(6,961)	(1,932,573)	(1,996,645)

Comparative primary business segments for the period ended 31 December 2020 (Unaudited N\$' 000)

	Retail	Industrial	Office	Residential <sup>^</sup>	Fund	Group
Rental - operating income	98,172	33,897	16,594	4,830	-	153,493
Rental - straight-line adjustment	(27)	(7,375)	470	29	-	(6,903)
Revenue	98,145	26,522	17,064	4,859	-	146,590
(Loss)/profit for the period	(145,975)	38,051	117,839	7,599	(38,420)	(20,906)
Properties as per Valuations	1,801,479	624,971	277,490	141,560	-	2,845,500
Sectoral spread	64%	22%	9%	5%	0%	100%
Total assets	1,854,713	654,648	290,941	146,520	271,833	3,218,655
Total liabilities	(25,653)	(23,529)	(6,177)	(1,954)	(2,008,675)	(2,065,988)

2.5 Secondary business segments (Unaudited N\$' 000)

	Six months ended 31.12.2021 Unaudited			Six months ended 31.12.2020 Unaudited		
	Namibia	Namibian	Group	Namibian	Namibian	Group
Rental - operating income	152,765	5,167	157,932	147,718	5,775	153,493
Rental - straight-line adjustment	(2,315)	200	(2,115)	(4,456)	(2,447)	(6,903)
Revenue	150,450	5,367	155,817	143,262	3,328	146,590
Share of profit from associate after tax	-	12,153	12,153	-	9,391	9,391
Profit/(loss) for the period	26,925	4,210	31,135	(22,996)	2,089	(20,907)
Properties as per valuations	2,780,060	60,000	2,840,060	2,781,649	63,851	2,845,500
Sectoral spread	98%	2%	100%	98%	2%	100%
Total assets	2,850,211	372,026	3,222,237	2,834,506	384,149	3,218,655
Total Liabilities	(1,747,040)	(249,605)	(1,996,645)	(1,777,029)	(288,959)	(2,065,988)

## 2.6 Property portfolio

The directors valued the portfolio at N\$2.84 billion (June 2021: N\$2.83 billion) at period end. Based on this analysis, the value of the portfolio as at 31 December 2021 was N\$9.2 million higher than at 30 June 2021. The increase in property value predominantly related to capital expenditure incurred amounting to N\$11 million (June 2021: N\$11 million) which was mainly incurred on the retail portfolio.

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 assets or liabilities that are not based on observable market data. Discount rates, capitalisation rates and reversion rates are key inputs into the models.

## 2.7 Interest-bearing borrowings

	31.12.2021		30.06.2021	
	Unaudited	Weighted average	Audited	Weighted average
Expiry	Utilised facility N\$'000	interest rate %	Utilised facility N\$'000	interest rate %
Non-current liabilities				
2023	-	-	193,306	4.3
2024	407,650	6.3	283,746	6.1
2025	352,393	5.8	494,041	5.6
2026	240,000	5.8	151,522	5.5
Total	1,000,043	6.0	1,122,615	5.6
Current liabilities				
Revolving facilities				
Maturing within one year	228,192	4.0	90,000	5.8
Total	228,192	4.0	90,000	5.8
GRAND TOTAL	1,228,235	5.6	1,212,615	5.6

Overall, total available unutilised facilities decreased to €2.6 million and N\$193 million (June 2021: €4.8 million and N\$183 million), excluding the Domestic Medium-Term Note Programme (DMTNP) of N\$416.7 million (June 2021: N\$416.7 million) and cash balances. Cash balances improved from N\$11 million to N\$25 million.

## 2.8 Derivative liability

	Total fair value N\$'000	Non-current fair value N\$'000	Current fair value N\$'000	Nominal value N\$'000	Average fixed interest rate*
31.12.2021 Unaudited	(5,920)	(260)	(5,660)	610,000	5.9%
30.06.2021 Audited	(12,973)	(5,248)	(7,725)	610,000	5.9%

\* Floating rate is the 3M JIBAR rate.

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

We are pleased by the Group's performance for the period where a total comprehensive income of N\$50 million was achieved, mainly due to prudent financial and asset management strategies implemented. The Group's distribution

per linked unit for the six months ended 31 December 2021 amounts to 44.00 cpu (Dec 2020: 56.50 cpu), which comprises N\$38 million interest (Dec 2020: N\$49 million interest). The decrease in distribution compared to December 2020 was the result of changing the distribution payout from 90% to 75%, as per approval granted by unitholders to amend the Debenture Trust Deed in May 2021. If 90% of distributable income had been paid out, linked unit distribution would have amounted to 52.75 cpu, of which N\$46 million consisted of interest, which represents a decrease of 5.9% to last year. Notwithstanding a conservative approach to the provision for doubtful debts, we have improved the average collection from 87.9% to 92.2%. The Group continued its policy to control property expenses of which municipal rates and taxes continued to increase.

Operating rental income remained stable from the prior period, following further rent concessions provided to tenants impacted by the pandemic. The current period's COVID-19 concessions to tenants amount to N\$8 million (Dec 2020: N\$16 million).

The commercial vacancy factor remained steady at 5.9% (June 2021: 5.9%) which included an improvement in the offices portfolio and a slight deterioration in the retail portfolio. The average vacancy factor of our residential portfolio improved substantially to 2.5% (June 2021: 11.2%), as a result of increased demand within this particular segment.

The investment in listed shares (Tower Property Fund) were disposed on 24 December 2021, and the proceeds of N\$14.9 million was received.

### 3.2 Investment in associate

The investment in associate achieved an above expected average cash yield of 7.8% for the period (June 2021: 6.7%), of which Oryx's share is N\$10 million (Dec 2020: N\$9 million). This illustrates the resilience of our underlying offshore investment. The Croatian investment properties were valued in December 2021 at €81.9 million (June 2021: €82.2 million), rather than May given the change in financial year-end by Tower International. The translation of the loan from Euro to Namibian Dollar resulted in a foreign exchange loss of N\$5.8 million (June 2021: gain of N\$40 million). The translation of the associate resulted in a foreign exchange gain of N\$18.6 million (June 2021: loss of N\$42 million), using a spot rate of N\$18.06 as at 31 December 2021 (June 2021: N\$17.04).

### 3.3 Net asset value

At 31 December 2021, the NAV per linked unit improved by 2% from 2,106 to 2,144 cpu.

### 3.4 Interest-bearing borrowings

The gearing ratio improved slightly to 38.1% (June 2021: 38.2%). Subsequent to period end, dividends from the associate and listed share sales proceeds were transferred into facilities which if taken into account would have reduced the gearing further to 37.6%. 50% (June 2021: 57%) of total debt drawn at period end were fixed, with a weighted average interest rate of 5.6% (June 2021: 6.7%). A positive fair value adjustment amounting to N\$7 million was recognised on derivative instruments which were entered into during the previous financial year.

### 3.5 The market and prospects

The Bank of Namibia expected the economy to improve slightly during 2021 with a further improvement expected in 2022. The recoveries were expected mainly in the primary and tertiary industries. The primary risks to domestic growth include the continued impact of COVID-19 and the persistently low international prices for some export commodities. As COVID-19 restrictions are eased and tenant trading conditions improve, we anticipate a slow but steady recovery within the property sector.

Notwithstanding the challenging market conditions, we are excited by the positive trading performances of both the Namibian and Croatian portfolios as well as the

resilience of the underlying property assets. Maerua Mall has performed particularly well and has seen significant growth in feet count in that it has nearly touched on levels last seen in the fourth quarter of 2019. As we continue our focus of strengthening our balance sheet and improving our debt covenants, we are poised to further diversify our portfolio and deliver on our strategy of investing in well-performing geographies and property sectors.

### 3.6 Changes to the Board

Messrs NBS Harris, JC Kuehhirt and A Swanepoel resigned as non-executive directors on 22 November 2021. We would like to thank them for their unwavering support and guidance over the years. Ms FK Heunis, the Chief Financial Officer of Oryx, has been appointed as an executive director to the Board, with effect from 22 November 2021.

### 3.7 Appreciation

My appreciation goes to my fellow Board members for their continued support and guidance, and to the Executive Management team and every employee for their energy and commitment towards driving Oryx forward under difficult times.

I also want to thank all our stakeholders for their support during the last months and years.

## 4. Declaration of distribution number 37

Notice is hereby given of the declaration of Distribution Number 37, amounting to interest of 44.00 cpu, in respect of the six-month period ended 31 December 2021.

Last date to trade cum distribution	Friday, 25 March 2022
Units will trade ex-distribution	Monday, 28 March 2022
Record date to participate in the distribution	Friday, 1 April 2022
Payment of debenture interest	Thursday, 14 April 2022

By order of the Board  
Mr PM Kazmaier - Chairperson  
10 March 2022

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Directors  
PM Kazmaier (Chairperson)#, A Angula (Deputy Chairperson)#, JJ Comalie#, RMM Gomachas\$, B Jooste^, VJ Mungunda#, MH Muller\*#, FK Heunis^ (\*South African, #Independent, ^Executive, \$Non-executive)