

Distribution yield **10.5%**
(2021: 9.8%)

Gearing **36.5%**
(2021: 38.1%)

Vacancy factor (excl residential) **6.1%**
(2021: 5.9%)

Rental income **10.8%**
growth (2021: 2.9%)

Distribution – cents per linked unit (cpu) **54.25**
(2021: 44.00)

Condensed Consolidated Statement of Comprehensive Income (N\$'000)

Notes	Six months ended		Year ended
	31.12.2022 Unaudited	31.12.2021 Unaudited	30.06.2022 Audited
Revenue	168,085	155,817	355,886
Rental – operating income	174,993	157,932	335,408
Rental – straight-line adjustment	(6,908)	(2,115)	20,478
Property expense	(58,681)	(55,063)	(113,661)
Net rental income	109,404	100,754	242,225
Investment income	144	39	100
Dividends received	–	751	751
Share of profit from associate after tax	24,185	12,153	18,398
Amortisation of debenture premium	4,150	17,264	21,413
Changes in fair value of investment property	6,908	809	26,345
As per valuations	–	(1,306)	46,823
Straight-line adjustment	6,908	2,115	(20,478)
Changes in fair value of derivative instruments	1,365	7,053	29,045
Changes in fair value of listed investments	(652)	(15)	(21)
Exchange differences on foreign loan	(5,288)	(5,781)	1,208
Other expenses	(10,236)	(18,545)	(34,154)
Operating profit before finance costs and debenture interest	129,980	114,482	305,310
Less: Finance costs	(50,107)	(42,692)	(85,421)
Operating profit before debenture interest	79,873	71,790	219,889
Less: Debenture interest	(47,239)	(38,447)	(88,721)
Profit before taxation	32,634	33,343	131,168
Taxation	1,196	(2,208)	(26,116)
Profit for the period	33,830	31,135	105,052
Other comprehensive income – exchange difference on associate	24,236	18,612	804
Total comprehensive income for the period	58,066	49,747	105,856

Condensed Consolidated Statement of Financial Position (N\$'000)

Notes	Six months ended		Year ended
	31.12.2022 Unaudited	31.12.2021 Unaudited	30.06.2022 Audited
ASSETS			
Non-current assets			
Investment properties	2,892,914	2,786,448	2,763,340
At valuation	2,962,211	2,840,060	2,839,545
Straight-line adjustment	(69,297)	(53,612)	(76,205)
Furniture and equipment	883	888	888
Investment in associate	330,635	309,137	290,111
Deferred expenditure	6,330	5,515	6,641
Rental receivable – straight-line adjustment	66,303	50,659	71,724
Derivative asset	13,709	4,162	15,104
	3,310,774	3,156,809	3,147,808
Current assets			
Trade and other receivables	28,526	25,507	28,117
Trade and other receivables	25,532	22,554	23,636
Rental receivable – straight-line adjustment	2,994	2,953	4,481
Dividend receivable	–	9,656	3,955
Deferred expenditure	3,078	2,900	2,868
Tax receivable	2,461	2,393	2,461
Derivative asset	3,726	–	2,862
Cash and cash equivalents	14,433	24,972	18,127
	52,224	65,428	58,390
Non-current assets held for sale			
Investment property held for sale	–	–	70,000
	–	–	70,000
TOTAL ASSETS	3,362,998	3,222,237	3,276,198
EQUITY AND LIABILITIES			
Capital and reserves	1,339,762	1,225,592	1,281,698
Non-current liabilities			
Debentures	390,057	391,061	391,061
Debenture premium	247,760	256,709	252,560
Interest-bearing borrowings	963,248	1,000,043	947,352
Derivative liability	–	4,422	–
Deferred taxation	56,027	34,509	57,817
	1,657,092	1,686,744	1,648,790
Current liabilities			
Trade and other payables	46,338	36,163	42,691
Derivative liability	–	5,660	1,896
Deferred income	1,381	1,285	1,381
Interest-bearing borrowings	270,759	228,192	174,106
Linked unitholders for distribution	47,666	38,601	50,636
	366,144	309,901	270,710
Liabilities directly associated with non-current assets classified as held for sale			
Non-current liabilities held for sale	–	–	75,000
	–	–	75,000
TOTAL EQUITY AND LIABILITIES	3,362,998	3,222,237	3,276,198

Condensed Consolidated Statement of Cash Flows (N\$'000)

Notes	Six months ended		Year ended
	31.12.2022 Unaudited	31.12.2021 Unaudited	30.06.2022 Audited
OPERATING ACTIVITIES			
Net cash from operating activities	7,387	5,820	31,515
Cash generated by operations	107,798	81,537	194,887
Investment income	144	39	100
Finance costs	(49,752)	(37,172)	(85,980)
Distribution paid to linked unitholders	(50,209)	(37,860)	(76,100)
Taxation paid	(594)	(724)	(1,392)
Net cash from investing activities	(41,036)	4,072	(3,679)
Additions	(52,886)	(10,853)	(32,468)
Dividends received from listed shares	–	751	751
Dividends received from associate	11,850	–	13,165
Disposal of investment in listed shares	–	14,174	14,873
Net cash from financing activities	29,955	7,511	(17,278)
Additional facilities drawn	336,269	69,944	12,761
Repayment of loans	(304,007)	(60,105)	(27,712)
Repurchase of linked units	(2,307)	(2,328)	(2,327)
Net movement in cash and cash equivalents	(3,694)	17,403	10,558
Cash and cash equivalents at beginning of the period	18,127	7,569	7,569
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14,433	24,972	18,127

Condensed Consolidated Statement of Changes in Equity (N\$'000)

	Share capital	Distributable reserves	Non-Distributable reserves	Total
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
Total comprehensive income	–	56,109	–	56,109
Transfer to non-distributable reserves	–	(47,824)	47,824	–
Share buyback	(3)	–	–	(3)
Audited balance at 30 June 2022	871	97,711	1,183,116	1,281,698
Total comprehensive income	–	58,066	–	58,066
Transfer to non-distributable reserves	–	(25,601)	25,601	–
Share buyback	(2)	–	–	(2)
Unaudited balance at 31 December 2022	869	130,176	1,208,717	1,339,762

1. Other information

Notes	Six months ended		Year ended
	31.12.2022 Unaudited	31.12.2021 Unaudited	30.06.2022 Audited
Linked units in issue	87,378,835	87,378,835	87,378,835
Net asset value (NAV) on non IFRS basis (cpu)	2,263	2,144	2,203
Realisable NAV (before distributions payable) (cpu)	2,318	2,188	2,261
Listed market price (cpu)	1,030	899	1,026
Discount to NAV (%)	(54.49)	(58.07)	(53.44)
Vacancy factor excl residential (based on lettable area)	6.1%	5.9%	5.4%
Vacancy factor residential (average)	1.7%	2.5%	1.9%
Capital commitments (incl. approved but not contracted)*	N\$731m	N\$61m	N\$48m
Earnings per linked unit (cents)	93.14	79.77	222.31
Distribution per linked unit (cents) as declared	54.25	44.00	101.75

* Capital commitments include the acquisition of Dunes Mall (Proprietary) Limited of N\$650 million and the first phase of the Maerua Mall refurbishment project amounting to N\$48 million.

2. Notes to the financial results

2.1 Basis of preparation

The Group prepares its condensed consolidated financial statements in accordance with the recognition and measurement criteria of 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 2022. The estimates and judgements made in applying the accounting policies are consistent with those applied and disclosed in the Annual Financial Statements for the year ended 30 June 2022. These unaudited condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

The condensed consolidated financial statements do not include the information required pursuant to paragraph 16A(i) of IAS 34, although the information they contain does conform with the NSX listing requirements. 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 condensed consolidated financial statements were derived.

The contents of these condensed consolidated financial statements have not been audited or reviewed. Mrs Francis Heunis CA(NAM) supervised the preparation of the condensed consolidated financial results.

2.2 Weighted earnings and headline earnings

The weighted average number of issued linked units for the six months ended 31 December 2022 is 87,041,395 (June 2022: 87,163,072), following a buyback of 223,575 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		Six months ended	
	31.12.2022 Unaudited N\$'000	cpu	31.12.2021 Unaudited N\$000	cpu
Profit for the period	33,830	38.87	31,135	35.69
Debenture interest	47,239	54.27	38,447	44.08
Earnings attributable to linked units	81,069	93.14	69,582	79.77
Adjustments for:				
Amortisation of debenture premium	(4,150)	(4.77)	(17,264)	(19.79)
Capital (surpluses)/deficits (net of deferred taxation)*	(2,227)	(2.56)	533	0.61
Headline earnings attributable to linked units	74,692	85.81	52,851	60.59
Debenture interest	(47,239)	(54.27)	(38,447)	(44.08)
Headline earnings (Note 2.3)	27,453	31.54	14,404	16.51

* 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:

	Six months ended		Six months ended	
	31.12.2022 Unaudited N\$'000	cpu	31.12.2021 Unaudited N\$000	cpu
Headline earnings (Note 2.2)	27,453	31.54	14,404	16.51
Adjusted for:				
Debenture interest	47,239	54.06	38,447	44.00
Distributable earnings	74,692	85.60	52,851	60.51
Adjusted for:				
Dividends received from investment in associate	7,896	9.04	9,656	11.05
Share of profit from associate after tax	(24,185)	(27.68)	(12,153)	(13.91)
Capital surpluses not included in headline earnings	5,012	5.74	1,000	1.14
Adjusted distributable income	63,415	72.70	51,354	58.79
First half distribution	(47,403)	(54.25)	(38,447)	(44.00)
Undistributed income for the period and distributable reserves	16,012	18.45	12,907	14.79

2.4 Primary business segments for the period ended 31 December 2022 (Unaudited N\$'000)

	Retail	Industrial	Office	Residential	Fund	Group
Rental – operating income	111,821	38,973	18,604	5,595	–	174,993
Rental – straight-line adjustment	(6,443)	(1,367)	896	6	–	(6,908)
Revenue	105,378	37,606	19,500	5,601	–	168,085
Profit/(loss) for the period	77,084	33,837	13,195	(1,176)	(89,110)	33,830
Properties as per valuations	1,864,638	651,556	314,913	131,104	–	2,962,211
Sectoral spread	63%	22%	11%	4%	–	100%
Total assets	1,892,411	657,349	312,858	132,229	368,151	3,362,998
Total liabilities	(48,364)	(14,542)	(6,338)	(6,449)	(1,947,543)	(2,023,236)

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

	Retail	Industrial	Office	Residential	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%	–	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)

(Incorporated in the Republic of Namibia)
(Registration number 2001/673)
("Oryx" or "the Group")
(NSX Share code: ORY) (ISIN code: NA0001574913)
www.oryxprop.com

Sponsor



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¹South African, ²Independent, ³Executive, ⁴Non-executive

2. Notes to the financial results (continued)

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

	Six months ended			Six month ended		
	31.12.2022 Non-			31.12.2021 Non-		
	Namibian	Namibian	Group	Namibian	Namibian	Group
Rental – operating income	169,530	5,463	174,993	152,765	5,167	157,932
Rental – straight-line adjustment	(6,708)	(200)	(6,908)	(2,315)	200	(2,115)
Revenue	162,822	5,263	168,085	150,450	5,367	155,817
Share of profit from associate after tax	–	24,185	24,185	–	12,153	12,153
Profit for the period	11,034	22,796	33,830	26,925	4,210	31,135
Properties as per valuations	2,901,711	60,500	2,962,211	2,780,060	60,000	2,840,060
Sectoral spread	98%	2%	100%	98%	2%	100%
Total assets	2,968,977	394,021	3,362,998	2,850,211	372,026	3,222,237
Total liabilities	(1,925,074)	(98,162)	(2,023,236)	(1,747,040)	(249,605)	(1,996,645)

2.6 Property portfolio

The directors valued the portfolio at N\$2.96 billion (June 2022: N\$2.91 billion inclusive of investment property classified as held for sale) at period end. Based on this analysis, the value of the property portfolio as at 31 December 2022 is N\$53 million higher than at 30 June 2022. The increase in property values relates to capital expenditure incurred amounting to N\$53 million (June 2022: N\$32 million), which was mainly incurred in the retail portfolio.

The investment property classified as held for sale as at 30 June 2022 was reclassified back to investment property and disclosed under non-current assets due to the low probability of realising the sale in the near future.

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

	31.12.2022 Unaudited		30.06.2022 Audited	
	Utilised facility N\$'000	Weighted average interest rate %	Utilised facility N\$'000	Weighted average interest rate %
Expiry				
Non-current liabilities				
2024	165,805	9.2	319,980	7.3
2025	308,942	9.3	387,372	7.0
2026	488,501	4.5	240,000	6.9
Total	963,248	7.6	947,352	7.1
Current liabilities				
Maturing within one year (including non-current liabilities held for sale)	270,759	8.1	249,106	5.9
Total	270,759	8.1	249,106	5.9
GRAND TOTAL	1,234,007	9.1	1,196,458	6.8

Excluding the unutilised portion of the DMTNP of N\$251.5 million (June 2022: N\$416.7 million) and unutilised foreign facilities, total available unutilised facilities which includes cash balances amounted to N\$336 million (June 2022: N\$173 million) at period end. The unutilised foreign facilities amounted to €4.4 million (June 2022: €5.3 million) at period end. The temporary settlement of the Namibian Dollar-denominated foreign loan facility with proceeds from the bond issue was the cause of the increase in the unutilised facilities since June 2022.

2.8 Derivative 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*
31.12.2022 Unaudited	17,435	13,709	3,726	610,000	5.9%
30.06.2022 Audited	16,070	15,104	966	610,000	5.9%

* Floating rate is the three-month Johannesburg Inter-bank Average 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

For the period ending 31 December 2022, the Group has maintained its positive momentum in financial and operational performance, resulting in rental income increasing by 10.8% (Dec 2021: 2.9%) to N\$175 million (Dec 2021: N\$158 million), whilst containing vacancies to a minimum and achieving 6.1% (Dec 2021: 5.9%). We are encouraged by the strong first six months' performance during which rental reversions amounted to 7% (June 2022: (7.3%)), following tenant collections averaging 104% (Dec 2021: 91%). Improved tenant collections resulted in reversals to provision for bad debts amounting to N\$12.5 million, which contributed towards the decrease in other expenses to N\$10.2 million (Dec 2021: N\$18.5 million). Oryx's prudent financial and cash flow management strategies have positioned it well, resulting in gearing decreasing to 36.5% (Dec 2021: 38.1%) at period end.

We were pleased with the successful bookbuild for the Oryx25 bond auctioned on 16 November 2022, where a subscription ratio of 1.4 times was achieved and a nominal value of N\$248.5 million was issued, which further boosted liquidity.

3.2 Investment in associate

The investment in associate cash yield was 6.4% (June 2022: 7.3%) for the period, of which Oryx's 26% share amounts to N\$8 million (June 2022: N\$17 million). A positive fair value adjustment was recognised during the period when the Croatian portfolio was revalued to EUR85.6 million (June 2022: EUR83 million). The translation of the loan from Euro to Namibian Dollar resulted in a foreign exchange loss of N\$5.3 million (June 2022: N\$1.2 million). The translation of the associate in turn resulted in a foreign exchange gain of N\$24 million (June 2022: loss of N\$804 thousand), using a spot rate of N\$18.16 as at 31 December 2022 (June 2022: N\$17.02).

3.3 Interest-bearing borrowings

The weighted average interest rate at period end was 9.1% (June 2022: 7.3%), which excludes any interest rate hedges. The increase is due to the continued repo rate increases since June 2022, which were expected given the global rise in inflation. 49% (June 2022: 51%) of total debt drawn was fixed at period end.

3.4 The market and prospects

According to the International Monetary Fund World Economic Outlook (October 2022), global economic activity is anticipated to slow down, largely affected by persistent inflationary pressures and subsequent measures aimed at combatting inflation. In its December 2022 economic outlook, the Bank of Namibia revised its real GDP to 3.9% from the 3.2% published in August 2022. The positive revision was attributed to the mining sector. Going forward, however, the Bank of Namibia expects growth to slow down to 2.7% and 2.4% in 2023 and 2024 respectively. We remain concerned about the broader macroeconomic conditions expected for the six months ahead, including the outlook on interest rates.

Against this backdrop, Oryx continues to perform well throughout all portfolios. With the Board's approval of the 2025 strategy, where the aim is to grow the total asset base significantly, Oryx is in the process of acquiring Dunes Mall in Walvis Bay, Namibia. Whilst regulatory approval has been obtained, the acquisition is subject to a capital raise. The acquisition of Dunes Mall would materially increase the property portfolio and diversify the Group from the concentration risk in Maerua Mall.

3.5 Subsequent events

Subsequent to period end, the Group concluded the N\$200 million facility agreements with ABSA for the Maerua Mall refurbishment project. The development loan facility has a two-year tenure (bearing interest at prime less 1%), with an option to convert it to a term loan for a further two years (bearing interest at one month JIBAR plus 2%).

3.6 Appreciation

My appreciation goes to my fellow Board members for their continued support, to the executive management team and to every employee for their commitment to Oryx and its 2025 corporate strategy.

I also want to thank all our stakeholders for their continued support.

4. Declaration of distribution number 39

Notice is hereby given of the declaration of Distribution Number 39, amounting to interest of 54.25 cpu, in respect of the six-month period ended 31 December 2022.

Last date to trade cum distribution Friday, 24 March 2023

Units will trade ex-distribution Monday, 27 March 2023

Record date to participate in the distribution Friday, 31 March 2023

Payment of debenture interest Friday, 14 April 2023

By order of the Board

B Jooste – Chief Executive Officer

9 March 2023

