2023

INTEGRATED
ANNUAL REPORT

ORYX
PROPERTIES LIMITED

2023 AT A GLANCE

Oryx is a leading property fund listed on the Namibian Stock Exchange (NSX). We have a substantial portfolio of high-quality assets, and are well positioned for our next phase of growth and diversification.

Dear Stakeholder,

Notwithstanding the challenging operating environment, we remain optimistic and fully committed to the future of our country. As Namibia's recovery from the COVID-19 pandemic continues, we look forward to reaping the benefits of improving economic conditions and healthier business and consumer confidence.

This has been a year of building momentum, both in our performance and in our strategic endeavours. We are excited about our vision for the future, and confident in our 2025 Strategy, which outlines the path towards realising this vision. In view of an anticipated upswing in the property market, we see ample opportunity for further growth and diversification.

Our sincere thanks go to our Board, management team, employees and service providers for their dedication and commitment in 2023. We also extend our heartfelt gratitude to our tenants, financiers and unitholders for their ongoing support.

Mr Vetumbuavi Mungunda
Chairperson

Mr Ben Jooste
Chief Executive Officer (CEO)

Financial highlights

Basic rental income
10.2%
N$260 MILLION
(2022: N$236 million)

Rental reversions
151%
3.7%
(2022: (7.3%))

Value of portfolio
6.4%
N$3.095 BILLION
(2022: N$2.9 billion including investment property held for sale)

Total distribution
3.4%
105.25 CENTS PER UNIT
(2022: 101.75 cents per unit)

OPERATING HIGHLIGHTS

The Namibian property market showed pleasing signs of recovery during the year. Our 2025 Strategy will enable us to capitalise on the next phase in the property cycle. **We aim to grow our portfolio from N$2.8 billion to N$4.5 billion by 2025.** We see significant opportunity for diversification and further growth in the current market.

Read more on page 20.

Oryx initiated a rights issue to raise funds from existing and new unitholders. **The rights issue, which was concluded after year end, raised N$312.85 million.** These funds were allocated towards the **landmark acquisition of Dunes Mall in Walvis Bay.** The mall has a gross lettable area (GLA) of 32,438m² with anchor tenants including Checkers, Pick n Pay, Game and Woolworths.

Read more on page 43.

Oryx's **first carbon footprint assessment** was successfully completed, enabling the Group to establish a baseline for its emissions. This initiative will **lay the foundation** for future tracking and measuring of our carbon reduction initiatives.

Read more on page 54.

Oryx secured the mandate to **establish an unlisted property fund on behalf of the Government Institutions Pensions Fund (GIPF).** This achievement takes the Group one step closer to its goal of managing funds on behalf of third parties by utilising existing asset management skills.

Read more on page 39.

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HOW THIS REPORT WAS COMPILED

The Board of Oryx Properties Limited (Oryx) and its subsidiaries (together referred to as the Group) is pleased to present our Integrated Annual Report (report) for the year ended 30 June 2023. The Board approved the 2023 Integrated Annual Report on 5 October 2023.

Scope and reporting boundary

The scope of this report is consistent with that of 2022, with no restatement of financial information from the prior year. Our organisational structure is set out on page 110.

This report is aligned with the requirements and principles of:

- The Corporate Governance Code for Namibia (NamCode)
- International Financial Reporting Standards (IFRS)
- The Companies Act of Namibia, 28 of 2004 (Companies Act)
- The <IR> Framework[1]

Our reporting on Environmental, Social, and Governance (ESG) related matters follows the recommendations of the Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance.

Taking into account the size and nature of the Group, we have sought to compile a concise Integrated Annual Report. Our full Annual Financial Statements begin on page 123. In addition, this report incorporates the Notice of Annual General Meeting (AGM) and Proxy Form.

More information, including announcements made through the Namibia Exchange News Service (NENS) and general meeting notices, is available for viewing and downloading at oryxprop.com/nens-announcements/ and oryxprop.com/company-news.

Assurance and approval

The Board together with the Risk, Audit and Compliance Committee (RACC) recognise that they are ultimately responsible for overseeing the integrity and completeness of this report.

The Board believes that this report provides a true and material account of the performance and strategic direction of the Group, and confirms that it has collectively reviewed and approved the contents of the report.

The Board confirms that this report addresses material matters pertinent to the Group, while offering a balanced and comprehensive view of the strategic direction taken by Oryx to prevent value erosion. At the same time, the report illustrates how the Group creates and preserves value for stakeholders in the short, medium and long term.

This report was prepared under the supervision of senior management and submitted to the Board for approval. Deloitte, the Group's external auditor, audited the Annual Financial Statements and provided an unmodified audit opinion on 5 October 2023.

[1] Previously known as the International Integrated Reporting Council Integrated Reporting (<IR>) Framework.

MATERIALITY

The Board and executive management applied the principle of materiality in determining the content of this report. We considered all matters that could substantially impact the assessments and decisions of the Board, unitholders and financiers, and affect the ability of the Group to create and sustainably preserve value.

Oryx's material matters, and the various steps taken to mitigate their potential impact, are defined and outlined on page 36.

Determining our material matters

A review of the material matters that could impact our operations is conducted annually. The below describes the process we followed to identify our 2023 material matters for this report.

1. Evaluated market trends and consulted market reports, such as the Bank of Namibia's Economic Outlook Update reports.
2. Reviewed Board minutes to crystallise material matters.
3. Reviewed updated risk management reports in order to identify and categorise key risks by likely impact.
4. Evaluated stakeholder feedback, in particular that of financial stakeholders.
5. Conducted interviews with the Board Chairperson and senior management.
6. Hosted a panel discussion with senior management members across several business disciplines.

Forward-looking statements

This report contains forward-looking statements based on the Group's assumptions, outlook, and other judgements made considering the information available during preparation. These statements refer to both known and unknown risks and uncertainties. The Group cannot guarantee that any forward-looking statement will materialise. Readers are cautioned not to place undue reliance on such statements. If new information becomes available due to future events or other reasons, the Group assumes no obligation to update or revise any forward-looking statements.

Feedback

Oryx is committed to improving its reporting in alignment with best practice. Accordingly, we encourage readers to direct any feedback or questions they may have to admin@oryxprop.com.na.

OUR PROFILE

Oryx was incorporated in 2002 with the primary objective of enabling ordinary Namibians to invest in the country's burgeoning property sector.

WHO WE ARE

Oryx is a leading property fund with a balanced real estate portfolio comprising 29 properties spanning the retail, industrial, office and residential sectors.

PROPERTIES	29
GROSS LETTABLE AREA (GLA) (EXCLUDING CROATIA)	176,770 m²
PROPERTY PORTFOLIO VALUE (INCLUDING PROPERTIES HELD UNDER LEASE)	N$3.095 billion

Vision

Oryx is a total return-based property fund at the forefront of the listed sector, with a core focus on responsible investments.

We will achieve this by leveraging our Namibian heritage and using innovative and progressive solutions to create sustainable economic, social and environmental benefits for our stakeholders.

Mission

Oryx is primarily a Namibian-based fund that seek to diversify geographically and across various property sectors, including investing in unlisted and opportunistic property transactions.

We will achieve this through active asset management, selective capital allocation, undertaking developments and seeking out joint venture transactions with like-minded partners to grow income streams to secure sustainable, dependable, and predictable long-term earnings and capital appreciation growth.

Retail
64%
(2022: 65%)

Office
10%
(2022: 8%)

Industrial
22%
(2022: 22%)

Residential
4%
(2022: 5%)

Values

I – Inspire
We aim to continue to develop a strong, sustainable, and inspiring Group.

N – Namibian
We believe in strengthening and developing the Namibian economy by active participation by our people, our businesses, and our communities.

T – Transparency
We need to be open in our dealings and expectations and want our stakeholders to feel involved and secure in how we operate.

E – Excellence
We have a high-performance culture where excellence is celebrated.

G – Generosity
Our stakeholders need to receive value for their input, and generosity is a key focus point.

R – Respect
Respect guides all our daily interactions – with each other and our stakeholders.

I – Innovative
We are at the forefront of innovation within the Namibian market in changing times.

T – Team
We believe in the importance of teamwork and depend on each other to bring out the best in what we do.

Y – Quality
We strive for quality in all our actions. We have a quality team, manage a quality portfolio and give quality returns to our unitholders.

WHERE WE OPERATE

Oryx is based in Namibia, with a portfolio comprising 28 local properties and one property in South Africa. Subsequent to year end, we successfully concluded the acquisition of Dunes Mall in Walvis Bay. In addition, the Group has offshore exposure through a 26% investment in TPF International Limited (TIL), with an underlying Croatian portfolio valued at €91 million.

OUR HISTORY

Oryx is a well-established property investment fund with a N$3.1 billion property portfolio and exposure to all the key sectors in the real estate industry. We have a strong and proven track record of providing Namibian investors with reliable returns.

2002 — N$188 million
Assembled and listed on the NSX on 4 December 2002, owning 14 commercial properties, including the first phases of Maerua Mall.

2006 — N$561 million
Concluded a rights issue of 6.5 million units, raising N$52 million.

2008 — N$716 million
Acquired four erven in Prosperita, growing the portfolio to 23 properties.

2010 — N$908 million
Acquired Oryx's first properties outside Namibia and extended the Maerua Mall Retail Node, which included the addition of the Deloitte office building.

2011 — Portfolio exceeds N$1 billion for the first time
Internalisation of the asset and finance management from Oryx Management Services.

2012 — N$1.3 billion
Acquisition of two additional industrial properties in South Africa.

2014 — N$1.9 billion
Acquired the Gustav Voigts Retail Centre in Windhoek. This acquisition, of the first mall in Namibia, represented a key milestone for Oryx.

Concluded a rights issue of 11 million units, raising N$171 million.

2015

Portfolio exceeds N$2 billion for the first time

Established a Domestic Medium-Term Note Programme (DMTNP) of N$500 million.

2016

N$2.3 billion

Concluded a rights issue of 12 million units, raising N$176 million.

2018

N$2.6 billion

Purchase of land at Elisenheim.

First issue from our DMTNP of N$128.7 million.

2019

N$2.9 billion

Concluded a rights issue of 8.4 million units, raising N$165 million.

Invested N$300 million Euro equivalent in Croatia through TPF International Limited (TIL), Oryx's first investment outside southern Africa.

2020

N$2.9 billion

Acquired three tenanted residential complexes, Oryx's first residential investment.

Supported tenants with N$17.5 million worth of COVID-19 rent relief.

Concluded the Urban Village project at Elisenheim.

2021

N$2.8 billion

Developed a holistic masterplan for Maerua Mall Retail.

Supported tenants with N$29.1 million worth of COVID-19 rent relief.

2022

N$2.9 billion

Commenced the revamp of Checkers in Gustav Voigts Retail Centre.

Marked the 20th anniversary of our listing with a new and ambitious 2025 Strategy.

2023

N$3.1 billion – exceeding the N$3 billion mark for the first time

Secured an N$800 million mandate from the GIPF to establish an unlisted property fund as part of our focus on securing less capital-intensive projects.

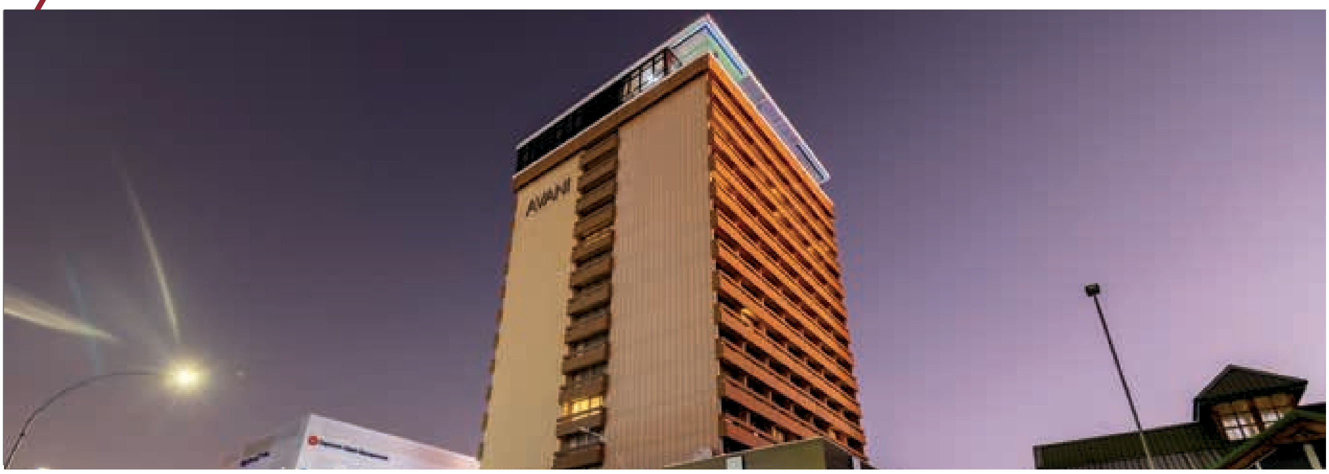
OUR TOP 10 PROPERTIES

Our premium retail properties include the regional Maerua Mall Retail Node and the Gustav Voigts Retail Centre in Windhoek, Namibia's capital. We attract and retain quality tenants, as evidenced by an occupancy rate of 93.2% across our commercial properties and of 98.6% on average for our residential portfolio.

1 MAERUA MALL RETAIL NODE

The Maerua Mall Retail Node is a large retail and office 65,033m² GLA complex in Windhoek. The mall's anchor tenants include Checkers, Edgars, Mr Price and Food Lovers' Market.

2 GUSTAV VOIGHTS RETAIL CENTRE



Located in the Windhoek central business district (CBD), this 25,333m² GLA retail centre's tenants include Checkers, Clicks, Furn Mart and Mr Price. The centre is also home to the Avani Hotel and Casino.

3 ERF 8081, SOLINGEN STREET

This 14,559m² GLA industrial property is located in Windhoek's Northern Industrial Area and is fully tenanted. Its largest tenant is the Commercial Investment Company (CIC).

4 BAINES RETAIL CENTRE

This is a 4,773m² GLA retail centre located in Windhoek with tenants such as OK Foods, Body Tech Gym, City Pets and Schnitzel King.

5 URBAN VILLAGE AT ELISENHEIM RETAIL CENTRE

A newer development in Windhoek, this 3,063m² GLA retail centre has SPAR as its anchor tenant.

6 CHANNEL LIFE OFFICE TOWER

This 4,956m² GLA office tower in Windhoek's CBD has USAid and the Welwitchia Health Training Centre as its major tenants.

7 ERF 132, RENDSBURGER STREET

Located in the Lafrenz Township in Windhoek, this 2,815m² GLA industrial property has a 100% occupancy rate with Scania as its major tenant.

8 INYATI RESIDENTIAL COMPLEX

This is a highly sought after 3,740m² GLA residential complex with 100% occupancy in Klein Kuppe, Windhoek.

9 ERF 51, PLATINUM STREET

This 8,725m² GLA industrial property in Prosperita, Windhoek is occupied by the FP Du Toit Transport Group.

10 CNR WILLIAM NICOL AND CONSTANTIA BOULEVARD, GAUTENG, SOUTH AFRICA

Our only property in South Africa has 4,295m² GLA and is fully occupied by an Action Ford Dealership.

INVESTMENT CASE

We have a high-quality, diverse property portfolio currently valued at N$3.095 billion. This portfolio is overseen by a team of the most proficient and experienced real estate professionals in Namibia.

We offer good value for investors and unitholders

- Our current share price offers a favourable yield for investors when compared to the local market
- We offer a steady income stream of distributions for our unitholders

Refer to the CEO Review and CFO Report on page 38 and page 42.

We are proudly Namibian

- Our business is underpinned by ethical leadership and a commitment to being a responsible corporate citizen
- We contribute to Namibia's social and economic development through the creation of property assets, new jobs and reliable income for investors
- Our primary listing on the NSX affords investors a transparent view of our performance

Refer to CEO Review and CFO Report and Empowering our Employees

We own a balanced, diverse and quality property portfolio

- Our balanced approach to property investing ensures that optimal value is derived despite the relative scarcity of quality property assets in Namibia
- Our portfolio spans all the main real estate sectors, ensuring diversity and resilience during challenging economic cycles
- Investors benefit from international exposure to the Croatian property sector through our 26% shareholding in TIL
- Our acquisition of the Dunes Mall improves our geographic spread and reduces the concentration risk on Maerua Mall

Refer to the Chief Asset Manager's Report on page 46.

We have initiated major strategic shifts to protect value

To strengthen our balance sheet and protect long-term value for our unitholders, we have undertaken the following:

- We have adjusted our distributable income to a 75% minimum pay-out ratio until 2024
- We have implemented strategies to ensure optimum liquidity levels, resulting in 29% of total available facilities remaining unutilised at year end (DMTNP programme and Maerua Development Loan)
- We improved our average tenant collection rate to 101% for the year (2022: 96%)
- We are investing significantly in the revitalisation of Maerua Mall, with the first phase of the project set to commence in the 2024 financial year

Refer to Our Strategy on page 20.

We understand the Namibian property market

- Our team of property experts boasts in-depth knowledge and extensive experience of the Nambian property sector
- Our experienced internal property teams have an intimate understanding of the different property sectors, allowing us to respond more promptly and effectively to tenants' needs
- We conducted our second tenant satisfaction survey, which will assist us in further improving the quality of service we offer our tenants

Refer to our team on page 14.

OUR TEAM

The Group's diverse Board and management teams have a wide range of skills and extensive experience to draw on, ensuring depth and focus of leadership.

Board members as at 30 June 2023

Mr Vetumbuavi Mungunda (50)

Independent Non-executive Chairperson

Namibian | BCom, HDipAcc, CA(Nam), CA(SA), AMP (Harvard) | Appointed 2021

Tenure: 2 years

B RNSEC IC

Vetumbuavi has 26 years' experience in the banking and accounting sectors. More recently, he was the Chief Executive of Standard Bank Namibia, a position he held for seven years, and prior to that the Managing and Regional Managing Partner for Deloitte. He currently serves as a director on the following boards: Schoemans Investments, Namibia Investments Promotion and Development Board (NIPDB), Bank Windhoek and Namibia Breweries. Vetumbuavi is the Founder of Ombu capital.

Key strengths:

- Accounting, audit and internal control
- Risk
- Commerce
- Governance
- Financial services
- Regulatory
- Strategy and corporate finance

Ms Ally Angula (43)

Independent Non-executive Director, Deputy Chairperson

Namibian | BAcc, BCom (Hons) | Appointed 2013

Tenure: 10 years

B RACC

Ally, an accountant by profession, served previously as an assurance partner at KPMG. She served as a council member of the Institute of Chartered Accountants in Namibia, board member of Old Mutual, Rössing Uranium Limited, Namibia Postal and Telecommunications Holdings, Namcor and Bank of Namibia. She is the managing director of Leap Holdings and serves as a non-executive director at Pupkewitz Holdings and Nabo Capital Limited, a Kenya-based asset manager.

Key strengths:

- Accounting, audit and internal control
- Risk
- Commerce
- Governance
- Financial services

Ms Jenny Comalie (49)

Independent Non-executive Director

Namibian | BCom, BCompt (Hons), CA(Nam) | Appointed 2012

Tenure: 11 years

B RNSEC RACC

Jenny has 27 years of experience in executive and non-executive roles in the private and public sectors. She has worked for large corporates in financial services and manufacturing. She has also worked for state-owned enterprises and gained extensive knowledge in strategy formulation and execution. She is a director on the board of Momentum Collective Investments Namibia, Momentum Asset Management Namibia and Namcor. She currently works as the Strategic Executive: Finance and Customer Service at the City of Windhoek.

Key strengths:

- Accounting, audit and internal control
- Risk
- Commerce
- Regulatory
- Governance
- Strategy formulation and execution

Key

B – Board

RNSEC – Remuneration, Nomination, Sustainability and Ethics Committee

IC – Investment Committee

RACC – Risk, Audit and Compliance Committee

C – Chairperson

Mr Ben Jooste (44)

CEO and Executive Director

Namibian | MBA | Appointed 2018

Tenure: 5 years

B

Ben has 25 years' experience in the property, financial, legal and technology industries. Previously the head of Rest of Africa at Hitachi Data Systems, managing mergers and acquisitions at Hitachi, Bank of America and Merrill Lynch. Managing consultant delivering projects for Barclays, ABN Amro, RBS, Abbey National and Dresdner Kleinwort Benson across Europe, the Middle East and Africa.

Key strengths:

- Commerce
- Property
- Regulatory
- Financial services
- Capital management
- Mergers and acquisitions

Ms Francis Heunis (34)

CFO and Executive Director

Namibian | BCom (Hons), CA(Nam) Professional Accountant (Nam), MBA | Appointed 2021

Tenure: 2 years

B

Francis has experience in financial management, financial system implementations, corporate tax and risk management. Prior to her promotion to CFO, Francis was the Finance Manager at Oryx since 2018. Before her tenure at Oryx, she was a Senior Manager at PwC. Francis also serves as a non-executive director of the Namibia Water Corporation Limited.

Key strengths:

- Accounting, audit and internal control
- Risk
- Commerce
- Governance
- Financial services
- Regulatory

Mr Marius Muller (53)

Independent Non-executive Director

South African | BSc (Qs), MBA, FRICS | Appointed 2021

Tenure: 2 years

B IC RACC

Marius is the Managing Director and Co-founder of SoHo Properties. He has 29 years' property experience and has held roles at JSE-listed companies, including the Managing Director of iFour Properties and the CEO of Texton Property Fund.

Other roles include directorships at Ventor Holdings, Camissa Holdings, En Pointe Properties, Soho Property Fund and related entities. He is an independent non-executive director of Safari Investments, a JSE-listed REIT.

Marius served on the property sector body boards such as the SAPOA, the South African Council of Shopping Centres and the Green Building Council of South Africa.

Key strengths:

- Risk
- Commerce
- Property
- Regulatory
- Governance

Ms Roswitha Gomachas (42)

Non-executive Director

Namibian | LLB, LLM (International Trade, Business and Investment Law) (Cum Laude) | Appointed 2019

Tenure: 4 years

B RNSEC

in legal advisory, research, and consultancy services and 16 years of experience in the legal environment. She is currently a Deputy Chief Legal Advisor at the Office of the Attorney-General. She serves as a member of the Board of Trustees, the Chairperson of the Legal, Governance and Compliance Committee at GIPF.

Key strengths:

- Legal
- Governance
- Compliance

Executive and Management team

Mr Ben Jooste (44)

CEO and Executive Director

See Board members

Ms Francis Heunis (34)

CFO and Executive Director

See Board members

Mr Conrad van der Westhuizen (56)

Chief Asset Manager

Namibian | LLB, BBA

Conrad has more than 30 years' experience in the property industry, with eight being at Oryx. Before joining Oryx, he worked as a Property Manager and General Manager at Old Mutual Properties (Namibia) (Pty) Ltd and General Manager: Property at Joseph & Snyman. He was the Chairperson of the Windhoek Chamber of Commerce's CBD Association and a director at Old Mutual Properties (Namibia) (Pty) Ltd.

The Executive and Management team's areas of expertise are

- Strategy formulation and execution
- Capital management
- Financial services
- Risk
- Compliance
- Commerce
- Property
- Legal
- Regulatory
- Mergers and acquisitions

How our Executive and Management team is measured:

- Key performance indicators (KPIs) are in place and are measured through regular performance appraisals
- Members of the leadership team are required to achieve pre-agreed performance ratings before any long-term incentive (LTI) award becomes eligible for vesting
- Short-term incentive (STI) targets are based on performance metrics aligned with unitholders' expectations
- The performance of the leadership team as a whole is evaluated quarterly through business reviews

Mr Lourens Anderson (35)

Asset Manager

Namibian | BAcc (Hons), CA(Nam), RAA (Nam)

Lourens has ten years of experience in the assurance industry offering expertise in IFRS application, strategic financial management, preparation and analysis of budgets and forecasts, corporate governance and risk management. Lourens was a Senior Manager at Deloitte Namibia before he joined Oryx in 2021 as Finance Manager. During 2022, he joined the asset management division as Asset Manager and is responsible for the industrial and residential portfolios, as well as the newly acquired Dunes Mall in Walvis Bay.

Romanus Kampungu (33)

Finance Manager

Namibian | BAcc (Hons), CA(Nam)

Romanus is a Chartered Accountant with eight years of working experience in assurance and tax. He specialises in financial reporting and management, internal controls and corporate tax management. Romanus joined Oryx as Financial and Property Accountant in 2019 and was promoted to Finance Manager in 2022.

Ms Hannelie van der Merwe (47)

Portfolio Manager

South African | BCom (Hons)

Hannelie has over 20 years' experience in property finance and asset management. She was appointed to Oryx in March 2023. In her role as Portfolio Manager, Hannelie is responsible for the retail and office portfolios.

Hannelie was the Fund Manager of the Momentum Direct Property Fund with a combined value of R7.8 billion comprising 66 commercial (retail, industrial, office and leisure) properties in South Africa, Namibia and Lesotho.

KPIs of our top three leaders

Strategic pillar	CEO	CFO	CAM
Balance sheet management	20%	25%	–
Financial and company performance	30%	25%	25%
Growth strategy	10%	25%	40%
Operational effectiveness	20%	7.5%	25%
Governance	–	10%	–
Sustainability, stakeholder management and ESG	20%	7.5%	10%

Refer to page 103 for information on how our leadership team delivered on their KPIs.

OUR BUSINESS MODEL

Oryx creates value for its stakeholders by buying, developing and managing properties. In the process, we draw on a range of financial, social and natural resources.

Our inputs

We rely on the resources that are available to us to deliver on our value-creation strategy. These resources include:

- Financial
- Human
- Intellectual
- Social
- Natural

Refer to page 30.

Focus areas

Our purpose is to help expand Namibia's economy and deliver returns to investors and unitholders through sustainable property investments.

Refer to page 6.

Our strategy seeks to build a sustainable business that advances national priorities while aligning with unitholder expectations.

Refer to page 20.

Our culture empowers our team to achieve professional and personal growth.

Our core business activities are centred around investing in, developing and managing properties and investments.

I-N-T-E-G-R-I-T-Y

Refer to page 6.

Managing our risks

We have stringent processes in place to enable effective management of risks to our ongoing creation of value.

Refer to page 34.

Our outputs

Our outputs are the property services and products that we deliver.

How we create value

We create value by anticipating and promptly responding to ever-changing tenant requirements to remain appealing and relevant.

WHAT ALLOWS US TO CREATE VALUE?

- Our experienced internal property and asset management teams understand our different sectors, allowing us to respond more effectively to tenants' needs
- Unitholders benefit from a favourable yield and reliable annual distributions
- Our portfolio covers different real estate sectors, providing diversity and resilience during challenging economic cycles
- We have strategies in place to protect our balance sheet and preserve long-term value for our unitholders

Read more about our strategy on page 20 and our financial management on page 42.

Our values support everything we do.

OUR STRATEGY

We have begun implementing our 2025 Strategy to ensure that we extend our geographic presence and broaden our spread of assets and tenants. As part of this strategy, Oryx will also begin to evolve from a group concerned mainly with property management to one that combines both property and asset management.

Group strategy

Our strategy will aim to:

Grow the total asset base to N$4.5 billion (listed and unlisted investments)

- Grow the fund in Namibia, which includes both listed and unlisted investments.
- Grow the international portfolio with our partner.

Create a balanced fund operating on a total return basis

- 70% of assets and revenue will be of southern African origin, with a Namibian focus on core asset classes.
- 20% of assets and revenue will derive from non-Namibian income streams.
- 10% of assets and revenue will derive from opportunistic asset classes with a higher return profile within Namibia. This 10% will be combined with core asset classes.

For more detail on the delivery of our strategy, refer to the CEO's Review on page 38.

Our 2025 Strategy has three clear strategy pillars

	Strategy pillar 1: Pivot	Strategy pillar 2: Diversify	Strategy pillar 3: Consolidate
Core portfolio (Retail, industrial, offices)	**Overall objectives:** Sell non-profitable assets. Improve expense to income ratio, debtors' collections, and tenant satisfaction. Create partnerships that will enable diversification and consolidation. **Industrial:** Continue our expansion. **Offices:** Focus on P and A grades.	**Retail:** Grow in small to midsize segments geographically spread across Namibia. **Retail:** Consider outsourced capabilities in areas outside of Windhoek. **Industrial:** Evaluate the need for new industrial nodes given changing conditions.	**Market consolidation:** Actively pursue strategic partnerships and acquisitions to consolidate portfolios, and, where relevant, recruit specific skill sets to facilitate the implementation of our strategy.
Core plus including alternative investments (Residential, hospitality, medical, others)	**Residential:** Reduce costs within the existing residential portfolio. **Funding:** Explore funding solutions for alternative investments.	**Nodes:** Improve our asset valuations by developing the nodes in which they are situated. **Residential:** Focus on specific segments, including a review of low-cost housing projects and housing developments in economic development nodes. **New sector exploration:** Medical suites, self-storage units and mobile towers.	**Market consolidation:** Consider potential acquisitions, new developments, and joint venture partnerships. **New sectors:** Diversify into one of the new sectors identified.
International and sustainability assets (renewable energy, non-traditional sectors)	**International:** Further optimise the Croatian portfolio through solar projects and exploit this unencumbered asset to raise additional capital.	**International:** Opportunistically increase the implementation of our international hedge and funding strategy.	**Renewable energy:** Consider equity ownership in solar or wind projects and involvement in green hydrogen or carbon offset projects.

Our offshore investment approach

Oryx remains committed to its offshore investment, as this serves to diversify the Group from its major local assets, thereby mitigating the concentration risk on Namibia, while providing earnings in international currency. We hold a 26% stake in TIL's underlying Croatian property portfolio. While Oryx has not completely discounted investing in South Africa and other countries in the region, we aim to exit the remaining direct investment in South Africa.

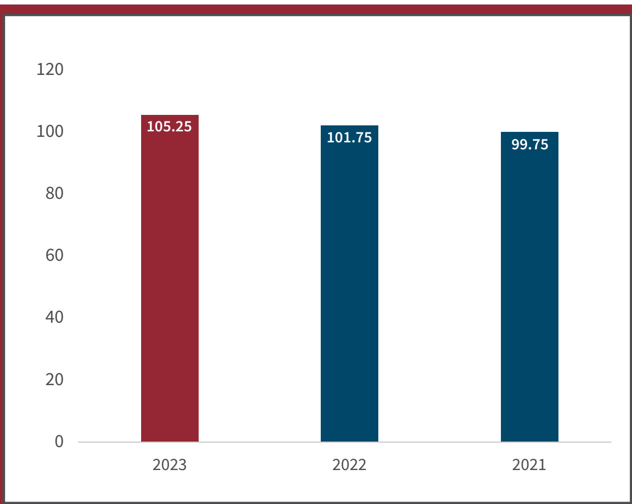
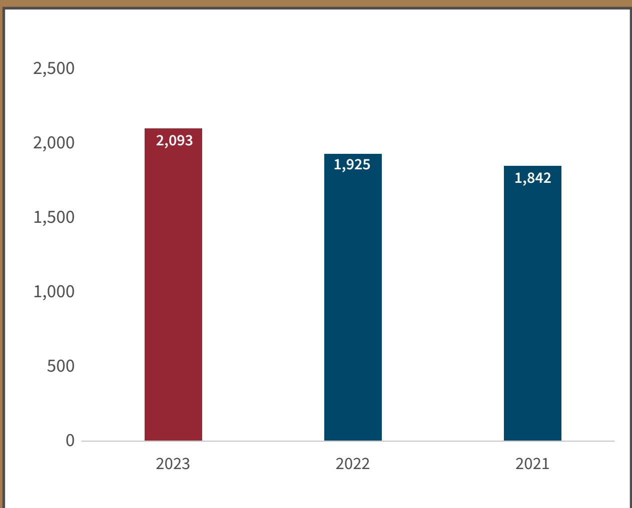
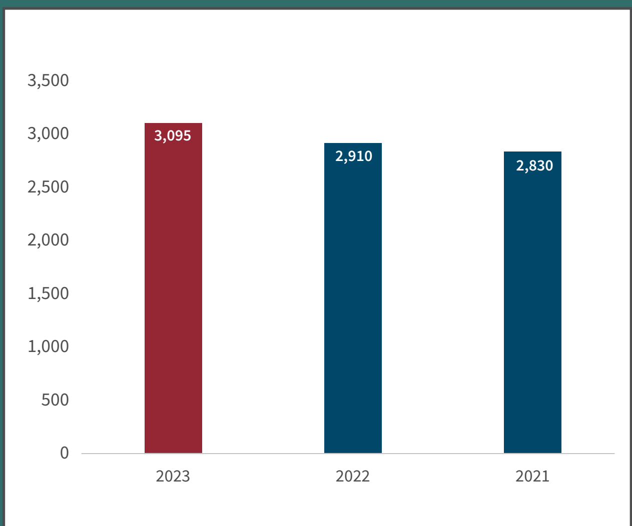
OUR **2023** PERFORMANCE

We acknowledge the vital role our unitholders played in shaping our operations in 2023. Their continued investment and faith in the Group have enabled Oryx to establish and build on its position as a leader in the Namibian property sector.

OUR YEAR IN NUMBERS

Financial and social highlights for 2023.

Financial

Measure	How did we perform in the year?	
Total distribution cents per unit		*Total distribution cents per unit increased to 105.25 cpu (2022: 101.75 cpu), representing growth of 3%.*
Net asset value (NAV) N$ billion		*NAV increased by 9% to N$2.093 billion (2022: N$1.925 billion).*
Property portfolio value (including investment property held for sale) N$ billion		*The property portfolio exceeded the N$3 billion mark for the first time.*

N$961 MILLION
Market capitalisation
(2022: N$897 million)

3.7%
Rental reversions
(2022: (7.3%))

6.8%
Vacancy rate excluding residential
(2022: 5.4%)

8.9%
Overall weighted average cost of funding
(2022: 7.3%)

2.3 TIMES
Interest cover ratio times
(2022: 2.8 times)

35.0%
Gearing ratio*
(2022: 36.2%)

* Based on the SA REIT Association's Best Practice Recommendations.

Read more about our financial KPIs on page 42.

Social

Oryx conducted its second employee climate survey to gauge the team's views on the working environment.

85%
Previously disadvantaged employees*
(2022: 77%)

57%
Female Board members
(2022: 50%)

94%
Local employees
(2023: 93%)

N$108,201
Corporate social investment spend
(2022: N$61,802)

* Per the Affirmative Action (AA) Act Definitions.

STATEMENT FROM THE CHAIRPERSON

Despite challenging economic conditions, Oryx delivered strong results while preparing the ground for new growth.

Our operating context

In the wake of the COVID-19 pandemic, business activities in Namibia have largely reverted to a state of normalcy. However, the economic pressures that materialised in 2022, particularly in respect of consumer spending, have persisted into the current year. Contributing factors included an inflationary environment, an upward trend in interest rates, and escalating fuel prices.

These economic conditions have permeated all sectors, compelling consumers to curtail their spending. This contraction in consumer activity has been particularly noticeable in the retail sector. To navigate these challenges, our team has engaged proactively with tenants not only to retain them but also to ensure that our retail spaces remain attractive to the consumer base.

On a more optimistic note, we are encouraged by early signs that the Bank of Namibia's interventions may be stabilising inflation. Should this be sustained, we anticipate that interest rates will hold steady and even decrease over a projected period of three to five years, thereby catalysing the much-anticipated economic recovery in Namibia.

While it may take an extended period for the country to regain optimal economic conditions, Oryx has nevertheless demonstrated strong performance. Thus, we look forward with confidence to a future that promises significant opportunities for Namibia and the Group.

Strategic focus: 2025 Strategy

Our 2025 Strategy aligns with our dedication to Namibia's economic development. The strategy articulates our ambition to expand our portfolio in the country to the value of N$4.5 billion by the year 2025. For a more detailed exposition, refer to the CEO's Review on page 38.

Mr Vetumbuavi Mungunda

Emphasis on ESG

Global stakeholders are increasingly concerned about the ramifications of climate change and the responsibilities of businesses to contribute to a sustainable future. Over time, these concerns have crystallised into explicit expectations regarding environmental stewardship, societal engagement, and ethical conduct. In response, companies have been channelling resources into and augmenting their reporting on Environmental, Social, and Governance (ESG) initiatives.

Within the Namibian context, Oryx's current endeavours are primarily geared towards projects that enhance energy efficiency and promote water conservation. This year marked a significant milestone as we formalised our ESG framework and conducted our inaugural carbon footprint assessment. These activities will lay the foundation for the future monitoring and measurement of our ESG initiatives. For an in-depth review, refer to pages 52 to 77.

Opportunities in the energy sector

While significant economic shifts are not expected in the short to medium term, we are encouraged by emerging prospects in the industrial and energy sectors. Notably, the discovery of oil and gas reserves in the Orange Basin off the coast near Oranjemund offers promising prospects for the nation's economic growth and industrialisation.

Furthermore, Namibia is investing in green hydrogen technologies, and plans are being formulated for the construction of sub-Saharan Africa's largest green ammonia plant, in collaboration with German investors. These investments are projected to create numerous job opportunities, thus stimulating consumer spending and benefiting the local economy.

Board developments

As Oryx celebrates its 21st year, we have continued our efforts to reconstitute the Board with the requisite skills to take the Group through its next phase of growth. I am honoured to have been appointed as Chairperson, succeeding Peter Kazmaier, whose impactful contributions during his tenure were invaluable to Oryx.

The Group is led by strong executive and senior management teams, and the forthcoming appointment of a Chief Operating Officer (COO) will further strengthen the organisational structure. This strategic appointment is aimed at supporting the respective functions of asset acquisition and management, thereby enhancing the strategic focus in each area.

Over the past year, the Board's primary role has been to contribute to the reinvigoration of Oryx's strategy. This encompassed exploring measures to reinforce the Group's relevance and competitive advantage in the property sector, and identifying strategic initiatives that will be instrumental in scaling the Company's operations.

In seeking to realise these ambitious objectives, the Board remains acutely aware of the evolving socioeconomic landscape in Namibia, and of the challenges and opportunities inherent to the property sector.

Achieving the desired scale of operations will require an amplification of our strategy with respect to the diversification of our property holdings. Given the capital-intensive nature of the sector, we have put considerable time and energy into identifying opportunities where capital outlays can be efficiently managed without sacrificing investment returns.

We are also actively exploring strategic alternatives, such as leveraging Oryx's property management expertise to manage properties on behalf of third parties. A landmark achievement in this regard was the mandate to establish an unlisted fund that was recently awarded to Oryx by the GIPF. For more detail, refer to the CEO's Review on page 38.

We are interacting with other companies in the sector who have expressed an interest in this development, and trust that this will culminate in the formation of an effective and inclusive national property association.

Attracting a cadre of skilled professionals to diversify and deepen our talent pool remains a priority for Oryx. This is essential not only for the Group but also for fostering leadership within the broader sector.

In 2023, the RNSEC identified three new Non-executive Directors for potential election to the Board. Unitholders will be asked to vote on their appointments at the AGM to be held on 28 November 2023.

Stefan Hugo is the CEO of TribeFire Studios, the holding company of One Africa TV and 99FM. He is the Deputy Chair of the Namibia Revenue Agency and a Non-executive Director and Audit Committee Chair at STANLIB. He holds Advisory Board memberships at the Namibia Investment Promotion and Development Board (NIPDB) and the Namibia Business School. His work experience includes positions at PwC Namibia, LearnOnOne Education & Leadership Development, 99FM and One Africa TV. He is a Chartered Accountant and holds an advanced diploma in taxation. Stefan participated in the PwC partner development programme.

Matthias Langheld has over 22 years of experience in a broad range of transaction advisory and investment banking transactions. This includes six years of international exposure while managing buy and sell-side transactions for multinationals. He has worked at RMB Namibia, Nedbank Capital, KPMG, Ernst & Young, BDO and HSBC Investment Banking. He holds a BCom (Law) and is a Chartered Accountant. In addition, he obtained a Master of Philosophy degree in Future Studies. He is passionate about sustainable systems and ESG matters.

Toini Kondjeni Nkandi is an architect and Lead Principal of Kondjeni Nkandi Architects Inc. She has 21 years of experience as an architect and is registered with the Namibian Institute for Architects (NIA) and the Namibian Council for Architects and Quantity Surveyors (NCAQS). She has vast experience in the fields of design, planning, project management and the successful delivery of projects of various sizes. She founded Kondjeni Nkandi Architects Inc in 2008.

Refer to our Notice of AGM on page 208.

We believe that the addition of the nominated directors is essential for a smooth transition given the impeding retirement of two directors over the next two years.

Business relationships

Throughout the year, our most pivotal engagements revolved around the acquisition of Dunes Mall and matters related to the rights issue. For a more comprehensive overview of these topics, refer to the CFO's Review on page 42.

Industry associations play a critical role across various sectors of the economy. These bodies are instrumental in representing their sectors during negotiations with regulatory authorities and policymakers, while safeguarding the interests of their members. As a leading entity in the property sector, Oryx is committed to formalising its contributions to a Property Owners Association capable of fulfilling these roles. This commitment extends to the cultivation of skill sets within the sector, a matter of particular urgency given the shortage of suitably qualified asset and property management professionals in Namibia.

Innovation

The Board has dedicated extensive discussions to reviewing the relevance and sustainability of our business operations, and exploring avenues for innovation within our sector. These dialogues have been expansive, covering topics ranging from cost-containment strategies to operational efficiencies, the structural composition and prospective evolution of Oryx's asset portfolio, and initiatives that could potentially impact our operational activities.

Our approach to innovation is holistic, encompassing several dimensions. These include tailoring our property acquisitions to meet the unique needs of specific regions beyond Windhoek, maximising the utility of our property management expertise, exploring potential partnerships, and assessing the integrative role of technologies in our business operations and strategies.

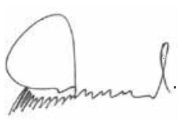
Key to these considerations are energy-related matters, particularly the potential adoption of solar energy as a cost-effective and sustainable power source. The Board's deliberations also extended to the types and mix of properties that could be integrated into our portfolio. An underlying theme throughout was the evaluation of how such investment choices would yield benefits for our unitholders and tenants.

Appreciation

I extend my heartfelt acknowledgment to both the current and past management teams, whose contributions have been instrumental in shaping Oryx's growth and resilience over the years. Their concerted efforts have laid a robust foundation upon which we can build for the future.

I express my gratitude to my esteemed colleagues on the Board for the warm reception they have accorded me in my capacity as Chairperson. I look forward to collaborating with each of you in the forthcoming financial year and the many years ahead.

Lastly, I extend my sincere thanks to our unitholders, who have supported and placed their trust in the Board over the past years.



Mr Vetumbuavi Mungunda
Chairperson


SGXDistributors
Simpex

HOW OUR BUSINESS MODEL UNLOCKED VALUE

Inputs

Financial capital

Our sources of financial capital are

- Equity
- Debt
- Rental income

The availability of equity investors and the cost of debt funding can significantly impact our future growth.

The availability of liquidity is impacted by successful collection of debtor balances.

Manufactured capital

Our portfolio of property assets is our source of revenue.

The offshore investment in TIL is regarded as part of our manufactured capital.

The quality of our portfolio, and how we manage our assets and tenants, directly impact our financial performance and future sustainability.

Outcomes in 2023

Financial capital

We earned N$356 MILLION in revenue *(2022: N$356 million),* **and rental operating income increased by 6%** *(2022: (1%)).*

We distributed N$92.0 MILLION to unitholders *(2022: N$88.7 million).*

Our loan-to-value (LTV) level was 35.0% *(2022: 36.2%).*

Average debtors' collection increased to 101% *(2022: 96%).*

We refinanced N$85 MILLION of debt during the year *(2022: N$90 million).*

We concluded the N$200 MILLION Maerua Development Loan. The Board has approved the first phase, amounting to N$48 MILLION, for commencement in 2024.

We increased the DMTNP from N$83.3 million to N$248.5 MILLION during the year.

Manufactured capital

We invested N$72 MILLION *(2022: N$32 million)* **into maintaining and upgrading our properties.**

The investment included N$22 MILLION spent on upgrading the Gustav Voigts Retail Centre Checkers offering, and N$30 MILLION on building a new industrial warehouse at Erf 3519, Iscor Street.

Furthermore, a lease agreement was entered to acquire the Maerua Crossing Land for N$6 million. This resulted in a right-of-use investment property amounting to N$13.6 MILLION.

Oryx draws on various capital inputs to unlock value for its stakeholders. In turn, Oryx's activities impact both these capitals and the Group's ability to create and preserve value over time. Our business model outlines how we create value and the trade-offs we make in the process.

Human and intellectual capital

Our employees' skills and experience contribute to our success. The shortage of specialist property management skills in the Namibian market is a key risk that is actively managed.

The technology we rely on to manage our assets and tenants impacts all the other capitals.

We enhanced our human and intellectual capital by:

- Conducting our second employee climate survey and implementing changes following last year's survey to address employee feedback
- Submitting the Group's third employment equity report
- Continuing to develop a succession plan for key roles
- Updating KPIs for the leadership team to improve performance measurement
- Enhancing property and asset management expertise and skills
- Employing our first graduates and expanding our bursary programme to nurture future leaders

Social and relationship capital

The quality of our relationships with key stakeholders drives business performance and value creation. Key stakeholders include providers of financial capital, tenants, employees, and suppliers.

We engaged with tenants during the year and conducted our second tenant satisfaction survey.

We entered into a partnership with Scania to invest in a new photovoltaic plant and replace older light fittings with energy-efficient fittings.

We continued to contribute to our communities through our corporate social investment strategy.

We continued engaging with analysts, fund managers and the majority of unitholders bi-annually through results presentations and during the rights issue roadshows.

We continued to update our electronic communication channels.

We continued to apply our philosophy of engaging with debt financiers and suppliers on a regular basis.

Natural capital

We rely on the availability of water, electricity and land.

We conducted our first carbon footprint assessment.

We continued to reduce our environmental impact through ongoing resource management improvements.

Trade-off decisions for 2023

The Group makes trade-off decisions guided by our purpose, strategy and the business model outcomes we seek to achieve. For example, Oryx may decide to sacrifice short-term gains in favour of long-term value creation and preservation, or to avoid value erosion. In 2023, the following material trade-off was made:

- The rights issue was delayed to the 2024 financial year in order to ensure for the best deal for unitholders and a successful capital raise. This was successfully achieved after the 2023 financial year end.

HOW WE ENGAGED WITH OUR STAKEHOLDERS

The Board acknowledges the importance of effective stakeholder management and accepts responsibility for upholding the Group's corporate reputation and the quality of its stakeholder relationships.

OUR STAKEHOLDERS	WHAT THEY EXPECT	HOW WE ENGAGE WITH THEM
Our unitholders, providers of financial capital, analysts and the media. Read more about our top unitholders on page 120.	Our unitholders expect consistent, quality distributions and an overall return on their investment. Our analysts and the media expect regular and credible information. Our financiers expect regular instalments from a financially stable organisation. Strict financial controls, risk management and sound operating principles provide assurance to debt funders.	Oryx engages with unitholders, financiers, analysts and the media to keep them informed of our progress and ensure their continued support for the Group.. **In 2023 we focused on:** • Improving our communications with unitholders and proactively addressing their feedback • Implementing the SA REIT Association's Best Practice Recommendations for financial disclosures in our Annual Financial Statements • Exploring alternative funding opportunities, including increasing unsecured debt and the commencement of a rights issue
Our employees are key to ensuring our success through managing our portfolio, maintaining sound tenant relationships, identifying investment opportunities, and driving profitable returns for unitholders.	We aim to create an environment where high-performance and ethical behaviour is rewarded. Employees expect to be paid fairly, be treated with respect and have opportunities to grow and develop.	Employee attraction, retention and development are key focus areas in a market with limited skilled property professionals. **In 2023 we focused on:** • Expanding our team • Increasing training spend • Identifying high performers for accelerated training and mentoring • Building our asset management capabilities • Addressing several aspects of last year's employee feedback and conducting follow-ups • Expanding our bursary and graduate programme, with two new bursaries and the appointment of our first graduates subsequent to year end
Our tenants across our retail, industrial, office and residential portfolios.	Tenants require high-quality, safe and well-managed properties with fair contract terms. They expect effective communication, responsiveness to their needs, and a collaborative business partnership.	We engage regularly with our tenants, which we believe gives us a competitive advantage. We also conduct tenant satisfaction surveys to understand their concerns. **In 2023 we focused on:** • Expanding the base of potential tenant networks to consider tenants outside of Namibia and South Africa • Catering for our consumer needs, which will see the addition of outside restaurants, a pharmaceutical retailer and an outdoor goods and equipment retailer • Ramping up marketing campaigns for our malls • Continuing to engage with South African retailers through our networks with the assistance of a specialist South African consultancy

OUR STAKEHOLDERS	WHAT THEY EXPECT	HOW WE ENGAGE WITH THEM
Regulatory and industry bodies in Namibia, South Africa, Croatia and Mauritius. These include: • NSX • Namibia Revenue Agency • Business and Intellectual Property Authority • City of Windhoek • Namibian Competition Commission • Electricity Control Board • Ministry of Finance • Registrar of Companies • Employment Equity Commission • Ministry of Labour, Industrial Relations and Employment Creation • South African Companies and Intellectual Property Commission • City of Johannesburg • South African Revenue Service • Electronic Media Council	We comply with relevant laws and regulations. We are kept informed of evolving regulations in the countries where we operate and monitor regional regulatory developments.	We work with our sponsor to ensure continuous compliance with NSX's listing requirements. We track compliance continuously, and the RACC assesses compliance risks. **In 2023 we focused on:** • Engaging with the Namibian Tax Policy Unit regarding a tax moratorium to restructure our portfolio • Engagements with industry players to set up a property industry body in Namibia • Obtaining Competition Commission approval for the acquisition of Dunes Mall (Pty) Ltd • Engagements with the South African Revenue Service to expedite the refund of taxes due to Oryx • Engagements with the NSX for various public communications issued
Reliable and professional suppliers and service providers are essential to maintaining and servicing our property portfolio.	Suppliers seek sustainable, mutually beneficial relationships, fair contractual terms to agreements and timely payments.	With a limited local supplier pool, we understand the importance of preserving solid relationships with our suppliers. **In 2023 we focused on:** • Identifying additional suppliers to enhance our supplier pool • Working closely with existing suppliers to deliver works timeously • Conducting an internal audit on our procurement process • Enhancing controls for proper supplier management and evaluation • Management of conflicts of interests
Healthy and well-functioning communities are essential to a prosperous Namibia and constitute a source of future customers, tenants and employees.	Communities expect to be considered in our planning processes. They also seek access to employment and business opportunities.	Oryx regularly engages with communities to understand their needs, such as family entertainment at our malls. Oryx also provides employment and business opportunities to communities. We undertake community development initiatives to improve education and uplift impoverished communities. **In 2023 we focused on:** • Executing our CSR calendar Read more on page 72.

OUR KEY RISKS

The Board monitors the various risks that Oryx faces and ensures that appropriate controls are in place to address key risk areas.

The RACC ensures that the risk management process is adhered to through regular review and debate of the relevant documents. Management is accountable and responsible for the daily management of risks. Management actions are identified for follow-up at each meeting of the RACC and the Board.

Management with the assistance of the Risk, Compliance and Governance Officer

Each risk owner is responsible for a business function or process. They review and assess the risks and opportunities generated by the associated activities on a monthly basis, with the assistance of the Risk, Compliance and Governance Officer, who reviews and assesses the risks and opportunities identified by management.

RACC

The **RACC** is the custodian of all risks and oversees all risks for the Group. The RACC, including executive management, meets every quarter to review Oryx's top risks.

The Board

The **Board**, including executive management, meets every quarter to review Oryx's top risks.

Key risks

The top risks during the year, and the actions taken to mitigate these risks, are outlined below.

RISKS	DESCRIPTION	MITIGATION
Economic and political climate	The weak commercial property market and an oversupply in the Namibian retail market, combined with limited growth and ongoing pressure on consumers.	We evaluate efficiencies and cost savings, and closely track rental reversions. We also work closely with tenants to ensure retention, and for our retail facilities to remain appealing to consumers.
Impact of changes in significant tenants	The risk of large GLA tenants cancelling or defaulting on a lease due to economic challenges on their business can affect our business.	We monitor this risk continuously and hold regular engagements with tenants. Tenant relationships are managed at the highest level, with direct involvement from the CAM, and we closely track our debtors collections, which improved during the year.
Increased competition in the property sector	Namibia is an attractive investment for property funds. Increased competition for properties, tenants, consumers, and employees of Oryx has to be carefully managed.	We work in close collaboration with property stakeholders to protect our established position in the market. Senior management, including the CEO, conducts ongoing reviews. This ensures proactive monitoring of competition and market trends, resulting in effective mitigating strategies.
Lack of property skills and expertise	The lack of industry-specific skills in Namibia impacts the time it takes to fill vacancies and employ new individuals.	Dedicated skills management plans are in place, with ongoing internal training and employee growth opportunities to close the skills gaps. The Group is developing its pipeline of future employees through its bursary and graduate programme. Refer to page 61.
Availability of capital and funding	Lack of capital may lead to an inability to capitalise on potential favourable opportunities in line with our investment strategy.	Ongoing engagement with financiers and capital markets. We have increased our engagements with unitholders, including the hosting of rights issue roadshows, to ensure effective communication. We are engaging unitholders to extend the 75% minimum distribution pay-out percentage for a further three-year period. Refer to the CFO's Report.
Changes in technological trends	Inability to incorporate technology proactively into the portfolio can impact our competitive advantage.	We improved our IT functions last year. We saw certain benefits starting to flow through this year, including cost savings, earlier detection of underutilised resources, and minimising of human error.

Risk movement

Increased Decreased Unchanged

OUR MATERIAL MATTERS

Oryx's material matters are those matters that have the greatest potential impact on the Group's ability to create and preserve value. These are the matters most likely to affect our long-term sustainability as a business and the interests of our stakeholders.

1 Funding availability and cost

Refer to the CFO's Report on page 42 for more information.

The availability, pricing and maturity profile of debt funding has a material impact on Oryx's balance sheet, financial performance and ability to raise additional funding. In addition, the local equity market's liquidity is constrained, and the new unitholder base is limited.

We amended our distribution level from 90% to 75% in 2021 until 2024. This has strengthened our balance sheet and improved liquidity while reducing reliance on additional debt or equity funding. We have performed an assessment of the 75% interest distribution policy, and recommend extending this for a further three years. Read more on page 210.

Our funding availability position improved during the year after we increased the DMTNP to N$248.5 million, refinanced an N$85 million rolling credit facility, and concluded the N$200 million Maerua Development Loan.

These developments, together with the successful rights issue subsequent to year end, have strengthened our ability to weather challenging economic conditions, to expand when opportunities emerge in line with our refined growth strategy, and to grow returns on unitholders' investments.

During the year, we further improved our funding, as outlined on page 42.

The downside was that our weighted average interest rate increased to 8.9% (2022: 7.3%) due to repo rate increases during the year, with 49% of debt being fixed at year end (2022: 51%).

LEVEL OF CONTROL OVER THE MATTER

LOW | **MEDIUM** | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022 »

2 Tenants' and consumers' evolving requirements

Refer to page 32 for more information.

Lower consumer spending and changing shopping patterns affect our tenants' performance. This means we need to stay abreast of consumer trends, including the demand for both convenience and entertainment, and constantly monitor the profile of shoppers visiting our centres. This assists us in managing our tenant mix to maximise their trading densities.

We build close relationships with our tenants by understanding their requirements, financial health, and plans. Our portfolio managers work with their tenants to anticipate trends.

Understanding tenants' requirements and financial health, together with consumer trends, inform our investment approach and how we optimise our asset portfolio's performance.

LEVEL OF CONTROL OVER THE MATTER

LOW | **MEDIUM** | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022 »

Our material matters influenced the selection of information included in this report. Further insights into our material matters are provided throughout the report.

LEVEL OF CONTROL OVER THE MATTER
LOW | MEDIUM | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022
INCREASE | DECREASE | UNCHANGED

3 Asset portfolio performance

Refer to the Chief Asset Manager's Report on page 26 for more information.

The performance of our property portfolio determines our long-term sustainability. We balance tenants' and consumers' current requirements with their future expectations to optimise the performance of each asset. We evaluate each asset's continued relevance in our portfolio and actively pursue further diversification.

LEVEL OF CONTROL OVER THE MATTER
LOW | **MEDIUM** | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022

4 Capacity building to meet strategy execution*

Refer to page 70 for more information.

Namibia has a limited pool of candidates with property expertise and experience. Having the right people with the right skills is critical for our continued success, especially as we progress our 2025 Strategy, which will significantly increase our operations and expand asset management.

We appoint the best candidates and develop depth in our teams. We foster property skills through on-the-job experience and training. We have a bursary and graduate programme in place to develop skilled, young property professionals.

LEVEL OF CONTROL OVER THE MATTER
LOW | **MEDIUM** | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022

5 Ongoing challenging operational conditions

Refer to the Chairperson's statement on page 26 for more information.

Although the indications point to improving economic conditions in Namibia, the country is experiencing significant cost increases in fuel, food and supplies. This impacts our tenants and consumers, who are under pressure to manage costs and cash flow.

LEVEL OF CONTROL OVER THE MATTER
LOW | MEDIUM | HIGH

CHANGE IN LEVEL OF IMPACT FROM 2022

CEO'S REVIEW

Oryx has embarked on an ambitious strategy to grow the Group's property portfolio within Namibia to N$4.5 billion by the year 2025.

Building a resilient and sustainable future

Oryx's new 2025 Strategy was developed following a thorough review of the market and exploration of strategic opportunities over the coming three to five years. The 2025 Strategy aims to expand and reposition the Group's entire portfolio.

A vital component of the strategy is to reduce Oryx's overall exposure to risk, particularly its reliance on the Maerua Mall. Accordingly, we identified a quality asset, the Dunes Mall in Walvis Bay, and successfully raised 49% of the capital for

Strategic focus areas

- **Shifting from maximising short-term yield and distribution growth as the only business drivers to encourage long-term decision making.**
- **Reducing our concentration risk, both in terms of our portfolio and geography.**
- **Expanding our portfolio into unlisted and growth funds.**
- **Building internal investment capital reserves.**

Mr Ben Jooste

its acquisition through equity, and 51% through new debt. Subsequent to year end, the acquisition of Dunes Mall was completed at an initial purchase price of N$628.5 million (9.5% yield), inclusive of additional land next to the asset.

Our belief is that the timing of this acquisition is perfect, and that the additional land will enable Oryx to create an even stronger node than currently exists around the asset. We are grateful for the support we received from both existing and new unitholders, local and international, who share our belief in the validity of our strategy and the value of our new acquisition.

After the rights issue, 83% of senior management will hold a personal stake in Oryx and therefore, like other unitholders, have a vested interest in the Group's success. We are confident that the Dunes Mall acquisition will increase future returns to unitholders as part of our refocused strategy to create predictable, reliable, and sustainable returns.

Crucially, the success of our funding initiatives means we have capital available to execute our strategy over the next 12 months. The capital raise provides us with a foundation, enabling us to shift our focus to locating additional sources of investment and further progressing our growth ambitions.

We have also successfully established separate asset management and operational management teams, and have begun to introduce new policies and procedures. While this process was temporarily delayed by the departure of two senior employees, one of these positions has already been filled, and we will appoint a COO in 2024 to lead the Property Management division.

One of the objectives set out in the 2025 Strategy is to establish an unlisted fund. Presently, we own all the listed properties in our portfolio. The establishment of an unlisted vehicle will enable Oryx to pursue opportunities for unlisted properties within the property sector. These investments will not be capital-intensive, as we will not be majority shareholders. However, by leveraging our expertise, we will generate a fee income that will strengthen our revenue stream.

One of the highlights of the year was the awarding to Oryx of an N$800 million tender to establish an unlisted property fund on behalf of the Government Institutions Pensions Fund (GIPF).

The unlisted vehicle will allow for the formation of a portfolio of assets that can be matured and, when the fund eventually closes, transitioned into the listed Oryx vehicle through the implementation of an exit strategy.

The GIPF mandate represents a significant achievement for Oryx, and an early indication that our 2025 Strategy will contribute significantly to our growth during the next two to three years.

- **Increasingly integrating ESG matters.**
- **Expanding into fixed asset development options and partnerships.**
- **Increasing the funding and asset risk appetite for new and diversified investment profiles.**
- **Separating asset management from property management.**

International investments

Despite the inflationary environment and other turbulent conditions in Europe, our 26% stake in TIL in Croatia continues to offer inflation-beating returns and foreign currency earnings. Most of the properties have leases extending to 2028, with no arrears. We are working well with our appointed international representatives to ensure the ongoing performance of these assets and to explore the possibility of expansion.

We do not plan to extend our holdings in Europe, but the possibility of using international funding for local investments is being pursued. This could include involving other investors or using debt within the Croatian portfolio to finance new local yield-accretive acquisitions.

The international investment cash yield deteriorated to 6.5% (2022: 7.3%). TIL's gearing ratio was 29% (2022: 30%) and its vacancies were 0% (2022: 0%). However, as there are head leases in place, physical vacancies do not impact the income stream of this investment. Oryx received dividends of N$17 million (2022: N$17 million), which forms part of distributable income. TIL did not acquire any properties during the year under review.

Croatia switched to the Euro at the beginning of 2023, which will benefit us in the long term as the necessity to convert the local currency to the Euro will reduce the currency risk once attached to these transactions. Translating the loan from Euro to Namibian Dollar resulted in a foreign exchange loss of N$14 million (2022: gain of N$1 million). The translation of the associate resulted in a foreign exchange gain of N$32 million (2022: N$804 thousand) using the spot rate as at 30 June 2023 of N$20.38 (2022: N$17.02). The Croatian investment properties were valued in June 2023 at €91 million (2022: €83 million).

In South Africa, our only remaining exposure is an industrial property in Constantia Kloof, Roodepoort. Oryx is still facing a challenge with the disposal of this asset, and new options for exiting the building are being considered.

Talent development

We have moved forward with plans to address the challenge of a small national labour pool that has restricted the availability of qualified people for the property investment industry. To create a pipeline of future talent, we have launched a bursary programme to identify and develop young graduates who have completed their studies.

Our first graduate from the bursary programme joined the Group recently and will undergo a two-year internship programme that involves working in different departments. We presently have two other graduates with property-focused degrees joining the Group. Training has increased, with N$391,000 spent this year. Training modules on offer include programmes on ethics, governance, and other activity-focused programmes.

At the same time, we have continued to focus on establishing the Namibia Property Association. This body will act both as a representative for the sector on matters of importance and as a marketing body that will assist in attracting new talent and skills into the industry. One of the key objectives of the Association will be to source suitable training programmes and, through agreements with academic bodies, arrange for property students to be trained in Namibia.

We also conducted our second employee satisfaction survey this year. This exercise enables us to ascertain our employees' views on various topics relating to the working environment and communication across the Company. The feedback received through the survey reveals an improvement on specific metrics, including communication with senior and executive management.

An HR manager was recruited on a 12-month contract to assist with various aspects of employee management. This contract has been extended for an additional 18 months, and we have taken steps to upskill selected employees to support future HR initiatives.

Looking ahead

According to the latest economic bulletin issued by the Bank of Namibia, activity in the domestic economy rose by 5% during the first quarter of 2023. At the same time, inflation increased to 7.1%, driven primarily by the fallout from the ongoing conflict between Russia and Ukraine.

The repo rate remained at 7.75%, pushing the prime retail lending rate to 10.75%. We are watching to see if the Bank of Namibia's strategy of using rates to manage price escalations will have the desired result of stabilising inflation.

Appreciation

My thanks go to Oryx's directors, who generously gave their expertise and counsel during the year under review. I look forward to working with you as we move forward to reinforce the Company's reputation as a force for prosperity in the future.

To my colleagues and all who work in various capacities across Oryx, my sincere thanks for your dedication and teamwork. You have all made a difference and contributed to our success. Finally, I acknowledge our unitholders' role in shaping our business. It is your investments and faith in our team that have enabled Oryx to build a sustainable business while maintaining its position as the leader in the Namibian property sector.

Mr Ben Jooste
Chief Executive Officer

CFO'S REPORT

Despite ongoing challenges, the Group posted a solid performance in 2023, with total comprehensive income increasing by 80% to N$191 million.

In a memorable year, Oryx began to reap the benefits of our 2025 Strategy of diversifying our assets and identifying new opportunities that complement the Group's core activity.

Best practice in financial reporting

Oryx considered and applied the SA REIT Best Practice Recommendations in producing its 2023 Annual Financial Statements. These recommendations, published in 2019, identify key areas to enhance reporting and improve the transparency, comparability and relevance of financial information in our sector. They recommend the disclosure of certain non-IFRS financial measures, many of which are already common in the financial statements of property companies, although not always calculated or disclosed consistently. In 2023, we partially applied these recommendations. Our SA REIT Best Practice Recommendations ratios can be found on page 116.

Funding strategy

The highlights for the year were:

- The N$200 million ABSA development facility for the Maerua revitalisation project was concluded
- The value of properties exceeded the N$3 billion mark for the first time in Oryx's history, being valued at N$3.095 billion (2022: N$2.840 billion)
- Available facility balances were N$409 million in June 2023 (2022: N$173 million), excluding the DMTNP and Maerua Development Facility pertaining to the revitalisation project
- Terms were agreed for a N$500 million preference share facility pertaining to the Dunes Mall acquisition, which resulted in the most favourable pricing obtained by margin in the history of Oryx
- The DMTNP was increased from N$83 million to N$248 million, and a N$85 million facility was refinanced
- Our cost of debt was 8.9% (2022: 7.3%), reflecting the high interest rate and the inflationary environment

Six properties valued at N$229 million (2022: N$207 million) were encumbered at year end.

Ms Francis Heunis

Performance against key measures

Key statistics and key performance indicators (KPIs)	Unit	2023	2022	2021	2020	2019
NAV	N$Bn	**2.093**	1.925	1.842	1.912	2.042
NAV per unit	N$	**23.95**	22.03	21.09	21.88	23.37
Market capitalisation	N$Bn	**0.961**	0.897	1.001	1.528	1.704
Property portfolio value	N$Bn	**3.095**	2.910	2.831	2.914	2.914
Properties sold	N$M	**–**	–	–	–	14
Capital raised*	N$M	**–**	–	–	–	165
Unencumbered assets$	N$M	**229**	207	207	458	426
Overall weighted average cost of funding	%	**8.9**	7.3	6.7	5.8	9.2
LTV/Gearing ratio	%	**35.0**	36.2#	38.2	39.1	34.9
Interest cover ratio (excluding interest on linked debentures)	times	**2.3**	2.8	2.8	2.3	3.0
Net rental income growth	%	**(3)**	7	0.4	2	12
Headline earnings linked per unit (weighted)	cpu	**116.21**	146.82	179.41	3.88	137.34
Earnings per linked unit (weighted)	cpu	**287.82**	222.31	111.28	(110.63)	533.00
Total distribution	cpu	**105.25**	101.75	99.75	69.75	150.00
Share price	N$	**11.00**	10.26	11.46	17.49	19.50

* N$313 million raised subsequent to year end.

$ Subsequent to year end, the N$75 million Nedbank facility was repaid and as a result, the Channel Life Office Building and Baines Retail Centre were unencumbered, increasing the unencumbered asset value to N$407 million.

\# Calculation amended from 2022 onwards according to the SA REIT Association's Best Practice Recommendations.

A successful rights issue

A ramp-up in the execution of our funding strategy yielded significant progress to fund our growth ambitions, with a rights issue successfully concluded subsequent to year end, enabling the timeous acquisition of Dunes Mall in Walvis Bay.

Oryx unitholders subscribed for a total of 26,947,033 (82.4%) linked units of the 32,698,877 allocated rights issue units, which represents 49% of the acquisition price for Dunes Mall. The remaining balance was funded through new debt. The Group's LTV ratio is expected to remain below 40% after the acquisition.

Additionally, 1,949,143 linked units from additional applications have been included in the subscription. All unitholders received the additional linked units applied for. Furthermore, 1,886,453 rights were either renounced or sold to new or existing unitholders. The new units were issued and listed on the NSX on 26 July 2023. Following the listing, a total of 114,325,868 linked units will be in issue, and the Oryx free float will remain at 100%.

At Oryx's general meeting in June 2023, 94.4% of unitholders approved the rights issue, demonstrating strong support from the investor community. We believe the positive take-up of 82.4% of the allocated rights issue units reflects strong commitment and belief in the Group's strategic direction. We are pleased to note that subscriptions for excess rights issue units were received, with several investors, including the largest unitholder, increasing their stake in Oryx. We welcome the new local and international unitholders who have invested in Oryx for the first time.

The capital raise empowers Oryx to proceed with the implementation of its growth strategy for 2025 and positions the Group to achieve its growth objectives.

Overall, liquidity has improved given the increase in available facilities. We achieved this in part through the unitholders' decision to reduce the interest distribution pay-out from 90% to 75%. The capital spent during the year increased to N$72 million (2022: N$32 million). Our strategy on capital spend has been to combine yield-accretive opportunities with defensive spend requirements to ensure continued growth for unitholders.

Our cost of debt increased to 8.9% (2022: 7.3%) at year end, following various increases to the repo rate, which were expected given the global rise in inflation. This resulted in an increase of 20% in finance costs year on year.

The current pricing of the Forward Rate Agreement curve suggests that the SARB has completed its rate-hiking cycle, at least for the time being. Further expectations are that the central bank could start reducing interest rates from around mid-2024. Our approach of lowering our fixed-to-debt ratio over the last year was therefore, in our opinion, correct. Our fixed-to-total debt ratio stood at 49% (2022: 51%) at year end.

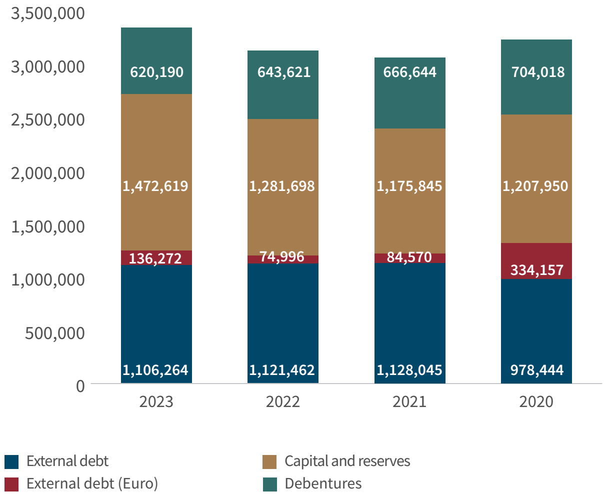
By agreement, we are required to hedge 50% of the N$500 million preference share facility which is expected to be concluded post year end. Our preference is for alternative structures in which we can participate in a lower interest rate environment, should the central bank start reducing rates over the medium term.

The Euro facility which was due for maturity in February 2023 was extended during the year to expire in the 2024 financial year.

We believe that vendor placements can reduce Oryx's overall risk profile and improve gearing, liquidity, and our unencumbered asset base. Furthermore, vendor placements serve to reduce over-dependence on major assets. Accordingly, we will again recommend using vendor placements in a resolution to unitholders at the forthcoming AGM in November 2023.

Oryx's focus remains on diversifying the Group's sources of funding.

Funding mix (N$'000)



Debt maturity profile	2023 N$'000	2023 %	2022 N$'000	2022 %	2021 N$'000	2021 %	2020 N$'000	2020 %
Revolving credit facilities	–	–	–	–	–	–	123,530	9
2021	–	–	–	–	–	–	75,000	6
2022	–	–	–	–	90,000	7	575,761	44
2023*	–	–	249,106	21	193,306	16	311,310	24
2024	**461,273**	**37**	319,980	27	283,746	23	227,000	17
2025	**292,763**	**24**	387,372	32	494,041	41	–	–
2026	**488,500**	**39**	240,000	20	151,522	13	–	–
Total	**1,242,536**	**100**	1,196,458	100	1,212,615	100	1,312,601	100

* Including non-current liabilities held for sale.

GCR rating

In April 2023, GCR Ratings affirmed the national scale long-term and short-term issuer ratings assigned to Oryx Properties Limited at BBB(NA) and A3(NA), respectively. This is unchanged from the 2022 ratings. The outlook for the fund remains stable.

Net rental income

Oryx obtains its revenue from leases of investment property as follows:

N$'000	2023	2022	2021	2020
Basic rental income	**260,210**	235,551	252,082	242,864
Turnover rental	**1,570**	837	706	969
Straight-line adjustments	**(577)**	20,478	(3,770)	3,389
Recovery of property expenses	**93,974**	87,025	87,442	84,202
Late payment interest and penalties on operating income	**536**	110	22	1,353
Bad debt recovered	**617**	11,885	716	6

Debtors

Performance for the financial year was better than anticipated, as rental reversions increased to 3.7% (2022: (7.3%)), leading to a 6% (2022: (1%)) increase in rental operating income. Similarly, debtors collections improved to 101% (2022: 96%) whilst tenant retention decreased to 84% (2022: 97%). Bad debts amounting to N$25.1 million were written off during the year (2022: N$3.3 million), which related to debt outstanding beyond a two-year period. However, receivable impairments reduced significantly to N$9.1 million (2022: N$36.9 million).

Improving internal controls

We are placing significant focus on improving our internal controls through internal audit workplans. We have conducted an internal audit of our procurement processes.

Read more on page 84.

Distributions

The Board approved an interim distribution of 54.25 cents per unit (2022: 44.00 cents per unit). In addition, the Board resolved to pay a year end distribution of 51.00 cents per unit (2022: 57.75 cents per unit). A 50.00 cents per unit interest distribution was further declared for all units issued on 14 July 2023, in respect of the six-month period ended 30 June 2023. Given the income nature of antecedent interest for tax purposes, unitholders are reminded of the taxability of antecedent interest distributions. An amount of N$58 million is payable to unitholders on 6 October 2023. The total amount payable to unitholders this year amounts to N$105.4 million (2022: N$88.7 million).

We acknowledge that our investors expect a predictable, reliable, and sustainable distribution from Oryx. We remain committed to a sustainable distribution pay-out ratio and improving the quality of our earnings.

Going concern

The Board determined that no material uncertainty casts doubt on the Group's ability to continue as a going concern. The Board is confident that the Group is capable of meeting its financial obligations when they fall due, and deems it appropriate to ensure that sufficient cash reserves are in place to cover the debt, which is closely monitored.

Appreciation

We would like to express our heartfelt gratitude to all unitholders for their overwhelming support and participation in the recent landmark rights issue. This successful capital raise marks a significant milestone in our Group's history and paves the way for the realisation of our strategic vision.

Ms Francis Heunis
Chief Financial Officer

CHIEF ASSET MANAGER'S REVIEW

Oryx's performance in a challenging year exceeded expectations, confirming the underlying strength of the Group's property portfolio.

OUR KPIs

Our most important KPIs are:

- Vacancy factors
- Net operating income on an individual asset basis
- Valuations (including property portfolio growth)
- Rental reversion rates

KEY PERFORMANCE DRIVERS FOR 2023

- Retail demand increasing, although rates remain under pressure
- Ongoing resilience in the industrial and residential portfolio
- Office portfolio remained under pressure

Oryx's total portfolio increased by 6.4% to a total value of N$3.095 billion (2022: N$2.910 billion including investment property held for sale). The net rental income growth, which is a function of rental income at revenue level excluding expenses incurred, deteriorated by 3%.

The vacancy rate for the residential portfolio remained at zero for a large part of 2023, while our industrial portfolio recorded one vacancy by year end. The office vacancies remained high at 6.8% (2022: 10.7%), although comfortably below the market average. Retail vacancies decreased from 7.9% to 4.4%. Tenant retention is an ongoing focus for Oryx, and we pride ourselves on our close partnerships with tenants. We experienced a slight decrease in our tenant retention ratio, to 83.7% (2022: 89.4%). Rental reversion rates improved in 2023, with the industrial, office and retail sectors experiencing a positive reversion rate. Nevertheless, the market remains competitive, with retail tenants demanding highly favourable lease terms.

Our national tenancy percentage, which measures space occupied by large national tenants, increased from 89.5% last year to 90.1% this year. This increase in national tenants further de-risks our portfolio and ensures a stable income stream.

Mr Conrad van der Westhuizen

Portfolio performance

Key statistics and KPIs	Unit	2023	2022	2021	2020
Properties	Number	**29**	28	28	28
Value of portfolio (including investment property held for sale)	N$	**3.095**	2.910	2.831	2.914
Property portfolio growth	%	**6.38**	2.79	(2.85)	–
Average base rent	N$/m²	**133.73**	124.72	121.77	118.39
Vacancy rate (excluding residential)	%	**6.8**	5.4	5.9	5.4
Vacancy rate – residential*	%	**1.4**	1.9	11.2	9.3
Tenant retention ratio	%	**83.7**	96.9	91.1	89.3
Rental reversion rate	%	**3.7**	(7.3)	(9.1)	1.7
National tenancy**	%	**90.1**	89.5	78.5	89.2
Property expense ratio	%	**33.87**	33.89	32.03	31.78
Electricity recovery ratio	%	**133**	125	136	127

* Average vacancy factor for the year.
** Based on rental income.

The property expense ratio is the primary measure of how well operational costs are managed on an individual asset basis in the context of vacancies. The ratio remained fairly similar to that of 2022.

The electricity recovery ratio indicates the percentage of electricity expenses recovered from tenants. The electricity recovery ratio is expected to increase due to the installation of photovoltaic panels at certain assets.

This year, we executed several plans to improve the quality and environmental performance of our assets:

- We completed solar projects at our Scania property and Gustav Voigts Retail Centre.
- We are replacing older light fittings at Scania with new, low-emission LED lighting. This project will be followed by a water recycling installation.
- We are investigating the installation of new low-emission lighting at the Gustav Voigts Retail Centre parkade.

Portfolio overview

Oryx holds a diversified portfolio with exposure to the retail, office, industrial and residential sectors.

The Group's property portfolio is characterised by:

- Excellent properties in the right locations that are attractive, secure and comfortable
- Property market expertise and attention to detail
- Strong relationships with tenants based on a deep understanding of their needs
- Strategically managed lease expiry profiles

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, capitalisation and reversion rates are key inputs into the models.

Property values by sector* (N$'000)	2023	2022
Industrial	**672,641**	630,610
Office	**317,460**	244,640
Retail	**1,969,761**	1,833,295
Residential	**135,190**	131,000

* Excluding investment property held for sale in 2022.

GLA by sector* (m^2)	2023	2022
Industrial	**65,154**	65,154
Office	**14,274**	9,863
Retail	**89,381**	73,342
Residential	**7,961**	7,961

* Excluding investment property held for sale in 2022.

Reversion rates by sector (%)	2023	2022
Industrial	**5.5**	3.5
Office	**2.4**	0.9
Retail	**3.4**	(10.0)

Tenant retention rate by sector (%)	2023	2022
Industrial	**100.0**	100.0
Office	**63.6**	84.9
Retail	**89.4**	96.3

Industrial

The industrial portfolio performed strongly, with only one vacancy at year end.

The industrial portfolio contributed 22% (2022: 24%) towards the net rental income of the overall portfolio. Vacancies decreased to 0.5% (2022: 0.5%) at year end, with only 760m² in Walvis Bay vacant at year end.

Net rental income increased by 8% from last year, with positive rental reversions and tenancies remaining consistent. Conditions in the industrial sector remain buoyant as tenants are increasing their lettable areas.

As expected, the impact of high fuel prices prompted fleet management changes. Although several players are continuing to evaluate the situation before making amendments, certain tenants have opted for smaller delivery trucks, while others are investigating regional depots.

We completed a 4,844m² warehouse development for a national distribution tenant at the end of April 2023. This facility is situated in the Northern Industrial Area and offers good access to the main arterial routes from Windhoek to outlying regions.

The Brakwater node is attracting new tenancies, with construction on a 14,000m² warehouse due for completion in the first quarter of 2024. The Prosperita area remains popular due to the new road infrastructure around the precinct.

We continue to explore opportunities for investing in new developments and acquiring rental stock with higher yields. Areas of interest include the industrial nodes around Windhoek for potential redevelopment, and the Erongo Region near Walvis Bay for the development of warehouses.

Office

The office portfolio remained under pressure, with low demand, increasing vacancies and stagnant rental levels.

Although A-grade offices received enquiries from potential tenants, B-grade and C-grade offices continue to be stagnant. This has put pressure on net rental income compared to previous years.

The work from home culture that prevailed during COVID-19 has normalised during 2023, with almost all office workers returning to the office. However, due to increased retrenchments, the normalisation of in-office employment did not result in the shift in office vacancies as anticipated.

The major tenant we secured last year in the Channel Life Office Tower, the Welwitschia Nursing School, has taken up more space in the same building.

The C-grade Maerua Park office portfolio continued to struggle, and we have intensified our efforts to convert this space to residential units, which would also increase consumer numbers for Maerua Mall Retail. This strategy will be combined with the second phase of the revitalisation of the mall.

The planned conversion of a portion of the office space to a day hospital, with additional doctors' rooms and medical professionals' office space, did not proceed, as we secured a tenant. Maerua Park Offices was valued at N$34.9 million (2022: N$36.1 million), with a GLA of 3,218m² (2022: 3,218m²) and a vacancy rate of 55% (2022: 34%).

Retail

While consumers have returned to shopping centres, their purchase choices and basket sizes have been impacted by the steep rise in the cost of living.

Oryx owns four retail centres, all based in Windhoek. Subsequent to year end, the Group also acquired a new property, Dunes Mall, in Walvis Bay as part of its diversification strategy. We are also evaluating opportunities in smaller rural locations.

Namibia's retail sector is closely connected to the South African economy and the performance of large South African retailers. These retailers continue to come under pressure due to the weak economy and the need to spend on diesel and alternative energy to withstand loadshedding. Although we have not secured any new major tenants this year, we saw some interest from South African and international retailers to roll out new stores and other offerings in Namibia. We did not lose any major tenants in 2023.

While foot counts and dwell times in retail centres have returned to pre-pandemic levels, consumers are facing increased pressure due to high interest rates and inflation.

We continued to successfully introduce local entrepreneurs to our mall.

Vacancies decreased by 3.5% to 4.4% (2022: 7.9%) and net rental income increased to N$228.8 million (2022: N$151 million). The GLA was 86,942m2 (2022: 73,342m2).

Maerua Mall

Maerua Mall remains our largest retail asset, contributing 61% (2022: 62%) to the Group's retail income stream. This centre is well located on the edge of the Windhoek CBD and close to residential neighbourhoods. Entertainment is a core part of the offering, which features a range of family attractions.

We have implemented a multi-year renovation programme to revitalise the centre. This will include the addition of outdoor eateries, the upgrade of existing stores and the enhancement of the tenant mix. The commencement of construction on the clip-on outside restaurant expansion is imminent. This development will significantly enhance the mall's entertainment and culinary offering.

Foot count increased by almost 2.3% year-on-year and tenant vacancies reduced to 4.4% (2022: 6.9%). We continued to see an increase in demand from national and international retailers enquiring about tenancies, which should positively impact reversion rates in the short to medium term.

To assist with ongoing tenant attraction, especially with large nationals, we employed a retail property specialist, Ancora, two years ago. They work closely with us to secure new tenants for the revamped mall. This has paid dividends, as we have seen the introduction of exciting new tenants such as iStore and Jet Home, with further interest being shown by other leading brands.

Major tenants remained in line with 2022.

Tenant	2023	2022
Checkers	**6,416m²**	6,416m²
Edgars	**4,198m²**	4,198m²
Virgin Active	**3,000m²**	3,000m²
Woolworths	**2,810m²**	2,810m²
Food Lover's Market	**2,041m²**	2,041m²

Gustav Voigts Retail Centre

The Gustav Voigts Retail Centre is situated in the Windhoek CBD, close to where the financial services sector has traditionally located its offices. The centre includes the Avani Hotel and a host of smaller tourism-oriented tenancies. The upgrade to our anchor tenant, Checkers, completed in 2022, continues to attract new customers.

Tourism has recovered somewhat in 2023, and the outlook remains positive. This has led to improved occupancy rates at Avani Hotel. The hotel has completed paying outstanding rental arrears incurred during COVID-19.

The solar installation completed in 2022 continues to yield good returns in electricity savings.

Tenant	2023	2022
Avani Hotel	**12,897m²**	12,897m²
Checkers	**2,713m²**	2,713m²
Mr Price	**798m²**	1,002m²
OK Furniture	**1,002m²**	1,002m²

Baines Retail Centre

Baines Retail Centre is a boutique convenience centre serving the residential suburb of Pioneers Park in Windhoek. This centre performed strongly, in line with a trend towards consumers preferring smaller convenience centres closer to home. However, the centre has begun to show its age and will therefore be the subject of cosmetic enhancements in 2024. At the same time, some new tenancies will be added to the mix.

Urban Village Retail Centre

Elisenheim's Urban Village Retail Centre is a neighbourhood centre serving the high-growth residential node north of Windhoek. The centre is well placed to attract new consumers as demand for residential accommodation in this area increases. Although the node has been impacted by COVID-19, its location and offerings in a natural setting will provide the basis for some exciting urban plans that will be rolled out during the 2024 year.

The Dunes Mall acquisition

Dunes Mall consists of 32,438m2 of GLA anchored by Checkers, Pick n Pay, and Game. It has traded well since opening, despite the region's being one of the worst impacted during COVID-19, due to its robust tenant mix of value and premium brands and its location within the Erongo Region and the town of Walvis Bay.

The mall has shown strong rental growth over its lifetime, with significant scope for further growth based on the projected expansion of its catchment area and the greater Walvis Bay. The Port of Walvis Bay continues to perform strongly and is well-established as a regional logistics hub.

Walvis Bay and the Erongo Region also showed positive economic growth indicators in 2023, and this is expected to reflect in residents' buying patterns and disposable income. There are several planned developments in the vicinity of the Dunes Mall, which will further increase the catchment area of the mall and broaden the demographic mix of the Dunes Mall shopper.

The mall also includes bulk land earmarked for future development, which Oryx believes holds significant potential to further enhance the already favourable yield of this asset. Several interested parties have been identified for these additional developments, and these opportunities will be pursued once transfer of the Dunes Mall has taken place. Among the interested parties are additional retail offerings, entertainment and food and beverage offerings, and a tourism-related offering.

The acquisition was concluded on 1 August 2023.

Residential

We own three residential complexes (111 units, GLA 7,961m^2) in the prime locations of Pioneers Park and Kleine Kuppe. This portfolio is currently externally managed.

The residential portfolio delivered favourable returns, with extended periods of no vacancies. The average vacancy rate for the year improved to 1.4% (2022: 1.9%). We believe this was due to the quality of the offering combined with the correct price levels. It contributed N$11.45 million (2022: N$6.8 million) to the overall portfolio's net rental income.

Expense control continued to remain a focus area. This, combined with increased rentals, improved the income yield. The focus will remain on streamlining costs and ensuring that the offerings remain of the highest quality.

The residential complexes were valued at N$135 million (2022: N$131 million).

Disposals

Oryx did not dispose of any properties in 2023.

Valuations

The Group appoints an external valuer annually to conduct a valuation process. This appointment is approved by the Investment Committee and ratified by the Board. Mills Fitchet Magnus Penny performed the valuations this year. Valuations are influenced by various factors, including vacancy rates, rental reversion rates, average lease escalations, and expense and recovery ratios.

The portfolio was valued at N$3.095 billion (2022: N$2.910 billion) with a positive fair value adjustment of N$99.7 million (2022: negative N$46.8 million). All sectors recorded positive fair value adjustments from the previous year, with the largest contributor being the retail sector with a positive fair value adjustment of N$84.4 million (2022: N$21.5 million).

Vacancies

Oryx's property management teams worked hard to keep vacancies at a minimum and to retain existing tenants. We continued to improve internal efficiencies and manage costs, as reflected by our expense ratios, which were consistently better than the industry average.

Our overall vacancy rate increased to 6.8% (2022: 5.4%). In the industrial and residential sectors, we achieved a 0% vacancy rate for several months in the year under review. Retail vacancies were also well managed, and we retained our low vacancy factor in the challenging office sector.

Sector contribution to overall vacancy rate (%)	2023	2022	2021	2020
Industrial (as at 30 June)	**0.5**	0.5	1.0	2.1
Retail (as at 30 June)	**4.4**	3.4	3.8	2.0
Office (as at 30 June)	**1.4**	0.9	0.9	1.1
Storage (as at 30 June)	**0.5**	0.6	0.2	0.2
Residential (average)	**1.4**	1.9	11.2	9.3

Our WALE

The Group's weighted average lease expiry (WALE) is 2.6 years (2022: 3.3 years), excluding the residential sector. The residential sector is not included in the overall WALE calculation due to the short-term nature of the leases, with one-year lease terms being standard practice for the sector.

WALE profile (years)	2023	2022	2021
Industrial	**1.67**	3.17	3.78
Office	**2.91**	3.12	1.67
Retail	**3.12**	3.39	3.74

Oryx aims to achieve an expiry profile with a relatively flat graph, with risk dispersed over a longer term. This becomes more critical in challenging times, when tenants, and in some cases landlords, tend to prefer shorter-term leases. Maintaining good relationships and understanding tenants' businesses are essential in managing expiry profiles.

Lease expiry profile (%)	2023/2024	2024/2025	2025/2026	2026/2027	2027 and beyond
% expiring (based on basic rental)	**26**	17	17	25	31
% expiring (based on area)	**27**	11	21	22	24

Top tenants

Oryx's top 10 tenants occupy 48% (2022: 48%) of GLA and together contribute 50% (2022: 47%) of basic rental income. There were no changes to our top tenants in 2023.

The Group's overall tenant base is split between 90.1% (2022: 89.5%) South African and 9.9% (2022: 10.5%) Namibian.

Tenant (% of total rental income)	2023	2022	2021	2020
Avani Hotel	**11.2**	10.3	10.8	8.4
Checkers	**10.8**	10.2	10.3	6.4
CIC	**5.4**	5.3	5.3	5.4
Edgars	**2.5**	2.3	2.4	3.6
Pep	**4.2**	3.9	3.9	3.4
Metje & Ziegler Motors	**3.9**	3.7	3.8	3.4
Action Ford	**3.7**	3.5	3.5	2.9
Mr Price Group	**2.7**	2.3	3.1	2.0
FP Du Toit Transport	**2.7**	2.5	2.5	2.3
Virgin Active	**3.0**	2.8	2.9	2.6

Cost management

The expense to income ratio is the primary gauge of how well costs are managed on an individual asset basis in the context of vacancies and negative rental reversions. This ratio differs from sector to sector. The ratio increased slightly due to softer rental reversions during the year. The major contributor was the retail sector, where vacancies contributed to a higher ratio.

Expense profile (%)

We managed to save on placement and electricity recovery commissions during the year. Utility expenses, including water and electricity, increased by 5% from 2022, following annual escalations from the City of Windhoek.

Expense profile (%)	2023	2022	2021	2020
Soft services*	**12.0**	13.0	13.9	14.0
Maintenance	**4.6**	4.8	6.0	3.7
Utilities	**48.4**	51.5	47.7	50.3
Municipal	**11.1**	9.5	10.2	9.7
Management	**8.0**	7.6	7.2	7.4
Other	**13.0**	10.3	10.7	9.5
Deferred expenses	**2.9**	3.3	4.3	5.5

* Includes services like cleaning, security, etc

Outlook

line with our 2025 Strategy and the changing operating conditions, Oryx will continue to rebalance its portfolio by increasing its exposure to industrial, community-based retail and residential properties, while downscaling its exposure to CBD offices.

We are looking forward to the imminent groundbreaking for the first phase of the Maerua Mall upgrade, and are excited about the recent acquisition of Dunes Mall. Both these initiatives represent key milestones in the implementation of our 2025 Strategy.

The separate asset management team will be further resourced in the coming year to support our objective of identifying potential new investments, maximising the income potential of the existing asset base, and disposing of assets that no longer fit into our portfolio.

Mr Conrad van der Westhuizen
Chief Asset Manager

ESG REPORT

This section outlines the Group's agreed ESG focus areas and other relevant JSE Sustainability Disclosure Guidance aspects.

Our ESG strategy

Environmental	Climate change	Energy management	Water security	Pollution and waste	Green buildings
Social	Labour standards: Diversity and inclusion Pay equality	Community impact	Workplace health and wellbeing	Skills for the future	Tenant responsibility
Governance	Board composition	Remuneration	Ethical behaviour	Compliance and risk management	Governance in supply chain

Frameworks

Management has adopted the JSE Sustainability Disclosure Guidance. As the JSE's framework is generic for all types of companies, we also considered the Global Real Estate Sustainability Benchmarks (GRESB) and the Sustainability Accounting Standards Board's (SASB) Real Estate Sustainability Accounting Standard.

The JSE Sustainability Disclosure Guidance is based on the IFRS Exposure Drafts on Sustainability-related Financial Information and Climate-related Disclosures, the ISSB's Integrated Reporting Framework, the GRI Sustainability Reporting Standards, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition, we have selected seven of the 17 United Nations Sustainable Development Goals (SDGs) that apply to our business.

Our environmental focus areas

	CLIMATE CHANGE	ENERGY MANAGEMENT	WATER SECURITY	POLLUTION AND WASTE	GREEN BUILDINGS
Overarching Goals	To mitigate climate change and reduce our carbon footprint.	To establish good energy management practices (metering, monitoring and reporting). Based on the consumption data, finalise a benchmarking exercise to understand the baseline and set realistic long-term goals.	To establish good water management practices (metering, monitoring and reporting). Based on the consumption data, finalise a benchmarking exercise to understand the baseline and set realistic long-term goals.	To create a waste footprint and identify where waste savings can be made.	To integrate green building certifications into developments and ensure they form part of the investment strategy.
Current Performance	Conducted a carbon footprint assessment.	Energy management project concluded in Maerua Park. Installed solar at Gustav Voigts Centre (phase 2) and an industrial property.	Set reduction targets for 2023 to 2025. Developed a plan to improve water efficiency.	Set reduction targets for 2023 to 2025. Developed a plan to improve energy efficiency.	Identified opportunities for green building certifications.
Target for 2024	Carbon footprint baseline to be analysed and a long-term plan created to reduce consumption. Investment Committee processes to incorporate ESG metrics.	Develop plan to improve energy efficiency. Set reduction targets for 2025-2030. Install two solar plants. Update electricity smart meters for the entire industrial portfolio.	Update water meters for the entire industrial portfolio.	Create process for reporting on waste management for retail centres and develop a report. Create assessment for current waste.	Undertake the green building certification process for one building. Green building certification course to be identified for training purposes.

Climate change

Oryx conducted its first carbon footprint assessment this year.

Goal: To mitigate climate change and reduce our carbon footprint

Metric: Greenhouse gas emissions	2023	2022
Absolute gross greenhouse gas (GHG) emissions expressed as metric tonnes of CO2 equivalent and measured in accordance with the GHG Protocol for: Scope 1, Scope 2, and Scope 3 emissions. Scope 1 and Scope 2 emissions should be disclosed separately for the consolidated accounting group (the parent and its subsidiaries) and associates, joint ventures, unconsolidated subsidiaries, or affiliates.	**Reporting included in the first carbon footprint report. Read more on page 54.**	Not reported – but made a commitment to carry out a carbon footprint assessment.
Scope 3 emissions should include upstream and downstream emissions. The categories of Scope 3 emissions and basis for measurement for information provided by entities in the value chain should be disclosed. Recognising the challenges related to the disclosure of Scope 3 emissions, including data availability. Reasons should be provided when Scope 3 emissions or categories of Scope 3 emissions are omitted.	**Reporting included in the first carbon footprint report. Read more on page 54.**	Not reported – but made a commitment to carry out a carbon footprint assessment.

Energy management

The Group's first carbon footprint report provides a baseline of our emissions that will be used to develop recommendations and goals for effective energy management going forward.

Goal: To mitigate climate change and reduce our carbon footprint

Metric: Energy mix	2023	2022
Total energy use and share of energy usage by generation type, noting use of energy from renewable non-fossil sources.	**Disclosure elements included in the first carbon footprint report. Read more on page 54.**	Not reported. Committed to assess our carbon footprint.

Goal: To establish good energy management metering, monitoring and reporting; based on the consumption data, finalise a benchmarking exercise to understand the baseline

Metric: Energy management	2023	2022
Energy consumption data coverage as a percentage of total floor area, by property sub-sector.	Disclosure elements included in the first carbon footprint report. Read more on page 54.	Not reported.
Per property sub-sector (retail, industrial, office, residential): • Total energy consumed by portfolio area with data coverage • Percentage grid electricity • Percentage renewable energy	Disclosure elements included in the first carbon footprint report. Read more on page 54.	Created system to track energy consumption data for 2023.
Percentage change in energy consumption for the portfolio area with data coverage, by property sub-sector	Disclosure elements included in the first carbon footprint report. Read more on page 54.	Created system to track energy consumption data for 2023.
Energy Benchmarking – benchmark buildings against a national or regional benchmark (Green Building Council South Africa energy benchmarking for offices, Morgan Stanley Capital International industry consumption figures).	Disclosure elements included in the first carbon footprint report. Read more on page 54.	Created system to track energy consumption data for 2023.
Description of how building energy management considerations are integrated into property investment analysis and operational strategy.	Disclosure elements included in the first carbon footprint report. Read more on page 54.	Created system to track energy consumption data for 2023.

Water security

The first carbon footprint report includes water consumption data, which will be used to establish recommendations and goals for effective water management going forward.

Goal: To establish good energy management metering, monitoring and reporting; based on the consumption data, finalise a benchmarking exercise to understand the baseline

Metric: Water management and consumption	2023	2022
Total water consumption from all areas, and from areas with water stress.	Not reported.	Goals defined.
Total water withdrawal from all areas with water stress, with a breakdown by following sources if applicable: surface water, groundwater, seawater, produced water, third-party water.	Not reported.	Goals defined.
Freshwater consumption intensity: total freshwater use per material unit (e.g. sales revenue, unit of production, m² of building, or other).	Not reported.	Goals defined.
Water consumption data coverage as a percentage of total floor area, by property sub-sector.	Not reported.	Goals defined.
Per property sub-sector (retail, industrial, office, residential): • Total water consumed by portfolio area with data coverage • Percentage municipal water • Percentage borehole water • Percentage recycled/harvested rainwater	Not reported.	Goals defined.
Percentage change in water consumption for the portfolio area with data coverage, by property sub-sector.	Not reported.	Goals defined.
Water benchmarking – benchmark buildings against a national or regional benchmark.	Not reported.	Goals defined.
Description of how building water management considerations are integrated into property investment analysis and operational strategy.	Not reported.	Goals defined.

Pollution and waste

Oryx plans to set goals for effective waste management going forward.

Goal: To create a waste footprint and identify where waste savings can be made

Metric: Waste management and consumption	2023	2022
Total weight of waste generated (non-recycled), with a breakdown by composition of waste, noting percentage directed to disposal (including landfill and incineration), and percentage diverted from disposal (e.g., re-use, recycling, recovery).	**Not reported – committed to report in the future.**	Not reported – committed to report in the future.
Total weight of hazardous waste generated, noting percentage directed to disposal (including landfill and incineration), and percentage diverted from disposal (e.g., reuse, recycling, recovery).	**Not reported – committed to report in the future.**	Not reported – committed to report in the future.
Waste intensity: total waste per material unit (e.g., sales revenue, unit of production, or other).	**Not reported – committed to report in the future.**	Not reported – committed to report in the future.

Green buildings

Green building certifications add the important element of visibility to the industry's commitment to environmental stewardship. Through their design, construction, and operation, green buildings mitigate negative environmental impacts and create positive value for the world's economies and quality of life.

Goal: To integrate green building certifications into building developments and as part of the investment strategy

Metric: Green buildings	2023	2022
Acquire buildings Number of new acquired buildings evaluated against the investment criteria.	**Only one acquisition this year (Maerua Crossings). Still in progress.**	Not reported – committed to report in the future.
Develop buildings • Number of buildings developed in line with Oryx green building design guideline • Number of buildings achieved Green Building Certification	**Not reported – but goals defined and reporting structures in progress.**	Not reported – committed to report in the future.
Manage buildings • Number of buildings with an energy management plan. • Number of buildings with a water management plan • Number of buildings achieved Green Building Certification	**Not reported – but goals defined and reporting structures in progress.**	Not reported – committed to report in the future.

Additional JSE Sustainability Disclosure Guidance

Science-based targets

Science-based targets assist in providing businesses with clearly defined paths for reducing their emissions in line with the Paris Agreement goals

Goal: To mitigate climate change and reduce our carbon footprint

Metric: Science-based targets	2023	2022
Define and report progress against time-bound short-, medium-, and long-term science-based GHG emissions targets that are in line with the goals of the Paris Agreement and Glasgow Climate Pact.	**Disclosure elements included in the first carbon footprint report. Read more on page 54.**	Not reported.

Biodiversity and land use

Most of Oryx's properties are located within the urban edge, where limited influence on biodiversity is possible. Oryx will consider ways of improving its biodiversity impact, including indigenous landscaping considerations and the landscaping of new areas, such as rooftops.

Goal: To create a waste footprint and identify where waste savings can be made

Metric: Biodiversity	2023	2022
Number and area of sites owned, leased, or managed in or adjacent to areas of high biodiversity value (Key Biodiversity Areas – KBAs), for operations (if applicable) and full supply chain (if material).	**Not reported – but goals defined and reporting structures in progress.**	Not reported.
Level of capital and expenditure deployed towards implementation of measures undertaken to manage positive impacts and avoid, minimise, restore/rehabilitate and/or offset negative impacts on biodiversity and ecosystems.	**Not reported – but goals defined and reporting structures in progress.**	Not reported.

Our carbon footprint

This year, Oryx contracted an external company to quantify its GHG emissions and determine its carbon footprint for the first time. Oryx's emissions footprint was calculated following the guidance and methodologies set out by the GHG Protocol.

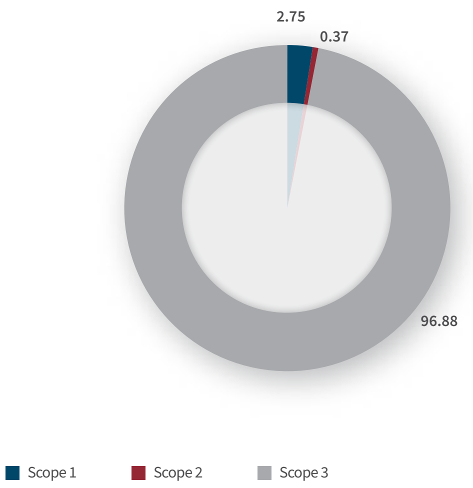
Scope 1	The direct emission sources across Oryx sites, contributing to Scope 1 emissions, are fuel consumed by vehicles (mobile) and generators (stationary) as well as air-conditioner gas leakages. The fuel and air-conditioner activity data was obtained from Oryx to develop its annual emissions profile from 1 July 2021 to 30 June 2022.	**Total annual Scope 1 GHG emissions** **544.38 tCO_2e**
Scope 2	Oryx's offices are situated in the Maerua Mall. The annual electricity consumption was estimated using the electricity consumption in the Maerua Park Node and the square footage used by Oryx as a fraction of the total square footage of the entire property. This was done because the property does not have a designated electricity 8 for the Oryx offices. Oryx occupies 445m^2 out of a total of 42,549.77m2 of the property.	**Total annual Scope 2 GHG emissions** **73.35 tCO_2e**
Scope 3	Due to activity data* collection constraints, the Scope 3 emissions calculated for Oryx were limited to the following: • Paper usage – GHG Protocol category 1 • Solid waste – GHG Protocol category 5 • Wastewater – GHG Protocol category 5 • Business travel – GHG Protocol category 6 • Employee commuting – GHG Protocol category 7 • Downstream leased assets (the emissions from the electricity used by Oryx tenants) – GHG Protocol category 13	**Total annual Scope 3 GHG emissions** **19,630.00 tCO_2e**

* For total wastewater, an exact quantity was not documented or provided, and therefore a conservative estimate, using headcount of employees and wastewater produced per day, was used.

Emissions by scope

Oryx's Scope 3 emissions account for 97% of the Company's total emissions. This is in line with expected emissions for a real estate owner and manager, with most emissions emanating from leased assets rather than direct Company activities. As expected, 99% of Oryx's Scope 3 emissions are attributable to electricity consumption in downstream leased assets.

Emissions by scope (%)



Recommendations

Oryx plans to action the following to improve its ESG performance:

- Implement a robust monitoring and reporting system to track GHG emissions across the portfolio
- Incorporate emissions intensity factors into sustainability strategies and reporting
- Conduct thorough climate risk assessments to identify vulnerabilities and develop strategies for adapting to changing climate conditions
- Enhance water efficiency by implementing measures such as low-flow fixtures, rainwater harvesting systems, and water-efficient landscaping
- Establish robust waste reduction systems, in addition to the recycling already in place
- Consider incorporating climate resilience criteria into property acquisition and development decisions
- Pursue recognised green building certifications, such as the Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Method (BREEAM)

Alignment with the SDG requirements

Oryx selected seven SDGs that speak to the Group's key impact areas. We report against these here and on page 69. The information below outlines our alignment with the environmental SDGs.

Goal 7: Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Measure consumption data

Oryx collects, records and monitors its energy consumption at Urban Village Retail Centre, Gustav Voigts Retail Centre and Maerua Mall through the use of energy meters. We conducted our first carbon footprint assessment this year.

Set reduction targets

We are determining a baseline of electricity consumption across the Group's portfolio to compare to national and regional benchmarks.

Goal 9: Industry Innovation and Infrastructure

Environmental and waste management practices during construction

In 2023, Oryx developed an environmental management plan and waste management plan for all new developments and refurbishments of existing developments.

Green building certification

Oryx will incorporate green building certification into its investment strategy when acquiring, developing or refurbishing properties.

Goal 12: Responsible Consumption and Production

Circular economy

Successfully balancing and integrating economic growth with environmentally sustainable actions can only be achieved through a circular approach. This approach eliminates resource wastage and reduces degradation and pollution. Oryx is committed to designing future developments with the circular economy in mind, and is carefully weighing the adaption at existing buildings.

Tracking and reducing operational waste

We will identify and implement initiatives to monitor and reduce the Group's operational waste.

Optimise energy and water efficiency

Oryx is committed to reducing its energy consumption (see Goal 7: Affordable and Clean Energy) and to cutting down on its water usage through water saving and leak detection tools.

Local sourcing

Oryx is committed to supporting the local market by utilising local industries and encouraging the development of sustainable products locally. Refer to the Chief Asset Manager's Review on page 46.

Goal 13: Climate Action

Carbon footprint

As part of its commitment to reducing its carbon footprint, Oryx conducted its first carbon footprint assessment this year.

Our social focus areas

	Labour standards: Diversity and inclusion. Pay equality in terms of internal and external relativity. Annual pay benchmarks. Evaluate the pay gaps in Oryx and adopt strategies to drive pay transparency, which in turn can attract the best talent and retain current key talent.	Placing our community impact in a positive light by ensuring Oryx has continued meaningful initiatives such as soup kitchens, providing food parcels to the needy, and participating in the winter blanket drive for the homeless.
Overarching Goals	To ensure an effective, well-articulated remuneration approach that attracts quality talent, retains high achievers and rewards those behaviours the Group sees as critical for success.	To contribute meaningfully to local societies and partner with communities for positive change and an improved standard of living.
Current Performance	Achieved 69% employee satisfaction in the annual employee survey and addressed concerns from the 2022 survey.	Provided food initiatives to communities in need. Drove investment into education. Spent the N$100,000 CSI annual budget.
Target for 2024	75% employee satisfaction level from the annual survey. Address three matters from the annual survey and document how these were implemented.	Establish the Namibia Property Association to serve as an industry body for property owners.

Improving workplace health and wellbeing, and ensuring a healthy working life, from the quality and safety of the physical environment to how workers feel about their work, their working environment, the climate at work and work organisation, by conducting a regular climate survey and implementing the suggested changes to improve the environment. Creating accountability and transparency around employee wellbeing by implementing regular wellness initiatives.	Nurturing skills for the future and ensuring a steady supply of skills for vacancies by introducing a bursary scheme for two property or asset management undergraduates. We will further introduce a graduate development programme that will allow the best graduates to be absorbed in our work environment, to participate in a rotational basis programme, and to be trained and exposed in the various business areas before absorption into the permanent establishment.	Encouraging tenant responsibility to ensure that the Oryx tenant mix is always balanced. Implementing a robust vetting and screening system for potential small and medium enterprise (SME) tenants, and providing relaxed rules and concessions in the initial set-up of SMEs, to foster their growth and help embed their businesses, without compromising the rules and regulations that govern our leases.
To provide a safe and healthy work environment to improve employee wellbeing and overall productivity.	To develop educational and practical programmes aimed at addressing the skills shortage, specifically in the property industry, inclusive of the entire supply chain.	To attract, empower and retain tenants, and to grow the SME tenant base and assist SMEs with further business development.
Provided employees with daily vitamins and immune boosters. Provided subsidised gym memberships for employees. Hosted a motivation session around Group values. Hosted a discussion on culture and high-performance teams. Provided training for employees on health, safety and first aid.	Established graduate and internship programmes. Improved training programmes for executives.	Received a 70.8% satisfaction score from tenants. Co-invested with an industrial tenant in a solar initiative. Reviewed clauses for introduction into the lease agreement that includes arbitration.
Expand the wellness initiative across the full sphere of the person (financial, emotional, spiritual, physical). Define a 2025 workforce plan to capacitate the business optimally. Create guidelines for Oryx meetings to be more productive. Implement an improved process to manage both good and poor performance.	Approve the graduate programme and appoint four graduates. Approve the internship programme and appoint two interns. Implement one training course per employee. Engage universities to provide property-related content and courses for Namibian students.	Extend five favourable leasing terms to new/upcoming tenants per annum. Formulate I plan for addressing issues received from tenants. Provide feedback to tenants on the tenant satisfaction survey.

Labour standards, diversity and inclusion and pay equality

Diversity and inclusion

Goal: To create a diverse and inclusive working environment for our employees to thrive, and foster an organisational culture free of discrimination, bullying or harassment

Metric: Diversity and inclusion	2023	2022
Percentage of employees per employee category, by race, gender, age, and other indicators of diversity	Reported on page 71.	Reported.
Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to workers incidents during the reporting period, investigation status of reported incidents, and actions taken and the total amount of monetary losses as a result of legal proceedings associated with i) law violations, ii) employment discrimination, and iii) human rights violations.	No allegations during the year.	No allegations during the year.

Pay equality and remuneration

Incentives provided to senior executives can reinforce or impede long-term value creation. At an organisational level, a wide gap between CEO compensation and the median reinforces inequality and could undermine long-term value creation. The Group performed a benchmarking exercise on all employees' remuneration with PwC over the last two years and addressed pay gaps, where relevant, to ensure fair remuneration for all grades of employee.

Oryx reports on the remuneration provided to senior executives, including the way this is structured in terms of short-term and long-term incentives. Senior management's KPIs include environmental and social objectives. Refer to page 103.

Goal: To provide incentives to senior executives that reinforce long-term value and relate to the organisation's economic, environmental and social objectives

Metric	2023	2022
Remuneration practices How the remuneration policies for Board members and senior executives relate to their objectives and performance in relation to delivery of the organisation's strategy and management of its impacts on people, the environment and the economy, noting the split between fixed pay and variable pay, and with variable pay split into short- and long-term incentives.	Reported. Refer to page 103.	Reported.

Community impact

Community human rights

Most of the metrics and indicators provided are not applicable to Oryx given the size of the Company and the nature of the business.

Goal: To minimise any cause or contribution to environmental or social abuses that violate the human rights of individuals, workers and communities

Metric: Community human rights	2023	2022
Number and type of grievances reported with associated impacts related to salient human right issues in the reporting period, and an explanation of the percentage of these that are remedied in agreement with those who expressed the grievance.	No incidents to report.	One incident, which was mediated.

Workplace health and wellbeing

Goal: To provide a safe and healthy work environment

Metrics: Employee satisfaction and safety incidents	2023	2022
Report on the employee satisfaction rating from annual employee surveys.	No incidents to report.	No incidents to report.
Report on any safety incidents in the workplace.	No incidents to report.	No incidents to report.
Report on any health issues in the workplace.	Employee benefits included in remuneration report.	Employee benefits included in remuneration report.

Skills for the future

Goal: To invest in our employees to improve business performance

Metric: Skills for the future	2023	2022
Staff Education Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income earning potential.	Reported Refer to page 71.	Reported

Tenant responsibility (added to the JSE Guidelines)

Goal: To attract, empower and retain tenants

Metrics: Tenant satisfaction, vacancy rates and leasing terms	2023	2022
Describe the tenant satisfaction through tenant feedback processes.	In 2023, we conducted our second tenant satisfaction survey with 24 tenants participating. The survey asked tenants to rate the Group on several aspects including overall condition of the property, cleanliness, customer service, maintenance and security. The results indicate that 29% of tenants are very satisfied with their experience as an Oryx tenant, 50% are satisfied, and no tenants are dissatisfied with their experience.	We conducted our first tenant satisfaction survey during the year with 74 tenants participating. The survey asked tenants to rate the Group on aspects including COVID-19 relief, maintenance, security, cleanliness and customer service. The results indicate that 46% of tenants are very satisfied with their experience as an Oryx tenant, 30% are satisfied, and 24% are dissatisfied with their experience.
Report on the vacancy rates and leasing terms of the portfolio.	Reported. Refer to page 116.	Reported.

Additional JSE Sustainability Disclosure Guidance

Characteristics of employees

This metric provides insight into the organisation's approach to employment, including the nature of impacts arising from its employment practices, thereby providing contextual information that assists in understanding the information reported in other disclosures.

Goal: To provide incentives to employees that reinforce long-term value and relate to the organisation's economic, environmental and social objectives

Metric: Employment and wealth creation	2023	2022
Describe key characteristics of employees in the organisation's workforce, including the total number of all employees, permanent employees, temporary employees, and part-time employees – with a breakdown by race and gender for each.	**Reported. Refer to page 71.**	Reported.
Describe key characteristics of non-employee workers in the organisation's workforce, including the total number of non-employee workers, noting the most common type of workers and their relationship with the organisation.	**Reported. Refer to page 71.**	Reported.

Employment and wealth creation

Employment and job creation are key drivers of economic growth, dignity and prosperity. Employee turnover may serve as an indication of employee satisfaction or dissatisfaction and potential unfairness in the workplace.

Goal: To minimise any cause or contribution to environmental or social abuses that violate the human rights of individuals, workers and communities

Metric: Employment and wealth creation	2023	2022
Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	**Reported. Refer to page 71.**	Reported.
Total number and rate of employee turnover (for permanent employees) during the reporting period, by age group, gender, other indicators of diversity and region.	**Reported. Refer to page 71.**	Reported.

Economic contribution

Goal: To contribute to wealth creation for our stakeholders and economic development for our country

Metric: Economic contribution	2023	2022
Direct economic value generated and distributed on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: (i) Revenue (ii) Operating costs (iii) Employee wages and benefits (iv) Payments to providers of capital (v) Payments to government (taxes, royalties, levies, etc.) (vi) Community investment (including charitable giving, impact investment and other social investment)	**Disclosed within the Annual Financial Statements.**	Disclosed within the Annual Financial Statements.
Description of significant identified indirect economic impacts of the organisation, including for example: number of jobs supported in supply or distribution chain, number of suppliers/enterprises supported from defined vulnerable groups, nature of economic development in areas of high poverty, availability of products and services for those on low incomes or previously disadvantaged, enhanced skills and knowledge in a professional community or geographic location.	**Not reported – difficult to track for tenants. Investigation performed on suppliers will not be reported on at this stage although it will be evaluated on an annual basis.**	Not reported – difficult to track for tenants. To investigate for suppliers.
Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers, noting the organisation's definitions of "local" and "significant locations of operation".	**Oryx procures 94% of its goods and services from Namibian suppliers where the aim is to procure at least 70% locally.**	Not reported.
Description (quantitative and qualitative) of the extent of significant infrastructure investment and services supported.	**Reported. Refer to page 42.**	Reported.
Local sourcing of materials for new building development. Industry-specific requirement – added to JSE requirements.	**Governance of the supply chain is a priority for 2024. This includes developing a Sustainable Procurement and Purchasing Policy to give preference to materials/resources sourced in Namibia.**	Consideration given to developing a Sustainable Procurement and Purchasing Policy to give preference to materials/resources sourced in Namibia.

Additional JSE Sustainability Disclosure Guidance (continued)

Health and safety

Maintaining strong safety and health standards improve employee productivity and operational efficiency.

Goal: To improve employee wellbeing and productivity to increase operational efficiency

Metric: Workplace health and safety	2023	2022
Number and rate of fatalities because of a work-related injury or ill health during the reporting period across the organisation. The disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	**No incidents to report.**	No incidents to report.
Number of recordable work-related injuries, and number of work-related illnesses or health conditions arising from exposure to work-related hazards during the reporting period. The disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	**No incidents to report.**	No incidents to report.
An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers, and a description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed.	**Employee benefits included in remuneration report.**	Employee benefits included in remuneration report.

Health and safety of employees, community and buildings

Goal: To improve employee wellbeing and productivity to increase operational efficiency

Metric: Health and wellbeing of employees	2023	2022
1. Medical aid benefits 2. Gym membership 3. Healthy office environment 4. Work-life balance 5. Mental health of employees	**Reported. Refer to page 69.**	Reported.
Metric: Community health		
CSR project related to community health.	**Reported. Refer to page 72.**	Reported.
Metric: Indoor environmental quality		
Indoor environmental quality of buildings.	**Reported. Refer to Alignment with SDG requirements.**	Not reported.

Additional JSE Sustainability Disclosure Guidance (continued)

Customer responsibility

Increasing use of electronic communication and the growth of large-scale databases raise concerns about how consumer privacy can be protected, particularly with regard to personally identifiable information.

Goal: To ensure consumer and employee privacy protection

Metric: Consumer data and privacy	2023	2022
A description of the mechanisms and steps taken to ensure privacy of consumer data.	**Not reported.**	Not reported.
Total number of substantiated complaints received concerning breaches of customer privacy (categorised by complaints received from outside parties and substantiated by the organisation, and complaints from regulatory bodies), and total number of identified leaks, thefts, or losses of customer data.	**No incidences to report.**	No incidences to report.

Corporate social responsibility (CSR)

Read more about our CSR and related activities on page 72.

Goal: To make a meaningful contribution to local society, employees, the environment and other stakeholders

Metric: Corporate social responsibility	2023	2022
CSR projects related to schools or scholarships. Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income earning potential.	**Reported. Refer to page 72.**	Reported.


AVANI

Alignment with SDG requirements

Goal 3: Good Health and Wellbeing

Health and wellbeing of Oryx employees

Oryx emphasises the importance of its employees' health and wellbeing. Employees are provided with medical aid and gym memberships and are encouraged to maintain a healthy work-life balance. Oryx provides a safe and clean working environment and organises regular employee engagements to encourage social interaction within the workplace. Incentives are used to stimulate healthy competition through a Monthly Star Employee award.

Indoor environmental quality (IEQ)

People spend most of their time indoors, making indoor environmental quality an important health requirement. IEQ is characterised by adequate ventilation, daylight, quality of lighting, views, thermal comfort and indoor air quality. Oryx considers these indicators in its design guidelines for new developments and refurbishments of the existing portfolio.

Goal 4: Quality Education

Employee education

Over the last few years, the Group has increasingly focused on employee development. Read more on page 71. Investing in youth development is a core pillar of Oryx's CSR Policy. Read more on pages 72 to 73.

Goal 8: Decent Work and Economic Growth

Sustainable growth of the Group

Increasing employment opportunities and ensuring that all people have access to decent work opportunities are vital for a sustainable and inclusive economy. Oryx is committed to contributing to the alleviation of Namibia's unemployment rate through the sustainable growth of the Group, which creates employment opportunities.

As the Group grows and develops, Oryx is committed to investing in the ongoing skills and knowledge development of its employees.

A healthy and productive work environment

Oryx is committed to creating a healthy workplace that simultaneously addresses individuals and the environmental and organisational factors that affect employee wellbeing.

Healthy people: Focuses on individual needs, including improving access to health services and information and promoting healthy lifestyles.

Healthy places: Offers resources to encourage healthy behaviours.

Healthy vision: Commits to support and encourage healthy behaviours.

Supporting SMEs

Oryx works closely with its tenants to collaborate and address any concerns as they arise. We encourage smaller businesses to become tenants, as outlined on page 61.

Unpacking our social pillar

Ethics

Oryx is committed to creating a workplace culture that promotes fair and ethical standards. Guidelines on expected employee behaviour are communicated through our Code of Conduct, employee communication plan, and regular meetings. We have a Fraud Prevention Policy that encourages employees and stakeholders to report anonymously on irregularities to an independent party for appropriate investigation. The Group maintains an electronic whistle-blowing platform. A Disciplinary Code is in place to ensure all employees are aligned with Oryx's expectations and standards regarding conduct in the workplace.

Employee feedback

We conducted our second employee climate survey this year, with 74% employee participation. Some key findings include:

Positive findings

81% – Executive team contributes to a positive work culture

74% – Happy or fairly happy at work

78% – Believe that employees authentically live the organisational values

78% – Believe that coworkers treat each other with respect and care

78% – Comfortable with giving feedback to management

70% – Have fun at work

70% – Felt that the leadership team takes feedback seriously

Negative findings

50% – Felt undervalued or were not sure if they were valued at work

42% – Not sure if they would still work at the Group in a year

48% – Did not have a clear understanding of career or promotional paths within Oryx

48% – Not sure if they would re-apply for their current jobs

55% – Could not recite the Company's values

Oryx's management, with support from its in-house human resources consultant, is addressing the negative feedback received from employees.

Attraction and retention of talent

The Group aims to attract and retain talent through market-related remuneration, our Long-term Incentive Scheme, our culture, values, and career development. We also conduct regular one-on-one discussions with all employees, develop succession planning for key roles, and implement incentives for key employees. These are evaluated every quarter.

35
employees
(2022: 30)

85%
of our employees are previously disadvantaged*
(2022: 77%)

60%
of our employees are female
(2022: 53%)

* Per the Affirmative Action (AA) Act Definitions.

Training and development

Oryx engages with its employees to understand their strengths, weaknesses, and career objectives. We support on-the-job training to guide employees without property experience, and send employees to property conferences and specialised property courses. Training and development requirements are identified in the bi-annual performance management sessions.

As people development is important to Oryx, we have committed to increasing our training budget and made training a specific focus area for the 2023 financial year. The Group spent N$390,656 (2022: N$127,753) on training during the year in the following areas:

- Attending the Real Estate Development conference in Croatia
- Business ethics
- Corporate governance, risk management and compliance
- Financial management and administration, including IFRS updates
- Sales and marketing skills development
- Office administration
- Property and facilities management

Performance management

Bi-annual performance discussions are conducted with employees. Bonuses are linked to KPIs and paid based on performance. KPIs are adapted for each role and focus on financial, tenant and operational aspects. KPIs are aligned to the overall vision, mission and strategy of the Group.

The KPIs for executives for 2023 are outlined on page 103.

Succession planning

The Oryx executive team has developed a succession plan for key roles to address the key risk of skills retention. The approach includes:

- Identification of an applicable succession methodology and guidance on how to manage the process
- Identification of critical roles and unpacking the competency requirements of each key role
- Identification of key employees in these roles
- Determining internal successors, along with a current skill analysis where gaps are identified

Where knowledge or skill gaps limit succession, a plan is put in place and reviewed from time to time to assist the potential successor in closing these gaps. Effective succession planning, and filling key positions to ensure effective capacity to deliver on the Group's growth strategy, are considered a key material matter and a key risk. Refer to pages 34 and 36.

Employment equity

Oryx strives to ensure that all its employees are treated fairly and receive equal opportunities. We focus on creating a conducive working environment for all individuals across various cultures, races and backgrounds. We comply with the Affirmative Action Act, 29 of 1998, where the Employment Equity Commission endorses such compliance through certification based on annual reporting and evaluation. Our employment equity objectives include:

- Upholding non-discriminatory practices throughout the Group
- Removing barriers that unfairly restrict employment and opportunities
- Enhancing representation of disadvantaged persons, women and persons with disabilities, based on suitable qualifications at all levels, to reflect the demographics of the population

Our workforce profile according to the Employment Equity Commission Criteria

	2023			2022		
	Male	**Female**	**Total**	Male	Female	Total
Permanent employees						
Part-time employees						
Previously ethnically disadvantaged	**7**	**13**	**20**	6	9	15
Previously ethnically advantaged	**4**	**5**	**9**	5	5	10
Persons with disabilities	**0**	**0**	**0**	0	0	0
Non-Namibians (in terms of Employment Equity)	**2**	**0**	**2**	2	0	2
Total*	**11**	**18**	**31**	13	14	27

* Temporary employees are not reported on.

Supporting our community

We focus on social investment activities that make a meaningful contribution to local communities in the areas in which we operate. Our community involvement is an important pillar of our employee brand, and team members are proud to work for a Company that contributes to a better society.

During the year, our project funding totalled N$108,201.

Our corporate social investment is focused on the following:

YOUTH DEVELOPMENT	We focus on assisting young people to reach their full potential.
ENVIRONMENTAL PRESERVATION	We are committed to reducing our impact on the environment. Our environmental projects include water saving initiatives, renewable energy generation, efficiency improvements and waste reduction.
SOCIAL WELFARE AND PHILANTHROPY	Our objective is to contribute to local communities without expecting a direct material benefit in return.

Youth development

We provides two bursaries for students studying property management.

We donated toys, stationery, arts and crafts, and products for renovations to a number of childcare facilities serving our communities.

Environmental preservation

We invested N$4.7 million during the year on solar projects at Maerua Mall Retail, Gustav Voigts Retail Centre, Scania building, and Urban Village at Elisenheim. A further N$700,000 was invested in new low-energy LED lighting throughout the Scania workshop. A new hybrid company vehicle was also acquired to be utilised for business travel between Windhoek and the coastal area, replacing our previous fossil fuel powered vehicle.

Social welfare and philanthropy

Winter Knights Campaign

We joined the Lions Club in Windhoek in hosting a fundraising and clothes drive.

Food parcels

We assisted Co-Feed Namibia with the distribution and storage of food parcels to the underprivileged and elderly people of the Duineveld village, one of the poorest constituencies in the Hardap region.

Cancer Association of Namibia

employees were involved with several fundraising events.

Miss Namibia

We offered financial support for the pageant and for Miss Namibia's chosen charity, Honeycomb Haven Foundation, which focuses on poverty alleviation.

Key focus areas for 2024

Oryx will focus on the following CSI activities in 2024:

- Continuing to support the Cancer Association with its fundraising efforts
- Completing childcare upgrade facilities at schools and providing stationery to learners
- Supporting the Winter Knights project
- Providing two bursaries to property studies students, and providing internships to two graduates

Our governance focus areas

	BOARD COMPOSITION	REMUNERATION	ETHICAL BEHAVIOUR	COMPLIANCE AND RISK MANAGEMENT	GOVERNANCE IN SUPPLY CHAIN
Overarching Goals	The Board to reflect an appropriate blend of skills, knowledge, qualifications, diversity, experience and independence.	To disclose the approach to remuneration and how it relates to the organisation's economic, environmental and social objectives.	To conduct business with integrity and to provide sound leadership grounded in an ethical foundation.	To ensure proper compliance with and integration of ESG risks and metrics.	To implement and maintain proper Oryx governance principles in our supply chain for the procurement of goods and services.
Current Performance	Succession planning conducted for the Board and management Board. Chairperson appointed. CEO contract extended. Ideal Board composition defined.	All internal roles graded over a two-year period. Kicked off the benchmarking for Non-executive Directors.	Two reports were received through the whistle-blowing platform. Both reports were investigated, and both were unsubstantiated. Ethics training was provided to employees.	100% compliance with legislative requirements.	Procured 94% of goods and services from local suppliers.
Target for 2024	Appoint at least two Board members per the agreed Board composition.	Finalise Non-executive Director benchmarking. Grade new roles as part of the Dunes Mall acquisition and any new roles.	Conduct ESG training for Board members. Receive zero unsubstantiated reports through whistle-blowing platform.	100% compliance with legislative requirements.	Tender for local procurement. Update supplier rates annually. Introduce contract process for large projects.

Board composition

The diverse capabilities and perspectives of Board members are important for robust decision making. The metrics that are linked to Board composition are Board diversity, Board competence and Board independence.

Goal: The Board reflects an appropriate blend of skills, knowledge, qualifications, diversity, experience and independence

Metric	2023	2022
Board diversity Composition of the Board and its Committees by race, gender, age group (under 30, 30–50, over 50) and, where relevant, any under-represented social groups	Refer to page 85.	Reported.
Board competence Description of the specific skills, competencies, and experience on the Board to address the organisation's significant sustainability-related impacts, risks, and opportunities.	Refer to page 86.	Reported.
Board independence Composition of the Board in relation to executive or non-executive, independence, Board tenure, number of each individual's other significant positions and commitments, and the nature of the commitments.	Refer to page 86.	Reported.

Ethical behaviour

Oryx conducts its business with integrity and provides sound leadership grounded in an ethical foundation. The Group has a Whistle-Blowing Policy and electronic whistle-blowing platform in place. A separate Independence and Conflict of Interest form has been developed for submission by all directors and employees, and awareness is created through regular email communications. An annual declaration of interest of directors is also conducted and submitted to the NSX.

The metrics related to lobbying and political contributions are not applicable to the business and have been removed from the framework.

Goal: To conduct business with integrity and to provide sound leadership grounded in an ethical foundation

Metric	2023	2022
Anti-corruption Total percentage of Board members, employees and business partners who have received training on the Group's anti-corruption policies and procedures, broken down by employee category.	Code of Ethics and Professional Conduct Policy was reviewed. Prevention and Detecting of Fraud Policy developed and incorporated into the Code of Ethics and Professional Conduct Policy. Whistle-blowing electronic platform available on the website, in tenant and supplier take-on processes and part of the Group's regular communication processes. The platform is independently managed. Compulsory annual training on ethics provided to employees.	Code of Conduct reviewed. Prevention and Detecting of Fraud Policy developed and adopted. Electronic whistle-blowing platform launched on the website. Training on ethics attended by all employees.
A description of: • The internal and external grievance mechanisms (including whistle-blowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity. • Mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity. • The extent to which these various mechanisms have been used, and the outcomes of processes using these mechanisms.	Regular communication and awareness campaigns launched to update and inform employees on the process to be followed. Customer and supplier forms updated with Oryx's view of ethical behaviours, and reporting on any irregularities is encouraged. Compulsory annual Conflict of Interest declarations are implemented in addition to declaration to be declared as they arise. Annual tenant satisfaction survey is conducted, which serves as a platform to raise concerns.	Whistle-blowing policy and electronic platform implemented.
Anti-corruption Total percentage of Board members, employees and business partners who have received training on the Group's anti-corruption policies and procedures, broken down by employee category.	88% of employees received ethics training. All suppliers were requested to update KYC documentation, along with information shared on our whistle-blowing platform.	Code of Conduct reviewed. Prevention and Detecting of Fraud Policy developed and adopted. Whistle-blowing platform launched on the website. Training on ethics attended by all employees.
Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Not reported.	Not reported.

Compliance and risk management

The number and nature of significant environmental, social and/or governance-related incidents can be a proxy for the general effectiveness of an organisation's overarching culture, management systems and capabilities, particularly when tracked over time.

Goal: To ensure compliance and minimise risks related to ESG-related incidents

Metric	2023	2022
Incidents Number and nature of significant environmental, social and/or governance related incidents, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies.	**No significant incidents to report on.**	No significant incidents to report on.
Fines and monetary loss Total number and monetary value of fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches, including individual and total cost of the fines, settlements and penalties paid in relation to ESG incidents or breaches, and description of plans to address any incidents or breaches.	**No significant incidents to report on.**	No incidents to report on.

Tax transparency

Reporting of total tax paid provides global information on the organisation's contribution to governmental revenues. This disclosure provides information on the organisation's global tax profile and on the various categories of taxes that support governmental functions and public benefits.

Goal: To provide transparency related to taxes paid and contributions to governmental revenues

Metric	2023	2022
A description of the organisation's approach to tax, including: • Whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available. • The governance body or executive-level position within the organisation that formally reviews and approves the tax strategy and the frequency of this review. How its approach to tax is linked to the business and sustainability strategies of the organisation.	**Disclosed in the Annual Financial Statements.**	Tax strategies are reviewed before submission to the Minister of Finance. The review is performed by the CFO. Efficient tax strategies are adopted. Tax strategies align with the Group's objective of being a good corporate citizen.
For each tax jurisdiction: the total global tax borne by the Company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the Company, by category of taxes.	**Not reported.**	Not reported.
The extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (gap between estimated effective tax rate and estimated statutory tax rate).	**Tax reconciliation disclosed to demonstrate the effective tax rate.**	Tax reconciliation disclosed to demonstrate the effective tax rate.

GOVERNANCE REPORT

Oryx is a responsible corporate citizen and adheres to high governance standards and the principles of transparency and integrity.

GOVERNANCE REVIEW

The Board provides oversight to ensure that the Oryx team operates responsibly and that we are guided by sound governance principles.

Our governance practices and reporting are informed by a range of requirements, standards and guidance, including, but not limited to:

- The Companies Act
- The NSX listing requirements
- The NamCode

Appropriate systems and controls are in place to enable the Board to play a meaningful role in strategy, sustainability, risk management, legislation and compliance. Governance processes are reviewed regularly to reflect best practices and enhance alignment with regulatory and legislative changes.

NamCode application

The Board strives to apply the best practice recommendations set out in the NamCode in a manner that reflects the stature, market position, and size of the Group. Oryx's review of the NamCode is conducted on a "comply or explain" basis.

The Board reviewed the NamCode chapters and principles every quarter and concluded that Oryx is either partially or fully compliant with all the requirements.

1 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Ethical leadership and corporate citizenship	Applied	Providing effective leadership based on an ethical foundation is included in the Board Charter as part of the Board's mandate. The Board signs off and monitors the Group's strategy and objectives. The Board ensures that its conduct and that of management is aligned to the Group's values and Code of Ethics. The RNSEC's responsibilities were enlarged to include responsibilities related to social issues, ethics and sustainability.

2 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Boards and directors	Applied	The Board ensures that the Company is and is seen to be a responsible corporate citizen.

3 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Audit Committees	Applied	The RACC is appointed by the Board and meets the recommendation of comprising at least three Independent Non-executive Directors. It also meets the required areas of responsibility.

4 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
The governance of risk	Applied	The Group has an entrenched system of managing risks. During the year, the key risks were interrogated and updated to ensure effective management.

5 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
The governance of IT	Applied	The Group manages IT through the RACC.

6 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Compliance with laws, rules, codes and standards	Applied	Governance processes are reviewed regularly to enhance alignment with regulatory and legislative changes.

7 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Internal audit	Applied	The Group's internal audit function assures the adequacy of controls to identify risks that may impair the realisation of specific goals and opportunities that will promote the achievement of the Group's strategic goals.

8 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Governing stakeholder relationships	Partially applied	A Communication Policy is in place, and we do not consider a separate strategy necessary. However, a rework of the current policy will be attended to, with an added emphasis on the importance of stakeholder relationships.

9 NAMCODE PRINCIPLE	APPLICATION	FURTHER COMMENTARY
Integrated reporting and disclosure	Applied	The Group publishes an Integrated Annual Report with the required disclosures.

Compliance enhancements for 2023

- Management promoted the organisation's Code of Ethics and Professional Conduct Policy throughout the Group
- Enhanced programmes to recognise and reward employees who demonstrate a commitment to the Group's values, compliance with processes and ethical behaviour
- Encouraged employees to report ethical concerns or violations through confidential channels such as the electronic whistle-blowing platform
- Conducted reviews of policies, procedures, and guidelines to align with the Group strategy and better aid employees in reaching set objectives
- Sought feedback from stakeholders through surveys to strengthen our compliance practices
- Initiated the development of a communication plan to aid policy and procedure awareness and to keep employees informed about compliance updates, policy changes, and best practices
- Integrated compliance considerations into the organisation's strategic planning process to ensure alignment with business objectives

Board responsibilities

The Board accepts full responsibility for the Group's financial performance, continued sustainability, and corporate governance, among others. The Board is aware that stakeholders' perceptions affect Oryx's reputation and is dedicated to cultivating the highest standards of ethical business practice across all operating activities. To assist the Board in discharging its duties, it delegates certain functions to the various Board Committees and the executive team.

The Board, together with the constituted Board Committees, is responsible, among others, for the following areas

Financial performance and strategy

- Accepts responsibility for the Group's financial performance
- Directs the strategy to build a sustainable business
- Considers the short and long-term impacts on the economy, society and the environment
- Oversees the implementation of plans and strategies

Risk management

- Evaluates and manages risk policies
- Assures appropriate internal controls
- Approves major expenditure for acquisitions and disposals
- Provides management with a framework of prudent and effective controls
- Evaluates key risks and reviews processes in the operation
- Seeks to mitigate the impact of risk incidents

Corporate governance

- Accepts responsibility for corporate governance
- Works within the structure provided by a Board Charter and Approval Framework
- Sets high standards for ethical leadership and corporate governance
- Ensures that obligations to unitholders and other stakeholders are understood and fulfilled

Ethical leadership and business conduct

- Understands that setting the tone from the top is important for entrenching proper and ethical values to be endorsed by all employees at any level
- Ensures that ethical standards remain at the forefront in all business activities
- Ensures that ethics are managed effectively

Compliance

- Ensures compliance with applicable laws, regulations and non-binding rules, codes and standards to which Oryx prescribe

Stakeholder relationships

- Ensures that proper stakeholder relationships are maintained
- Provides for timeous dissemination of information on matters of interest to stakeholders
- Provides for communication of strategy and key areas of focus

Unit dealings by directors

Directors and the Company Secretary must obtain written approval from the Board Chairperson or prescribed director before dealing in Oryx units. Oryx discloses all unit transactions on NENS within the timeframe prescribed by the NSX.

On 11 November 2022, the Oryx Long-term Share Incentive Trust acquired N$2,293,879.50 worth of linked units in Oryx. Clearance in terms of paragraph 3.66 of the NSX listing requirements was obtained for the dealing in the Group's securities. The trade was completed outside closed periods.

On 30 June 2023, Oryx informed unitholders that rights issue units were renounced in favour of two Executive Directors, Ben Jooste (CEO) and Francis Heunis (CFO). The rights issue had a subscription price of N$11.61 per new unit issued. Ben Jooste purchased 152,755 units for a consideration of N$1,773,485.55. Francis Heunis purchased 12,920 units for a consideration of N$150,001.20. Both transactions were approved by the Board Chairperson.

Managing conflicts of interest

Directors are required to take decisions objectively in the best interest of Oryx and to act in good faith to promote the continued successful performance of the Group.

In accordance with their fiduciary duties, directors' personal interests should not conflict with their duties to the Group. In order to manage conflicts of interest, directors are required to follow the Group's requirements, guided by common law, the NamCode, and best practice as follows:

- Timeously inform the Board of actual or potential conflicts of interest
- Recuse themselves from discussions or decisions where they have a conflict of interest
- May not attempt to influence a discussion or vote by the Board
- May not execute any document on behalf of the Group regarding the matter unless specifically requested to do so by the Board
- Should avoid any direct or indirect interest that conflicts or may conflict with the Group's interest

The conflict of interest provision applies equally to persons related to directors. A director should disclose when he or she knows that a related person has a financial interest in a matter to be considered by the Board. Should a director become aware that a related person acquired a financial interest in a matter after the Board approved that agreement or matter, the director should disclose this to the Board.

IT management

The nature of disruptive new technologies such as cloud computing and the increased risk posed by cyber-crime and hacking have increased the prominence of effective management of IT in recent years. The responsibility of IT governance is delegated to the RACC, which appreciates the risks and opportunities related to technology.

Most of the operational IT functions are fulfilled by outsourced service providers. Comprehensive service-level agreements are in place and services are supervised to ensure they comply with requirements.

The RACC oversees how management identifies and manages risks relating to IT and ensures that the required IT security policies and firewalls are in place.

Oryx uses an industry-leading property management system as its main financial reporting tool.

Internal controls

Internal controls are an essential aspect of risk management, financial health and compliance in business operations.

Internal controls should mitigate, but not eliminate, significant risks. Internal control systems provide reasonable, although not absolute, assurance against error, omission, misstatement or loss. This is achieved through combining risk identification, evaluation and monitoring processes, and appropriate decision making, assurance and control functions, such as risk management and compliance. These processes were in place throughout the year and up to the date of approval of this Integrated Annual Report.

Oryx's internal controls are delegated according to the following structure

BOARD	• Responsible for implementing internal and operational control systems
EXECUTIVE TEAM	• Ensures that assets are protected • Minimises losses arising from fraud and/or other illegal acts • Records all valid transactions • Ensures that systems operate effectively
PWC	• Responsible for conducting the internal audit • Conducts reviews and ensures the effectiveness of the internal control systems • Reports findings to the RACC

During the year under review, the procurement cycle was identified by management and approved by the RACC to form part of the internal audit plan for 2023. PwC was commissioned to evaluate the adequacy and effectiveness of internal controls of the procurement process within the project, facility, marketing, and finance departments. The consultancy conducted interviews with key employees, reviewed documentation and tested key internal controls. The following actions and improvement areas were identified:

- Oryx must prioritise the process to finalise the Procurement Policy to ensure that formal guidelines are in place for consistent procurement processes
- Oryx may consider conducting an annual review of the preferred supplier list to ensure that it remains current and reflects the best options in the market
- Oryx may consider developing additional frameworks and guidelines to support its procurement practices

Whistle-blowing

In 2022, Oryx introduced a digital whistle-blowing platform (oryxprop.com/whistleblow/) to enhance its processes for detecting and acting on possible misconduct. In 2023, the Group received two whistle-blowing reports which were investigated and resolved.

As part of our commitment to transparency, accountability, and ethical business practices, we have taken significant steps to ensure that all stakeholders are informed about the platform's availability and purpose.

Internal initiatives

Oryx's priority is to ensure that every member of the organisation is well informed about the whistle-blowing platform and its role in maintaining the Group's ethical standards. To achieve this, we host annual compulsory training and workshops on ethics. These sessions highlight the process of reporting concerns, protection for whistle-blowers, and the significance of their role in upholding the Group's values.

Furthermore, regular communication has been established through internal memos and built-in email signatures to provide updates on the platform's usage and successful case resolutions. This ensures that the platform remains at the forefront of employees' minds.

The confidentiality and anonymity of the reporting process are continually emphasised, encouraging employees and other stakeholders to come forward without fear of retribution.

External outreach

Externally, Oryx understands the importance of instilling confidence in stakeholders that we take ethical concerns seriously and are committed to addressing them.

The Group's corporate website features a dedicated section outlining the whistle-blowing platform. We have also extended the email signature banners with an easy-to-follow button function for all external email recipients.

We continue to engage with business partners such as tenants and suppliers by updating our tenant and supplier take-on documentation to communicate the availability of the whistle-blowing platform. This fosters a culture of ethical collaboration throughout our ecosystem.

OUR BOARD COMPOSITION

As outlined by the Board Charter, the Board's composition is reviewed each year by the Remuneration, Nomination, Sustainability and Ethics Committee (RNSEC). Non-executive Directors, who provide a variety of talents and expertise to the Group, make up the majority of the Board. They provide their unbiased opinions and apply good judgement when situations call for directors' inputs.

The balance of Executive and Non-executive Directors is such that there is a clear division of responsibility. There is an adequate balance of power, meaning that no individual or group can dominate Board processes or have unfettered powers of decision making.

Refer to page 14 for profiles of our Board members.

Changes during the year

In November 2022, Mr Peter Kazmaier, the previous Chairperson, retired from the Board after reaching the retirement age of 70. Mr Vetumbuavi Mungunda, a current Oryx Independent Non-executive Director, took over as Chairperson from November 2022.

Board diversity and tenure

The Board complies with principle C2-18 of the NamCode, which prescribes that most Non-executive Directors should be independent. Six of Oryx's seven directors are Namibian.

4 Independent Non-executive Directors *(2022: 5)*

1 Non-executive Director *(2022: 1)*

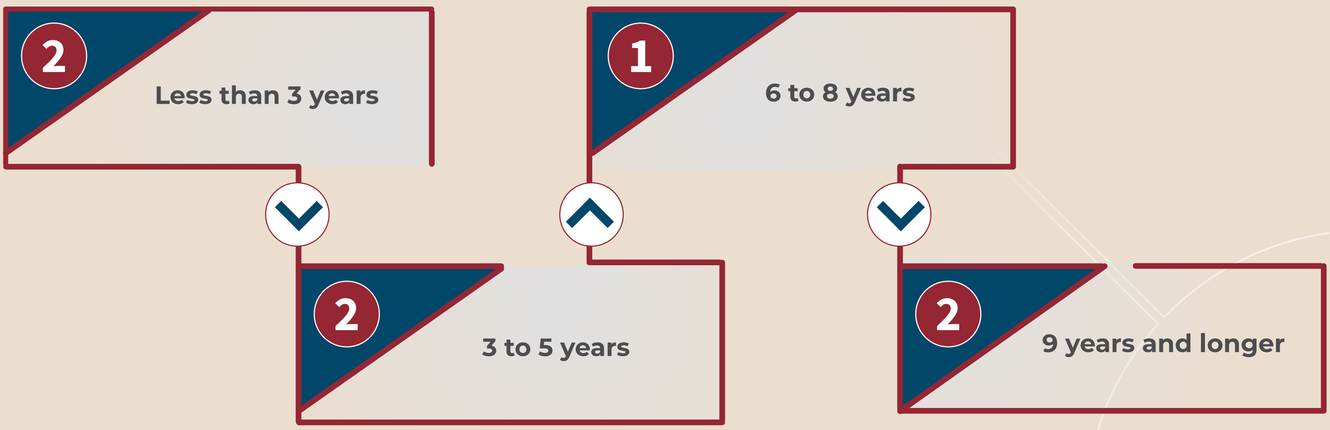
2 Executive Directors *(2022: 2)*

6 previously disadvantaged directors *(2022: 6)**

4 female directors *(2022: 4)*

* South African national included.

Tenure



The Board's areas of expertise are:

- Accounting, audit and internal control
- Strategy formulation and execution
- Capital management
- Financial services
- Mergers and acquisitions
- Risk management
- Compliance
- Commerce
- Property
- Legal
- Regulatory
- Corporate finance

How our Board is measured:

An annual Board evaluation is conducted to assess the Board and its directors' performance against the following measures:

- Board structure
- Board papers
- Board communication
- Board roles and responsibilities

Appointment Policy

The appointment of a director must comply with the requirements of the Companies Act, the NSX listing requirements and other relevant legislation, and adhere to the standards of the NamCode. The Board has the following responsibilities, among others, regarding the appointment of directors:

- Appointment of the Chairperson and Deputy Chairperson and re-appointments. These take place annually after the AGM.
- Appointments of Executive and Non-executive Directors from the Board until the following AGM.
- The appointment, removal or replacement of members of Board Committees.

The process is managed by the RNSEC. Under our Articles of Association, a unitholder with more than 25% unitholding in Oryx is entitled to appoint a representative to the Board. Ms Roswitha Gomachas represents the GIPF, Oryx's largest unitholder with a shareholding of 27.85% (2022: 27.85%), on the Board.

Independent assessment and balance of power

The Board Charter details members' roles and safeguards an appropriate balance of power on the Board, in line with the NamCode. The Board performs an annual independence assessment of each Non-executive Director, and the Chairperson conducted this assessment during the year. Specific consideration is given to directors who have served for longer than nine years. The Board conducted a performance assessment this year, which found that the Board was operating well. Refer to the Chairperson's report on page 26.

CHAIRPERSON	The Chairperson, who must be an Independent Non-executive Director, leads the Board in executing its roles and responsibilities, and provides overall leadership to the Board.
DEPUTY CHAIRPERSON	The Deputy Chairperson, who must be an Independent Non-executive Director, is responsible for the functions detailed in the NSX listing requirements and the NamCode. These include leading in the Chairperson's absence, assisting where a possible conflict of interests may arise, and supporting the Chairperson in the execution of his responsibility.

Succession planning

The RNSEC considers Non-executive Director and Executive Director succession each year. As Board members retire, the RNSEC uses the opportunity to introduce new skills to the Board. New additions are based on skills profiling and gaps identified in Board assessments. A special emphasis is placed on finding scarce property-related skills and experience. Oryx has an employee complement of 35 (including temporary employees), which limits succession planning within the Group. The RNSEC and the CEO review the Group's organisational structure each year to identify and fill key gaps. The executive team identified critical roles for succession planning, through internal or external appointments.

At the Group's AGM to be held in November 2023, unitholders will be requested to approve the appointment of three new Independent Non-executive Directors. Read more on page 208.

Director rotation

Oryx's Director Rotation Policy stipulates that all Non-executive Directors are subject to retirement by rotation after a period not exceeding three years, or by reaching the retirement age of 70 (aligned to the Articles of Association). The below table summarises the retirement by rotation at the AGM.

2023	2022	2021	2020
	R Gomachas		
A Angula JJ Comalie	A Angula JJ Comalie		NBS Harris JC Kuehhirt
		MH Muller VJ Mungunda	

Legend

Triennial rotation in terms of the Articles of Association	Annual re-election (after reaching retirement age of 70 in terms of the Articles of Association, or exceeding three triennial rotation periods, in which case a rigorous independence review was performed to the satisfaction of the Board)	First election by unitholders

Refer to the Notice of AGM (page 208), Ordinary Resolution number 8 – Board composition.

Developing directors

Industry news and trends are shared with directors at Board meetings and on an ad hoc basis. Directors are kept abreast of changes regarding corporate governance, the Companies Act and other relevant legislation. Additional training is sourced when required. Board members are entitled to request training or development to assist them in meeting their duties to Oryx. Directors' training is scheduled for November 2023, and will focus on ESG and innovation with a specific focus on the property industry.

New directors are provided with an induction pack that includes content approved by the Board and managed by the Company Secretary. This content provides detailed information on the Group, demonstrating its core business module, operations, internal policies and values. The document also outlines Oryx's expectations from the directors. As part of their onboarding process, directors are hosted on a tour of Oryx's portfolio, visiting a range of properties.

Board evaluation

The Company Secretary facilitated a formal, internal Board performance assessment process in June 2023. Board members assessed each other's contributions and the competency and effectiveness of the Board and individual Committees. The assessments were questionnaire-based to allow for adequate, confidential feedback on various aspects of performance. The Board Chairperson evaluates each director's scores and provides individual feedback.

The Board is satisfied that the Board and its Committees are effective, with no major concerns noted. The Board is satisfied that the annual assessment results in improved performance and aligns with the Company's strategy.

Company secretary

Oryx's company secretarial services are managed by Bonsai Secretarial Compliance Services, represented by Ms Annelie van Zyl. Bonsai Secretarial Compliance Services' employees are not directors of any of the companies within the Group, nor do they have any interests or relations that may affect their independence.

The Board is satisfied that Ms Van Zyl has the required knowledge, skill and discipline to perform the functions and duties of the Group Company Secretary. The Board confirms that the relationship between the Board and the Company Secretary remains at arm's length.

The Company Secretary provides the Board and individual directors with guidance regarding their duties, responsibilities and powers, and ensures that all administrative requirements relating to the AGM, Board and Committees are met. The Company Secretary also provides advice to the Board concerning ethics, good governance and changes in legislation. The Board and each director have unrestricted access to the advice and services of the Company Secretary.

BOARD COMMITTEES

The structure of Oryx's Board Committees addresses the Group's organisational requirements. Their roles, mandates and composition allow for shared responsibilities, dispersed influence, and balanced perspectives on strategic Board matters.

Each Committee's charter sets out its specific roles and responsibilities, functions, scope of authority and composition. The minutes of Committee meetings are provided to the Board. Each Committee confirmed that it has executed its responsibilities in accordance with its terms of reference for the 2023 financial year.

Board

The Board meets at least four times annually. The Chairperson is responsible for setting the agenda for each meeting, in consultation with the CEO, CFO and Company Secretary. Comprehensive information packs on matters to be considered by the Board are provided before the meetings.

Members: Mr Vetumbuavi Mungunda (Chairperson), Ms Ally Angula (Deputy Chairperson), Ms Jenny Comalie, Mr Marius Muller, Ms Roswitha Gomachas, Mr Ben Jooste, Ms Francis Heunis

RACC

The Committee's role is to provide the Board with additional assurance regarding the efficiency and reliability of the financial information used by directors. It also oversees the Integrated Annual Report, financial controls, risks and internal and external audit processes.

Members: Ms A Angula (Chairperson), Ms JJ Comalie, Mr MH Muller

Permanent invitees: Mr B Jooste, Ms FK Heunis, Mr C van der Westhuizen

RNSEC

The Committee's role is to assist the Board by ensuring that remuneration for Executive Directors, senior management and employees is set correctly to attract and retain talent. The Committee further assists with remuneration policies, performance assessments of the executive team, Board fees, workforce transformation and succession planning. The Committee oversees the Group's sustainability commitments and reporting, and ensures that the strong ethical principles are embedded throughout the organisation.

Members: Ms JJ Comalie (Chairperson), Mr VJ Mungunda, Ms RMM Gomachas

Permanent invitee: Mr B Jooste, Ms FK Heunis

Investment Committee

The Committee's role is to determine and recommend Oryx's investment strategy to the Board, review and approve (based on levels of authority) disposals and acquisitions of investment properties and oversee their performance.

Members: Mr MH Muller (Chairperson), Mr VJ Mungunda

Permanent invitees: Mr B Jooste, Ms FK Heunis, Mr C van der Westhuizen, Mr LH Anderson

RACC feedback

Areas of responsibility	The RACC ensures the quality, integrity and reliability of financial information, which includes integrated reporting, internal financial controls, and identifying and managing risks. The Committee assists the Board in discharging its duties relating to risk, audit and compliance matters. The Committee also oversees co-operation between the internal and external auditors and serves as a link between the Board and these functions
Areas of focus – reviewed	• Reviewed the external audit plan, with specific reference to the proposed audit scope and approach to the Group's activities falling within the high risk areas, the effectiveness of the audit and the audit fee • Reviewed the Group's interim and audited Annual Financial Statements and all financial information (including the Integrated Annual Report), intended for distribution to the unitholders and the public in general, for submission to the full Board and to consider the adequacy of disclosures • Reviewed the accounting policies adopted by the Group and all proposed changes in accounting policies and practices, and recommend such changes where considered appropriate in terms of IFRS • Oversaw the internal audit function and reviewed the quality of internal accounting control systems and reports (including budgets and forecasts) • Reviewed PwC's internal audit of the Group's procurement practices and recommendations • Reviewed the basis on which the Company has been determined a going concern and make a recommendation to the Board in terms of going concern and any distributions to be made to unitholders • Reviewed the valuation of investment in subsidiaries • Reviewed and oversaw the Group's Risk and Compliance monitoring and reporting • Monitored the ethical conduct of the Group and the whistle-blowing platform and reviewed incidents and reports • Reviewed and oversaw the risk management process and plan. This included noting the tenant risk analysis scorecard • Reviewed progress with the tax moratorium • Noted the draft IT Policy, including its cyber risk considerations
Approved	• Appropriateness and internal audit function and review of the internal accounting control systems and reports • Effectiveness of the audit process and performance of the external auditors • The annual audit plan, terms of engagement and fees for external audit, and the non-audit services provided during the year • The internal audit plan and budget for the year, with PwC being appointed as internal auditor during the 2023 financial year • Financial reporting in terms of IFRS • Various policies including the Leasing and Debtors Policy, Finance Policy and Workplace Health and Safety Policy
Monitored	• The independence of external audit • Risk and compliance matters, including tax compliance and financier covenants • Monitored the quality of internal accounting control systems and reports (including financial forecasts) • Legal matters
Recommended to the Board	• Reviewed the basis on which the Company has been determined a going concern and make a recommendation to the Board in terms of going concern and any distributions to be made to unitholders (refer to page 45 in the CFO report) • Reviewed the Group's interim and audited Annual Financial Statements and all financial information (including the Integrated Annual Report), intended for distribution to the unitholders and the public in general, prior to submission to the full Board and to consider the adequacy of disclosures

Composition policy	• At least three independent Non-executive Directors
Meeting policy	• Minimum meeting requirement of four times a year
Future focus areas	• Governance of information technology • Internal audit plan

Auditor rotation

The RACC has a policy that requires Oryx to obtain proposals from reputable audit firms every 10 years in order to consider changing audit firms. The policy does not make audit firm rotation mandatory due to the limited number of local audit firms that would meet the requirements to audit a listed entity.

This policy has been applied retrospectively, effective from 1 July 2017. During the year, the Group re-evaluated its external auditors and conducted a restricted bidding procurement exercise and assessment in this regard. Based on this assessment, the Board confirmed the recommendation to the unitholders to approve the appointment of Deloitte & Touche as external auditors.

Meeting attendance for the year

MEMBERS	MEETING ATTENDANCE	OTHER INVITEES	MEETING ATTENDANCE
Ms A Angula (Chairperson)	4/4	Mr B Jooste	4/4
Ms JJ Comalie	4/4	Ms FK Heunis	4/4
Mr MH Muller	4/4	Mr C van der Westhuizen	4/4

Risk and opportunity management

Oryx views risk management as the systematic process of understanding, measuring, controlling, mitigating and communicating risk exposure to achieve the Group's objectives.

The key risk management objectives are to:

- Support the timely identification of risks, assess and mitigate risks
- Provide information on risk situations and appropriate risk responses
- Identify potential opportunities which would result in long-term sustainable distributions
- Enhance a risk management culture throughout Oryx

The Board maintains an understanding of the various risks Oryx faces and ensures that appropriate controls are in place to address key risk areas.

The Board is satisfied with the adequacy, accuracy and effectiveness of information distribution and reporting around management and controls. However, it continuously strives to improve the information flow by further integrating its systems.

Refer to page 34 for our key risks.

Conclusion

The RACC executed its duties during the year in line with its roles and responsibilities as outlined above.

Ms Ally Angula
Chairperson – Risk, Audit and Compliance Committee

RNSEC feedback

The Committee's areas of responsibility during the 2023 financial year are set out below.

Remuneration	• Assisting the Board in its responsibility for setting and administering remuneration policies and ensuring that executive and employee remuneration is competitive and stimulates sustainable performance and behaviour that creates value over time • Regularly reviewing incentive schemes to ensure their continued contribution to unitholder value to drive performance and reduce employee attrition • Annually reviewing and approving the CEO's performance contracts in conjunction with the Board's approved strategy and assessing his performance • Approving annual increases and year end bonuses for employees • Recommending Non-executive Directors' fees to the Board for recommendation to unitholders for approval • Reviewing Oryx's employee Code of Conduct • Assessing the Committee's compliance with its terms of reference and reporting to the Board
Nomination	• Considering whether the Board's composition and structures are appropriate, including the size and composition of the various sub-committees, and considering whether there is an appropriate split between Executive, Non-executive and Independent Directors • Considering Board candidates and recommending appointments to the Board • Appointing the CEO and approving his employment contract • Ensuring that the processes followed in terminating and renewing the CEO contract are objective and transparent • Reviewing the Company Scorecard and performance of the executive team
Sustainability and ethics	• Monitoring Oryx's activities, considering relevant legislation and other legal requirements or prevailing codes of best practice • Ensuring that the Company's ethics performance is assessed, monitored, reported and disclosed • Identifying and addressing internal and external stakeholder concerns • Monitoring the Group's standing in terms of its goals and purposes of good corporate citizenship, including: – Promotion of equality – Prevention of discrimination – Prevention of corruption – Contribution to the development of communities in which Oryx operates – Sponsorship, donations and charitable giving – Stakeholder relationships, including Oryx's advertising, public relations and compliance with consumer protection laws – Oryx's employee relationships and its contribution to employee development – Oversight and reporting on organisational ethics – Responsible corporate citizenship • Sustainable development • Integrating ESG factors into business strategy, organisational culture and operational practices in a way that supports the long-term profitability and viability of the Company by means of policies and practices • Overseeing how the Group reports against its sustainability objectives
Key matters for the year	• Monitored that Oryx employees' wellbeing was ensured aligned with the required health and safety measured, as required by legislation • Ensured succession planning for the Board including the need to develop clear selected guidelines for Board members • Selected three new Non-executive Director appointments • Reviewed the proposed role requirements for the COO position • Reviewed the LTI Trust Deed

Key outcomes	• Approving the renewal of the CEO's contract for another five years • Developed a Company Scorecard aligned to the 2025 Strategy • Approved the appointment of a COO • Ensured a succession plan for the Board through recommending to unitholders the appointment of three Non-executive Directors
Composition policy	• At least three Non-executive Directors
Remuneration	• Assisting the Board in its responsibility for setting and administering remuneration policies and ensuring that executive and employee remuneration is competitive and stimulates sustainable performance and behaviour that creates value over time • Regularly reviewing incentive schemes to ensure their continued contribution to unitholder value to drive performance and reduce employee attrition • Annualy reviewing and approving the CEO's performance contracts in conjunction with the Board's approved strategy and assessing his performance • Approving annual increases and year end bonuses for employees • Recommednding Non-executive Directors' fees to the Board for recommendation to unitholders for approval • Reviewing Oryx's employee Code of Conduct • Assessing the Committee's compliance with its terms of reference and reporting to the Board
Meeting policy	• Minimum meeting requirement of twice a year, with ad hoc meetings when required.
Future focus areas	• Monitor the Company Scorecard for 2024 • Ensure for the alignment of employee resources to the growth strategy for 2025 • Conclude the Board succession plan

Meeting attendance for the year

MEMBERS	MEETING ATTENDANCE	OTHER INVITEES	MEETING ATTENDANCE
JJ Comalie	4/4	B Jooste	2/2
PM Kazmaier*	3/3	FH Heunis	2/2
VJ Mungunda	4/4		
RMM Gomachas#	2/2		

* Retired in November 2022.
\# Appointed August 2022.

Conclusion

The RNSEC executed its duties during the year in line with its roles and responsibilities as outlined above. For more detail, refer to the full remuneration report starting on page 96.

Ms Jenny Comalie
Chairperson – Remuneration, Nomination, Sustainability and Ethics Committee

Investment Committee feedback

Areas of responsibility	• Developing, recommending and monitoring the investment strategy • Advising, reviewing and recommending or approving, based on predetermined authority levels, any proposed acquisitions, disposals and other investments and, if necessary, recommending to the Board for approval • Reviewing the performance of new and existing investments against predetermined criteria • High-level review of interim and year end property valuations • Monitoring debt fixing strategy and ensure for adequacy of funding • Reviewing and recommending to the Board any equity-based capital raising initiatives • Advising, reviewing, and recommending policies pertaining to the Committee to the Board for adoption • Supporting, developing, and recommending sustainability practices and green opportunities for the Group
Key matters for the year	• Reviewed interim and year end property valuations • Reviewed the Group's debt arrangements • Reviewed the terms of the rights issue • Reviewed various investment, disposal and development opportunities during the year, including the acquisition of Dunes Mall • Reviewed policies and frameworks • Noted the proposed splitting of the property management and asset management teams and the proposed appointment of a COO • Reviewed progress with key projects including: – Checkers upgrade in Gustav Voigts Retail Centre – Maerua Mall clip-on project – Checkers upgrade in Maerua Mall
Key outcomes	• Recommended to the Board the approval of the rights issue • Recommended to the Board the approval for the purchase of Dunes Mall • Recommended to the Board the approval of the new Valuers Rotation Policy • Finalised the new Investment Criteria Framework and aligned the Investment Strategy to the approved 2025 Strategy • Identified the capital requirements to maintain asset performance levels • Approved the Standard Bank refinancing arrangement
Composition policy	• At least two Non-executive Directors
Meeting policy	• Four times per year
Future focus areas	• Progress against the plan to dispose of non-core assets • Assessing new investment opportunities and the funding thereof • Reviewing investment opportunities to enhance the Dunes Mall asset • Reviewing and approving the next phase of investment into Maerua Mall • Assessing the performance of various property sectors, including the Croatian portfolio

Meeting attendance for the year

MEMBERS	MEETING ATTENDANCE	OTHER INVITEES	MEETING ATTENDANCE
Mr MH Muller (Chairperson)	4/4	Mr B Jooste	4/4
PM Kazmaier*	2/2	Ms FK Heunis	4/4
Mr VJ Mungunda	4/4	Mr C van der Westhuizen	4/4
		Mr LH Anderson	4/4

* Retired in November 2022.

Conclusion

I can confirm that the Investment Committee executed its duties during the year in line with its roles and responsibilities as outlined above.

Mr Marius Muller
Chairperson – Investment Committee

REMUNERATION REPORT

Our remuneration approach aims to attract quality talent and retain high achievers in a talent-scarce environment.

INTRODUCTION FROM THE RNSEC CHAIRPERSON

The Committee's role is to assist the Board by ensuring that remuneration for Executive Directors, senior management and employees is set correctly to attract and retain talent.

Introduction

The Committee assists with remuneration policies, performance assessments of the executive team, Board fees, workforce transformation and succession planning. In line with the NamCode, the Board is responsible for determining the remuneration of Executive Directors in accordance with the Remuneration Policy voted on by unitholders. The Company's Remuneration Policy is tabled to unitholders for a non-binding advisory vote at the AGM. This vote enables unitholders to express their views on the remuneration policies adopted and on their implementation. Unitholders can vote on Group's Remuneration Policy at the AGM on 28 November 2023.

The approval will focus on:

- A non-binding advisory vote on section 2 of the remuneration report
- A non-binding advisory vote on section 3 of the remuneration report
- The recommended fees for directors (included in section 3 of the remuneration report).

If there are 25% or more votes against the approval of the Remuneration Policy and its implementation, the Group undertakes to do the following:

- Unitholders who voted against the policy and implementation will be consulted to ascertain the nature of their concerns
- Amendments will be considered by the RNSEC

An official response will be provided to unitholders that will outline actions to be taken on the issues raised.

Delivery on 2023 commitments

Commitments

- Implement extension of the LTI to other key resources.
- Review of the short-term incentives for executives compared to the market and peer group.
- Full employee salary grading review.
- Succession planning for the Board and management.

Progress

- All employees were graded over a two-year period ending 2023.
- Succession planning for the Board was performed and to be concluded during the 2024 financial year.

Key 2024 focus areas

- Monitoring the 2024 Company Scorecard, which is aligned with the Group's growth strategy for 2025.

Statement of compliance

The Committee is satisfied that the Remuneration Policy has been complied with in all material respects.

Ms Jenny Comalie
Chairperson – Remuneration, Nomination, Sustainability and Ethics Committee

BACKGROUND STATEMENT

An effective, well-articulated remuneration approach can attract quality talent, retain high achievers, and reward the behaviours the Group regards as critical for success.

How we govern remuneration

Oryx's remuneration principles are guided by the Companies Act, the NamCode, the NSX listing requirements and the RNSEC's terms of reference. The Board sets the overarching remuneration philosophy, approves the Remuneration Policy, and appoints the RNSEC.

Effective remuneration governance provides unitholders with the assurance that Oryx's remuneration philosophy and policies translate into improved organisational performance. The Board and RNSEC apply independent judgement in developing appropriate remuneration models and in assessing and approving remuneration outcomes.

Refer to page 93 for the RNSEC membership and meeting attendance.

Advice sought

Oryx used the services of PwC, an external remuneration consultant, to perform a benchmark of employees' salaries during the two preceding financial years.

REMUNERATION POLICY

Our Remuneration Policy and objectives

Our Remuneration Policy aims to create a framework for managing and controlling remuneration to ensure that Oryx attracts and retains the correct team required to lead, manage and grow the Group.

The Remuneration Policy sets out Oryx's approach to rewarding employees across all aspects of remuneration. This policy and its application are regularly reviewed. Embedded in our remuneration philosophy is the link between remuneration and short- and long-term performance.

Remuneration is structured to enable fair treatment between employees and their peers across the Group. It guides management and employees to meet and complete performance reviews that identify and improve employee performance and productivity. Remuneration considers the value of individual contributions and overall results. Executives and employees are remunerated and managed based on levels of responsibility, accountability and expected performance.

Executive Directors' remuneration is reviewed after evaluating:

- Remuneration paid to Executive Directors for the Financial Services sector in Namibia
- Linking executive remuneration to outcomes
- Stringent KPIs are in place and are measured through performance appraisals
- The leadership team must achieve pre-agreed performance ratings before any LTI award becomes eligible for vesting
- STI targets are based on metrics aligned with unitholders' expectations
- The leadership team's performance is evaluated six-monthly through business reviews
- A Malus and Clawback Policy on remuneration awards is in place

Service contracts and other appointments

The CEO and CFO are employed on fixed term contracts of five years. These employment agreements provide for a notice period of four months for the CFO, and six months for the CEO. The CAM is permanently appointed with a four-month notice period.

Employees are required to retire at the age of 65.

Remuneration overview

	GUARANTEED PAY AND BENEFITS	ANNUAL SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
Purpose	• Compensate employees for work performed • Attract and retain top talent	• Reward employees for the financial year's corporate financial performance, delivery of strategic priorities and personal performance • Attract and retain top talent	• Attract, retain, and reward executives and D-upper Paterson employee grades • Reinforce alignment between management and unitholder interests
Eligibility	All employees	All employees	Executive team and D-upper Paterson employee grades (effective 1 July 2022)
How the pay is set	• Total cost to company (CTC) basis • Benchmarking is performed for new roles and as and when needed for existing roles • Reflects the scope and depth of a role, experience required, level of responsibility and individual performance • Lower-income employees have medical aid provided by the Group • Employee gym benefit • Free parking benefit at Maerua Mall and Gustav Voigts Retail Centre	• A bonus pool was introduced during the 2022 financial year which is determined as 2.5% of the Group's total annual distributable income • Individual discretionary bonus pool linked to individual performance (based on predetermined KPIs specific to each role), as evaluated by the respective managers, which the CEO oversees • The CEO's performance assessment is conducted by the RNSEC based on predetermined KPIs set at the start of each financial year	LTI consists of units in Oryx allocated based on the external and internal performance assessments as set out below
Performance hurdle	Not applicable	Performance assessed, with the minimum rating of 2 out of 5	Continued employment and achieving corporate performance targets – a minimum rating of 3 out of 5
Deferral	Not applicable	No deferral, as it is a cash award only	Units vest three years after allocation is made
Malus and clawback	Not applicable	Not applicable	Malus and clawback clauses apply for executives (refer to page 102)
Link between remuneration and performance	Not applicable	Payment is subject to Oryx's performance and cash position	• Internal: Budgeted distributable income • External: Distribution performance measured against peer group

Guaranteed pay

Guaranteed pay is set based on the scope and depth of a role, experience required, level of responsibility and individual performance. The Group also provides benefits, such as medical aid and gym and parking concessions. Potential increases are evaluated in August every year.

Short-term incentive (STI)

Our STI Scheme aims to:

- Provide a work environment that encourages employees to exceed expectations. Employees are rewarded for achieving individual objectives and contributing to Oryx's business performance. This links rewards to Oryx's overall business success.

Pertinent information on the STI Scheme is outlined below:

- For employees, excluding executives, a performance-based bonus, based on the newly introduced bonus pool, is payable in December each year, subject to the employee's actual performance
- All bonuses remain discretionary, and the employer has the right to vary the terms of the bonus or revoke it
- For executives, a performance-based bonus, based on the newly introduced bonus pool, may be payable in September each year subject to the executive's actual performance, conduct and the financial standing of the Group

KPIs

Senior management remuneration is linked to a range of financial and sustainability measures. Achievements are tracked on an annual basis.

The following KPIs were introduced for the 2023 financial year. Refer to page 103 for the team's performance.

KPIs

Strategic pillar	CEO Weight	CFO Weight	CAM Weight
Balance sheet management	20%	25%	–
Financial and company performance	30%	25%	25%
Growth strategy	10%	25%	40%
Operational effectiveness	20%	7.5%	25%
Governance	–	10%	–
Sustainability, stakeholder management and ESG	20%	7.5%	10%

Refer to page 100 for changes to the STI Scheme this year.

Long-term incentive (LTI)

Our LTI Scheme aims to:

- Retain senior employees (D-upper level and executives) while ensuring they deliver on their roles to expected levels
- Encourage long-term decision making to create sustainable, predictable and reliable outcomes
- Attract, retain and reward senior employees who perform well to share in the success of Oryx
- Reinforce key alignment between senior employees and unitholder interests

Pertinent details of the LTI Scheme are:

- Units may be allocated every year after the performance reviews of the senior employees and assessment of the Group's performance against its peers
- A minimum STI rating of "meet requirements" is required to qualify for the LTI
- Units vest at the end of year three
- If the employee leaves within the three-year cycle by his/her own accord, the unit allocation is forfeited
- Once the shares have vested, there are no restrictions regarding being able to retain/sell the units
- The unit option price is based on the unit price at year end (effective allocation date) to which the allocation relates

No amendments were made to the LTI performance measurements in the financial year. The LTI performance measurements consider an external and internal perspective.

1. External perspective: Oryx's distribution performance per linked unit is measured against a predetermined peer group comprising listed property companies in South Africa and Botswana. The allocation is based on Oryx's performance that was assessed by an external company against the peer group.

PERFORMANCE	% OF PEERS	EXECUTIVE TEAM
Under median	Below 50%	Discretionary (RNSEC)
Median quartile	50% – 75%	1 month of CTC
Upper quartile	76% – 90%	2 months of CTC
Top quartile	91% – 100%	Discretionary (RNSEC)

The peer group was determined by an external service provider (21st Century):

- Texton Property Fund Limited
- RDC Properties Limited
- Safari Investments RSA Limited
- Newpark REIT Limited
- Spear REIT Limited
- New African Properties Limited
- The Far Property Company Limited
- Stor-Age Property REIT Limited
- Fairvest Limited
- Transcend Residential Property
- Collins Property Fund Ltd
- Oasis Crescent Property Fund
- Primetime Property Holdings
- Indluplace Properties Limited
- Tower Property Fund Limited

The above peer group was chosen by applying a quantitative methodology based on listed property companies of comparable size to Oryx, based on turnover and net assets. The distributable income growth was used to assess Oryx's performance against the peer group.

2. Internal perspective: Based on achieving distributable income measured against the budgeted distributable income.

PERFORMANCE	% OF BUDGET PEERS	EXECUTIVE TEAM
Under budget	Below 100%	Discretionary (RNSEC)
Meet budget	100%	3 months of CTC
Exceed budget	101% – 105%	3.5 – 3.9 months of CTC
Exceed budget	106% – 110%	4 months of CTC
Exceed budget	Above 110%	Discretionary (RNSEC)

Malus and clawback

The provisions below were implemented in 2020 for the executive team, of which the LTI Scheme was approved to be extended to the D-upper Paterson grades, effective 1 July 2022.

Malus

The RNSEC may, on or before the vesting date of an award, reduce the quantum of an award in whole or in part after an actual risk event (trigger event) occurs which, in the judgement of the RNSEC, had arisen during the relevant vesting or financial period. In the event of early termination of employment during the vesting period of an award, as per the LTI Scheme, the RNSEC will consider whether a trigger event arose between the award date and the date of termination of employment and apply the necessary discretion.

Clawback

The RNSEC may apply clawback and take steps to recover awards that have vested to a participant (on a post-tax basis) because of a trigger event that, in the judgement of the RNSEC, arose during the clawback period. The clawback period will run for three years from the award date until the vesting date.

In the event of a breach of directors' duties, Oryx reserves the right to pursue any remedies available to it in terms of the Malus and Clawback Policy and common and statutory law. In the event of termination of employment during the clawback period (irrespective of whether the employee is classified as a good or bad leaver), the clawback period for the share award will be deemed to have come to an end on the date of termination of employment.

The summarised trigger events for malus and clawback include:

- Employee misbehaviour, dishonesty, fraud or gross misconduct
- A material misstatement of the financial results for the performance or employment period of the award, resulting in an adjustment in the audited consolidated accounts of Oryx
- The assessment of any performance metric or condition (where applicable) in respect of an award that was based on error or inaccurate or misleading information
- Any information used to determine the quantum of LTI Scheme payment, or the number of shares subject to LTI award was based on error or inaccurate or misleading information
- Events or behaviour of the employee that had a significant detrimental impact on Oryx's reputation

IMPLEMENTATION OF THE REMUNERATION POLICY

Key remuneration decisions for 2023

GUARANTEED PAY	BONUS POOL	LTI SCHEME
On average, we provided inflationary increases of around 6% to employees.	In 2023, Oryx allocated N$2.9 million in bonuses to employees.	RNSEC approved a total allocation of 4 months' total guaranteed pay for the three executives and D-upper Paterson levels for the year, which will vest after a three-year period if all conditions were satisfied. The 4 month allocation was based on achieving above 110% compared to budget from an internal perspective. No allocation was made from an external perspective.

Remuneration for the year

Employees

During the year, total remuneration expenses made to employees amounted to N$14.1 million (2022: N$12.5 million).

Executives

Delivery on KPIs

CEO

STRATEGIC PILLARS	WEIGHTING	DELIVERY
Balance sheet management	20%	This was well maintained despite interest rates increasing during the year. Our aim during the year was on proactive capital management to minimise finance costs. In addition, our aim was to take out debt for yield-enhancing projects which would increase our overall interest cover ratio. Liquidity was considered good at year end given the finalisation of the Maerua Development Loan and the increase in the DMTNP concluded during the year.
Financial and Company performance	30%	Financial performance for 2023 met expectations. Read more in the CFO's Report on page 42.
Growth strategy	10%	Debt funding of up to 60% of the Dunes Mall transaction price was obtained. The N$200 million Maerua Mall development funding was finalised in 2023. Mandate awarded by the GIPF.
Operational effectiveness	20%	Expense ratio increased due to bad debt write-offs of N$27 million realising during the year.
Sustainability, stakeholder management and ESG	20%	The employee survey was conducted, and Oryx implemented initiatives to address employee feedback. Read more on page 70.

CFO

STRATEGIC PILLARS	WEIGHTING	DELIVERY
Balance sheet management	25%	This was well maintained despite interest rates increasing during the year. Our aim during the year was to focus on proactive capital management to minimise finance costs. In addition, our aim was to take out debt for yield-enhancing projects which would increase our overall interest cover ratio. Liquidity was considered good at year end given the finalisation of the Maerua Development Loan and the increase in the DMTNP concluded during the year.
Financial and Company performance	25%	Financial performance for 2023 met expectations. Read more in the CFO's Report on page 42.
Growth strategy	25%	Oryx raised adequate funding (equity and debt where needed) to support the growth strategy while staying within 45% overall gearing levels. Debt funding of up to 60% of the Dunes Mall transaction price was obtained. The N$200 million Maerua Mall development funding was finalised in 2023.
Operational effectiveness	7.5%	The following process simplifications were performed during the year: • Internal audit work on procurement process and policy implementations • New budget and forecast process implementations • NENS announcement and communication processes implemented • Leasing and debtor process integration • Fixed asset process implemented • Dashboard report implementation • Whistle-blowing platform established and reporting and communication thereof.
Governance	10%	Immaterial South African tax penalties paid. No material external audit findings, and all previous year immaterial findings closed during the year. Internal audit on procurement practices initiated. Read more on page 84.
Sustainability, stakeholder management and ESG	7.5%	The CFO was responsible for some of the Group's ESG initiatives. The finance team reported high levels of satisfaction in the annual employee survey.

Chief Asset Manager

STRATEGIC PILLARS	WEIGHTING	DELIVERY
Financial and Company performance	25%	Financial performance for 2023 met expectations. Read more in the CFO's Report on page 42.
Growth strategy	40%	The portfolio value increased by 6.3% due to various capital projects and the acquisition of the Maerua Crossing land.
Operational effectiveness	25%	Vacancies were well managed with virtually no movement on the previous year. Recovery ratios in general improved. Debtor recovery rate over 100%. Expense ratio increased due to bad debt write-offs of N$27 million realising during the year.
Sustainability, stakeholder management and ESG	10%	First baseline carbon footprint report was successfully completed.

During the year, the LTI allocations made to the executives and D-upper Paterson grade levels amounted to N$2.8 million, which will vest on 1 July 2026 when all conditions have been met.

Based on the RNSEC's performance assessment of internal and external factors, the LTI allocation awarded to employees relates to 250,111 units at a share price of N$11.00. From an internal perspective, performance was more than 110% of the budget, and a discretion of four months of CTC was applied. From an external perspective, a 42nd percentile was achieved and therefore 0 month of CTC was applied. The price used to determine the number of unit options was based on the June 2023 year end closing price. The unit options have been partially acquired through the LTI following its rights during the 2023 rights issue.

2023

Director	Cash salary	Short-term incentive	Long-term incentive*	Total remuneration
B Jooste	2,586	646	862	4,094
FK Heunis	1,456	364	485	2,305
Total	4,042	1,010	1,347	6,399

2022

Director	Cash salary	Short-term incentive	Long-term incentive*	Total remuneration
B Jooste	2,321	676	970	3,967
FK Heunis	1,300	380	542	2,222
Total	3,621	1,056	1,512	6,189

* LTI allocation for 2022 will vest in the 2026 financial year when all conditions have been met.

The 2019 LTI allocation vested in the 2023 financial year, amounting to 71,950 linked units at N$10.26 per linked unit, totalling N$738,207. Interest accrued on the linked units totals a cash value of N$195,161.

The below summarises the outstanding and settled LTI allocations made until 30 June 2023:

Executive member and allocations awarded per annum	Opening number 01/07/2022	Granted for the year	Vested during the year	Closing number 30/06/2023	Closing estimated fair value*
CEO					
2019 Allocation	39,425		(39,425)	–	–
2020 Allocation	–			–	–
2021 Allocation	98,393			98,393	1,082,323
2022 Allocation	94,518			94,518	1,039,698
2023 Allocation		78,358		78,358	861,938
Total	232,336	78,358	(39,425)	271,269	2,983,959
CFO					
2021 Allocation	32,723			32,723	359,953
2022 Allocation	52,794			52,794	580,734
2023 Allocation		44,124		44,124	485,364
Total	85,517	44,124	–	129,641	1,426,051
CAM					
2019 Allocation	32,525		(32,525)	–	–
2020 Allocation	–			–	–
2021 Allocation	79,697			79,697	876,667
2022 Allocation	76,262			76,262	838,882
2023 Allocation		60,891		60,891	669,801
Total	188,484	60,891	(32,525)	216,850	2,385,350
Total for all executives	506,337	183,373	(71,950)	617,760	6,795,360

* Fair value is based on the share price at 30 June 2023, being N$11.00.

NON-EXECUTIVE DIRECTOR FEES

How fees are set

Non-executive Directors' fees for the 2023 financial year were paid on the basis presented in the 2022 Integrated Annual Report. They were recommended by the RNSEC for approval by the Board. The unitholders noted the benchmarking method highlighted on page 100 and the fee structure as indicated below at the AGM held on 28 November 2022.

Non-executive Directors also attend various ad hoc meetings, participate in telephone conferences and undertake other preparatory work for which additional fees are paid. Board and Committee members are paid a fixed fee based on a set number of meetings a year. Additional meetings are paid at an hourly rate which is capped on a daily basis. The Chairperson of the Board and Chairpersons of Committees are paid an additional fixed fee based on a set number of meetings per year. The fees are paid quarterly. The set number of meetings were:

- Board: Four
- Investment Committee: Four
- RACC: Four
- RNSEC: Two

The RNSEC proposed a 6% increase in Non-executive Directors' fees for the 2024 financial year to the Board as set out below. This recommendation was approved by the Board, subject to unitholder approval at the forthcoming AGM.

The Chairperson of the Board and various sub-committees are entitled to call meetings in addition to scheduled meetings. The Chairpersons of the various Committees are responsible for assessing whether a meeting is necessary and determining the duration thereof for remuneration purposes. Fees are set at N$1,500 per hour with a daily cap of N$10,000. The daily cap will be paid to members travelling to Windhoek.

Refer to the Notice of AGM (page 208), Ordinary Resolution number 3 – Non-executive Directors' fee structure.

Benchmarking

A benchmarking exercise was conducted during the year whereby the Group's Non-executive Directors remuneration was benchmarked against other Namibian financial services corporates. The fees were noted to be market related.

Actual and proposed fees

Non-executive Directors' fees

	Fees per meeting 2023 N$			Fees per meeting 2024 N$		
	Chair-person	**Deputy Chair-person**	**Committee member**	Chair-person	Deputy Chair-person	Committee member
Board	**86,572**	**65,498**	**48,096**	91,770	69,430	50,980
RACC	**65,498**	**–**	**43,665**	69,430	–	46,290
RNSEC	**65,498**	**–**	**43,665**	69,430	–	46,290
Investment Committee	**65,498**	**–**	**43,665**	69,430	–	46,290

Actual fees paid to Non-executive Directors

Director	**2023 N$'000**	2022 N$'000
PM Kazmaier*	**310**	556
A Angula	**526**	461
JJ Comalie	**506**	446
RMM Gomachas	**240**	192
NBS Harris**	**–**	151
JC Kuehhirt**	**–**	194
A Swanepoel	**–**	140
MH Muller	**635**	579
VJ Mungunda***	**536**	367
Total	**2,753**	3,086

* Retired in November 2022.
** Retired in November 2021.
*** Appointed Chairperson in November 2022.

SUPPLEMENTARY INFORMATION

We look forward to engaging further with our unitholders at our upcoming AGM.

HOW WE ARE STRUCTURED

ORYX PROPERTIES LIMITED

DIRECTLY OWNED PROPERTIES

- Baines Retail Centre
- Erf 51 Platinum Street
- Channel Life Office Tower
- Erf 441 Platinum Street
- Erf 132 Rendsburger Street
- Erf 135 Lafrenz
- Erf 7827 Julius Nyerere Street
- Erf 422 Elisenheim Urban Village Retail Centre
- Erf 698 Edison Street
- Erf 3519 Iscor Street
- Erf 6601 Tal Street

INVESTMENT ASSOCIATE

- TPF International Limited

ORYX LONG TERM INCENTIVE TRUST

Maerua Mall Node

- Maerua Mall (Proprietary) Limited
  - Maerua Retail Mall
  - Deloitte
  - Methealth
- Maerua Park Properties (Proprietary) Limited
- Phase Two Properties (Proprietary) Limited
- Triple A (Proprietary) Limited
- Maerua Family Entertainment Retail Centre (Proprietary) Limited

Gustav Voigts Centre (Proprietary) Limited

SUBSIDIARY COMPANIES

- CIC Property Holding Trust (Proprietary) Limited
  - Erf 8081 Solingen Street
  - Erf 6621 Kallie Roodt Street
  - Erf 2671 Walvis Bay
  - Erf 334 Keetmanshoop
- Allied Cargo (Proprietary) Limited
  - Erf 6977 Newcastle Street
- Verona Investments (Proprietary) Limited
  - Erven 6660, 6661 and 7780 Joule Street
- Capital Grow Number Seven (Proprietary) Limited
- Inyati Estates Seven (Proprietary) Limited
- Engedi Properties (Proprietary) Limited

RSA DIRECTLY OWNED PROPERTY

- Erven centre 972 and 973 Constantia Kloof Roodepoort

FULL REAL ESTATE PORTFOLIO

Name	Sector	Location	Open market value N$'000	% of portfolio value	GLA m²	Occupancy %	Major tenants
Maerua Mall Retail	Retail and offices	Cnr Jan Jonker and Robert Mugabe Avenues, Windhoek	584,400	19%	25,109	92.1	Checkers, Truworths, Clicks, Stuttafords, Ster-Kinekor, Food Lover's Market, Mr Price Group, House & Home, Cape Union Mart, Foschini, Edgars, Joyful Noise, Maerua Bowling, Deloitte & Touche, Methealth
Maerua Phase Two Retail	Retail		476,425	15%	19,177	90.3	
Maerua Park Office	Retail and Offices		226,860	7%	14,183	69.6	
Triple A	Retail		3,100	1%	–	–	
Maerua Family Entertainment Centre	Retail		30,000	1%	3,842	93.2	
Deloitte Office Building	Offices		50,500	2%	1,383	100	
Methealth Office Building	Offices		63,000	2%	1,837	100	
Maerua Crossings	Retail	Centaurus Road, Windhoek	13,586	1%	–	–	
SUBTOTAL MAERUA MALL RETAIL NODE			**1,447,871**	**48%**	**65,531**	**87.2**	
Erf 6601, Tal Street	Industrial	Tal Street, Windhoek	66,050	2%	7,857	100	Metje & Ziegler
Erf 6601, Tal Street	Industrial	Cnr Solingen and Iscor Streets, Northern Industrial Area, Windhoek	128,500	4%	14,559	100	CIC
Baines Retail Centre	Retail	Erf 1297, Pioneers Park, Fritsche Street, Windhoek	114,600	4%	4,773	90.1	OK Foods, Body Tech Gym, City Pets, Schnitzel King
Channel Life Office Tower	Office	25 Post Street, Windhoek	76,600	2%	4,955	96.0	US Aid, Welwitchia Health Training
Erf 132, Rendsburger Street	Industrial	Erf 135, Rendsburger Street, Lafrenz Township, Windhoek	69,206	2%	2,815	100	Scania and vacant land
Erf 51, Platinum Street	Industrial	36 to 46 Platinum Street, Prosperita, Windhoek	74,500	2%	8,725	100	FP Du Toit Transport
Gustav Voigts Retail Centre	Retail	Independence Avenue, Windhoek	556,500	18%	25,333	94.8	Avani Hotel and Casino, Checkers, Clicks, Ackermans, Safariland
Erf 7827, Julius Nyerere Street	Industrial	Cnr of Mandume Ndemufayo and Nyerere, Windhoek	49,100	2%	3,597	100	Plumblink, Steiner, Tyre Rack
Erf 972 and 973, Constantia Kloof, Roodepoort	Industrial	Cnr of William Nicol and Constantia Boulevard, Gauteng, South Africa	46,400	1%	4,295	100	Action Ford Dealership

Name	Sector	Location	Open market value N$'000	% of portfolio value	GLA m^2	Occupancy %	Major tenants
Erf 6660, 6661 and 7780, Joule Street	Industrial	18 Joule Street, Windhoek	27,000	1%	2,509	100	Hollard Insurance, BJ Auto Body Repair
Erf 698, Edison Street	Industrial	Cnr Edison and Mandume Ndemufayo Avenues, Windhoek	42,000	1%	2,268	100	Metje & Ziegler, Engen Namibia
Erf 6621, Kalie Roodt Street	Industrial	Cnr Kalie Roodt and Tommie Muller Streets, Northern Industrial Area, Windhoek	40,000	1%	3,973	100	Freshmark distribution
Erf 6977, Newcastle Street	Industrial	Newcastle Street, Northern Industrial Area, Windhoek	25,600	1%	3,555	100	Coca Cola Namibia Bottling Company
Erf 2671, Walvis Bay	Industrial	3rd Street East, Walvis Bay	10,500	1%	3,525	78.4	Bidvest Steiner Namibia, Kuiseb Mineral Water Distribution
Erf 334, Keetmanshoop	Industrial	5th Avenue, Keetmanshoop	1,520	–	810	100	CIC
Erf 441, Platinum Street	Industrial	Erf 441, Prosperita, Windhoek	25,150	1%	4,482	100	Rainbow Finance
Erf 132, Rendsburger Street	Industrial	Erf 35 and Erf 36, Nordland Street, Lafrenz Township, Windhoek	26,715	1%	1,889	100	Intercape Namibia
Urban Village Retail Centre	Retail	Erf 422, Elisenheim, Windhoek	91,650	3%	3,063	91.7	SPAR, Jacks Fitness, Slice Above Pizzeria, Elisenheim Wellness Pharmacy
Erf 3519, Iscor Street	Industrial	Erf 3519, Iscor Street, Lafrenz Township, Windhoek	40,400	1%	295	100	SGX Distributors Simpex
SUBTOTAL			1,511,991	48%	103,279	97.1	
Engedi Residential Complex	Residential	56 to 60 Scheppmann Street, Pioneers Park, Windhoek	42,240	1%	2,772	97.9	Individuals
Inyati Residential Complex	Residential	19 Sesriem Street, Kleine Kuppe, Windhoek	68,500	2%	3,740	99.2	Individuals
Penuel Residential Complex	Residential	16 to 18 Hegner Street, Pioneers Park, Windhoek	24,450	1%	1,449	96.4	Individuals
SUBTOTAL			135,190	4%	7,961	98.1	
TOTAL			3,095,052	100%	176,770	94.8	

FIVE-YEAR REVIEW FOR THE GROUP

	2023 N$M	2022 N$M	2021 N$M	2020 N$M	2019 N$M
SUMMARISED STATEMENT OF FINANCIAL POSITION					
ASSETS					
Investment properties	**3,019**	2,763	2,775	2,855	2,858
Investment in associate	**359**	290	288	363	326
Other non-current assets	**86**	95	61	75	87
Current assets	**68**	58	53	66	51
Non-current assets held for sale	**–**	70	–	–	–
Total assets	**3,532**	3,276	3,177	3,359	3,322
EQUITY AND LIABILITIES					
Linked unitholders' interest	**2,093**	1,925	1,842	1,912	2,042
Interest-bearing liabilities	**1,243**	1,121	1,213	1,313	1,160
Deferred taxation	**61**	58	33	27	23
Other non-current liabilities	**7**	–	7	14	3
Linked unitholders for distribution	**59**	51	38	61	62
Other current liabilities	**69**	46	44	32	32
Liabilities directly associated with non-current assets classified as held for sale	**–**	75	–	–	–
Total equity and liabilities	**3,532**	3,276	3,177	3,359	3,322
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME					
Revenue	**357**	356	336	333	325
Investment income	**–**	1	1	2	3
Total revenue	**357**	357	337	335	328
Property expenses	**(121)**	(114)	(109)	(106)	(101)
Share of associate profit after tax	**54**	18	19	23	26
Other expenses	**(27)**	(34)	(61)	(39)	(19)
Amortisation of debenture interest	**8**	21	37	41	30
Other income/(expenses)	**1**	30	13	(30)	(9)
Profit/(loss) on sale of investment property	**–**	–	–	–	2
Changes in fair value of investment property	**100**	26	(90)	(156)	274
Exchange differences on foreign loan	**(14)**	1	40	(65)	(10)
Net operating income	**358**	305	186	3	521
Finance cost	**(103)**	(85)	(81)	(94)	(100)
Taxation	**(5)**	(26)	(8)	(6)	–
Income/(loss) before debenture interest	**250**	194	97	(97)	421
Debenture interest	**(91)**	(89)	(87)	(61)	(119)
Profit/(loss) for the year	**159**	105	10	(158)	302
Exchange differences on associate	**32**	1	(42)	70	10
Total comprehensive (loss)/income for the year	**191**	106	(32)	(88)	312

	2023 N$M	2022 N$M	2021 N$M	2020 N$M	2019 N$M
SUMMARISED STATEMENT OF CASH FLOWS					
Net cash inflow/(outflow) from operating activities	**31**	32	(2)	32	(20)
Net cash (outflow)/inflow from investing activities	**(62)**	(4)	41	(94)	(363)
Net cash inflow/(outflow) from financing activities	**30**	(17)	(59)	86	380
Net movement in cash and cash equivalents	**(1)**	11	(20)	24	(3)
UNIT STATISTICS					
Linked units in issue (million)	**87**	87	87	87	87
Distribution per linked unit (cents)	**105.25**	101.75	99.75	69.75	147.25
Dividend paid (cents)	**–**	–	–	–	2.75
Total distribution growth (%)	**3**	2	43	(53)	(4)
Net asset value per linked unit (cents)	**2,462**	2,261	2,151	2,258	2,337
Listed market price (cents)	**1,100**	1,026	1,146	1,749	1,950
Interest-bearing liabilities to total asset value ratio (%)	**35.2**	36.5	38.2	39.1	34.9
PROPERTY STATISTICS					
Number of properties	**29**	28	28	28	25
Lettable area (m^2 GLA)	**176,770**	176,589	176,539	176,499	174,442
Vacancy factor (%)	**6.8**	5.4	5.9	5.4	3.2
TOTAL RETURN BASED ON NAV (cents per linked unit)					
Opening NAV (1 July)	**2,203**	2,109	2,188	2,337	2,044
Closing NAV (30 June)	**2,395**	2,203	2,109	2,188	2,337
Growth in NAV	**192**	94	(79)	(149)	293
Total distribution 30 June	**105.25**	101.75	99.75	69.75	150.00
Total return based on NAV	**297.25**	195.75	20.75	(79.25)	443.00
Total return based on NAV (%)	**13.49**	9.28	0.95	(3.39)	21.67

SA REIT BEST PRACTICE RATIOS

SA REIT Funds from Operations (SA REIT FFO) per share	2023 N$'000	2022 N$'000
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	158,511	105,052
Adjusted for:-		
Accounting/specific adjustments:-	(95,788)	(21,648)
Fair value adjustments to:		
– Investment property	(99,745)	(46,823)
– Debt and equity instruments held at fair value through profit or loss		
Depreciation and amortisation of intangible assets	445	383
Deferred tax movement recognised in profit or loss	3,512	24,792
Foreign exchange and hedging items:-	12,599	(30,253)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(1,519)	(29,045)
Foreign exchange gains or losses relating to capital items – realised and unrealised	14,118	(1,208)
Other adjustments:-	(53,464)	(18,398)
Adjustments made for equity-accounted entities	(53,464)	(18,398)
SA REIT FFO:	21,858	34,753
Number of shares outstanding at end of period (net of treasury shares)	86,944,835	87,096,074
SA REIT FFO per share:	25.14	39.90
Company-specific adjustments (per share)	115.95	96.52
Dividend received from investment in associate	19.48	19.66
Debenture interest	105.78	101.87
Depreciation	(0.51)	(0.44)
Changes in fair value of listed investments	0.75	0.02
Amortisation of debenture premium	(9.55)	(24.59)
Distributable income per share (DIPS) (cents)	141.09	136.42

SA REIT Net Asset Value (SA REIT NAV)	2023 N$'000	2022 N$'000
Reported NAV attributable to the parent	**1,472,619**	1,281,698
Adjustments:		
Fair value of certain derivative financial instruments	**(17,590)**	(16,070)
Deferred tax	**255,214**	242,450
SA REIT NAV:	**1,710,243**	1,508,078
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	**86,945**	87,096
Dilutive number of shares in issue	**86,945**	87,096
SA REIT NAV per share:	**19.67**	17.32

SA REIT cost-to-income ratio	N$'000	N$'000
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	**120,898**	113,661
Administrative expenses per IFRS income statement	**26,755**	34,154
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**(445)**	(383)
Operating costs	**147,208**	147,432
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**262,933**	248,383
Utility and operating recoveries per IFRS income statement	**93,974**	87,025
Gross rental income	**356,907**	335,408
SA REIT cost-to-income ratio	**41.2%**	44.0%

SA REIT administrative cost-to-income ratio	2023 N$'000	2022 N$'000
Expenses		
Administrative expenses as per IFRS income statement	26,755	34,154
Other identified administrative expenses:	3,416	(7,361)
Depreciation	445	383
Provision for doubtful debts & Bad debts	2,739	(7,921)
Bank charges and License fees	232	177
Administrative costs	30,171	26,793
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	262,397	248,273
Utility and operating recoveries per IFRS income statement	536	110
Gross rental income	262,933	248,383
SA REIT administrative cost-to-income ratio	11.5%	10.8%

SA REIT GLA vacancy rate	%	%
Gross lettable area of vacant space	11,417	9,477
Gross lettable area of total property portfolio (Excl. Croatia & Residential)	168,809	176,589
SA REIT GLA vacancy rate	6.8%	5.4%

SA REIT loan-to-value	2023 N$'000	2022 N$'000
Gross debt	**1,250,208**	1,196,458
Less:		
Cash and cash equivalents	**(17,033)**	(18,127)
Add/Less:		
Derivative financial instruments	**(17,590)**	(16,070)
Net debt	**1,215,585**	1,162,261
Total assets – per Statement of Financial Position	**3,531,940**	3,276,198
Less:		
Cash and cash equivalents	**(17,033)**	(18,127)
Derivative financial assets	**(17,590)**	(17,966)
Trade and other receivables	**(28,944)**	(26,504)
Carrying amount of property-related assets	**3,468,373**	3,213,601
SA REIT loan-to-value ("SA REIT LTV")	**35.0%**	36.2%

Net initial yield	N$'000	N$'000
Investment property	**3,019,424**	2,833,340
Less:		
Properties under development	**(13,586)**	–
Grossed up property value	**3,005,838**	2,833,340
Property income		
Contractual cash rentals	**247,806**	247,326
Less:		
Non-recoverable property expenses	**(14,803)**	(16,668)
Annualised net rental	**233,003**	230,658
Net initial yield	**7.8%**	8.1%

UNITHOLDER INFORMATION

Unitholders' diary

Financial year end 30 June

Annual General Meeting 28 November 2023

Planned distribution dates in respect of the financial year ending 30 June 2024:

FINANCIAL PERIOD	DECLARATION DATE	LAST DATE TO TRADE CUM DISTRIBUTION	UNITS WILL TRADE EX-DISTRIBUTION	RECORD DATE TO PARTICIPATE IN THE DISTRIBUTION	PAYMENT DATE
1st half to					
31 December 2023	Wednesday 27 March 2024	Friday 12 April 2024	Monday 15 April 2024	Friday 19 April 2024	Friday 03 May 2024
2nd half to					
30 June 2024	Friday 27 September 2024	Friday 11 October 2024	Monday 14 October 2024	Friday 18 October 2024	Friday 01 November 2024

2023

Analysis of unitholders	Number of unitholders	% of unitholders	Number of units held	% of issued units
Size of holding				
1 – 99	6	1.60	303	0.00
100 – 499	123	32.98	27,469	0.03
500 – 999	17	4.56	11,035	0.01
1,000 – 1,999	39	10.46	49,114	0.06
2,000 – 2,999	17	4.56	39,595	0.05
3,000 – 3,999	13	3.49	44,523	0.05
4,000 – 4,999	10	2.68	42,619	0.05
5,000 – 9,999	24	6.43	158,559	0.18
10,000 and above	124	33.24	87,005,618	99.57
	373	100.00	87,378,835	100.00
Type of unitholders				
Corporate Bodies	11	2.95	17,049,510	19.51
Private Individuals	290	77.75	4,719,141	5.40
Trusts	15	4.02	1,504,267	1.72
Nominee Other	7	1.88	3,189,575	3.65
Nominee Private Clients	11	2.95	147,347	0.17
Nominee Pension Funds	25	6.70	49,558,379	56.72
Nominee Trusts	5	1.61	203,590	12.28
Nominee Corporates	6	1.34	10,730,309	0.23
Nominee Unit Trusts	3	0.80	276,717	0.32
	373	100.00	87,378,835	100.00

2023 Significant unitholders

	Number of units held	% of issued units
Unitholders invested in 1% or more of the Company		
Ohlthaver And List Retirement Fund	883,851	1.01
Napotel Pension Fund	915,136	1.04
Sanlam Namibia Limited	1,132,059	1.30
Namdeb Employees Provident Fund	1,191,742	1.36
Social Security Commission	1,351,468	1.55
Rössing Pension Fund	1,685,376	1.93
Members of Parliament and Other Office-Bearers Pension Fund	1,696,950	1.94
Unipoly Retirement Fund	1,871,499	2.14
Prudential Inflation Plus Fund	2,181,472	2.50
Alexander Forbes Investments Namibia Limited	2,228,148	2.55
Sanlam Life Namibia Limited	2,528,259	2.89
Retirement Fund For Local Authorities and Utility Services in Namibia	2,720,412	3.11
Benchmark Retirement Fund	2,860,325	3.27
Harpie Investments Six CC	3,279,987	3.75
Allan Gray Namibia Balanced Fund	4,445,078	5.09
Old Mutual Life Assurance Company (Namibia) Ltd	4,680,465	5.36
TLP Investments One Three Seven (Pty) Ltd	13,454,639	15.40
Government Institutions Pension Fund	24,334,500	27.85

Shares held by nominees consist of units held on behalf of various unitholders.

2023 Unitholder spread

	Number of unitholders	% of unitholders	Number of units held	% of issued units
Non-public				
Held by directors: Direct	1	0.3	152,648	0.18
Held by directors: Indirect	–	–	–	–
Held by related trust: Direct	–	–	–	-
Holdings > 10% of issued units	2	0.5	37,789,139	43.24
Public	370	99.2	49,437,048	56.58
Total	373	100.0	87,378,835	100.0

2022

Analysis of unitholders

	Number of unitholders	% of unitholders	Number of units held	% of issued units
Size of holding				
1 – 99	6	1.60	303	0.00
100 – 499	126	33.60	28,603	0.03
500 – 999	14	3.73	9,091	0.01
1,000 – 1,999	39	10.40	49,366	0.06
2,000 – 2,999	20	5.33	47,733	0.05
3,000 – 3,999	13	3.47	44,523	0.05
4,000 – 4,999	11	2.93	46,566	0.05
5,000 – 9,999	21	5.60	143,119	0.16
10,000 and above	125	33.34	87,009,531	99.59
	375	100.00	87,378,835	100.00
Type of unitholders				
Corporate Bodies	8	2.13	16,941,406	19.39
Private Individuals	290	77.34	4,614,633	5.28
Trusts	15	4.00	1,352,642	1.55
Nominee Other	7	1.87	3,225,592	3.69
Nominee Private Clients	14	3.73	161,794	0.19
Nominee Pension Funds	25	6.67	49,635,506	56.81
Nominee Trusts	5	2.13	203,590	12.59
Nominee Corporates	8	1.33	11,004,359	0.23
Nominee Unit Trusts	3	0.80	239,313	0.27
	375	100.00	87,378,835	100.00

2022 Significant unitholders

	Number of units held	% of issued units
Unitholders invested in 1% or more of the Company		
Government Institutions Pension Fund	24,334,500	27.85
TLP Investments One Three Seven (Pty) Ltd	13,454,639	15.40
Old Mutual Life Assurance Company Namibia Ltd	4,720,814	5.40
Allan Gray Namibia Balanced Fund	4,431,078	5.07
Harpie Investments Six CC	3,279,987	3.75
Sanlam Life Namibia Ltd	2,945,454	3.37
Retirement Fund for Local Authorities and Utility Services in Namibia	2,817,264	3.22
Benchmark Retirement Fund	2,756,348	3.15
Prudential Inflation Plus Fund	2,257,140	2.58
Alexander Forbes Investments Namibia Ltd	2,000,000	2.29
Rössing Pension Fund	1,701,769	1.95
Members of Parliament and Other Office-Bearers Pension fund	1,680,789	1.92
Sosial Security Commission	1,590,468	1.82
Unipoly Retirement Fund	1,522,899	1.74
Sanlam Namibia Ltd	1,176,473	1.35
Namdeb Employees Provident Fund	1,159,828	1.33
Investec Namibia Trustee Account (NAMAN)	941,340	1.08
Napotel Pension Fund	896,748	1.03
Ohlthaver and List Retirement Fund	880,697	1.01
Total	74,548,235	85.31

2022 Unitholder spread

	Number of unitholders	% of unitholders	Number of units held	% of issued units
Non-public				
Held by directors: Direct	1	0.27	113,223	0.13
Held by directors: Indirect	0	0.00	0	0.00
Held by related trust: Direct	0	0.00	0	0.00
Holdings > 10% of issued units	2	0.53	37,789,139	43.25
Public	372	99.20	49,476,473	56.62
Total	375	100.00	87,378,835	100.00

	2023	2022
Units traded and issued		
Number of units traded on the NSX	2,001,056	1,310,931
Number of units traded off market	–	–
Units traded as a weighted percentage of issued capital	2.3	1.5
NSX price history (cents)		
12 month high	1,199	1,146
12 month low	1,024	856
Closing price	1,100	1,026

ANNUAL FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

The directors are responsible for the preparation of the Annual Financial Statements that fairly present the state of affairs of the Company and the Group at the end of the financial year, as set out on pages 123 to 207.

In order for the Group and the Board of Directors (Board) to discharge their responsibilities, management has developed, and continues to maintain, a system of internal controls. The Board has ultimate responsibility for the system of internal controls and periodically reviews its operation, primarily through the Risk, Audit and Compliance Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained and skilled personnel. The appropriate segregation of duties is in place and is monitored by the Executive Directors and the Risk, Audit and Compliance Committee. A comprehensive budgeting and reporting system is in place and ensures an appropriate control environment.

The financial statements have been audited by the independent auditors, Deloitte & Touche, who had unrestricted access to all financial records and related data, including minutes of all meetings of the Board and Committees of the Board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The audit report of Deloitte & Touche is presented on pages 125 to 128.

The Annual Financial Statements are prepared in accordance with the Companies Act of Namibia, 28 of 2004 (Companies Act) and International Financial Reporting Standards (IFRS) and incorporate disclosures in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates.

The directors believe that the Group and Company will be a going concern for the foreseeable future, as adequate funding facilities are in place and the operational and cash flow budget supports this statement. See the directors' report on page 129 for more details around the going concern. Accordingly, the going concern basis has been adopted in the preparation of the Annual Financial Statements.

The Annual Financial Statements for the year ended 30 June 2023, as set out on pages 123 to 207, were approved by the Board on 5 October 2023 and are signed on behalf of the Board by:

Mr Vetumbuavi Mungunda

Board Chairperson

Mr B Jooste

Chief Executive Officer (CEO)

5 October 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Oryx Properties Limited

Opinion

We have audited the consolidated and separate financial statements of Oryx Properties Limited (the "Company") and its subsidiaries (the "Group") set out on pages 129 to 207, which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and Group as at 30 June 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Namibian Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the A*uditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia.

We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

For the year ended 30 June 2023

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion thereon.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of Investment Property – Group and company	
The carrying value of the investment properties amounted to N$3 019 million for group and N$728 million for the company with the fair value adjustment recorded in the net profit for the year in respect of the investment properties being a profit of N$100 million for the group and a profit of N$30 million for the company. Significant judgements and assumptions are required by management in determining the fair value of investment property and for the purposes of the audit, we identified the valuation of investment properties as a significant risk. The significant judgements relate to the following: pre-tax discount rates, capitalisation rates, rental growth, vacancy rates and cash flows. The group's investment properties comprised of various properties, with the Maerua Mall node comprising 46% of the group's total investment property portfolio. The models used to determine the fair values for each of the properties differ due to the different nature of each of the properties. The group uses an independent valuator to determine the fair values for all the properties held by the group. Accordingly, the valuation of investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgements associated with determining the fair value. Related disclosures in the Consolidated and Separate accounts: Note 4.1: Critical accounting estimates and assumptions. Note 6: Investment properties; and Note 38: Fair value hierarchy	Our response to the key audit matter included the following audit procedures: We assessed the competence, capabilities and objectivity of management's independent valuator, verified their qualifications and discussed the scope of their work with management. We confirmed that the approaches they used are consistent with IFRS. We tested the design and implementation of management's control over the accuracy and validity of valuations. We tested a selection of data inputs underpinning the investment property valuation, including, discount rates, capitalisation rates and reversionary capitalisation rates by comparing the rates used to that of the May 2023 South African Property Owners' Association Report of similar properties. We also compared the cash flows, including forecast rental income used in valuations to management's budget and obtained explanations for significant differences. We calculated a reasonable range and considered whether the individual and overall portfolio valuation determined fell within this reasonable range. We consider the overall valuation of investment properties to be within a reasonable range. We also evaluated whether the disclosures included in the consolidated and separate annual financial statements are in line with the applicable accounting standards and reporting requirements.

Other Information

The directors are responsible for the other information. The other information comprises the Integrated Annual Report, the Directors' responsibility and approval of the annual financial statements, the Notice of annual general meeting, Glossary, Key Performance Indicators and Corporate information received prior to the date of this audit report. The other information does not include the consolidated and separate financial statements, the director's report and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and the requirements of the Namibian Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (continued)

For the year ended 30 June 2023

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: J Cronjé
Partner
Windhoek, Namibia

5 October 2023

Deloitte Building, Maerua Mall Complex, Jan Jonker Road Windhoek
PO Box 47 Windhoek, Namibia

Directors: M Harrison, G Brand
Partners: J Cronjé, RH McDonald, H de Bruin, J Nghikevali

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited

DIRECTORS' REPORT

For the year ended 30 June 2023

The directors have the pleasure of submitting their report, which forms part of the financial statements for the year ended 30 June 2023.

Nature of business

Oryx Properties Limited (Oryx/the Group) is a property loan stock company.

The Group owns a real estate portfolio comprising premier-quality retail, industrial, office and residential properties. Oryx also holds an investment in associate with a 26% shareholding (refer to note 9).

Oryx is listed on the Namibian Stock Exchange (NSX).

Date listed: 4 December 2002

Financial - Property sector

Share code: ORY

ISIN: NA0001574913

Company registration number: 2001/673

Issued share capital

As at 30 June 2023, there were 87,378,835 (2022: 87,378,835) linked units in issue, each comprising one ordinary share of 1 cent and one unsecured variable rate debenture of 449 cents. Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a straight-line basis over the minimum contractual term of the investment, namely the remaining portion of 50 years from December 2002, which was extended from its original 25 years during the 2022 financial year.

Financial review

	2023 Cents per unit (cpu)	2022 Cents per unit (cpu)
Earnings attributable to linked units	287.82	222.31
Headline earnings attributable to linked units	116.21	146.82
Interest distribution per linked unit*	105.25	101.75

* Excluding antecedent interest of 50cpu paid to holders of units issued subsequent to year end.

Refer to note 25 for more detail.

The results of the Group are fully set out in the financial reports on pages 135 to 207.

Subsidiaries

Details of the Company's subsidiaries are reflected in note 8.

Associate

Details of the Company's associate are reflected in note 9.

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

Directorate

Directors at the date of this report are:

Director	Year appointed	Status	Independent	Gender	Tenure (years)
VJ Mungunda[∞]	2021	Non-executive Director/Chairperson	Yes	Male	2
A Angula	2013	Non-executive Director/Deputy Chairperson	Yes	Female	10
PM Kazmaier[¥]	2016	Non-executive Director/Former Chairperson	Yes	Male	7
JJ Comalie	2012	Non-executive Director	Yes	Female	11
RMM Gomachas	2019	Non-executive Director	No	Female	4
B Jooste	2018	Executive Director/CEO	No	Male	5
MH Muller[#]	2021	Non-executive Director	Yes	Male	2
FK Heunis	2021	Executive Director/CFO	No	Female	2

¥ Retired 28 November 2022.
∞ Appointed as Chairperson.
South African.

Attendance of directors and sub-committee meetings

	Board		Risk, Audit and Compliance	
Director/Executive	Member	Attendance	Member	Attendance
PM Kazmaier[¥]	X*	2/2		
A Angula	X	4/5	X*	4/4
JJ Comalie	X	5/5	X	4/4
RMM Gomachas	X	4/5		
B Jooste	X	5/5		4/4[@]
MH Muller[#]	X	5/5	X	4/4
VJ Mungunda[∞]	X	5/5		
FK Heunis	X	5/5		4/4[@]
C van der Westhuizen (Chief Asset Manager)		4/4[@]		4/4[@]

Note that 1 out of 5 meetings was an ad hoc meeting.

	Remuneration and Nomination Committee		Investment Committee	
Director/Executive	Member	Attendance	Member	Attendance
PM Kazmaier[¥]	X	1/1	X	2/2
A Angula				
JJ Comalie	X*	2/2		
RMM Gomachas	X	1/1		
B Jooste		2/2[@]		4/4[@]
MH Muller[#]			X*	4/4
VJ Mungunda[∞]	X	2/2	X	4/4
FK Heunis		2/2[@]		4/4[@]
C van der Westhuizen				4/4[@]
LH Anderson (Asset Manager)				4/4[@]

@ By invitation.
* Chairperson.
# South African.
¥ Retired.
∞ Appointed as Chairperson.

Directors' fees

Actual fees paid to Non-executive Directors

Director	2023 N$'000	2022 N$'000
J Mungunda (Board Chairperson)	536	367
A Angula (Deputy Chairperson)	526	461
PM Kazmaier [¥]	310	556
MH Muller	635	579
JJ Comalie	506	446
RMM Gomachas	240	192
NBS Harris [$]	–	151
JC Kuehhirt [$]	–	194
A Swanepoel [$]	–	140
Total	2,753	3,086

¥ Retired 28 November 2022.
$ Resigned / retired 22 November 2021.

Directors' remuneration

Actual amounts paid or allocated* to Executive Directors (N$'000)

2023

	Cash salary	Short-term incentive	Long-term incentive*	Total
B Jooste	2,586	646	862	4,094
FK Heunis	1,456	364	485	2,305
Total	4,042	1,010	1,347	6,399

2022

Director	Cash salary	Short-term incentive	Long-term incentive*	Total
B Jooste	2,321	676	970	3,967
FK Heunis	1,300	380	542	2,222
Total	3,621	1,056	1,512	6,189

* Long-term incentive amounts allocated during the year vests after a three-year period.

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

Company secretary

Bonsai Secretarial Compliance Services
Unit 6
Gold Street Business Park, Prosperita, Windhoek
P O Box 90757, Windhoek

Registered office

Maerua Mall Office Tower
2nd Floor
Cnr Jan Jonker Road and Robert Mugabe Avenue, Windhoek
P O Box 97723, Maerua Park, Windhoek

Auditor

Deloitte & Touche
Deloitte Office Building
Maerua Mall Complex
Jan Jonker Road, Windhoek
P O Box 47, Windhoek

Deloitte & Touche will continue to be the auditor of the Company in terms of the Companies Act, section 278(1).

Related party interests

The joint beneficial interests of directors and the Oryx Long Term Share Incentive (LTI) Trust in the equity of the Company as at 30 June 2023 were 0.67% (2022: 0.45%) and can be analysed as per the table below:

	Direct beneficial		Total	
	Linked units	**%**	**Linked unit**	**%**
2023				
Oryx LTI Trust	**434,386**	**0.50**	**434,386**	**0.50**
B Jooste	**152,648**	**0.17**	**152,648**	**0.17**
Total	**587,034**	**0.67**	**587,034**	**0.67**

	Direct beneficial		Total	
	Linked units	%	Linked unit	%
2022				
Oryx LTI Trust	282,761	0.32	282,761	0.32
B Jooste	113,223	0.13	113,223	0.13
Total	395,984	0.45	395,984	0.45

Refer to note 13, which refers to the changes in the LTI during the year.

Borrowings

The Company's Articles of Association limits the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets, but due to covenants limiting the overall borrowing capacity to only 50%, this is used to determine the borrowing capacity.

The Group's long-term borrowings at 30 June 2023 are disclosed in note 16.2 to the Annual Financial Statements, representing a LTV 35.0% (2022: 36.2%) of the total assets, including the directors' bona fide valuation of the consolidated real estate portfolio. Debentures are excluded from the long-term borrowings for the purpose of this calculation.

Acquisitions, developments and disposals

The below table provides a summary of the major capital expenditure incurred during the year:

	2023 N$'000	2022 N$'000
Baines Retail Centre	**689**	1,386
Erf 422, Elisenheim	**623**	1,262
Maerua Mall Retail	**10,015**	5,829
Maerua Mall Phase Two Retail	**3,596**	2,562
Gustav Voigts Retail Centre	**22,589**	11,139
Erf 6406, Solingen Street	**873**	1,422
Maerua Park Retail	**806**	1,743
Erf 3519, Iscor Street	**30,027**	2,419
Erf 135, Scania	**1,776**	–
Erf 7827 Julius K. Nyerere Street	**296**	–
Channel Life Office Tower	**–**	652
Maerua Family Entertainment Centre	**–**	66
Maerua Mall Office Tower	**–**	1,523
Erf 2671, Walvis Bay	**–**	978
Other	**886**	923
Total additions for the year*	**72,176**	31,904

* Inclusive of the development costs below.

The following developments were made during the year (2022: nil).		
Gustav Voigts Centre Checkers upgrade	**17,731**	–
Erf 3519 Iscor Street development	**30,027**	–
Solar project (various properties)	**4,178**	–
	51,936	–

No disposals were made during the year (2022: nil).

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

Going concern

The directors have assessed the Group's ability to continue as a going concern. As at 30 June 2023, the Group's net asset value amounted to N$2,093 million, and available funding of N$409 million excluding the Domestic Medium-Term Note Programme (DMTNP) and Maerua Mall Development Loan. The following were considered as part of the Group's going concern assessment:

Maturity of facilities during the next 12 months

Refer to the Subsequent events paragraph below for more detail on facilities maturing within the next 12 months and new facilities entered.

The only facilities expiring in the 2024 financial year which have not been refinanced to date are the N$150 million ABSA term loan facility, €9.7 million ABSA Euro facility and unutilised N$130 million ABSA Revolving Credit Facility, of which the aforementioned can be repaid out of existing available facilities, should the Group be unable to refinance. It is therefore evident that a significant amount of work has been done to refinance the Group's facilities expiring in the next 12 months through better funding terms than historically.

Access to liquidity

The suppressed economic environment may impact debt funders' risk appetite and limit access to the Group's liquidity. The Group continuously review its funding, including its maturity profile, and monitors the debt capital markets to ensure that it is well positioned in relation to refinancing opportunities. During the year, the Group's N$83.3 million bond matured and it was increased to a N$248.5 million bond, which bolstered the Group's liquidity and confirmed the Group's ability to increase liquidity.

Covenants

The Group's current LTV of 35.0% (2022: 37.3%) is well below the maximum loan-to-value bank covenants that the Group is exposed to, being between 50% and 55%. The Group's interest cover ratio of 2.3 times (2022: 2.8 times) is above the minimum interest cover ratio covenants that the Group is exposed to, and the necessary stress testing for the 2024 financial year was performed in order for the directors to gain comfort on the Group's going concern in this regard. The current ABSA bonded portfolio vacancy of 9.8% is below the covenant of 10%, of which condonement to 20% has been obtained subsequent to year-end. Over the years, the Group has proven its ability to obtain condonement for loan covenants when required and therefore we do not foresee any risk to breaching covenants.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Subsequent events

Subsequent to year end, on 1 August 2023, the Group concluded the acquisition of the Dunes Mall (Proprietary) Limited amounting to N$628.25 million, which is the registered owner of the Dunes Mall located in Walvis Bay. 49% of the acquisition price was funded from equity through the rights issue. The remainder of the acquisition price was settled from the proceeds of a temporary bridge facility which will be converted into a N$500 million preference share facility with RMB. The facility has a four-year tenure and is priced at 3M JIBAR plus 1.39%. A portion of the remainder of the facility was used to repay the Nedbank N$75 million facility priced at 3M JIBAR plus 2.75% on 31 August 2023, whereas the RMB N$100 million facility priced at 3M JIBAR plus 2.98% is expected to be repaid with the conclusion of the preference share facility agreement.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

For the year ended 30 June 2023

	Notes	Group 2023 N$'000	Group 2022 N$'000	Company 2023 N$'000	Company 2022 N$'000
ASSETS					
Non-current assets					
Investment properties	6	3,019,424	2,763,340	727,852	580,673
- At valuation		3,095,052	2,839,545	735,956	589,243
- Straight-line adjustment		(75,628)	(76,205)	(8,104)	(8,570)
Furniture and equipment	7	625	888	564	785
Interest in subsidiaries	8	–	–	1,474,075	1,452,336
Investment in associate	9	359,046	290,111	359,046	290,111
Deferred expenditure	11.1	6,912	6,641	253	511
Rental receivable straight-line adjustment	14	70,107	71,724	9,377	9,205
Derivative asset	26	7,424	15,104	7,424	15,104
		3,463,538	3,147,808	2,578,591	2,348,725
Current assets					
Taxation receivable	30	2,478	2,461	2,466	2,453
Trade and other receivables		31,128	28,117	14,188	12,858
- Trade and other receivables	11.2	25,607	23,636	12,297	10,782
- Rental receivable straight-line adjustment	14	5,521	4,481	1,891	2,076
Dividend receivable	9	4,260	3,955	4,260	3,955
Deferred expenditure	11.1	3,337	2,868	266	462
Derivative asset	26	10,166	2,862	10,166	2,862
Cash and cash equivalents	11.3	17,033	18,127	8,116	15,997
		68,402	58,390	39,462	38,587
Non-current assets held for sale					
Investment property held for sale	32	–	70,000	–	70,000
		–	70,000	–	70,000
TOTAL ASSETS		3,531,940	3,276,198	2,618,053	2,457,312
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	869	871	874	874
Non-distributable reserves	15	1,343,334	1,183,116	497,295	406,875
Distributable reserves		128,416	97,711	130,868	108,582
		1,472,619	1,281,698	629,037	516,331
Non-current liabilities					
Debentures	16.1	390,057	391,061	392,330	392,330
Debenture premium	16.1	230,133	252,560	231,774	253,551
Interest-bearing borrowings	16.2	781,263	947,352	781,263	947,352
Deferred taxation	18	61,329	57,817	19,293	15,213
Lease liability	33	6,943	–	6,943	–
		1,469,725	1,648,790	1,431,603	1,608,446
Current liabilities					
Trade and other payables	19	67,319	42,691	35,136	29,516
Derivative liability	17	–	1,896	–	1,896
Deferred income	20	1,486	1,381	1,486	1,381
Interest-bearing borrowings	16.2	461,273	174,106	461,273	174,106
Linked unitholders for distribution	29	58,789	50,636	58,789	50,636
Lease liability	33	729	–	729	–
		589,596	270,710	557,413	257,535
Liabilities directly associated with non-current Assets classified as held for sale					
Non-current liabilities held for sale	32	–	75,000	–	75,000
		–	75,000	–	75,000
TOTAL EQUITY AND LIABILITIES		3,531,940	3,276,198	2,618,053	2,457,312

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Group		Company	
	Notes	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
REVENUE	5	356,330	355,886	115,889	108,253
- Rental - operating income		356,907	335,408	115,902	109,796
- Rental - straight-line adjustment		(577)	20,478	(13)	(1,543)
Property expenses		(120,898)	(113,661)	(33,884)	(32,419)
NET RENTAL INCOME		235,432	242,225	82,005	75,834
Share of profit from associate after tax	9	53,464	18,398	53,464	18,398
Investment income	21	214	100	158,058	116,295
Dividends received	31	–	751	–	751
Amortisation of debenture premium	16.1	8,300	21,413	8,300	21,413
Changes in fair value of investment property		100,322	26,345	29,877	8,262
- As per valuations	6	99,745	46,823	29,411	5,816
- Straight-line adjustment	6	577	(20,478)	466	2,446
Changes in fair value of derivative instruments		1,519	29,045	1,519	29,045
Exchange differences on foreign loan		(14,118)	1,208	(14,118)	1,208
Changes in fair value of listed investments		(652)	(21)	–	695
Impairment loss on investment in subsidiaries	8	–	–	(6,148)	(5,450)
Other expenses	22	(26,755)	(34,154)	(31,858)	(31,343)
OPERATING PROFIT BEFORE FINANCE COSTS AND DEBENTURE INTEREST		357,726	305,310	281,099	235,108
Less: Finance costs	23	(102,703)	(85,421)	(103,349)	(85,421)
OPERATING PROFIT BEFORE DEBENTURE INTEREST		255,023	219,889	177,750	149,687
Less: Debenture interest expense	29	(91,966)	(88,721)	(92,365)	(88,908)
PROFIT BEFORE TAXATION		163,057	131,168	85,385	60,779
Taxation	24	(4,546)	(26,116)	(5,091)	(12,402)
PROFIT FOR THE YEAR		158,511	105,052	80,294	48,377
OTHER COMPREHENSIVE INCOME	9	32,412	804	32,412	804
Items that may be reclassified subsequently to profit or loss: Foreign exchange differences on associate	9	32,412	804	32,412	804
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		190,923	105,856	112,706	49,181
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		158,511	105,052	80,294	48,377
Non-controlling interest		–	–	–	–
		158,511	105,052	80,294	48,377
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		190,923	105,856	112,706	49,181
Non-controlling interest		–	–	–	–
		190,923	105,856	112,706	49,181
BASIC AND DILUTED EARNINGS PER SHARE (CENTS)	25	182.14	120.52		
BASIC AND DILUTED EARNINGS PER LINKED UNIT (CENTS)	25	287.82	222.31		

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Capital Share N$'000	Distributable reserves N$'000	Non-distri-butable reserves N$'000	Total N$'000
Group				
Balance at 30 June 2021	874	74,022	1,100,949	1,175,845
Net profit attributable to linked unitholders	–	105,052	–	105,052
Other comprehensive income	–	804	–	804
Transfer profit to non-distributable reserves	–	(82,167)	82,167	–
Share repurchase	(3)	–	–	(3)
Balance at 30 June 2022	871	97,711	1,183,116	1,281,698
Net profit attributable to linked unitholders	**–**	**158,511**	**–**	**158,511**
Other comprehensive income	**–**	**32,412**	**–**	**32,412**
Transfer profit to non-distributable reserves	**–**	**(160,218)**	**160,218**	**–**
Share repurchase	**(2)**	**–**	**–**	**(2)**
Balance at 30 June 2023	**869**	**128,416**	**1,343,334**	**1,472,619**
Company				
Balance at 30 June 2021	874	109,227	357,049	467,150
Net profit attributable to linked unitholders	–	48,377	–	48,377
Other comprehensive income	–	804	–	804
Transfer profit to non-distributable reserves	–	(49,826)	49,826	–
Balance at 30 June 2022	874	108,582	406,875	516,331
Net profit attributable to linked unitholders	**–**	**80,294**	**–**	**80,294**
Other comprehensive income	**–**	**32,412**	**–**	**32,412**
Transfer profit to non-distributable reserves	**–**	**(90,420)**	**90,420**	**–**
Balance at 30 June 2023	**874**	**130,868**	**497,295**	**629,037**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 30 June 2023

		Group		Company	
	Notes	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
OPERATING ACTIVITIES					
Cash generated by operating activities	28	235,551	194,887	229,707	188,354
Investment income received	21	214	100	212	100
Finance costs paid		(106,324)	(85,980)	(106,325)	(86,798)
Distribution paid to linked unitholders	29	(97,287)	(76,100)	(97,686)	(76,287)
Taxation paid	30	(1,051)	(1,392)	(1,023)	(1,363)
Net cash inflow		31,103	31,515	24,885	24,006
INVESTING ACTIVITIES					
Acquisition of and additions to investment properties	6	(72,176)	(31,904)	(33,717)	(6,294)
- Additions	6	(20,240)	(31,904)	(2,558)	(6,294)
- Acquisitions/developments	6	(51,936)	–	(31,159)	–
Acquisition of furniture and equipment	7	(182)	(564)	(182)	(564)
Dividends received from listed shares	31	–	751	–	751
Dividends received from associates		16,637	13,165	16,637	13,165
Investment in subsidiary companies		–	–	(41,335)	(20,695)
Disposal of Investment in listed shares	10	–	14,873	–	14,873
Purchase of Notarial Agreement of Lease	33	(6,000)	–	(6,000)	–
Net cash (outflow)/ inflow		(61,721)	(3,679)	(64,597)	1,236
FINANCING ACTIVITIES					
Repayments of loans	16.2	(230,600)	(27,712)	(230,600)	(27,712)
Additional facilities drawn	16.2	262,560	12,761	262,560	12,761
Repurchase of linked units		(2,307)	(2,327)	–	–
Payment of principal portion of lease liabilities		(129)	–	(129)	–
Net cash inflow / (outflow)		29,524	(17,278)	31,831	(14,951)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,094)	10,558	(7,881)	10,291
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		18,127	7,569	15,997	5,706
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11.3	17,033	18,127	8,116	15,997

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

1 General information

Oryx Properties Limited (the Company) is a company incorporated in Namibia. The address of its registered office is disclosed in the directors' report. The principal activities of the Company and its subsidiaries (the Group) are described in the directors' report.

The financial statements are presented in Namibian Dollar (N$) and are rounded to the nearest thousand. Foreign currency transactions/investments are included in accordance with the policies set out in note 3.7.

2 Adoption of new and revised standards

2.1 New and amended IFRS that are effective for the current year

The Group adopted the following revised accountings standards during the current year:

Standards and interpretations which have become effective and been adopted by the Group during the year include:

- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018–2020; and
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact.

The directors have assessed the impact of the above standards and interpretations on the business and have determined their impact to be immaterial.

2.2 New and revised IFRS in issue but not yet effective

Certain new accounting standards and IFRIC interpretations have been published that are applicable for future accounting periods. These new standards and interpretations have not been early adopted by the Group. The directors do not expect that the adoption of the standards listed below will have a material impact on the financial statements of the Group in future periods, except as noted below:

	IFRS		
Standard	Pronouncement	Effective date	Currently applicable
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture.	TBD	No

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies

The financial statements incorporate the principal accounting policies set out below and apply to the consolidated (Group) and separate (Company) financial statements.

3.1 Statement of compliance

The Group financial statements comprise the consolidated and separate financial statements. The Annual Financial Statements are prepared in accordance with IFRS and the requirements of the Companies Act of Namibia. All accounting policies applied in the preparation of these annual consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated and separate financial statements.

3.2 Basis of preparation

The annual consolidated financial statements are prepared on the historical cost basis, except for investment properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

Fair value adjustments do not affect the calculation of distributable earnings; however, they do affect the net asset value per linked unit to the extent that the adjustments are made to the carrying value of the assets and liabilities.

The functional currency of the Group is the N$ and all amounts are rounded to the nearest thousand.

The principal accounting policies adopted are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. An investor determines whether it is a parent by assessing whether it controls one or more investees.

An investor controls an investee if and only if the investor has all the following elements:

- Has power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of the investor's returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous unitholders' meetings

3 Accounting policies (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below)
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard

Before recognising a gain on a bargain purchase, the acquirer shall re-assess whether it has correctly identified all the assets acquired and all the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated, except for inter-Company interest during the period of construction or refurbishment, which is capitalised to the cost of the property. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group applies the operational concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

3.4 Investment in associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. The Company has elected to apply the equity method to the investment, which is in line with the Group.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.4 Investment in associate (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after re-assessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate .When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate .When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date, and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate, but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.5 Investment properties

The Group applies the fair value model to all the investment properties. Investment property consists of land and buildings, installed equipment and undeveloped land held to earn rental income for the long-term and subsequent capital appreciation (including property under construction for such purposes).

Investment properties are initially recorded at cost, including transaction costs. Subsequent expenditure, other than tenant installation costs, relating to investment properties is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment properties are measured at fair value. Fair values are determined bi-annually. Gains or losses arising from changes in the fair values are included in net profit or loss for the period in which they arise and are excluded in determining the distributable income. Unrealised gains are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised losses are transferred against a non-distributable reserve to the extent that the decrease does not exceed the amount held in the non-distributable reserve. Investment property is maintained, upgraded and refurbished, where necessary, to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against the statement of comprehensive income.

Properties purchased by the Group and settled by the issuing of shares are recorded at the fair value of the properties acquired.

The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

3 Accounting policies (continued)

3.5 Investment properties (continued)

On disposal of investment properties, the difference between the net disposal proceeds and the carrying value is charged or credited to the statement of comprehensive income and then transferred from/to non-distributable reserves, provided that such transfer shall not result in an accumulated loss.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The financial statements are presented in N$.

	2023	2022
Spot Euro rate	**20.38**	17.02
Average Euro rate	**18.60**	17.13

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.8 Furniture and equipment

Items of furniture and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the Group, and they have a cost that can be measured reliably. Subsequent expenditure is capitalised when it is measurable and will result in probable future economic benefits. Expenditure incurred to replace a component of an item of furniture or equipment is capitalised to the cost of the item of furniture and equipment and the part replaced is derecognised.

All other expenditure is recognised in profit or loss as an expense when incurred. Subsequent to initial recognition, furniture and equipment are stated at cost less accumulated depreciation and impairment losses. Furniture and equipment are depreciated on a straight-line basis over the period over which the assets are expected to be available for use by the Group. Depreciation is recognised in the statement of comprehensive income. The following depreciation rates have been used:

Equipment	33.33% per annum
Furniture	20.00% per annum

Items of furniture and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The useful lives and residual values of equipment are reviewed annually.

3.9 Taxation

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. Income tax expense represents the sum of tax currently payable and deferred tax. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company, supported by previous experience in respect of such activities and, in certain cases, based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Accounting policies (continued)

3.9 Taxation (continued)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the sale presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority or the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.10 Impairment of tangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 Investment in subsidiaries

In the Company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment. Oryx holds a 100% shareholding in all subsidiaries; therefore, they are controlled by the Company. The management of the subsidiaries is also performed by Oryx. The subsidiary companies comprise investment property which earns rental income (refer to note 8 for more details).

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability (other than the financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

Transaction costs attributable to the acquisition of financial assets and/or liabilities at FVTPL are recognised immediately in profit or loss.

3.12.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or FVTPL, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met

i. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECLs), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECLs, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Classification of financial assets (continued)

i. Amortised cost and effective interest method (continued)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "investment" line item (note 21).

ii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so-called accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "dividends received" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "exchange differences on foreign loan" line item.
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "exchange differences on foreign loan" line item. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve.
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "exchange differences on foreign loan" line item.

Impairment of financial assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Impairment of financial assets (continued)

1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relates to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default

(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term

(3 Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The Group considers a financial asset to have low credit risk when the asset has an external credit rating of investment grade in accordance with the globally understood definition, or if an external rating is not available, the asset has an internal rating of performing. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

2) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group)

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Impairment of financial assets (continued)

2) Definition of default (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3) Credit-impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

a) Significant financial difficulty of the issuer or the borrower

b) A breach of contract, such as a default or past due event (see (2) above)

c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider

d) It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation

e) The disappearance of an active market for that financial asset because of financial difficulties

4) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

5) Measurement and recognition of ECL

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs are consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.12.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent considerations of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Foreign exchange gains and losses

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "exchange differences on foreign loan" line item in profit or loss (note 16.2) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.2 Financial liabilities and equity (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between:

(1) The carrying amount of the liability before the modification; and

(2) The present value of the cash flows after modification,

(3) Should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3.13 Ordinary shares

Ordinary shares are classified as equity. Each ordinary share is linked to a debenture and together comprise a linked unit. Shares issued by the Group are recognised at the proceeds received, net of direct issue cost.

3.14 Debentures and debenture premium

Debenture and debenture premium are classified under borrowings. Debentures are recognised at nominal value.

Debenture premium is separately disclosed and is recognised at the proceeds net of nominal value of debenture and transaction costs of issue. Debenture premium is amortised on a straight-line basis over the minimum contractual term of the debt instrument, namely the remaining portion from December 2002. An amendment to the Debenture Trust Deed was approved during the year whereby it was extended for a further 25 years, and the debentures will therefore mature in December 2052.

At a general meeting held on 20 May 2021, an amendment to the Debenture Trust Deed was approved whereby the minimum interest distribution pay-out ratio was decreased to 75%, but will return to 90% from the 2025 financial year. In terms of the Debenture Trust Deed, the interest entitlement on each debenture is based on the pay-out percentage of the IFRS profit/(loss) for the year of the Company adjusted for:

- Debenture interest
- Depreciation/amortisation
- Straight-line adjustments
- Any fair value adjustments
- Profit/loss on sale of investment property and investments
- Any exchange gains/losses due to translation from a foreign currency
- Income received from associate other than by way of dividends, and with, all capital items noted above being transferred to any non-distributable reserve.

Any interest remaining unclaimed for a period of three years from its declaration may, provided notice of the declaration has been sent to the last registered address of the person entitled thereto, be forfeited by resolution of the directors for the benefit of the Company. The directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed interest may be invested or otherwise made use of by the directors for the benefit of the Company. Monies other than interest due to debenture holders must be held in trust by the Company indefinitely until lawfully claimed by the debenture holder.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.15 Treasury linked units

Linked units in Oryx held by Oryx LTI Trust are held for employee participants in the Executive Incentive Scheme and are classified as treasury linked units. The book value of these linked units, together with related transaction costs, is deducted from equity and liabilities and disclosed separately in the statement of changes in equity and statement of financial position, respectively. The issued and weighted average number of linked units is reduced by the treasury linked units for the purposes of the basic and headline earnings per linked unit calculations.

The issued number of linked units is not reduced by the treasury linked units for the purpose of the interest distribution per linked unit calculations. Interest distribution received on treasury shares is recognised as income in the Trust and is utilised in meeting operational costs of the Trust. When treasury linked units held for employee participants vest in such participants, the linked units will no longer be classified as treasury linked units, their cost will no longer be deducted from equity and their number will be taken into account for the purposes of basic and headline earnings per linked unit calculations.

3.16 LTI accrual

The Group's bonus and LTI accrual is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as accrual is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3.17 Revenue recognition

Rental income

Revenue comprises of gross rental income, including all recoveries from tenants. Rental income and fixed operating costs recoveries are recognised on a straight-line basis in accordance with IFRS 16 Leases. Turnover rental income is recognised on the accrual basis and measured at fair value.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by references to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividends are recognised when the right to receive them is established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3.18 Deferred expenses

Deferred expenses comprise tenant installation costs and letting commissions that are amortised on a straight-line basis over the lease period to which they relate.

3.19 Segment reporting

Information reported to the Group's Chief Operating Decision Maker for the purpose of resource allocation and assessment of its performance is based on the economic sectors in which the investment properties operate. Each sector has an associated risk profile and is managed separately. The Group has determined that its Chief Operating Decision Maker is the CEO.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions.

3 Accounting policies (continued)

3.19 Segment reporting (continued)

The CEO considers the business based on the following operating segments:

- Office – comprises commercial properties
- Retail – comprises shopping centres
- Industrial – comprises industrial properties
- Residential – comprises residential properties
- Fund – comprises head office and administration function

The operating segments derive their revenue primarily from revenue income from lessees. All of the Group's business activities and operating segments are reported within the above segments.

The Group considers the below segments for geographical reporting purposes as secondary business segments:

1. Namibian
2. Non-Namibian

3.20 Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

Group as a lessee

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of the line item "Investment property" in the statement of financial position. The Group elects to apply the fair value model to measure an investment property that is held as a right-of-use asset. Further details on the measurement of investment property at fair value are provided in Note 6.

Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in lease term. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment which is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

3 Accounting policies (continued)

3.21 Dividend declared

Dividends are recognised when the right to pay them is established.

3.22 Employee benefits

Short-term benefits

The cost of all short-term employee benefits is recognised in the statement of comprehensive income during the period in which the employee renders the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff incentive schemes and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of employees' services provided up to the reporting date.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service during the incentive cycle in respect of the linked units allocated to executives in accordance with the performance and award criteria set out in the Trust deed. The loan to the Trust for the purchase of the linked units was accounted for under IAS 19 Employee Benefits and eliminated upon consolidation.

3.23 Non-distributable reserve

The non-distributable reserve relates to items that are not distributable to unitholders, such as fair value adjustments on the revaluation of investment property, derivatives and treasury linked units, derivatives, the straight-line lease income adjustment, non-cash charges, capital items, deferred tax and bargain purchases.

3.24 Cash and cash equivalents

Cash and cash equivalents comprise petty cash, cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value.

Cash and cash equivalents are measured at amortised cost, which approximates fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

3.25 Deferred income

Deferred income comprises rental and recoveries received in advance and is recorded on a straight-line basis over the underlying contract period.

3.26 Listed and other investments

Listed investments consisted of shares in Tower Property Fund Limited (Tower) and was initially recorded at fair value on purchase of the investment with gains or losses subsequent to initial recognition being recorded in profit or loss. Fair value was determined in the manner as described in note 3.12. The investment was disposed of during the prior financial year.

4 Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4 Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

I. Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences

II. Recent prices of similar properties in less active markets, with adjustment to reflect any changes in economic conditions since the date of the transactions that occurred at those prices

III. Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using pretax discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows

Refer to note 6 for the valuation techniques as well as the inputs into the model and note 38 detailing sensitivities of key estimates.

Principal assumptions for management's estimation of fair value

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow and income capitalisation method valuation techniques, costs capitalised to date on developments and the purchase price for similar land where vacant land needs to be valued. The Group uses assumptions that are mainly based on market conditions existing at each statement of financial position date (refer to note 36 for financial disclosure).

The methodology applied for the different valuation methods is as follows:

1. Discounted cash flow method: in determining the valuation, the project income (based on the receipt of contractual rentals or expected future market rentals), adjusted for forecasted expenses discounted at appropriate discount rates, is determined for a period of 5 to 10 years. The present values are combined with the residual values, which is the anticipated selling value at present value.
2. Income capitalisation method: net property income is discounted at appropriate discount rate into perpetuity.
3. Vacant land: purchase price of similar land at market-related rental.

Parameters which are applied during the valuation are: market rental growth, expenses inflation, period of cash flows, discount rate, capitalisation rate and reversionary rate. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

4 Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

Provision for impairment of trade receivables

The Group recognises a lifetime ECL for trade receivables, as per note 11.2. Management exercises judgement in the assessment of the credit risk for the measurement of the ECLs.

The following information is taken into account when assessing the credit risk:

- The existing and expected changes in business and economic conditions in the industrial, retail, residential and office sectors, which may cause a significant decrease in the debtor's ability to meet its debt obligations.
- Historical recoverability and financial viability of the debt is assessed using the simplified approach.
- Irrespective of the outcome of the above, the Group presumes that the credit risk on trade receivables has increased significantly since initial recognition when contractual payments are more than past due, unless the Group has reasonable information that demonstrates otherwise. This means all receivables over 60 days past due.
- Individual debtors assessments were also performed in addition to consider the increased credit risk as a result of the COVID-19 pandemic.
- The rent relief provided to tenants as a result of the COVID-19 pandemic was limited to three months and the impact thereof has been accounted for in the provision matrix.

4.2 Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Allocation of share premium and debenture premium

The Group has determined, in terms of the requirements of accounting standards, that the linked unit premium should be classified as debenture premium and not share premium. Debenture premium will be amortised over the minimum contractual period of the debentures, namely the remaining portion from December 2002 (refer to note 37 for financial disclosure).

Deferred taxation on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but rather through sale.

Therefore, in determining the Group's deferred tax on the investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties in Namibia as the Group is not, other than for its South African properties, subject to any income taxes on the fair value changes of the investment properties on disposal.

4 Critical accounting estimates and judgements (continued)

4.2 Critical judgements in applying the group's accounting policies (continued)

Going concern

The directors have assessed the Group's ability to continue as a going concern. As at 30 June 2023, the Group's net asset value amounted to N$2,093 million, and available funding of N$409 million excluding the Domestic Medium-Term Note Programme (DMNTP) and Maerua Mall Development Loan. The following were considered as part of the Group's going concern assessment:

Maturity of facilities during the next 12 months

Subsequent to year-end, the Group acquired the Dunes Mall (Proprietary) Limited through a combination of equity (49%) and debt (51%). The acquisition price amounted to N$628.25 million. The debt portion was financed through a N$500 million bridge facility which will be converted to a preference share facility obtained from RMB priced at 3M JIBAR plus 1.39%, which is the most favourable pricing obtained in Oryx's external financing history by margin. The facility was further utilised to repay the N$75 million Nedbank on 31 August 2023 and anticipating the repayment of a N$100 million RMB facility. These two facilities were the Group's most expensive facilities and hence the decision made to settle them.

The only facilities expiring in the 2024 financial year which was not refinanced to date is the N$150 million ABSA term loan facility, €9.7 million ABSA Euro facility and unutilised N$130 million ABSA Revolving Credit Facility, of which the aforementioned can be repaid out of existing available facilities, should the Group be unable to refinance. It is therefore evident that a significant amount of work has been done to refinance the Group's facilities expiring in the next 12 months through better funding terms than historically.

Access to liquidity

The suppressed economic environment may impact debt funders' risk appetite and limit access to the Group's liquidity. The Group continuously review its funding, including its maturity profile, and monitors the debt capital markets to ensure that it is well positioned in relation to refinancing opportunities. During the year, the Group's N$83.3 million bond matured and it was increased to a N$248.5 million bond, which bolstered the Group's liquidity and it was confirmed that access to liquidity is available.

Covenants

The Groups' current LTV of 35.0% (2022: 36.2%) is well below the maximum loan-to-value bank covenants that the Group is exposed to, being between 50% and 55%. The Group's interest cover ratio of 2.3 times (2022: 2.8 times) is above the minimum interest cover ratio covenants that the Group is exposed to, and the necessary stress testing for the 2024 financial year was performed in order for the directors to gain comfort on the Group's going concern in this regard. The current ABSA bonded portfolio vacancy of 9.8% is below the covenant of 10%, of which condonement to 20% was obtained subsequent to year-end. Over the years, the Group has proved being able to obtain condonement for loan covenants when required and therefore we do not foresee any risk to breaching covenants.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

5 Revenue

The directors have assessed the following:

- Rental and recovery income falls outside the scope of IFRS 15. This is included in the scope of IFRS 16 Leases (2022: IFRS 16 Leases).
- Interest, dividend and other income fall outside of the scope of IFRS 15, as this is included in the scope of IFRS 9 Financial Instruments.
- The amounts that are included in income, which falls within the scope of IFRS 15, are recognised when the performance obligations have been fulfilled and the customer obtains control of the goods or services. The performance obligations are distinct and stipulated in the agreement with the various parties. The amount recognised as revenue is stipulated in or calculated based on the agreement.

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Basic rental income	260,210	235,551	89,004	84,913
Turnover rental	1,570	837	52	–
Late payment interest and penalties on operating income	536	110	342	55
Bad debt recovered	617	11,885	180	69
Total operating income	262,933	248,383	89,578	85,037
Straight-line adjustments	(577)	20,478	(13)	(1,543)
Recovery of property expenses	93,974	87,025	26,324	24,759
Total rental income	356,330	355,886	115,889	108,253

The above is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 34).

6 Investment properties

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Reconciliation of investment property				
Balance at fair value at beginning of the year	2,763,340	2,775,091	580,673	636,117
Investment properties at valuation	2,839,545	2,830,818	589,243	647,133
Cumulative rental straight-line adjustments	(76,205)	(55,727)	(8,570)	(11,016)
Additions	20,240	31,904	2,558	6,294
Developments	51,936	–	31,159	–
Fair value adjustments	99,745	46,823	29,411	5,816
Rental straight-line adjustment	577	(20,478)	466	2,446
Investment property held for sale (note 32)	70,000	(70,000)	70,000	(70,000)
Properties held under lease	13,586	–	13,586	–
Balance at fair value at end of the year	3,019,424	2,763,340	727,852	580,673
Investment properties at valuation	3,095,052	2,839,545	735,956	589,243
Cumulative rental straight-line adjustments	(75,628)	(76,205)	(8,104)	(8,570)

6 Investment properties (continued)

Properties of the Group are as follows:

	Fair value 2023 N$'000	Fair value 2022 N$'000	Subsidiary name
INDIRECTLY OWNED PROPERTIES			
Maerua Mall	**584,400**	561,100	Maerua Mall (Proprietary) Limited
Maerua Park	**226,860**	240,420	Maerua Park Properties (Proprietary) Limited
Maerua Phase Two Retail	**476,425**	438,600	Phase Two Properties (Proprietary) Limited
Deloitte Office Building	**50,500**	49,000	Maerua Mall (Proprietary) Limited
Methealth Office Building	**63,000**	59,540	Maerua Mall (Proprietary) Limited
Triple A	**3,100**	3,100	Triple A (Proprietary) Limited
Engedi Residential Complex	**42,240**	40,700	Engedi Properties (Proprietary) Limited
Inyati Residential Complex	**68,500**	66,300	Inyati Estates Seven (Proprietary) Limited
Penuel Residential Complex	**24,450**	24,000	Capital Grow Number Seven (Proprietary) Limited
Erf 6977, Newcastle Street	**25,600**	25,700	Allied Cargo (Proprietary) Limited
Family Entertainment Retail Centre	**30,000**	28,000	Maerua Family Entertainment Centre (Proprietary) Limited
Gustav Voigts Retail Centre	**556,500**	515,000	Gustav Voigts Centre (Proprietary) Limited
Erf 8081, Solingen Street	**128,500**	122,507	CIC Property Holding Trust (Proprietary Limited
Erf 6621, Kalie Roodt Street	**40,000**	38,600	CIC Property Holding Trust (Proprietary) Limited
Erf 2671, Walvis Bay	**10,500**	10,720	CIC Property Holding Trust (Proprietary) Limited
Erf 334, Keetmanshoop	**1,520**	1,515	CIC Property Holding Trust (Proprietary) Limited
Erven 6660/6661/7780, Joule Street	**27,000**	25,500	Verona Investments (Proprietary) Limited
Total	**2,359,095**	2,250,302	

	2023 N$'000	2022 N$'000
DIRECTLY OWNED PROPERTIES		
Baines Retail Centre	**114,600**	92,650
Channel Life Office Tower (note 32)	**76,600**	70,000
Erf 132, Rendsburger Street	**26,715**	24,230
Erf 7827, Julius K. Nyerere Street	**49,100**	49,050
Erf 698, Edison Street	**42,000**	38,100
Erf 6601, Tal Street	**66,050**	59,000
Erf 51, Platinum Street	**74,500**	63,300
Erf 441, Platinum Street	**25,150**	24,400
Erf 135, Rendsburger Street	**69,206**	68,638
Urban Village @ Elisenheim	**91,650**	90,525
Erf 3519, Iscor Street	**40,400**	18,850
Erf 972 and 973, Constantia Kloof, Roodepoort	**46,400**	60,500
Erf 8317, Windhoek*	**13,586**	–
Total	**735,957**	659,243

* Property held under lease.

Refer to note 38 for fair value disclosures.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

6 Investment properties (continued)

Investment properties were independently valued at 30 June 2023 by Michael Robert Barry Gibbons (Nat.Dip. Prop.Val. and MRICS MIV (SA)) of Mills Fitchet Magnus Penny, who is not connected to the Group. The valuation conforms to International Valuation Standards. The valuator has extensive experience in commercial, retail, residential and industrial valuations throughout South Africa and Namibia.

The fair value of the retail, office and industrial portfolios of the investment properties was based on various valuation methods based on specific considerations to the properties. Significant judgement is required when evaluating the inputs into the fair value determination and hence this is seen as critical to the estimation uncertainty. A 10-year cash flow was used for Maerua Mall, Maerua Park Properties, Gustav Voigts Centre, Baines Retail Centre and Maerua Mall Phase 2 properties and is considered to be appropriate based on lease agreements in place. The remainder of the portfolio was based on either a five-year cash flow or capitalisation of the net income earnings into perpetuity. Some of the smaller industrial companies were valued using the discounted cash flow model. The vacant industrial land was valued based on the purchase price for similar land and after taking into account the size, location and physical attributes. The residential portfolio was valued by taking into account the market values of similar properties, and then applying a reasonable discount to these figures.

The assumptions that have the most significant impact on the valuations are listed in note 38. Refer to this note where the sensitivity analyses were performed.

The fair value was approved by the directors on 29 August 2023.

The below table summarises the discount, capitalisation, rental growth and vacancy rates per sector as determined by the external valuer on the properties which are also considered to be our significant assumptions.

	2023			
	Pre-tax discount rate %	**Capitali-sation rate %**	**Rental growth %**	**Vacancy rate %**
Retail	**13.61**	**8.61**	**5.00**	**2.2**
Industrial	**14.60**	**9.60**	**5.00**	**0.5**
Office	**14.05**	**9.05**	**5.00**	**1.8**
Residential	**N/A**	**N/A**	**N/A**	**N/A**

	2022			
	Pre-tax discount rate %	Capitali-sation rate %	Rental growth %	Vacancy rate %
Retail	13.61	8.50	5.00	4.01
Industrial	14.53	8.97	5.00	0.45
Office	14.00	9.00	5.00	0.91
Residential	N/A	N/A	N/A	N/A

6 Investment properties (continued)

	Group 2023 N$'000	Group 2022 N$'000	Company 2023 N$'000	Company 2022 N$'000
Properties encumbered are as follow:				
Standard Bank facilities (note 16.2)	**292,763**	242,563	**292,763**	242,563
Secured by:				
Gustav Voigts Retail Centre	**556,500**	515,000	**–**	–
Engedi Residential Complex	**42,240**	40,700	**–**	–
Inyati Residential Complex	**68,500**	66,300	**–**	–
Penuel Residential Complex	**24,450**	24,000	**–**	–
	691,690	646,000	**–**	–
ABSA facilities (note 16.2)	**436,273**	605,595	**436,273**	605,595
Secured by:				
Maerua Mall Retail Node	**1,434,285**	1,379,760	**–**	–
Erf 6601, Tal Street	**66,050**	59,000	**66,050**	59,000
Erf 7827, Julius K. Nyerere Street	**49,100**	49,050	**49,100**	49,050
Erf 51, Platinum Street	**74,500**	63,300	**74,500**	63,300
	1,623,935	1,551,110	**189,650**	171,350
Old Mutual Investment Group Namibia Promissory Notes (note 16.2)	**90,000**	90,000	**90,000**	90,000
Secured by:				
Erven 132 and 135, Rendsburger Street	**95,921**	92,868	**95,921**	92,868
Nedbank facilities (note 16.2)	**75,000**	75,000	**75,000**	75,000
Secured by:				
Channel Life Office Tower (note 32) and Baines Retail Centre	**191,200**	162,650	**191,200**	162,650
Rand Merchant Bank facilities (note 16.2)	**100,000**	100,000	**100,000**	100,000
Secured by:				
Erf 6977, Newcastle Street	**25,600**	25,700	**–**	–
Erf 6621, Kalie Roodt Street	**40,000**	38,600	**–**	–
Erf 8081, Solingen Street	**128,500**	122,507	**–**	–
Erf 6660, 6661 and 7780, Joule Street	**27,000**	25,500	**–**	–
Erf 698, Edison Street	**42,000**	38,100	**42,000**	38,100
	263,100	250,407	**42,000**	38,100
Total investment property and Non-current assets held for sale balance (including property held under lease)	**3,095,052**	2,909,545	**735,956**	659,243
Total properties encumbered	**2,865,846**	2,703,035	**518,771**	464,968
Total properties unencumbered	**229,206**	206,510	**217,185**	194,275

Seven properties are unencumbered, consisting of Erf 2671 Walvis Bay, Erf 334 Keetmanshoop, Erf 972 and 973 Constantia Kloof – Roodepoort, Erf 441 Platinum Street, Urban Village @ Elisenheim, Erf 3519 Iscor Street and Erf 8317, Windhoek.

Subsequent to year end, the Channel Life Office Tower and Baines Retail Centre were unencumbered through the repayment of the N$75 million Nedbank facilility.

During 2023, the Group acquired a lease to Erf 8317, Windhoek, measuring 32,926 Hectares. The Land has been classified as investment property. The lease term is for 82 years (initial 33 years, with an option to extend for another 49 years), the Group intends to exercise the extension option. As at 30 June 2023, the right of use asset amounts to N$13,586,000.

Refer to note 16.2 for details on the changes in the facilities during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

7 Furniture and equipment

	Cost N$'000	Accumulated depreciation N$'000	Carrying value N$'000
Group			
Balance at 30 June 2021	1,945	(1,238)	707
Additions/depreciation	564	(383)	181
Balance at 30 June 2022	2,509	(1,621)	888
Additions/depreciation	**182**	**(445)**	**(263)**
Balance at 30 June 2023	**2,691**	**(2,066)**	**625**
Company			
Balance at 30 June 2021	1,622	(1,061)	561
Additions/depreciation	564	(340)	224
Balance at 30 June 2022	2,186	(1,401)	785
Additions/depreciation	**182**	**(403)**	**(221)**
Balance at 30 June 2023	**2,368**	**(1,804)**	**564**

8 Interest in subsidiaries

	Company	
	2023 N$'000	2022 N$'000
Details of the Company's subsidiaries are as follows:		
Total interest in subsidiaries/shares at cost and loans	**1,474,075**	1,452,336

8 Interest in subsidiaries (continued)

Comprising:

Name of subsidiary	Place of incorporation and operation	Issued share capital N$	% Holding	Number of properties held
2023				
Allied Cargo (Proprietary) Limited	**Namibia**	**15,000**	**100**	**1**
CIC Property Holding Trust (Proprietary) Limited	**Namibia**	**10,000**	**100**	**4**
Maerua Mall (Proprietary) Limited	**Namibia**	**20,000**	**100**	**1**
Maerua Park Properties (Proprietary) Limited	**Namibia**	**400**	**100**	**1**
Phase Two Properties (Proprietary) Limited	**Namibia**	**100**	**100**	**1**
Triple A (Proprietary) Limited	**Namibia**	**200**	**100**	**1**
Gustav Voigts Centre (Proprietary) Limited	**Namibia**	**100**	**100**	**1**
Maerua Family Entertainment Centre (Proprietary) Limited	**Namibia**	**1**	**100**	**1**
Verona Investments (Proprietary) Limited	**Namibia**	**100**	**100**	**1**
Engedi Properties (Proprietary) Limited	**Namibia**	**100**	**100**	**1**
Inyati Estates Seven (Proprietary) Limited	**Namibia**	**100**	**100**	**1**
Capital Grow Number Seven (Proprietary) Limited	**Namibia**	**100**	**100**	**1**

Name of subsidiary	Place of incorporation and operation	Issued share capital N$	% Holding	Number of properties held
2022				
Allied Cargo (Proprietary) Limited	Namibia	15,000	100	1
CIC Property Holding Trust (Proprietary) Limited	Namibia	10,000	100	4
Maerua Mall (Proprietary) Limited	Namibia	20,000	100	1
Maerua Park Properties (Proprietary) Limited	Namibia	400	100	1
Phase Two Properties (Proprietary) Limited	Namibia	100	100	1
Triple A (Proprietary) Limited	Namibia	200	100	1
Gustav Voigts Centre (Proprietary) Limited	Namibia	100	100	1
Maerua Family Entertainment Centre (Proprietary) Limited	Namibia	1	100	1
Verona Investments (Proprietary) Limited	Namibia	100	100	1
Engedi Properties (Proprietary) Limited	Namibia	100	100	1
Inyati Estates Seven (Proprietary) Limited	Namibia	100	100	1
Capital Grow Number Seven (Proprietary) Limited	Namibia	100	100	1

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

8 Interest in subsidiaries (continued)

Name of subsidiary	Loan Accounts N$'000	Share investment N$'000	Indebted-ness N$'000
2023			
Allied Cargo (Pty) Ltd	**–**	**1,188**	**4,618**
CIC Property Holding Trust (Pty) Ltd	**–**	**26,062**	**23,218**
Maerua Mall (Pty) Ltd	**(48,591)**	**7,230**	**534,263**
Maerua Park Properties (Pty) Ltd	**(12,870)**	**7,818**	**230,521**
Phase Two Properties (Pty) Ltd	**(160,722)**	**–**	**401,527**
Triple A (Pty) Ltd	**–**	**1,573**	**1,527**
Gustav Voigts Centre (Proprietary) Limited	**(34,995)**	**13,967**	**363,321**
Maerua Family Entertainment Centre (Proprietary) Limited	**18,612**	**168**	**11,221**
Verona Investments (Pty) Ltd	**–**	**–**	**9,201**
Engedi Properties (Pty) Ltd	**677**	**–**	**23,983**
Inyati Estates Seven (Pty) Ltd	**137**	**–**	**31,005**
Capital Grow Number Seven (Pty) Ltd	**1,892**	**–**	**17,292**
Oryx Long Term Incentive Trust	**232**	**–**	**–**
	(235,628)	**58,006**	**1,651,697**
Total interest in shares and loan accounts			**1,474,075**
2022			
Allied Cargo (Pty) Ltd	–	1,188	4,618
CIC Property Holding Trust (Pty) Ltd	–	26,062	22,115
Maerua Mall (Pty) Ltd	(42,623)	7,230	522,428
Maerua Park Properties (Pty) Ltd	(19,194)	7,818	229,689
Phase Two Properties (Pty) Ltd	(155,067)	–	398,584
Triple A (Pty) Ltd	–	1,573	1,527
Gustav Voigts Centre (Pty) Ltd	(15,972)	13,967	339,044
Maerua Family Entertainment Centre (Pty) Ltd	10,656	168	17,177
Verona Investments (Pty) Ltd	–	–	9,201
Engedi Properties (Pty) Ltd	104	–	23,861
Inyati Estates Seven (Pty) Ltd	(158)	–	30,996
Capital Grow Number Seven (Pty) Ltd	84	–	17,270
Oryx Long Term Incentive Trust	(10)	–	–
	(222,180)	58,006	1,616,510
Total interest in shares and loan accounts			1,452,336

All the subsidiary companies noted above except for the Oryx LTI trust are property investment companies. No subsidiaries were disposed of during the year.

	Company	
	2023 N$'000	2022 N$'000
Directors' valuation	**2,583,752**	2,492,164

The valuation has been calculated based on the net asset value of the subsidiary companies, inclusive of any adjustments necessary for deferred tax on revaluation of investment properties.

8 Interest in subsidiaries (continued)

All the investments in subsidiaries were tested for impairment during the year. An impairment loss was recorded for Maerua Family Entertainment Centre (Proprietary) Limited of N$6.15 million for the year. As the subsidiaries are primarily property owning entities, the impairment calculations were based on similar pretax discounted cash flows and rates used for the valuation of the underlying properties (see note 6 for more details on rates used).

Total cumulative impairment to the investments in subsidiaries amounts to N$64,960,892 (2022: N$58,813,236) for Maerua Family Entertainment Centre (Proprietary) Limited, N$10,898,048 (2022: N$10,898,048) for Capital Grow Number Seven (Proprietary) Limited, N$1,225,336 (2022: N$1,225,336) for Triple A (Proprietary) Limited and N$5,014,646 (2022: N$5,014,646) for Engedi Properties (Proprietary) Limited.

Oryx does not intend to call on any of the loans during the new financial year.

	Company	
	2023 N$'000	2022 N$'000
Profit of subsidiaries attributable to the holding company	**78,217**	56,675

Interest is charged on the net outstanding loan amount and indebtedness at Namibian prime of 11.5% (2022: 8.5%).

9 Investment in associate

The Group holds an investment in TPF International Limited (TIL) incorporated in Mauritius. Below are the key items related to the associate. The Group does not hold any other interests other than disclosed below.

			Proportion of ownership interest and voting rights held by the Group	
Name of associate	Principal activity	Principal place of business	**2023**	2022
TIL	Property	Croatia	**26%**	26%

The above associate is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies note 3.4. Refer to note 39 for the related party transaction disclosure for the investment in associate.

The percentage voting rights is equal to the percentage of ownership of the associate and there has been no change in the percentage of ownership during the year.

For the purposes of applying the equity method of accounting, the financial records of TIL for the year ended 31 December 2022 were used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 June 2023. As at 30 June 2023, the fair value of the Group's interest in TIL was based on its price to book value which is based on the fair value of the underlying properties that the entity holds. The valuations of the properties were performed using the income capitalisation method and the average rate used was 6.99% (2022: 6.90%). TIL is not listed on a stock exchange and therefore has no quoted market price available for its shares.

The risks associated with the investment in associate include:

- Geographical location
- Economic and regulatory environment
- Exposure to foreign currency
- Unlisted investment

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For the year ended 30 June 2023

9 Investment in associate (continued)

The Group manages the geographical, economic and regulatory environment risks through the appointment of an appropriately qualified team within Croatia to oversee the properties and manage the relationships with the tenants and any regulatory bodies. Where deemed necessary, experts are used for specific regulatory requirements with the costs carried by TIL. The exposure to foreign currency is partially managed through natural hedges by way of keeping the dividends received in Euro to service the Euro loan interest. In addition, foreign exchange contracts are taken out from time to time, to mitigate our risk of foreign exchange fluctuations. Refer to note 37.5 for more detail on foreign currency risk management. The risk of the investment being unlisted is managed by ensuring that the properties in the portfolio are of good quality to ensure adequate interest in acquiring the assets, should the requirement arise for disposal.

Dividends received from the associate below represent the actual amounts attributable and hence received by or accrued to the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

There were no impairment indicators present for the investment in associate.

Summarised financial information in respect the Group's associate is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS (adjusted by the Group for equity purposes).

	Group/Company	
	2023 N$'000	2022 N$'000
Carrying value of investment in associate		
Opening balance	**290,111**	288,029
Share of current year's retained income	**53,464**	18,398
– Profit before tax	**22,700**	22,545
– Current and deferred tax	**(10,357)**	(8,247)
– Changes in fair value of investment property	**41,121**	4,100
Dividends received	**(12,681)**	(13,165)
Dividends receivable	**(4,260)**	(3,955)
Foreign exchange gain on translation of associate	**32,412**	804
	359,046	290,111

An average exchange rate calculated at N$18.60 (2022: N$17.13) for every Euro was used to translate transactions relating to the investment in associate. An exchange rate of N$20.38 (2022: N$17.02) for every Euro at year end was used to translate the investment in the associate's carrying value. The carrying value of the investment equates the Group's share of the net assets of the associate.

	Group/Company	
	2023 N$'000	2022 N$'000
Directors' valuation	**359,046**	290,111

The directors' valuation was determined using its price to book value.

9 Investment in associate (continued)

	Group/Company	
	2023 N$'000	2022 N$'000
Summarised financial information associate:		
Summarised statement of comprehensive income:		
Revenue	**117,106**	110,637
Changes of fair value of investment property	**158,159**	20,273
Fair value losses on derivative instruments	**5,735**	14,419
Net expenses	**(35,535)**	(38,346)
Profit before tax	**245,465**	106,983
Tax	**(39,833)**	(101,834)
Foreign currency translation reserve	**113,701**	(63,037)
Total comprehensive income for the year	**319,333**	(57,888)
Summarised statement of financial position:		
Non-current assets	**1,852,802**	1,412,556
Current assets	**82,892**	63,970
Cash and cash equivalents	**50,448**	39,141
Other current assets	**32,444**	24,829
Non-current liabilities	**(713,620)**	(576,262)
Current liabilities	**(10,210)**	(6,569)
NET ASSET VALUE	**1,211,864**	893,695
Interest in associate (26%)	**359,046**	290,111

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For the year ended 30 June 2023

10 Investment in listed shares

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Carrying value at beginning of the year	**–**	14,174	**–**	14,174
Disposed of during the year	**–**	(14,873)	**–**	(14,873)
Fair value adjustment recognised through profit or loss	**–**	699	**–**	699
Carrying value at end of the year	**–**	–	**–**	–

The shares held in Tower Property Fund were all disposed during the 2022 financial year.

The fair value hierarchy was level 1, as disclosed in note 38.

11 Other assets

11.1 Deferred expenditure

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Balance at beginning of the year	**9,509**	9,140	**973**	1,631
Additions	**4,265**	4,064	**3**	170
Amortisation	**(3,525)**	(3,695)	**(457)**	(828)
Balance at year end	**10,249**	9,509	**519**	973
Closing balance of long-term portion	**6,912**	6,641	**253**	511
Closing balance of short-term portion	**3,337**	2,868	**266**	462

Leasing commissions and tenant installations are capitalised to deferred expenditure and are amortised over the remaining lease period of the respective tenant on a straight-line basis.

11 Other assets

11.2 Receivables

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Financial instruments at amortised cost:				
Trade receivables	**16,159**	47,444	**7,169**	23,679
Less: Allowance for doubtful debts	**(9,110)**	(36,906)	**(4,538)**	(19,617)
Trade receivables net of allowance for doubtful debts	**7,049**	10,538	**2,631**	4,062
Other receivables	**12,433**	8,210	**4,838**	2,688
Non-financial instruments:				
Receiver of Revenue - value added tax (VAT)	**2,705**	850	**1,415**	–
Prepayments	**3,420**	4,038	**3,413**	4,032
	25,607	23,636	**12,297**	10,782
Other receivables mainly consist of withholding tax on interest refunds receivable from ABSA, property acquisition related costs to be capitalised at a later stage, utility deposits held with municipalities, electricity recovery receivables and accruals.				
Impaired (excluding VAT)	**9,110**	36,906	**4,538**	19,617
Past due but not impaired	**7,049**	10,538	**2,631**	4,062
Total trade receivables	**16,159**	47,444	**7,169**	23,679
Allowance for doubtful debts	**(9,110)**	(36,906)	**(4,538)**	(19,617)
Trade receivables net of allowance for doubtful debts	**7,049**	10,538	**2,631**	4,062
Ageing of impaired trade receivables				
Current	**999**	3,000	**652**	451
30 days	**706**	2,561	**503**	405
60 days	**1,062**	2,358	**792**	586
90+ days	**6,343**	28,987	**2,591**	18,175
	9,110	36,906	**4,538**	19,617
Allowance for doubtful debts				
Balance at beginning of the year	**36,906**	32,285	**19,617**	16,726
(Decrease)/increase in provisions recognised	**(2,739)**	7,921	**3,677**	5,260
Amounts written off during the year	**(25,057)**	(3,300)	**(18,756)**	(2,369)
Balance at year end	**9,110**	36,906	**4,538**	19,617

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of the current and forecast direction of conditions at the reporting date. The Group also assessed loss rate for individual debtors where credit risk has increased due to COVID–19, and these were fully provided for during the current year. The Group has recognised a loss allowance of 100% against all receivables over 90 days past due as historical experience has indicated that the recoverability of these debtors become difficult.

The Group writes off a trade receivable balance when there is evidence indicating that the debtor is in severe financial difficulty, there is no realistic prospect of recovery, and the legal process has indicated little possibility of success or the debt is older than two years. Examples include when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

11 Other assets (continued)

11.2 Receivables (continued)

The calculation of the allowance for doubtful debts as a percentage of arrear rentals is shown in the table below. The provision is carried exclusive of VAT, while the arrear rentals include VAT. This has been taken into account in the calculation below:

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Provisions excluding VAT	**9,110**	36,906	**4,538**	19,617
VAT thereon	**1,367**	5,536	**681**	2,943
Provisions including VAT	**10,477**	42,442	**5,219**	22,560
Trade receivables	**16,159**	47,444	**7,169**	23,679
Provision as a % of trade receivables	**65%**	89%	**73%**	95%

Management and the Board consider the provision for any material credit risk exposure to be adequate.

The following table details the risk profile of trade receivables based on the Group's provision matrix. The provision matrix has been done per primary business segment as the Group believes, based on historical experience and data, that the loss patterns differ between the business segments as these industries are affected differently by economic conditions:

	Total	Retail	Industrial	Offices	Residential
Group 2023					
CURRENT					
Trade debtors (N$'000)	5,376	3,648	938	504	286
ECL	19%	18%	17%	36%	–
Provision (N$'000)	999	663	155	181	–
30 DAYS					
Trade debtors (N$'000)	1,567	1,236	253	78	–
ECL	45%	42%	55%	64%	–
Provision (N$'000)	706	516	140	50	–
60 DAYS					
Trade debtors (N$'000)	1,935	1,162	500	64	209
ECL	55%	59%	43%	88%	50%
Provision (N$'000)	1,062	688	214	56	104
90 DAYS					
Trade debtors (N$'000)	844	552	243	49	–
ECL	74%	69%	84%	86%	–
Provision (N$'000)	627	380	205	42	–
120 + DAYS					
Trade debtors (N$'000)	6,437	4,563	81	1,029	764
ECL	89%	100%	72%	87%	26%
Provision (N$'000)	5,716	4,563	58	895	200
Total trade debtors	16,159	11,161	2,015	1,724	1,259
Total ECL provision	9,110	6,810	772	1,224	304

11 Other assets (continued)

11.2 Receivables (continued)

	Total	Retail	Industrial	Offices
Company				
2023				
CURRENT				
Trade debtors (N$'000)	2,201	921	938	342
ECL	30%	39%	17%	39%
Provision (N$'000)	652	362	155	135
30 DAYS				
Trade debtors (N$'000)	773	490	253	30
ECL	65%	69%	55%	80%
Provision (N$'000)	503	339	140	24
60 DAYS				
Trade debtors (N$'000)	1,198	638	500	60
ECL	66%	83%	43%	87%
Provision (N$'000)	792	527	213	52
90 DAYS				
Trade debtors (N$'000)	508	217	243	48
ECL	86%	87%	84%	88%
Provision (N$'000)	435	188	205	42
120 + DAYS				
Trade debtors (N$'000)	2,489	1,870	81	538
ECL	87%	87%	72%	87%
Provision (N$'000)	2,156	1,629	58	469
Total trade debtors	7,169	4,136	2,015	1,018
Total ECL provision	4,538	3,045	771	722

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

11 Other assets (continued)

11.2 Receivables (continued)

	Total	Retail	Industrial	Offices	Residential
Group					
2022					
CURRENT					
Trade debtors (N$'000)	7,246	5,222	724	71	1,229
ECL	41%	55%	11%	38%	–
Provision (N$'000)	3,000	2,891	82	27	–
30 DAYS					
Trade debtors (N$'000)	3,967	3,523	125	80	239
ECL	65%	70%	54%	15%	–
Provision (N$'000)	2,561	2,481	68	12	–
60 DAYS					
Trade debtors (N$'000)	3,245	3,115	72	58	–
ECL	73%	73%	83%	31%	–
Provision (N$'000)	2,358	2,280	60	18	–
90 DAYS					
Trade debtors (N$'000)	1,476	1,413	13	50	–
ECL	78%	76%	423%	62%	–
Provision (N$'000)	1,157	1,071	55	31	–
120 + DAYS					
Trade debtors (N$'000)	31,510	29,435	1,036	498	541
ECL	88%	88%	100%	99%	100%
Provision (N$'000)	27,830	25,762	1,036	491	541
Total trade debtors	47,444	42,708	1,970	757	2,009
Total ECL provision	36,906	34,485	1,301	579	541

11 Other assets (continued)

11.2 Receivables (continued)

	Total	Retail	Industrial	Offices
Company				
2022				
CURRENT				
Trade debtors (N$'000)	1,359	664	675	20
ECL	33%	53%	12%	100%
Provision (N$'000)	451	349	82	20
30 DAYS				
Trade debtors (N$'000)	773	622	125	26
ECL	52%	52%	54%	46%
Provision (N$'000)	405	325	68	12
60 DAYS				
Trade debtors (N$'000)	864	756	72	36
ECL	68%	67%	83%	50%
Provision (N$'000)	586	508	60	18
90 DAYS				
Trade debtors (N$'000)	643	544	63	36
ECL	87%	88%	87%	69%
Provision (N$'000)	561	481	55	25
120 + DAYS				
Trade debtors (N$'000)	20,040	18,771	1,036	233
ECL	88%	87%	100%	91%
Provision (N$'000)	17,614	16,367	1,036	211
Total trade debtors	23,679	21,357	1,971	351
Total ECL provision	19,617	18,030	1,301	286

11.3 Cash and cash equivalents

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Balances with banks	**17,032**	18,125	**8,115**	15,995
Cash	**1**	2	**1**	2
	17,033	18,127	**8,116**	15,997
Cash and cash equivalents balance is made up as follows:				
Cash in local currency	**17,033**	18,127	**8,116**	15,997

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12 Share capital

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Authorised				
200,000,000 (2022: 200,000,000) ordinary shares of 1 cent each	**2,000**	2,000	**2,000**	2,000
1,000 Class A variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class B variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class C variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class D variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class E variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class F variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
	2,006	2,006	**2,006**	2,006
Issued				
87,378,835 (2022: 87,378,835) ordinary shares of 1 cent each at beginning of the year	**869**	871	**874**	874

The Long Term Share Incentive Trust owns 434,386 (2022: 282,761) shares and the related linked units as detailed in note 13.

The Group has one class of ordinary shares that carry no right to fixed income.

Unissued shares are under the control of the directors until the next Annual General Meeting. No shares were issued for the year under review.

13 Treasury linked units

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Balance at beginning of the year	**(2,262)**	(652)	**–**	–
223,575 debentures acquired (2022: 210,812)	**(1,004)**	(947)	**–**	–
Debenture premium	**(649)**	(663)	**–**	–
Balance at year end	**(3,915)**	(2,262)	**–**	–

The Remuneration and Nomination Committee concluded and awarded linked units to the value of N$2,751,194 (2022: N$2,415,917) to the management team (D-upper Paterson grades and above) during 2023, which was based on the 2023 financial results and performance of the Group based on KPIs of internal and external factors. 223,575 (2022: 210,812) debentures were acquired during the year at N$10.26 per share (2022: N$10.98 per share) and will be held in the trust until it vests after a three-year period. During the year, 71,950 shares vested (2022: nil). The portion of the debenture premium eliminated upon purchase of the treasury linked units is determined based on the remaining debenture premium at time of purchase divided by the total number of linked units in issue. The total number of units held at year end amounted to 434,386 (2022: 282,761). Refer to note 39 where the directors' remuneration is disclosed.

14 Rental receivable Straight-line adjustment

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Balance at beginning of the year	**76,205**	55,727	**11,281**	12,824
Straight-lining charge to the income statement	**(577)**	20,478	**(13)**	(1,543)
Balance at the end of the year	**75,628**	76,205	**11,268**	11,281
Less: rental receivable Straight-line adjustment classified as current assets	**(5,521)**	(4,481)	**(1,891)**	(2,076)
Non-current portion of the rental receivable straight-line adjustment	**70,107**	71,724	**9,377**	9,205

15 Non–distributable reserves

The Group transfers realised and unrealised capital profits and losses to non–distributable reserves as per the Debenture Trust Deed as these do not impact distributable income.

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Opening balance at beginning of the year	**1,183,116**	1,100,949	**406,875**	357,049
Movement during the year	**160,218**	82,167	**90,420**	49,826
Balance at end of the year	**1,343,334**	1,183,116	**497,295**	406,875
Comprising:				
Capital reserves				
– Realised capital profits	**29,531**	29,531	**20,615**	20,615
– Unrealised capital profits (net of deferred tax)	**1,313,803**	1,153,585	**476,680**	386,260
– Rental Straight-line adjustment (note 5)	**6,723**	7,126	**(4,123)**	(4,104)
– Amortisation of debenture premium (note 16.1)	**249,824**	241,524	**249,824**	241,524
– Fair value adjustments (notes 6, 9, 16.2 and 24)	**1,057,256**	904,935	**230,979**	148,840
Balance at end of the year	**1,343,334**	1,183,116	**497,295**	406,875

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16 Borrowings

16.1 Debentures and debenture premium

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Debentures				
87,378,835 (2022: 87,378,835) debentures of 449 cents each at beginning of the year	**391,061**	392,008	**392,330**	392,330
Debentures purchased by the Oryx Long Term Share Incentive Trust	**(1,004)**	(947)	**–**	–
87,378,835 (2022: 87,378,835) debentures of 449 cents each	**390,057**	391,061	**392,330**	392,330
Debenture premium				
Balance at beginning of the year comprising:	**252,560**	274,636	**253,551**	274,964
Antecedent debenture interest	**(13,478)**	–	**(13,477)**	–
Treasury linked units (note 13)	**(649)**	(663)	**–**	–
Current year amortisation of debenture premium	**(8,300)**	(21,413)	**(8,300)**	(21,413)
Balance at year end	**230,133**	252,560	**231,774**	253,551

Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a Straight-line basis over the minimum contractual term of the investment, namely the remaining portion from December 2002. The debentures' redeemable date was approved at the November 2021 AGM to be extended with an additional 25 years which will therefore mature on 2 November 2052.

At a general meeting held on 20 May 2021, an amendment to the Debenture Trust Deed was approved whereby the minimum interest distribution pay–out ratio was decreased to 75%, but will return to 90% from the 2025 financial year. In terms of the Debenture Trust Deed, the interest entitlement on each debenture is based on the pay–out percentage of the IFRS profit/(loss) for the year of the Company adjusted for:

- Debenture interest
- Depreciation/amortisation
- Straight-line adjustments
- Any fair value adjustments
- Profit/loss on sale of investment property and investments
- Any exchange gains/losses due to translation from a foreign currency
- Income received from associate other than by way of dividends, and with, all capital items noted above being transferred to any non-distributable reserve.

Debentures are required to be discounted in terms of IFRS 7; however, due to the nature of a property loan stock company, it is impractical to do so. Returns on debentures are paid in the form of debenture interest, which is calculated based on the profits in the Group at the end of the reporting period. Such profits cannot be reliably estimated to the maturity date of the debentures.

Debentures at Group level are disclosed after deducting 434,386 (2022: 282,761) debentures held by the Oryx Long Term Share Incentive Trust.

16 Borrowings (continued)

16.2 Interest-bearing borrowings

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
BANK WINDHOEK LIMITED				
Revolving credit floating interest rate facility – Unsecured loan bearing interest at the Namibian prime lending rate (2022: Namibian prime). At 30 June 2023 and 30 June 2022, the account is in a favourable balance and reflected under cash and cash equivalents (refer to note 11.3) – N$20 million (2022: N$20 million) facility bearing interest at Namibian prime (2022: Namibian prime) and is re-assessed annually	**–**	–	**–**	–
ABSA GROUP LIMITED SOUTH AFRICA				
ABSA revolving credit facility – This is a N$130 million (2022: N$130 million) facility and expires on 29 February 2024 – Loan bearing variable interest at one-month JIBAR plus 2% (2022: one-month JIBAR plus 2%)	**–**	69,979	**–**	69,979
ABSA term loan 1 – Loan expires 29 February 2024 – The loan bears variable interest at one-month JIBAR plus 2.1% (2022: one-month JIBAR plus 2.1%)	**150,000**	150,000	**150,000**	150,000
ABSA term loan 2 – Loan expires 28 February 2026 – The loan bears variable interest at one-month JIBAR plus 2% (2022: one-month JIBAR plus 2%)	**150,000**	150,000	**150,000**	150,000
ABSA Euro loan – Loan expires 31 August 2023 – Loan bears interest at the three-month Euro Inter–bank Offered Rate (EURIBOR) (floored at 0%) plus 2.37% (2022: three-month EURIBOR (floored at 0%) plus 2.37%) – Total facility of €9.7 million (2022: €9.7 million) – Refer below for the loan recon which shows the foreign exchange (gain)/loss that is included in the balance	**136,273**	74,996	**136,273**	74,996
ABSA Rand loan – Loan expires 28 February 2025 – Loan bears variable interest at one-month JIBAR plus 2.05% (2022: one-month JIBAR plus 2.05%)	**–**	160,620	**–**	160,620
NEDBANK				
Nedbank revolving credit facility – N$15 million facility (2022: N$15 million) and was settled on 31 August 2023 – Loan bearing variable interest at Namibian prime plus 3.5% (2022: Namibian prime plus 3.5%) – At 30 June 2023 the account was in an overdraft position and reflected under cash and cash equivalents (refer to note 11.3)	**–**	–	**–**	–

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

16 Borrowings (continued)

16.2 Interest-bearing borrowings (continued)

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
NEDBANK (continued)				
Three-year floating interest rate – Loan facility of N$75 million and was repaid on 31 August 2023 – Loan bearing variable interest at three-month JIBAR plus 2.85% (2022: three-month JIBAR plus 2.85%)	**75,000**	75,000	**75,000**	75,000
DOMESTIC MEDIUM-TERM NOTE PROGRAMME (DMTNP) – Facility of N$500 million listed on the NSX – Bonds in issue expire 18 November 2025 – Bonds bearing variable interest at three-month JIBAR plus 2.5% (2022: three-month JIBAR plus 2.2%) – The bonds are unsecured	**248,500**	83,300	**248,500**	83,300
OLD MUTUAL INVESTMENT GROUP NAMIBIA (OMIGNAM)				
Promissory notes – Promissory notes expire 1 September 2025 – Promissory notes bear variable interest at three-month JIBAR plus 2.05% (2022: three-month JIBAR plus 2.05%)	**90,000**	90,000	**90,000**	90,000
RAND MERCHANT BANK NAMIBIA				
Term Loan – Loan facility of N$100 million – Loan bearing variable interest at three-month JIBAR plus 2.98% (2022: three-month JIBAR plus 2.98%) – Loan expires 26 September 2023	**100,000**	100,000	**100,000**	100,000
STANDARD BANK				
Facility A – Loan facility of N$197 million (2022: N$197 million) – Loan bearing variable interest at three-month JIBAR plus 2% (three-month JIBAR plus 2%) – Loan expires 7 August 2024	**197,697**	197,485	**197,697**	197,485
Facility B – Loan facility of N$85 million – Loan bearing variable interest at three-month JIBAR plus 2% (three-month JIBAR plus 2%) – Loan expires December 2024	**65,798**	15,810	**65,798**	15,810
Facility C – Loan facility of N$29.3 million (2022: N$29.3 million) – Loan bearing variable interest at three-month JIBAR plus 2% (three-month JIBAR plus 2%) – Loan expires 30 October 2024	**29,268**	29,268	**29,268**	29,268

16 Borrowings (continued)

16.2 Interest-bearing borrowings (continued)

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Total interest-bearing borrowings	**1,242,536**	1,196,458	**1,242,536**	1,196,458
Reclassified to non-current liabilities held for sale (note 32)	**–**	(75,000)	**–**	(75,000)
Less: Classified as current liabilities	**(461,273)**	(174,106)	**(461,273)**	(174,106)
– ABSA Euro loan	**136,273**	74,996	**136,273**	74,996
– ABSA term loan 1	**150,000**	–	**150,000**	–
– Rand Merchant Bank Namibia	**100,000**	–	**100,000**	–
– Nedbank: facility	**75,000**	–	**75,000**	–
– Domestic Medium-Term Note Programme (DMTNP)	**–**	83,300	**–**	83,300
– Standard Bank - Facility B	**–**	15,810	**–**	15,810
Total Non-current portion of interest-bearing borrowings	**781,263**	947,352	**781,263**	947,352
Total Non-current portion of interest–bearing borrowings, debentures and debenture premium	**1,401,453**	1,590,973	**1,405,367**	1,593,233

Refer to note 6 for details around the bonded properties per facility.

The following facilities were refinanced or obtained during the year:

- The DMTNP was increased from N$83 million to N$249 million, with an increase in the margin from 2.2% to 2.5%, commencing November 2022
- N$85 million facility was refinanced with Standard Bank at 3M JIBAR plus 2% for a two–year term.
- N$200 million ABSA development loan for Maerua Mall at Namibian prime less 1% to be converted to term loans at 1M JIBAR plus 2%.

Subsequent to year end, the following new facilities were entered into:

- N$500 million RMB Bridge Facility Agreement which will be converted to a Preference Share Agreement for a 4-year term at 3M JIBAR plus 1.39%.

Subsequent to year end, the following facility was repaid:

- N$75 million Nedbank facility.

Covenants remained in place during the year. No covenants were in breach at year end. The key covenants measured are:

- LTV which was measured at 35.0% (2022: 36.2%) compared to financier limits ranging between 50% to 60%
- interest cover ratio of 2.3 times (2022: 2.8) compared to limits ranging from 1.75 to 2.25, depending on the respective financier's definition of the ratios
- vacancy rate of 9.8% (2022: 5.4%) for the ABSA bonded portfolio, compared to a limit of 10%. This covenant was further condoned to 20% subsequent to year-end

The Company's Articles of Association limit the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets, but due to covenants limiting the overall borrowing capacity to only 50%, this is used to determine the borrowing capacity.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

16 Borrowings (continued)

16.2 Interest-bearing borrowings (continued)

	Group	
	2023 N$'000	2022 N$'000
Borrowing capacity (excluding debentures and debenture premium) up to gearing ratio of 50%	**1,765,970**	1,638,099
Less: Borrowings (excluding debentures)	**(1,242,536)**	(1,196,458)
Unutilised borrowing capacity	**523,434**	441,641
Unutilised funding facilities (excluding DMTNP)	**609,305**	263,444
Reconciliation of interest–bearing borrowings		
Balance at beginning of the year	**1,196,458**	1,212,615
Movement of interest–bearing borrowings	**31,960**	(14,949)
Non–cash movement: Foreign exchange adjustments	**14,118**	(1,208)
Balance at year end	**1,242,536**	1,196,458

17 Derivative liability

			Non–current liabilities N$'000	Current liabilities N$'000	Total N$'000
Group/Company					
2023					
Interest rate swap agreements carried at fair value					
Notional value	**Maturity**	**Rate Fixed**			
N$100 million	23–Feb–26	6.25%	–*	–*	–
N$50 million	13–Oct–23	4.15%	–*	–*	–
N$170 million	25–May–25	5.02%	–*	–*	–
N$50 million	25–May–24	4.68%	–*	–*	–
N$100 million	20–Jun–25	6.81%	–*	–*	–
N$140 million	11–Jan–24	7.15%	–*	–*	–
Balance at end of the year			–	–	–

* See note 26.

2022					
Interest rate swap agreements carried at fair value					
Notional value	**Maturity**	**Rate Fixed**			
N$100 million	23–Feb–26	6.25%	–*	380	380
N$50 million	13–Oct–23	4.15%	–*	–*	–
N$170 million	25–May–25	5.02%	–*	–*	–
N$50 million	25–May–24	4.68%	–*	–*	–
N$100 million	20–Jun–25	6.81%	–*	406	406
N$140 million	11–Jan–24	7.15%	–*	1,110	1,110
Balance at end of the year			–	1,896	1,896

17 Derivative liability (continued)

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Reconciliation of interest rate swaps				
Balance at beginning of the year	1,896	16,151	1,896	16,151
Fair value adjustments	(1,896)	(14,255)	(1,896)	(14,255)
Balance at end of the year	–	1,896	–	1,896

Fair value adjustments on the interest rate swaps are recorded in profit and loss, but have no impact on unitholder distribution (note 25). The interest rate swaps are settled on a quarterly basis. The variable rate on the interest rate swaps is three-month JIBAR. The Group will settle the difference between the fixed and floating interest rate swaps on a net basis.

The fair value hierarchy is treated as level 2 as is reflected in note 37. The interest rate swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the various counterparties.

The following table indicates the periods in which the net undiscounted cash flows are expected to occur:

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Not later than one year	–	1,896	–	1,896
Expected cash flow	–	1,896	–	1,896

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Deferred taxation South Africa				
Balance at beginning of the year	**2,720**	5,506	**2,720**	5,506
Prior period adjustment	**–**	(2,886)	**–**	(2,886)
Change in tax rate	**–**	(94)	**–**	(94)
Deferred taxation charged to profit or loss for the year:				
– investment property revaluations	**(3,046)**	108	**(3,046)**	108
– rental Straight-line basis adjustment	**(56)**	108	**(56)**	108
– tenant installation costs	**(22)**	(22)	**(22)**	(22)
– deposits received	**3**	–	**3**	–
Balance at end of the year	**(401)**	2,720	**(401)**	2,720
Deferred taxation Namibia				
Balance at beginning of the year	**55,097**	27,519	**12,493**	(1,389)
Prior period adjustment	**–**	7,158	**–**	7,354
Deferred taxation charged to profit or loss for the year:				
– building allowance	**13,815**	16,909	**364**	3,026
– capital allowances	**1,943**	873	**634**	378
– rental Straight-line basis adjustment	**(118)**	6,445	**62**	(621)
– derivative liability	**486**	9,294	**486**	9,294
– assessed loss	**(13,059)**	(10,421)	**3,135**	(3,615)
– tenant installation costs	**262**	140	**(119)**	(185)
– prepaid expenditure	**(79)**	(112)	**(79)**	(99)
– deferred income	**(1,211)**	(1,070)	**(130)**	(388)
– deposits received	**(181)**	(198)	**(264)**	(64)
– provisions	**(1,896)**	(331)	**(507)**	(504)
– doubtful debts	**6,671**	(1,109)	**3,619**	(694)
Balance at end of the year	**61,730**	55,097	**19,694**	12,493
Total balance at year end	**61,329**	57,817	**19,293**	15,213
Comprising temporary differences relative to:				
– building allowances	**254,221**	239,625	**32,344**	31,870
– capital allowances	**2,168**	1,005	**1,093**	568
– investment property revaluations	**(1,050)**	1,995	**(1,050)**	1,995
– rental Straight-line basis adjustment	**24,081**	24,255	**3,486**	3,480
– derivative liability	**5,629**	5,143	**5,629**	5,143
– tax losses	**(216,111)**	(203,052)	**(18,150)**	(21,284)
– tenant installation costs	**3,271**	3,031	**158**	299
– prepaid expenditure	**966**	1,045	**964**	1,043
– deferred income	**(2,694)**	(1,482)	**(931)**	(800)
– deposits received	**(3,121)**	(2,941)	**(1,179)**	(917)
– provisions	**(3,845)**	(1,949)	**(1,983)**	(1,476)
– doubtful debts	**(2,186)**	(8,858)	**(1,088)**	(4,708)
	61,329	57,817	**19,293**	15,213

At the reporting date, the Group has unused tax losses of N$675 million (2022: N$635 million) available for offset against future profits. No deferred tax asset has been recognised for these losses as it is not considered probable that there will be future taxable profits available.

19 Trade and other payables

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Financial liabilities at amortised cost:				
Trade payables	**22,659**	12,083	**8,212**	8,291
Tenant deposits	**9,779**	9,216	**3,711**	2,894
Other payables	**4,117**	246	**416**	200
Accruals	**25,054**	17,043	**17,086**	13,104
Non-financial liabilities:				
VAT	**–**	–	**–**	924
Leave accrual	**1,178**	1,117	**1,179**	1,117
LTI bonus accrual	**4,532**	2,986	**4,532**	2,986
	67,319	42,691	**35,136**	29,516

Trade payables comprise amounts outstanding to suppliers and ongoing costs. Other payables comprise amounts outstanding relating to employees tax and social security costs. The Group has cash management policies in place to ensure that all amounts are paid within the credit time frame. The directors consider the carrying amount of trade payables approximating their fair value.

20 Deferred income

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Rental received in advance	**1,486**	1,381	**1,486**	1,381

21 Investment income

Interest received – cash and bank balances	**214**	100	**212**	100
Interest received – inter-Company loans	**–**	–	**157,846**	116,195
	214	100	**158,058**	116,295

Refer to note 8 for details regarding the interest charged on the inter-Company loans.

22 Other expenses

Other expenses include the following:				
Directors' remuneration – Executive (note 39)	**6,399**	6,189	**6,399**	6,189
Directors' fees – Non-executive (note 39)	**2,753**	3,086	**2,753**	3,086
External auditors' remuneration:	**2,112**	1,914	**2,078**	1,892
– current year	**2,112**	1,914	**2,078**	1,892
Internal auditors' remuneration:	**439**	161	**439**	161
– current year	**439**	161	**439**	161
Allowance of provision for doubtful debts*	**(27,795)**	4,621	**(15,079)**	2,891
Bad debts written off*	**25,057**	3,300	**18,756**	2,369
Salaries and other employee benefits (excluding Executive Directors)	**7,741**	6,641	**7,741**	6,641
Other	**10,049**	8,242	**8,771**	8,114
	26,755	34,154	**31,858**	31,343

* The bad debt provision reversal and bad debt write-off significantly relates to a cancelled head-lease debtor.

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For the year ended 30 June 2023

23 Finance costs

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
ABSA Group Limited	38,279	33,276	38,279	33,276
Domestic Medium–Term Note Programme	17,369	5,149	17,369	5,149
First National Bank Limited	9,169	16,842	9,170	16,842
Nedbank	6,055	5,170	6,055	5,170
Old Mutual Investment Group Namibia	7,812	5,434	7,812	5,434
Standard Bank	22,596	16,920	22,596	16,920
Less: Interest capitalised to investment property, as part of additions	(1,788)	–	(1,142)	–
Finance charges	2,992	2,630	2,991	2,630
Interest on lease liabilities (note 33)	219	–	219	–
	102,703	85,421	103,349	85,421

The above finance costs are incurred on financial liabilities excluding debentures at amortised cost. Interest on debentures is separately disclosed in the statement of comprehensive income.

The interest capitalised during the year relates to the Checkers Gustav Voigts Centre upgrade and Erf 3519, Iscor Street. At year end, the total weighted average interest rate was 8.92% (2022: 7.29%). The average variable interest rate at year-end was 10.19% (2022: 6.83%).

24 Taxation

There was no change to the statutory tax rate in Namibia for the current year. Tax for other jurisdictions (South Africa) is calculated at the rates prevailing in the respective jurisdiction.

Exempt income as per the tax rate reconciliation includes dividends received, capital profits on revaluation of listed investments and amortisation of debenture premium.

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Namibian taxation				
Deferred tax – building allowance	**13,815**	24,067	**364**	3,026
Deferred tax – capital allowance	**1,943**	873	**634**	378
Deferred tax – rental Straight-line basis adjustment	**(118)**	6,445	**62**	(621)
Deferred tax – derivative liability	**486**	9,294	**486**	9,294
Deferred tax – assessed loss	**(13,059)**	(10,421)	**3,135**	3,739
Deferred tax – tenant installation costs	**262**	140	**(119)**	(185)
Deferred tax – prepaid expenditure	**(79)**	(112)	**(79)**	(99)
Deferred tax – deferred income	**(1,211)**	(1,070)	**(130)**	(388)
Deferred tax – deposits received	**(181)**	(198)	**(264)**	(64)
Deferred tax – provisions	**(1,896)**	(331)	**(507)**	(504)
Deferred tax – doubtful debts	**6,671**	(1,109)	**3,619**	(694)
South African taxation				
Prior period adjustment	**–**	(2,886)	**–**	(2,886)
Change in tax rate	**–**	(94)	**–**	(94)
Deferred tax – revaluation of investment property	**(3,046)**	108	**(3,046)**	108
Deferred tax – rental Straight-line basis adjustment	**(56)**	108	**(56)**	108
Deferred tax – tenant installation costs	**(22)**	(22)	**(22)**	(22)
Deferred tax – deposit received	**3**	–	**3**	–
Normal income taxation	**1,034**	1,324	**1,011**	1,306
	4,546	26,116	**5,091**	12,402
Tax losses available	**(675,347)**	(634,538)	**(56,719)**	(66,513)
Less: Applied to reduce deferred tax liability	**290,336**	276,099	**43,674**	44,398
Balance unutilised	**(385,011)**	(358,439)	**(13,045)**	(22,115)

	%	%	**%**	%
Reconciliation of effective tax rate:				
Namibian statutory rate				
Statutory rate	**32.0**	32.0	**32.0**	32.0
Capital gains	**(20.2)**	(6.4)	**(10.3)**	(3.7)
Exempt income	**(12.2)**	(9.9)	**(21.2)**	(25.9)
Disallowable expenditure	**3.2**	7.4	**7.0**	7.9
Prior year adjustment	**–**	(3.2)	**–**	11.8
	2.8	19.9	**7.5**	22.1
Reconciliation of effective tax rate for South African operations only:				
South African statutory rate	**27.0**	28.0	**27.0**	28.0
Capital gains	**(7.4)**	(0.5)	**(7.4)**	(0.5)
Exempt income	**(29.4)**	(1.0)	**(29.4)**	(1.0)
	(9.8)	26.5	**(9.8)**	26.5

Exempt income mainly relates to realised capital profits or losses on sale of properties (excluding South Africa), foreign exchange gains and straight-lining of rental income.

Disallowable expenditure mainly relates to impairment losses and foreign exchange losses.

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For the year ended 30 June 2023

25 Earnings per share and linked unit

The weighted average number of issued linked units for the year ended 30 June 2023 is 87,025,304 (2022: 87,163,072) in issue at the end of the respective distribution period. This has been adjusted for the 434,386 (2022: 282,761) units held by the Oryx Long Term Share Incentive Trust for the period and is calculated as follows:

	Group			
	2023 N$'000	2022 N$'000	**2023 cents per unit/share**	2022 cents per unit/share
Profit for the year	**158,511**	105,052	**182.14**	120.52
Debenture interest	**91,966**	88,721	**105.68**	101.79
Earnings attributable to linked units	**250,477**	193,773	**287.82**	222.31
Adjusted for:				
Amortisation of debenture premium^	**(8,300)**	(21,413)	**(9.54)**	(24.57)
Fair value gain associate investment property	**(41,121)**	(4,100)	**(47.25)**	(4.70)
Capital (profit)/loss	**(99,919)**	(40,290)	**(114.82)**	(46.22)
– Changes in fair value of investment property as per valuations	**(99,745)**	(46,823)	**(114.62)**	(53.72)
– Deferred tax Straight-line adjustments	**(174)**	6,533	**(0.20)**	7.50
– Rental Straight-line adjustment to operating income	**577**	(20,478)	**0.66**	(23.49)
– Rental Straight-line adjustment to revaluation	**(577)**	20,478	**(0.66)**	23.49
Headline earnings attributable to linked units	**101,137**	127,970	**116.21**	146.82
Debenture interest	**(91,966)**	(88,721)	**(105.25)**	(101.75)
Headline earnings	**9,171**	39,249	**10.96**	45.07
The undistributed income is based on the actual number of units of 87,378,835 (2022: 87,378,835) in issue at end of the year and is calculated as follows:				
Interest – interim distribution	**47,403**	38,447	**54.25**	44.00
– final distribution	**44,563**	50,461	**51.00**	57.75
	91,966	88,908	**105.25**	101.75

^ 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 prior period, effective 22 November 2021.

25 Earnings per share and linked unit (continued)

	Group			
	2023 N$'000	2022 N$'000	**2023 cents per unit/share**	2022 cents per unit/share
Headline earnings	**9,171**	39,249		
Debenture interest	**91,966**	88,721		
Distributable earnings	**101,137**	127,970	**115.75**	146.45
Adjusted for:				
– Dividends received from investment in associate	**16,942**	17,120	**19.39**	19.59
– Fair value gain associate investment property (net of deferred taxation)	**41,121**	4,100	**47.06**	4.69
– Deferred tax	**3,200**	8,965	**3.66**	10.26
– Share of profit from associate after tax	**(53,464)**	(18,398)	**(61.19)**	(21.06)
Capital losses not included in headline earnings	**13,737**	(20,938)	**15.73**	(23.96)
Unrealised capital loss on investment in listed shares	**652**	21	**0.75**	0.02
Deferred tax on swap fair value adjustments (note 24)	**486**	9,294	**0.56**	10.64
Fair value adjustment on financial instruments	**(1,519)**	(29,045)	**(1.74)**	(33.24)
Exchange differences on foreign loan	**14,118**	(1,208)	**16.16**	(1.38)
Adjusted distributable income	**122,673**	118,819	**140.40**	135.97
Interim distribution	**(47,403)**	(38,447)	**(54.25)**	(44.00)
Final distribution*	**(44,563)**	(50,461)	**(51.00)**	(57.75)
Undistributed income for the year and distributable reserves	**30,707**	29,911	**35.15**	34.22

* This excludes the antecedent distribution of 50cpu totalling N$13.5 million.

Refer to note 29 for distributions made during the year.

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For the year ended 30 June 2023

26 Derivative asset

			Non-current assets N$'000	Current assets N$'000	Total N$'000
Group/Company					
2023					
Interest rate swap agreements carried at fair value					
Notional value	**Maturity**	**Rate Fixed**			
N$50 million	13–Oct–23	4.15%	–	1,020	1,020
N$100 million	23–Feb–26	6.25%	3,342	2,153	5,495
N$50 million	25–May–24	4.68%	–	877	877
N$170 million	25–May–25	5.02%	2,765	3,235	6,000
N$140 million	11–Jan–24	7.15%	–	1,144	1,144
N$100 million	20–Jun–25	6.81%	1,317	1,737	3,054
Balance at end of the year			7,424	10,166	17,590
2022					
Interest rate swap agreements carried at fair value					
Notional value	**Maturity**	**Rate Fixed**			
N$50 million	13–Oct–23	4.15%	857	795	1,652
N$100 million	23–Feb–26	6.25%	5,102	–	5,102
N$50 million	25–May–24	4.68%	767	546	1,313
N$170 million	25–May–25	5.02%	5,105	1,521	6,626
N$140 million	11–Jan–24	7.15%	653	–	653
N$100 million	20–Jun–25	6.81%	2,620	–	2,620
Balance at end of the year			15,104	2,862	17,966

See note 17 for additional disclosure on derivatives.

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Reconciliation of interest rate swap asset				
Balance at beginning of the year	17,966	3,178	17,966	3,178
Fair value adjustments	(376)	14,788	(376)	14,788
Balance at end of the year	17,590	17,966	17,590	17,966

27 Operating lease arrangements

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
The future minimum lease commitments receivable under non-cancellable operating leases where the group acts as lessor are as follows:				
Not later than one year	247,806	247,326	92,665	96,956
Later than one year and not later than five years	643,228	568,158	206,848	224,695
Later than five years	73,644	107,146	34,809	37,073
	964,678	922,630	334,322	358,724

27 Operating lease arrangements (continued)

The Group conducts its rental activities of its investment properties in Namibia and South Africa under operating leases. Contractual rental income earned during the year amounted to N$357 million (2022: N$335 million) for the Group and N$116 million (2022: N$110 million) for the Company. The properties were managed mainly by Oryx, with the exception of the South African and residential portfolios, which are managed by externally contracted management agents. The costs incurred to independent real estate managers amounted to N$1,342,000 (2022: N$964,000).

All of the properties held have a weighted average lease period of 2.6 years (2022: 3.3 years). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have the option to purchase the property at the end of the lease period.

28 Reconciliation of net income before tax to cash

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
GENERATED FROM OPERATING ACTIVITIES				
Profit before taxation	**163,057**	131,168	**85,385**	60,779
Adjustments:	**22,687**	61,988	**111,139**	106,059
Fair value adjustment to investment property	**(99,745)**	(46,823)	**(29,411)**	(5,816)
Fair value adjustment to hedging instruments	**(1,519)**	(29,045)	**(1,519)**	(29,045)
Fair value adjustment to listed investment	**652**	21	**–**	(695)
Investment income	**(214)**	(100)	**(212)**	(100)
Dividends received	**–**	(751)	**–**	(751)
Finance costs	**106,543**	85,980	**106,543**	86,798
Distributions to linked unitholders	**91,966**	88,721	**92,365**	88,908
Straight-line adjustment to revenue	**577**	(20,478)	**13**	1,543
Straight-line adjustment to investment property	**(577)**	20,478	**(466)**	(2,446)
Exchange differences on loans	**14,118**	(1,208)	**14,118**	(1,208)
Share of profit from associate after tax	**(53,464)**	(18,398)	**(53,464)**	(18,398)
Impairment loss on investment in subsidiaries	**–**	–	**6,148**	5,450
Allowance for doubtful debts	**(27,795)**	4,621	**(15,079)**	2,891
Amortisation of debenture premium	**(8,300)**	(21,413)	**(8,300)**	(21,413)
Depreciation	**445**	383	**403**	341
Working capital changes:	**49,807**	1,731	**33,183**	21,516
Movement in trade and other receivables	**25,814**	(7,853)	**13,556**	(3,529)
Movement in deferred expenditure	**(740)**	(369)	**454**	658
Movement in trade and other payables	**24,733**	9,953	**5,725**	11,870
Movement in subsidiary operating balances	**–**	–	**13,448**	12,517
	235,551	194,887	**229,707**	188,354

29 Distribution paid to linked unitholders

The Group has historically distributed all of its distributable income to the unitholders. In 2021, management requested and received approval from unitholders to reduce the minimum distribution pay–out percentage from 90% of distributable income to 75%, after which the percentage will revert to a minimum of 90% effective from the 2025 financial year. Refer to note 3.14 for the accounting policy. The distributable income generated in the year and which remained unpaid at year end was recognised as a liability at year end.

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29 Distribution paid to linked unitholders (continued)

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Debenture interest paid is reconciled as follows:				
Amounts unpaid at beginning of the year	**(50,636)**	(38,015)	**(50,636)**	(38,015)
Amounts charged to the income statement	**(91,966)**	(88,721)	**(92,365)**	(88,908)
Antecedent interest capitalised during the year	**(13,474)**	–	**(13,474)**	–
Amounts unpaid at end of the year	**58,789**	50,636	**58,789**	50,636
	(97,287)	(76,100)	**(97,686)**	(76,287)

Antecedent interest of 50cpu (N$13.5m) was declared to all units issued subsequent to year end and deducted from debenture premium.

30 Taxation paid

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Amounts due at beginning of the year	**2,461**	2,393	**2,454**	2,398
Taxation charge to the income statement	**(1,034)**	(1,324)	**(1,011)**	(1,307)
Amounts due at end of the year	**(2,478)**	(2,461)	**(2,466)**	(2,454)
	(1,051)	(1,392)	**(1,023)**	(1,363)

31 Dividend received

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Dividend received is reconciled as follows:				
Amounts receivable at beginning of the year	**–**	–	**–**	–
Amounts raised in the statement of comprehensive income	**–**	(751)	**–**	(751)
Amounts receivable at end of the year	**–**	–	**–**	–
	–	–	**–**	–

32 Investment property and liabilities held for sale

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Investment property held for sale	**–**	70,000	**–**	70,000
Non-current liabilities held for sale	**–**	(75,000)	**–**	(75,000)

The investment property classified as held for sale in the 2022 financial year related to the Channel Life Office Tower building. The sale is no longer probable and therefore the Channel Life Office Tower and the related liability associated with the asset has been reclassified to investment property and interest-bearing borrowings respectively at 30 June 2023.

33 Leases

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group 2023 N$'000	Group 2022 N$'000	Company 2023 N$'000	Company 2022 N$'000
As at 1 July	–	–	–	–
Properties held under lease	7,801	–	7,801	–
Payments	(129)	–	(129)	–
	7,672	–	7,672	–
Current	729	–	729	–
Non-current	6,943	–	6,943	–
Interest expense on lease liabilities (note 23)	219	–	219	–
Expense relating to leases of low-value assets (included in other expenses)	116	103	116	103

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	Group 2023 N$'000	Group 2022 N$'000	Company 2023 N$'000	Company 2022 N$'000
Less than 3 months	199	–	199	–
Between 3 months and a year	598	–	598	–
Between 1 and 5 years	3,988	–	3,988	–
After 5 years	60,415	–	60,415	–
	65,200	–	65,200	–
Less finance charges component	(57,528)	–	(57,528)	–
	7,672	–	7,672	–

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

34 Segment information

34.1 Information on reportable segments

	Total N$'000	Residential N$'000	Retail N$'000	Industrial N$'000	Offices N$'000	Fund N$'000
Group						
2023						
Statement of comprehensive income						
Revenue						
– Rental - operating income	356,907	11,458	229,097	79,562	36,790	–
– Rental - Straight-line adjustment	(577)	(1)	(71)	448	(953)	–
Property expenses	(120,898)	(4,886)	(89,048)	(18,110)	(8,854)	–
Net rental income	235,432	6,571	139,978	61,900	26,983	–
Share of profit from associate after tax	53,464	–	–	–	–	53,464
Investment income	214	–	–	–	–	214
Amortisation of debenture premium	8,300	–	–	–	–	8,300
Changes in fair value of investment property	100,322	4,061	84,517	8,882	3,315	(453)
Changes in fair value of derivative instruments	1,519	–	–	–	–	1,519
Exchange differences on foreign loan	(14,118)	–	–	–	–	(14,118)
Changes in fair value of listed investments	(652)	–	–	–	–	(652)
Other expenses	(26,755)	123	3,660	(564)	(714)	(29,260)
Operating profit before finance costs and debenture interest	357,726	10,755	228,155	70,218	29,584	19,014
Less: Finance costs	(102,703)	–	646	993	–	(104,342)
Operating profit/(loss) before debenture interest	255,023	10,755	228,801	71,211	29,584	(85,328)
Debenture interest	(91,966)	–	–	–	–	(91,966)
Profit/(loss) before taxation	163,057	10,755	228,801	71,211	29,584	(177,294)
Taxation	(4,546)	87	324	1,900	305	(7,162)
Profit/(loss) for the year	158,511	10,842	229,125	73,111	29,889	(184,456)
Other comprehensive income	32,412	–	–	–	–	32,412
Total comprehensive income/ (loss) for the year	190,923	10,842	229,125	73,111	29,889	(152,044)
Statement of financial position						
Properties - at valuation	3,095,052	135,190	1,969,761	672,641	317,460	–
Properties - straight-line adjustment	(75,628)	(2)	(64,905)	(8,336)	778	(3,163)
Other assets	512,516	957	79,184	15,281	(3,160)	420,254
Non-current assets held for sale (note 32)	–	–	–	–	–	–
Total assets	3,531,940	136,145	1,984,040	679,586	315,078	417,091
Total liabilities	(2,059,321)	(6,161)	(62,854)	(13,053)	(5,826)	(1,971,427)
Improvements and acquisitions	72,176	129	38,434	33,155	458	–

34 Segment information (continued)

34.1 Information on reportable segments (continued)

	Total N$'000	Residential N$'000	Retail N$'000	Industrial N$'000	Offices N$'000	Fund N$'000
Group						
2022						
Statement of comprehensive income						
Revenue						
– Rental - operating income	335,408	10,920	216,051	73,367	35,070	–
– Rental - straight-line adjustment	20,478	51	18,061	3,084	(718)	–
Property expenses	(113,661)	(4,142)	(83,119)	(17,637)	(8,763)	–
Net rental income	242,225	6,829	150,993	58,814	25,589	–
Share of profit from associate after tax	18,398	–	–	–	–	18,398
Investment income	100	–	–	–	–	100
Dividends received	751	–	–	–	–	751
Amortisation of debenture premium	21,413	–	–	–	–	21,413
Changes in fair value of investment property	26,345	3,021	(9,286)	21,497	12,016	(903)
Changes in fair value of derivative instruments	29,045	–	–	–	–	29,045
Exchange differences on foreign loan	1,208	–	–	–	–	1,208
Changes in fair value of listed investments	(21)	–	–	–	–	(21)
Other expenses	(34,154)	(68)	(8,138)	(90)	200	(26,058)
Operating profit before finance costs and debenture interest	305,310	9,782	133,569	80,221	37,805	43,933
Finance costs	(85,421)	–	–	–	–	(85,421)
Operating profit/(loss) before debenture interest	219,889	9,782	133,569	80,221	37,805	(41,488)
Debenture interest	(88,721)	–	–	–	–	(88,721)
Profit/(loss) before taxation	131,168	9,782	133,569	80,221	37,805	(130,209)
Taxation	(26,116)	378	(12,824)	621	230	(14,521)
Profit/(loss) for the year	105,052	10,160	120,745	80,842	38,035	(144,730)
Other comprehensive income	804	–	–	–	–	804
Total comprehensive income/(loss) for the year	105,856	10,160	120,745	80,842	38,035	(143,926)
Statement of financial position						
Properties - at valuation	2,839,545	131,000	1,833,295	630,610	244,640	–
Properties - straight-line adjustment	(76,205)	(2)	(64,976)	(8,342)	(175)	(2,710)
Other assets	442,858	1,470	93,304	14,496	(1,983)	335,571
Non-current assets held for sale (note 32)	70,000	–	–	–	70,000	–
Total assets	3,276,198	132,468	1,861,623	636,764	312,482	332,861
Total liabilities	(1,994,500)	(6,325)	(47,091)	(14,628)	(5,550)	(1,920,906)
Improvements and acquisitions	31,904	168	23,920	5,574	2,242	–

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

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34 Segment information (continued)

34.2 Geographical information

The Group's revenue from tenants and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Namibian N$'000	Non-Namibian N$'000	Total N$'000
Group			
2023			
Total revenue	**345,642**	**10,688**	**356,330**
Property expenses	**(118,833)**	**(2,065)**	**(120,898)**
Share of profit from associate after tax	**–**	**53,464**	**53,464**
Profit for the year	**127,331**	**31,180**	**158,511**
Other information			
Properties at fair value	**3,048,652**	**46,400**	**3,095,052**
Investment in associate	**–**	**359,046**	**359,046**
Sectoral spread	**99%**	**1%**	**100%**
Total assets	**3,119,455**	**412,485**	**3,531,940**
Total liabilities	**1,923,052**	**136,269**	**2,059,321**
2022			
Total revenue	345,229	10,657	355,886
Property expenses	(111,513)	(2,148)	(113,661)
Share of profit from associate after tax	–	18,398	18,398
Profit for the year	79,029	26,023	105,052
Other information			
Properties at fair value	2,779,045	60,500	2,839,545
Investment in associate	–	290,111	290,111
Investment property held for sale	70,000	–	70,000
Sectoral spread	98%	2%	100%
Total assets	2,918,775	357,423	3,276,198
Total liabilities	1,755,608	238,892	1,994,500

35 Guarantees

No guarantees were in place at year end (2022: N$nil).

36 Statement of financial position

36.1 Categories of financial instruments

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Group 2023						
ASSETS						
Investment properties	6	–	–	–	3,019,424	3,019,424
Furniture and equipment	7	–	–	–	625	625
Deferred expenditure	11.1	–	–	–	10,249	10,249
Rental receivable straight-line adjustment	14	–	–	–	75,628	75,628
Trade and other receivables	11.2	–	19,482	–	6,125	25,607
Investment in associate	9	–	–	–	359,046	359,046
Taxation receivable		–	–	–	2,478	2,478
Derivative asset	26	17,590	–	–	–	17,590
Cash and cash equivalents	11.3	–	17,033	–	–	17,033
Dividend receivable	9	–	–	–	4,260	4,260
Total assets		17,590	36,515	–	3,477,835	3,531,940
LIABILITIES						
Debentures	16.1	–	(390,057)	–	–	(390,057)
Debenture premium	16.1	–	(230,133)	–	–	(230,133)
Interest-bearing borrowings	16.2	–	(1,242,536)	–	–	(1,242,536)
Deferred taxation	18	–	–	–	(61,329)	(61,329)
Trade and other payables	19	–	(61,609)	–	(5,710)	(67,319)
Lease liability	33	–	–	(7,672)		(7,672)
Deferred income	20	–	–	–	(1,486)	(1,486)
Linked unitholders for distribution	29	–	(58,789)	–	–	(58,789)
Total liabilities		–	(1,983,124)	(7,672)	(68,525)	(2,059,321)

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

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36 Statement of financial position (continued)

36.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Non-financial instruments N$'000	Total N$'000
Group					
2022					
ASSETS					
Investment properties	6	–	–	2,763,340	2,763,340
Furniture and equipment	7	–	–	888	888
Deferred expenditure	11.1	–	–	9,509	9,509
Rental receivable straight-line adjustment	14	–	–	76,205	76,205
Trade and other receivables	11.2	–	18,748	4,888	23,636
Investment in associate	9	–	–	290,111	290,111
Taxation receivable		–	–	2,461	2,461
Derivative asset	26	17,966	–	–	17,966
Cash and cash equivalents	11.3	–	18,127	–	18,127
Dividend receivable	9	–	–	3,955	3,955
Investment property held for sale	32	–	–	70,000	70,000
Total assets		17,966	36,875	3,221,357	3,276,198
LIABILITIES					
Debentures	16.1	–	(391,061)	–	(391,061)
Debenture premium	16.1	–	(252,560)	–	(252,560)
Interest-bearing borrowings	16.2	–	(1,121,458)	–	(1,121,458)
Derivative liability	17	(1,896)	–	–	(1,896)
Deferred taxation	18	–	–	(57,817)	(57,817)
Trade and other payables	19	–	(38,588)	(4,103)	(42,691)
Deferred income	20	–	–	(1,381)	(1,381)
Linked unitholders for distribution	29	–	(50,636)	–	(50,636)
Non-current liabilities held for sale	32	–	(75,000)	–	(75,000)
Total liabilities		(1,896)	(1,929,303)	(63,301)	(1,994,500)

36 Statement of financial position (continued)

36.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Company						
2023						
ASSETS						
Investment properties	6	–	–	–	727,852	727,852
Furniture and equipment	7	–	–	–	564	564
Interest in subsidiaries	8	–	1,474,075	–	–	1,474,075
Deferred expenditure	11.1	–	–	–	519	519
Rental receivable straight-line adjustment	14	–	–	–	11,268	11,268
Investment in associate	9	–	–	–	359,046	359,046
Trade and other receivables	11.2	–	7,469	–	4,828	12,297
Taxation receivable		–	–	–	2,466	2,466
Derivative asset	26	17,590	–	–	–	17,590
Cash and cash equivalents	11.3	–	8,116	–	–	8,116
Dividend receivable	9	–	4,260	–	–	4,260
Total assets		17,590	1,493,920	–	1,106,543	2,618,053
LIABILITIES						
Debentures	16.1	–	(392,330)	–	–	(392,330)
Debenture premium	16.1	–	(231,774)	–	–	(231,774)
Interest-bearing borrowings	16.2	–	(1,242,536)	–	–	(1,242,536)
Deferred taxation	18	–	–	–	(19,293)	(19,293)
Trade and other payables	19	–	(29,425)	–	(5,711)	(35,136)
Lease liability	33	–	–	(7,672)		(7,672)
Deferred income	20	–	–	–	(1,486)	(1,486)
Linked unitholders for distribution	29	–	(58,789)	–	–	(58,789)
Total liabilities		–	(1,954,854)	(7,672)	(26,490)	(1,989,016)

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

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36 Statement of financial position (continued)

36.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Non-financial instruments N$'000	Total N$'000
Company					
2022					
ASSETS					
Investment properties	6	–	–	580,673	580,673
Furniture and equipment	7	–	–	785	785
Interest in subsidiaries	8	–	1,452,336	–	1,452,336
Deferred expenditure	11.1	–	–	973	973
Rental receivable straight-line adjustment	14	–	–	11,281	11,281
Investment in associate	9	–	–	290,111	290,111
Trade and other receivables	11.2	–	6,750	4,032	10,782
Taxation receivable		–	–	2,453	2,453
Derivative asset	26	17,966	–	–	17,966
Cash and cash equivalents	11.3	–	15,997	–	15,997
Investment property held for sale	32	–	–	70,000	70,000
Dividend receivable	9	–	3,955	–	3,955
Total assets		17,966	1,479,038	960,308	2,457,312
LIABILITIES					
Debentures	16.1	–	(392,330)	–	(392,330)
Debenture premium	16.1	–	(253,551)	–	(253,551)
Interest-bearing borrowings	16.2	–	(1,121,458)	–	(1,121,458)
Derivative liability	17	(1,896)	–	–	(1,896)
Deferred taxation	18	–	–	(15,213)	(15,213)
Trade and other payables	19	–	(24,489)	(5,027)	(29,516)
Deferred income	20	–	–	(1,381)	(1,381)
Linked unitholders for distribution	29	–	(50,636)	–	(50,636)
Non-current liabilities held for sale	32	–	(75,000)	–	(75,000)
Total liabilities		(1,896)	(1,917,464)	(21,621)	(1,940,981)

37 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, trade and other receivables, trade and other payables, debentures and linked unitholders for distribution. In the normal course of its operations, the Group is inter alia exposed to capital, foreign currency, credit, liquidity and market risk. The Risk, Audit and Compliance Committee is responsible for managing financial risk. In order to manage and minimise these risks, the Group may enter into transactions that make use of derivatives.

The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Risk, Audit and Compliance Committee on a continuous basis. The Group does not speculate on or engage in the trading of derivative instruments.

37 Financial risk management (continued)

37.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to unitholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as disclosed in note 16.2 after deducting cash and bank balances) and equity of the Group. Equity comprises debentures and share capital due to the Group being a property loan stock company and therefore issues linked units.

The Group has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analyses of forecasts, that the Group's capital is managed. The Group has specifically adopted the following capital management policies:

- Maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary
- Maintenance of an appropriate level of liquidity at all times

The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts and any strategic initiatives.

The Group has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analyses and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined.

The Group continuously assesses the need for additional funding through loans. Refer to note 16.2 where the available and new facilities entered into during the year are noted.

As at 30 June 2023, the LTV was 35.0% (2022: 36.2%). During the 2022 financial year, the Board approved the increase to the internal gearing limit from 40% to 45%, in order to pursue growth opportunities. No externally imposed limit below 50% exists. The gearing ratio at 30 June 2023 is well below the target.

37.2 Credit risk management

Credit risk is the risk of loss associated with a counterparty's failure or inability to fulfil its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Management monitors the financial position of its tenants on an ongoing basis. The Group does not have significant credit risk exposure to a single tenant. The largest tenant makes up 10% of the operating income, which is in the hospitality industry. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

ECLs

Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to lifetime ECL. In determining the ECLs for these assets, the directors of the Group have taken into account the historical default experience and the financial position of the counterparties.

Given the impact that COVID-19 had on the Group since 2020, the directors of the Group factored in an additional ECL rate for the calculation of provision for doubtful debts as disclosed in note 11.2. Tenants were grouped into different sectors where the severity of the impact that COVID-19 had was used as a basis of applying the ECL rate per tenant.

Management has assessed the recoverability of each financial asset, excluding trade receivables, based on historical default experience. An impairment loss was recognised for the investment in certain subsidiaries. Refer to detail regarding the impairment in note 8.

The Group's financial assets that are potentially subject to credit risk include cash resources. The credit risk attached to the Group's cash resources is minimised by its cash resources only being placed with reputable financial institutions, as well as by keeping cash on hand to a relatively low level. The credit risk relating to the subsidiary loans is regarded as insignificant due to the Group structure and loan terms.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

37 Financial risk management (continued)

37.2 Credit risk management (continued)

ECLs (continued)

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Total credit exposure				
Interest in subsidiaries (excluding shares) (note 8)	–	–	1,416,069	1,394,330
Trade receivables (less impairment) (note 11.2)	25,607	23,636	12,297	10,782
Cash and cash equivalents (note 11.3)	17,033	18,127	8,116	15,997
	42,640	41,763	1,436,482	1,421,109

The total credit exposure relates to cash resources and trade and other receivables. Although the Group does not perceive a credit risk relating to cash resources, the exposure to a single counterparty with respect to tenant receivables could be a potential for risk. The top 10 tenants that contribute 49.9% (2022: 39.3%) of rental income are: Avani Hotel, Checkers, CIC, Pep, Metje & Ziegler Motors, Action Ford, Mr Price Group, FP du Toit Transport, Virgin Active and Edgars.

Cash and cash equivalents	Short term	Long term	Outlook	Credit rating agency
Bank Windhoek Limited	A1+(NA)	AA(NA)	Stable	Global
Nedbank (below)	Below	Below	Below	Global
Nedbank Limited (South Africa)	A1+(ZA)	AA(ZA)	Stable	Global
Nedbank Limited (South Africa)	zaA-1+	zaAA	Stable	Standard & Poor
Nedbank Limited (South Africa)	P-1.za	Aa1.za	Stable	Moody's

Nedbank adopts the rating of its holding company Nedbank Limited (based on national scale), which is the same as for Nedbank Limited reflected above.

Management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

37.3 Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate movements impact on the value of the Group's short-term cash investments, interest-bearing borrowings, accounts receivable and payable. The exposure to interest rate risk is managed through monitoring cash flows, investing surplus cash at negotiated rates and fixing interest rates on borrowings when appropriate, which enables the Group to maximise returns while minimising risks. Economic activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Currently 49% (2022: 51%) of interest-bearing borrowings have a fixed interest rate. Refer to notes 17 and 26 for more detail on the interest rate swaps.

The Group is exposed to interest rate fluctuations as not all the debt is fixed at year end.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. The below table illustrates the potential impact that a 1% change in interest rates could have on the profit before debenture interest and equity, assuming the full balance at reporting date attracts interest.

37 Financial risk management (continued)

37.3 Market risk (continued)

Interest rate sensitivity analysis (continued)

	Notes	Group Balance at reporting date N$'000	Group 1% interest impact N$'000	Company Balance at reporting date N$'000	Company 1% interest impact N$'000
2023					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	1,416,069	14,161
Derivative assets	26	7,424	(2,861)	7,424	(2,861)
Current assets					
Trade and other receivables	11.2	16,159	162	7,169	72
Derivative assets	26	10,166	(3,917)	10,166	(3,917)
Cash and cash equivalents	11.3	17,033	170	8,116	81
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	16.2	(781,263)	(7,813)	(781,263)	(7,813)
Lease liability	33	(6,943)	(69)	(6,943)	(69)
Current liabilities					
Interest-bearing borrowings	16.2	(461,273)	(4,613)	(461,273)	(4,613)
Lease liability	33	(729)	(7)	(729)	(7)
		(1,199,426)	(18,948)	198,736	(4,966)
2022					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	1,394,330	13,943
Derivative assets	26	15,104	16,841	15,104	16,841
Current assets					
Trade and other receivables	11.2	47,444	474	23,679	237
Derivative assets	26	2,862	3,191	2,862	3,191
Cash and cash equivalents	11.3	18,127	181	15,997	160
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	16.2	(947,352)	(9,474)	(947,352)	(9,474)
Current liabilities					
Interest-bearing borrowings	16.2	(174,106)	(1,741)	(174,106)	(1,741)
Derivative liability	17	(1,896)	(2,114)	(1,896)	(2,114)
		(1,039,817)	7,358	328,618	21,043

The Group's sensitivity to interest rates has increased during the current year, mainly due to the decrease in fair value of the derivative assets which offers protection to interest rate risks.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

37 Financial risk management (continued)

37.4 Liquidity risk management

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group proactively manages its liquidity risk by regularly assessing working capital requirements and monitoring cash flows, while ensuring surplus cash is invested in a manner to achieve maximum returns.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the actual settlement amounts of financial liabilities based on the earliest date on which the Group can be required to pay

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Less than three months				
– Trade and other payables	61,609	38,588	29,425	24,489
– Interest-bearing borrowings	311,273	15,810	311,273	15,810
– Distributions payable	58,789	50,636	58,789	50,636
– Interest payable*	20,368	13,556	20,368	13,556
– Interest payable on lease liability	199	–	199	–
Between three months and one year				
– Interest payable*	77,067	63,122	77,067	63,122
– Interest-bearing borrowings	150,000	158,296	150,000	158,296
– Interest payable on lease liability	598	–	598	–
Between one and five years				
– Interest-bearing borrowings	781,263	947,352	781,263	947,352
– Interest payable*	79,364	89,720	79,364	89,720
– Interest payable on lease liability	3,986	–	3,986	–
After five years				
– Debentures	390,057	391,061	392,330	392,330
– Interest payable on lease liability	52,745	–	52,745	–
	1,987,318	1,768,141	1,957,407	1,755,311

* Includes payments of fixed interest rates inherent in the swap agreements.

Total available unutilised facilities, excluding the DMTNP of N$252 million (2022: N$417 million), unutilised foreign facilities, Maerua development loan and cash balances, amounted to N$409 million (2022: N$173 million) at year-end. The unutilised foreign facilities amounted to €3 million (2022: €5.3 million) at year-end.

The Nedbank and Bank Windhoek Ltd revolving credit facilities were in favourable balances at the reporting date and thus classified under cash and cash equivalents. An annual review has to be performed on all the revolving credit facilities before they are extended for another 12-month period. Refer to note 16.2 for detail regarding the loans that matured or are due for maturity in the new financial year.

37.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved parameters. The Group settles its Euro interest from the dividends received in Euro currency. The Group takes out forward covers on dividends received from time to time, to ensure for appropriate cover over the payments when required to unitholders on a bi-annual basis.

The carrying amounts of the Group's foreign currency denominated assets and liabilities at the end of reporting period are as follows:

	Group		Company	
	2023 N$'000	2022 N$'000	2023 N$'000	2022 N$'000
Non-current assets				
Investment in associate	359,046	290,111	359,046	290,111
Current liabilities				
Interest-bearing borrowings	(136,273)	(74,996)	(136,273)	(74,996)

The Group is mainly exposed to the Euro relating to the assets and liabilities disclosed above.

37 Financial risk management (continued)

37.5 Foreign currency risk management (continued)

The following table details the Group's sensitivity to a 5% weakening of the Namibian Dollar against the Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where currency units strengthen 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Profit on financial assets recorded in other comprehensive income	**17,952**	14,506	**17,952**	14,506
Loss on financial liabilities	**(6,814)**	(3,750)	**(6,814)**	(3,750)
Net impact on other comprehensive income	**11,138**	10,756	**11,138**	10,756

Refer to the accounting policy note that details the exchange rate used for the recording of the foreign currency.

38 Fair value hierarchy

An entity is required in terms of IFRS 13 to disclose for each class of asset or liability that is carried at fair value, the level into which the fair value measurement will be classified in the fair value hierarchy.

The fair value hierarchy quantifies the significance and nature of the inputs that were used in measuring the fair value of each class of asset or liability. The lowest level input used that is significant to the fair value measurement will determine the level into which it is categorised.

The table below provides an analysis of assets or liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly or indirectly
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

Refer to note 6 for the investment properties reconciliation and note 17 for the derivative liability reconciliation and note 10 for the investment in listed shares reconciliation.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

38 Fair value hierarchy (continued)

	Notes	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Designated at fair value N$'000
Group					
2023					
ASSETS					
Investment properties - at valuation	6	–	–	3,095,052	3,095,052
Derivative asset	26	–	17,590	–	17,590
		–	17,590	3,095,052	3,112,642
LIABILITIES					
Derivative liability	17	–	–	–	–
2022					
ASSETS					
Investment properties - at valuation	6	–	–	2,839,545	2,839,545
Derivative asset	26	–	17,966	–	17,966
Investment properties - at valuation	32	–	–	70,000	70,000
		–	17,966	2,909,545	2,927,511
LIABILITIES					
Derivative liability	17	–	(1,896)	–	(1,896)
Company					
2023					
ASSETS					
Investment properties - at valuation	6	–	–	735,956	735,956
Derivative asset	26	–	17,590	–	17,590
		–	17,590	735,956	753,546
LIABILITIES					
Derivative liability	17	–	–	–	–
2022					
ASSETS					
Investment properties - at valuation	6	–	–	589,243	589,243
Derivative asset	26	–	17,966	–	17,966
Investment properties - at valuation	32	–	–	70,000	70,000
		–	17,966	659,243	677,209
LIABILITIES					
Derivative liability	17	–	(1,896)	–	(1,896)

There were no transfers between levels 1, 2 or 3 during the year.

38 Fair value hierarchy (continued)

LEVEL 1 ASSET OR LIABILITY - VALUATION TECHNIQUE

The fair value of these assets or liabilities is based on quoted market prices, industry bank or pricing service.

LEVEL 2 ASSET OR LIABILITY – VALUATION TECHNIQUE

Liabilities	Valuation technique	Key inputs
Derivative liability	Discounted cash flow model	Discount rates

LEVEL 3 ASSET OR LIABILITY – VALUATION TECHNIQUE

Assets	Valuation technique	Key inputs
Investment properties – at valuation	Discounted cash flow model	Discount rates, capitalisation rates, market rental growth, vacancy rates
	Reversionary rate method	Capitalisation rates, reversionary capitalisation rates, market rental growth, vacancy rates
	Perpetuity method	Capitalisation rates
	Direct comparable sales	Sales in the relevant market

An appropriate valuation technique for estimating the fair value of a particular asset or liability would incorporate observable market data about the market conditions and other factors that are likely to affect the instrument's fair value. Inputs are selected on a basis that is consistent with the characteristics of the instrument that market participants would take into account in a transaction for that instrument. Principal inputs to valuation techniques applied by the Group include, but are not limited to, the following:

Discount rate: Where discounted cash flow techniques are used, estimates, reversionary capitalisation rates and discount rates used are market-related at the reporting date for instruments with similar terms and conditions.

The carrying amount is considered to approximate the fair value of investment properties. The value consists of market rentals less impairment for bad debts and interest on late receipts from tenants as quoted per contract.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

38 Fair value hierarchy (continued)

Sensitivity analysis

Various market conditions may affect the assumptions applied to the key inputs to the valuation model. A 0.25% increase or decrease to the key inputs was considered an appropriate significant change to the sensitivity analysis. The estimated impact of a change in the following significant unobservable inputs would result in a change in the valuation as follows:

	Group			
	2023			
	Average capitalisation rate	**Average pretax discount**	**Average rental growth**	**Average vacancy rate**
Portfolio value				
0.25% increase	**2,995,930,797**	**3,024,682,487**	**3,240,385,263**	**3,071,776,218**
0.25% decrease	**3,165,466,089**	**3,133,989,547**	**2,931,777,143**	**3,084,955,782**
Change in value				
0.25% increase	**(82,435,203)**	**(53,683,513)**	**162,019,263**	**(6,589,782)**
0.25% decrease	**87,100,089**	**55,623,547**	**(146,588,857)**	**6,589,782**

	2022			
	Average capitalisation rate	Average pretax discount	Average rental growth	Average vacancy rate
Portfolio value				
0.25% increase	2,826,353,129	2,855,621,742	3,059,415,789	2,550,068,339
0.25% decrease	2,991,208,464	2,959,110,104	2,768,042,857	3,378,612,158
Change in value				
0.25% increase	(80,091,871)	(50,823,258)	152,970,789	(356,376,661)
0.25% decrease	84,763,464	52,665,104	(138,402,143)	472,167,158

The time value of money: The business may use well-accepted and readily observable general interest rates or an appropriate swap rate as the benchmark rate to derive the present value of a future cash flow.

39 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

		Group		Company	
		2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
PARTY CONCERNED	**TRANSACTION**				
Key management personnel	– Executive remuneration	**4,042**	3,621	**4,042**	3,621
	– Short-term incentive bonus	**1,010**	1,056	**1,010**	1,056
	– Long-term incentive bonus	**1,347**	1,512	**1,347**	1,512
	– Expense re-imbursements	**71**	34	**71**	34
Directors' fees	– Non-executive	**2,753**	3,086	**2,753**	3,086
Subsidiary companies	– Inter-Company interest received	**–**	–	**157,846**	116,195
TPF International	– Dividends received from investment in associate	**12,682**	13,165	**12,682**	13,165
Non-executive director:					
Mr MH Muller	– Expense re-imbursement	**33**	32	**33**	32
Ms A Angula	– Rental operating income	**31**	–	**31**	–

Refer to the directors' report for detail regarding remuneration of directors which is determined by the Board.

Refer to note 13 for the disclosure around the LTI bonus allocated during the year as well as vesting requirements.

Refer to note 21 for disclosure around transactions with subsidiaries.

Refer to note 9 for transactions with associate.

Refer to the directors' report relating to the related parties' interest in Oryx.

40 Capital commitments

	Group		Company	
	2023 N$'000	2022 N$'000	**2023 N$'000**	2022 N$'000
Authorised but not contracted	**72,665**	47,515	**–**	–
	72,665	47,515	**–**	–

41 Subsequent events

Subsequent to year end, on 1 August 2023, the Group concluded the acquisition of the Dunes Mall (Proprietary) Limited amounting to N$628.25 million, which is the registered owner of the Dunes Mall located in Walvis Bay. 49% of the acquisition price was funded from equity through the rights issue. The remainder of the acquisition price was settled from the proceeds of a temporary bridge facility which will be converted into a N$500 million preference share facility with RMB. The facility has a four-year tenure and is priced at 3M JIBAR plus 1.39%. A portion of the remainder of the facility was used to repay the Nedbank N$75 million facility priced at 3M JIBAR plus 2.75% on 31 August 2023, whereas the RMB N$100 million facility priced at 3M JIBAR plus 2.98% is expected to be repaid with the conclusion of the preference share facility agreement.

42 Approval of Annual Financial Statements

The Annual Financial Statements set out on pages 123 to 207, which have been prepared on a going concern basis, were approved by the Board on 5 October 2023.

NOTICE OF ANNUAL GENERAL MEETING

Oryx Properties Limited

Reg. No. 2001/673

Notice to all unitholders

Please take note

that the Annual General Meeting of the Company will be held at Maerua Rooftop, Maerua Mall Office Tower, corner of Jan Jonker and Robert Mugabe Avenue, Windhoek, Namibia on Tuesday, 28 November 2023 at 14:00.

No changes were made from the reviewed results released on 1 September 2023 to the results in the Integrated Annual Report.

To consider and, if deemed fit, to pass, with or without modification, the following Ordinary Resolutions:

Unitholders are advised that for all Ordinary Resolutions to be passed, votes in favour must represent at least 50% + 1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of these resolutions.

Ordinary Resolution Number 1:

Resolved that the audited financial statements for Oryx Properties Limited for the year ended 30 June 2023 be adopted.

Ordinary Resolution Number 2:

Resolved that, in accordance with section 304 of the Companies Act, fees to be paid by the Company to the Non-executive Directors for their services as directors be and are hereby approved as follows, representing a 6% increase:

	Fees per meeting 2023 N$		Fees per meeting 2024 N$	
	Chairperson	Director/ Committee member	Chairperson	Director/ Committee member
Board	86,572	48,096	91,770	50,980
RACC	65,498	43,665	69,430	46,290
RNSEC	65,498	43,665	69,430	46,290
Investment Committee	65,498	43,665	69,430	46,290

	Fees per Board meeting 2023 N$	Proposed fees per Board meeting 2024 N$
Deputy Chairperson	65,498	69,430

The Chairpersons of the various Committees are responsible for assessing whether an ad hoc meeting is necessary and to determine the duration thereof for remuneration purposes. Fees remain unchanged for additional ad hoc meetings and are set at N$1,500 per hour with a daily cap of N$10,000. The daily cap will be paid to members travelling to Windhoek.

Ordinary Resolution Number 3:

To approve the fee structure of the Non-executive Directors for the ensuing year which conforms with Principle C2.25.10 of the NamCode.

The Board has performed the necessary benchmarking of the Non-executive Directors' fees against norms of directors' fees paid in Namibia. Based on the benchmark process performed, the recommendation is for unitholders to approve the following structure:

Board

- Fixed fee based on four meetings per annum, paid quarterly
- Fixed fee for Chairperson based on four meetings per annum, paid quarterly
- Attendance of additional meetings at an hourly rate but capped on a daily basis

Risk, Audit and Compliance Committee

- Fixed fee based on four meetings per annum, paid quarterly
- Fixed fee for Chairperson based on four meetings per annum, paid quarterly
- Attendance of additional meetings at an hourly rate but capped on a daily basis

Remuneration, Nomination, Sustainability and Ethics Committee

- Fixed fee based on two meetings per annum, paid quarterly
- Fixed fee for the Chairperson based on two meetings per annum, paid quarterly
- Attendance of additional meetings at an hourly rate but capped on a daily basis

Investment Committee

- Fixed fee based on four formal meetings per annum and ad hoc meetings, paid quarterly
- Fixed fee for Chairperson based on four formal meetings per annum, paid quarterly
- Attendance of additional meetings at an hourly rate but capped on a daily basis

Ordinary Resolution Number 4:

To consider and, if accepted, approve by a non-binding advisory vote the Remuneration Policy set out in the remuneration report on page 99 of this Integrated Annual Report.

This ordinary resolution is of an advisory nature and although the Board of Directors will consider the outcome of the vote when determining the Remuneration Policy, failure to pass this resolution will not legally preclude the Company from implementing the Remuneration Policy as contained in the Integrated Annual Report.

Ordinary Resolution Number 5:

Resolved that the authorised, but unissued ordinary and preference shares, in the capital of the Company be and are hereby placed under the control of the directors of the Company until the next AGM, who are authorised to allot, issue and otherwise dispose of such shares and linked units at their discretion, subject at all times to the provisions of the Companies Act, (Act 28 of 2004), as amended, the Company's Articles of Association and the Listing Requirements of the NSX, provided that each ordinary share of one (1) cent each be issued together with an unsecured variable-rate debenture of 449 cents each as a linked unit.

The number of units issued per financial year, whether through cash or vendor placements or both, may not exceed 10% of the total number of shares in issue determined immediately prior to each issue of new units with reference to the total number of units in issue at the commencement of the financial year. The issue of such units is subject to a maximum discount of 5% of the volume weighted average price on the NSX of these units over the 6 (six) month period prior to the date the price of issue is agreed between the Group and the party subscribing for the units and an antecedent interest should be added to this price.

Ordinary Resolution Number 6:

In terms of section 278(1) of the Companies Act, Act 28 of 2004, the auditors of a public company are required to be appointed at the Company's AGM. The purpose of this ordinary resolution is to confirm the re-appointment of Deloitte & Touche as independent auditors to the Company, as nominated by the Risk, Audit and Compliance Committee as required under section 278(1) of the Companies Act, for the ensuing year, and to authorise the directors to determine their remuneration.

Resolved that the re-appointment of Deloitte & Touche as independent auditors to the Company for the ensuing year be confirmed.

Ordinary Resolution Number 7:

Resolved that the directors be authorised to determine the remuneration of the auditors.

Ordinary Resolution Number 8:

To approve the appointment of any new directors and the re-election of any existing directors in accordance with the Articles of Association. Motions for approval will be moved individually.

New directors' nominations as recommended by the Board for appointment:

8.1 To appoint Mr S Hugo as an Independent Non-executive Director.

8.2 To appoint Mr M Langheld as an Independent Non-executive Director.

8.3 To appoint Ms TK Nkandi as an Independent Non-executive Director.

Abridged curriculum vitae of these directors are available on page 28 of this Integrated Annual Report. The new director nominations are based on the Group's succession plan for independent Non-executive Directors.

Rotation of directors as recommended by the Board for re-appointment:

8.4 To re-elect Ms A Angula who retires by rotation but being eligible, offers herself available for re-election, on a year-to-year basis.

8.5 To re-elect Ms JJ Comalie who retires by rotation but being eligible, offers herself available for re-election, on a year-to-year basis.

Abridged curricula vitae of these directors are available on page 14 of this Integrated Annual Report. Refer to page 87 of the Integrated Annual Report with respect to justification of the re-appointment for the directors where three three-year terms have been served.

To consider and, if deemed fit, to pass, with or without modification, the following Special Resolutions:

Unitholders are advised that for all Special Resolutions to be passed, votes in favour must represent at least 75% + 1 (seventy-five percent plus one) of all votes cast and/or exercised at the meeting in respect of these resolutions.

Special Resolution Number 1:

During the 2021 calendar year, in the midst of the COVID-19 pandemic, unitholders voted in favour of reducing the minimum pay-out ratio from 90% to 75% for the second distribution payment pertaining to 2021, and for a three-year period thereafter (2022, 2023 and 2024 financial years).

An assessment on the pay-out ratio was performed during the year, during which it was concluded that although the interest distributions held back over the years have not covered Oryx's normal annual capital expenditure requirements in totality, it allowed the Group to invest in both yield-enhancing and defensive capital projects, which in turn strengthened the Group's balance sheet.

Given the zero tolerance approach of the Global Credit Rating (GCR) agency with regard to liquidity and aligning with the Corporate Strategy 2025 to grow the fund to a more meaningful size, an extension of the current 75% pay-out ratio will allow the Company to fulfil its ambitions. On this basis, the Board recommends that the period be extended for a further three years, and it is recommended that the following clause pertaining to the Debenture Trust Deed:

"7.5 (b) (i) Subject to clause 23 of the Principle Deed, the interest entitlement on each debenture shall be not less than 75% for a 3-year period (2022, 2023, and 2024 financial years) after which it will revert back to a minimum of 90% pay-out effective 2025 financial year of"

Be approved to read as follows:

"7.5 (b) (i) Subject to clause 23 of the Principle Deed, the interest entitlement on each debenture shall be not less than 75% for a 6-year period (2022, 2023, 2024, 2025, 2026 and 2027 financial years), after which it will revert to a minimum of 90% pay-out effective from the 2028 financial year;"

By order of the Board

NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, speak, vote, and on a poll, vote in his/her stead, and such proxy need not also be a member of the Company.
2. The Proxy Form must be deposited at the registered office of the Company or emailed to cosec@oryxprop.com.na not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.

By order of the Board

5 October 2023

Registered office

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

PROXY FORM

Oryx Properties Limited

I/We ____ (Name/s in block letters)

being the registered holder/s of ____________________________________ units in ORYX, as at the close of

business on 28 November 2023 hereby appoint ____ of

____________________________ or failing him/her ____________________________

of ____ or failing him/her THE CHAIRMAN OF THE MEETING

as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of ORYX to be held on the

28 November 2023 AT 14:00

and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the units registered in my/our name/s, in accordance with the following instructions:

Resolution	In favour	Against	Abstain
Ordinary Resolution Number 1 To adopt the annual financial statements for the year ended 30 June 2023			
Ordinary Resolution Number 2 To approve the non-executive directors' fees for the year ended 30 June 2024			
Ordinary Resolution Number 3 To approve the non-executive directors' fee structure			
Ordinary Resolution Number 4 To approve, by non-binding advisory vote, the Remuneration Policy			
Ordinary Resolution Number 5 To approve the placing of unissued linked units under the control of directors			
Ordinary Resolution Number 6 To approve the re-appointment of the independent external auditors			
Ordinary Resolution Number 7 To approve the directors to be authorised to determine the remuneration of the auditors			
Ordinary Resolution Number 8			
8.1 To appoint Mr S Hugo as an Independent Non-executive Director			
8.2 To appoint Mr M Langheld as an Independent Non-executive Director			
8.3 To appoint Ms TK Nkandi as an Independent Non-executive Director			
8.4 To re-elect Ms A Angula who retires by rotation but being eligible, offers herself available for re-election, on a year-to-year basis			
8.5 To re-elect Ms JJ Comalie who retires by rotation but being eligible, offers herself available for re-election, on a year-to-year basis			
Special Resolution Number 1 To approve the 75% minimum distribution pay-out ratio for a 6-year period			

Signed at ____________________________ on this ________ day of ____________________ 2023

Full names (in block letters) ____

Signature(s) ____

Assisted by (Guardian): ____________________ Date: ____________________ 2023

A member entitled to attend and vote is entitled to appoint a Proxy to attend, speak, vote, and on a poll, vote in his/her stead, and such Proxy need not also be a member of ORYX.

Registered office

Maerua Mall Office Tower
2nd Floor
Corner of Robert Mugabe
and Jan Jonker Avenue
Windhoek

P O Box 97723
Maerua Park
Windhoek

Tel: +264 61 423 201
Fax: +264 61 423 211

Instructions on signing and lodging the Proxy Form

1. The Proxy Form must be deposited at the registered office of Oryx, or emailed to cosec@oryxprop.com.na, not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.
2. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled. Any alteration must be signed, not initialled.
3. The Chairman of the meeting shall be entitled to decline to accept the authority of the signatory:
   (a) under a power of attorney; or
   (b) on behalf of a Company or any other entity

   unless the power of attorney or authority is deposited at the registered office of the Company, or emailed to cosec@oryxprop.com.na, not less than 48 (FORTY-EIGHT) hours before the time scheduled for the meeting.
4. The authority of a person signing a Proxy in a representative capacity must be attached to the Proxy form unless the authority has already been recorded by the Secretaries.
5. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her Proxy in the blank space(s) provided for that purpose.
6. When there are joint holders of units and if more than one such joint holder be present or represented, then the person whose name stands first in the register in respect of such units or his/her Proxy, as the case may be, shall alone be entitled to vote in respect thereof.
7. The completion and lodging of this Proxy form will not preclude the signatory from attending the meeting and speaking and voting in person thereat to the exclusion of any Proxy appointed in terms hereof should such signatory wish to do so.
8. The Chairman of the meeting may reject or accept any Proxy form that is completed and/or submitted other than in accordance with these instructions, provided that he/she is satisfied as to the manner in which a member wishes to vote.
9. If the unitholding is not indicated on the Proxy form, the Proxy will be deemed to be authorised to vote the total unitholding.

GLOSSARY

AGM	Annual General Meeting
bps	basis points
CAM	Chief Asset Manager
CBD	Central business district
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIC	Commercial Investment Company
Companies Act	Companies Act of Namibia, 28 of 2004
Company	Oryx Properties Limited
CTC	Cost to company
€	Euro
ECL	Expected credit losses
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GDP	Gross Domestic Product
GIPF	Government Institutions Pension Fund
GLA	Gross lettable area
Group	Oryx Properties Limited and its subsidiaries
ICR	Interest cover ratio
IFRS	International Financial Reporting Standards
IT	Information technology
JSE	Johannesburg Stock Exchange
JV	Joint venture
KPI	Key performance indicator
LTI	Long-Term Incentive
LTV	SA REIT Loan-to-value
N$	Namibian Dollar
NamCode	Corporate Governance Code for Namibia
NAV	Net asset value
NEEEB	National Equitable Economic Empowerment Bill
NEEEF	New Equitable Economic Empowerment Framework
NSX	Namibian Stock Exchange
OTC	Over the counter
RACC	Risk, Audit and Compliance Committee
REIT	Real Estate Investment Trust
RNSEC	Remuneration, Nomination, Sustainability and Ethics Committee
SAPOA	South African Property Owners Association
STI	Short-Term Incentive
TIL	TPF International Limited
WALE	Weighted average lease expiry

KEY PERFORMANCE INDICATORS

MEASURE	WHY IS THIS IMPORTANT?
Total distribution cents per unit	Measures our financial health and ability to share our profits with unitholders.
Net asset value (NAV) N$ billion	Measures the total value of our assets.
Overall weighted average cost of funding %	Measures whether we can achieve a return on our investments that meets or exceeds the cost of invested capital (funding).
Market capitalisation	Measures our worth on the open market and the market's perception of our business and prospects.
Net rental income growth %	Measures how well we have grown our net income or bottom line.
Interest cover ratio times	Measures how easily we can pay interest on our outstanding debt.
Property portfolio value (including investment property held for sale) N$Bn	Measures how the value of our portfolio has grown.
Gearing ratio %	Measures our financial health and how well we can service our debt.
Vacancy rate (excluding residential) %	Measures how well our properties are occupied, which is a key driver of our income.

CORPORATE INFORMATION

Company registration number: 2001/673
Web: www.oryxprop.com

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

COMPANY SECRETARY
Bonsai Secretarial
Compliance Services
Tel: +264 61 305072
Fax: +264 61 305073
Email: annelie@bscs.com.na

CHIEF EXECUTIVE OFFICER
Ben Jooste
Tel: +264 61 423201
Email: ben@oryxprop.com.na

CHIEF FINANCIAL OFFICER
Francis Heunis
Tel: +264 61423201
Email: francis@oryxprop.com.na

CHIEF ASSET MANAGER
Conrad van der Westhuizen
Tel: +264 61 423201
Email: conrad@oryxprop.com.na

TRUSTEE
Christiaan Johan Gouws as
nominee of
Fisher Quarmby & Pfeifer
Corner of Robert Mugabe and
Thorer Street
(entrance in Burg Street)
Windhoek
P O Box 37
Windhoek, Namibia

TRANSFER SECRETARIES
Transfer Secretaries
(Proprietary) Limited
4 Robert Mugabe Avenue
(entrance in Dr Theo Ben
Gurirab Street)
Windhoek
P O Box 2401
Windhoek, Namibia

LEGAL ADVISORS
H D Bossau & Co
49 Feld Street
Windhoek
P O Box 1975
Windhoek, Namibia

COMMERCIAL BANKS
Absa Bank Limited
7th Floor
Barclays Towers West
15 Troye Street
Johannesburg, South Africa,
2001

Bank Windhoek Limited
Maerua Mall Branch
Maerua Park – Shop 0036
Corner of Jan Jonker and
Robert Mugabe Avenue
Windhoek
P O Box 15
Windhoek, Namibia

Nedbank Namibia Limited
Corporate Branch
Business Centre
55 Rehobother Road
Ausspannplatz
P O Box 15
Windhoek, Namibia

Rand Merchant Bank a division of
FirstRand Bank Limited
@Parkside, 130 Independence
Avenue
Windhoek
Private Bag 13239
Windhoek
Namibia

Standard Bank Namibia Limited
1 Chasie Street, Kleine Kuppe,
Windhoek

OTHER FINANCIERS
Old Mutual Investment Group
(Namibia) Limited
Mutual Tower
10th Floor, Windhoek
P O Box 165
Windhoek, Namibia

SPONSOR: NSX AND DOMESTIC MEDIUM-TERM NOTE PROGRAMME SPONSOR
IJG Securities (Proprietary) Limited
4th Floor 1@steps, Corner of Grove and
Chasie Streets
Kleine Kuppe
Windhoek
P O Box 186
Windhoek
Namibia

Dr Weder Kauta & Hoveka Inc.
WKH House
Jan Jonker Road, Windhoek
P O Box 864 / 822
Windhoek, Namibia

Koep & Partners
33 Schanzen Road, Windhoek
P O Box 3516
Windhoek, Namibia

Michelle Saaiman Inc
Unit 5, Trift Place, Corner of Trift
and Schinz Street
P O Box 997104 Maerua Mall
Windhoek, Namibia

NOTES

Oryx is a leading Namibian property fund with high-quality assets and ambitious growth plans.

REGISTERED OFFICE

Maerua Mall Office Tower
2nd Floor
Corner of Jan Jonker and
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