

UNAUDITED INTERIM RESULTS AND DISTRIBUTION ANNOUNCEMENT

for the six months ended 31 December 2023

Net Asset Value
N\$2.5 billion
(2022: N\$2.0 billion)

Gearing **37.3%**
(2022: 36.5%)

Vacancy factor (excl. residential)* **5.4%**
(2022: 6.1%)

Profit for the period
N\$66.9 million
(2022: N\$33.8 million)

Distribution – cents per linked unit (cpu)
51.50
(2022: 54.25)

* Including lease agreements signed prior to 31 December 2023 with the date of occupation taking place after 31 December 2023.

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

	Notes	Six months ended		Year ended
		31.12.2023 Unaudited	31.12.2022 Unaudited	30.06.2023 Audited
Revenue		225,001	168,085	356,330
Rental – operating income	3.1	224,365	174,993	356,907
Rental – straight-line adjustment		636	(6,908)	(577)
Property expense		(70,743)	(58,681)	(120,898)
Net rental income		154,258	109,404	235,432
Investment income		1,286	144	214
Share of profit from associate after tax	3.2	28,712	24,185	53,464
Amortisation of debenture premium		6,630	4,150	8,300
Other income	3.1	32,996	–	–
Changes in fair value of investment property		6,386	6,908	100,322
As per valuations	2.6	7,022	–	99,745
Straight-line adjustment		(636)	6,908	577
Changes in fair value of derivative instruments	2.8	(10,318)	1,365	1,519
Changes in fair value of listed investments		(748)	(652)	(652)
Exchange differences on foreign loan	3.2	(590)	(5,288)	(14,118)
Other expenses	3.1	(23,731)	(10,236)	(26,755)
Operating profit before finance costs and debenture interest		194,881	129,980	357,726
Less: Finance costs		(73,017)	(50,107)	(102,703)
Operating profit before debenture interest		121,864	79,873	255,023
Less: Debenture interest		(58,569)	(47,239)	(91,966)
Profit before taxation		63,295	32,634	163,057
Taxation		3,618	1,196	(4,546)
Profit for the period	2.2	66,913	33,830	158,511
Other comprehensive income – exchange difference on associate	3.2	4,210	24,236	32,412
Total comprehensive income for the period		71,123	58,066	190,923

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

	Notes	Six months ended		Year ended
		31.12.2023 Unaudited	31.12.2022 Unaudited	30.06.2023 Audited
ASSETS				
Non-current assets				
Investment properties		3,682,751	2,892,914	3,019,424
At valuation	2.6	3,777,751	2,962,211	3,095,052
Straight-line adjustment		(95,000)	(69,297)	(75,628)
Furniture and equipment		1,308	883	625
Investment in associate	3.2	378,964	330,635	359,046
Deferred expenditure		7,183	6,330	6,912
Rental receivable – straight-line adjustment		88,491	66,303	70,107
Derivative asset	2.8	5,379	13,709	7,424
		4,164,076	3,310,774	3,463,538
Current assets				
Trade and other receivables		39,047	28,526	31,128
Trade and other receivables		32,539	25,532	25,607
Rental receivable – straight-line adjustment		6,508	2,994	5,521
Dividend receivable		–	–	4,260
Deferred expenditure		3,377	3,078	3,337
Tax receivable		25	2,461	2,478
Derivative asset	2.8	4,482	3,726	10,166
Cash and cash equivalents		15,933	14,433	17,033
		62,864	52,224	68,402
TOTAL ASSETS		4,226,940	3,362,998	3,531,940
EQUITY AND LIABILITIES				
Capital and reserves		1,544,009	1,339,762	1,472,619
Non-current liabilities				
Debentures		510,270	390,057	390,057
Debenture premium		411,558	247,760	230,133
Interest-bearing borrowings	2.7	1,419,065	963,248	781,263
Derivative liability	2.8	2,589	–	–
Deferred taxation		58,251	56,027	61,329
Lease liability		6,871	–	6,943
		2,408,604	1,657,092	1,469,725
Current liabilities				
Trade and other payables		62,760	46,338	67,319
Deferred income		1,197	1,381	1,486
Interest-bearing borrowings	2.7	150,011	270,759	461,273
Linked unitholders for distribution	2.3	59,561	47,666	58,789
Lease liability		798	–	729
		274,327	366,144	589,596
TOTAL EQUITY AND LIABILITIES		4,226,940	3,362,998	3,531,940

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

	Notes	Six months ended		Year ended
		31.12.2023 Unaudited	31.12.2022 Unaudited	30.06.2023 Audited
OPERATING ACTIVITIES				
Net cash from operating activities		(2,161)	7,387	31,103
Cash generated by operations		130,441	107,798	235,551
Investment income		1,286	144	214
Finance costs		(77,908)	(49,752)	(106,324)
Distribution paid to linked unitholders		(57,797)	(50,209)	(97,287)
Taxation received/(paid)		1,817	(594)	(1,051)
Net cash from investing activities		(632,674)	(41,036)	(61,721)
Additions/acquisitions		(649,937)	(52,886)	(72,358)
Dividends received from associate	3.2	17,263	11,850	16,637
Purchase of notarial agreement of lease		–	–	(6,000)
Net cash from financing activities		633,735	29,955	29,524
Proceeds from the issue of linked units		309,804	–	–
Additional facilities drawn		508,174	336,269	262,560
Repayment of loans		(182,223)	(304,007)	(230,600)
Repurchase of linked units		(2,017)	(2,307)	(2,307)
Payment of principal portion of lease liabilities		(3)	–	(129)
Net movement in cash and cash equivalents		(1,100)	(3,694)	(1,094)
Cash and cash equivalents at beginning of the period		17,033	18,127	18,127
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		15,933	14,433	17,033

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

	Share capital	Distributable reserves	Non-distributable reserves	Total
Audited balance at 30 June 2022	871	97,711	1,183,116	1,281,698
Net profit attributable to linked unitholders	–	33,830	–	33,830
Other comprehensive income	–	24,236	–	24,236
Transfer to non-distributable reserves	–	(25,601)	25,601	–
Share buyback	(2)	–	–	(2)
Unaudited balance at 31 December 2022	869	130,176	1,208,717	1,339,762
Net profit attributable to linked unitholders	–	124,681	–	124,681
Other comprehensive income	–	8,176	–	8,176
Transfer to non-distributable reserves	–	(134,617)	134,617	–
Audited balance at 30 June 2023	869	128,416	1,343,334	1,472,619
Net profit attributable to linked unitholders	–	66,913	–	66,913
Other comprehensive income	–	4,210	–	4,210
Transfer to non-distributable reserves	–	(57,987)	57,987	–
Issue of linked units	269	–	–	269
Share buyback	(2)	–	–	(2)
Unaudited balance at 31 December 2023	1,136	141,552	1,401,321	1,544,009

1. Other information

	Notes	Six months ended		Year ended
		31.12.2023 Unaudited	31.12.2022 Unaudited	30.06.2023 Audited
Linked units in issue		114,325,868	87,378,835	87,378,835
Net asset value (NAV) on non-IFRS basis (cpu)	3.2	2,157	2,263	2,395
Realisable NAV (before distributions payable)		2,209	2,318	2,462
Listed market price (cpu)		1,200	1,030	1,100
Discount to NAV (%)		(44.36)	(54.49)	(54.07)
Commercial vacancy factor (based on lettable area)		5.4%	6.1%	6.8%
Residential vacancy factor (average)		0.7%	1.7%	1.4%
Capital commitments (incl. approved but not contracted)*		N\$335m	N\$731m	N\$73m
Earnings per linked unit (cents)	2.2	110.32	93.14	287.82
Distribution per linked unit (cents) as declared	2.3	51.50	54.25	105.25

* Capital commitments include the first phase of the Maerua Mall Retail refurbishment project amounting to N\$47.5 million, the PwC development project amounting to N\$4.8 million, the Checkers Maerua Mall project amounting to N\$25 million, and the Goreangab development amounting to N\$258 million.

2. Notes to the financial results

2.1 Basis of preparation

The Group prepares its condensed consolidated financial statements in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS) and the Companies Act of Namibia, 28 of 2004. The principal accounting policies and methods of computation are consistent in all material aspects with those applied as at 30 June 2023. The estimates and judgements made in applying the accounting policies are consistent with those applied and disclosed in the Annual Financial Statements for the year ended 30 June 2023. These unaudited condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

The condensed consolidated financial statements do not include the information required pursuant to paragraph 16A(i) of IAS 34, although the information they contain does conform with the NSX listing requirements. There were no revised or new standards adopted in the current year that had an effect on the Group's reported earnings, financial position or reserves, or a material impact on the accounting policies. The directors take full responsibility for the preparation of the condensed consolidated financial statements.

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

2.2 Weighted earnings and headline earnings

The weighted average number of issued linked units for the six months ended 31 December 2023 increased to 113,747,002 (June 2023: 87,025,304), mainly due to the rights issue that took place in July 2023. The weighted average number of issued linked units has been adjusted for 608,140 (June 2023: 434,386) units held by the Oryx Long-Term Share Incentive Trust and is calculated as follows:

	Six months ended		Six months ended	
	31.12.2023 Unaudited		31.12.2022 Unaudited	
	N\$'000	cpu	N\$'000	cpu
Profit for the period	66,913	58.83	33,830	38.87
Debenture interest	58,569	51.49	47,239	54.27
Earnings attributable to linked units	125,482	110.32	81,069	93.14
Adjustments for:				
Amortisation of debenture premium	(6,630)	(5.83)	(4,150)	(4.77)
Capital surpluses (net of deferred taxation)*	(32,771)	(28.81)	(2,227)	(2.56)
Headline earnings attributable to linked units	86,081	75.68	74,692	85.81
Debenture interest	(58,569)	(51.49)	(47,239)	(54.27)
Headline earnings (Note 2.3)	27,512	24.19	27,453	31.54

* Headline earnings circular 01/2023 applied.

2.3 Distribution attributable to linked unitholders

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

	Six months ended		Six months ended	
	31.12.2023 Unaudited		31.12.2022 Unaudited	
	N\$'000	cpu	N\$'000	cpu
Headline earnings (Note 2.2)	27,512	24.19	27,453	31.54
Adjusted for:				
Debenture interest	58,569	51.23	47,239	54.06
Distributable earnings	86,081	75.42	74,692	85.60
Adjusted for:				
Dividends received from investment in associate	13,003	11.37	7,896	9.04
Share of profit from associate after tax	(28,712)	(25.11)	(24,185)	(27.68)
Capital surpluses not included in headline earnings	8,354	7.31	5,012	5.74
Adjusted distributable income	78,726	68.99	63,415	72.70
First half distribution	(58,878)	(51.50)	(47,403)	(54.25)
Undistributed income for the period and distributable reserves	19,848	17.49	16,012	18.45

2.4 Primary business segments for the period ended 31 December 2023 (Unaudited N\$'000)

	Retail	Industrial	Office	Residential	Fund	Group
Rental – operating income	155,743	42,939	19,710	5,973	–	224,365
Rental – straight-line adjustment	1,074	(101)	(336)	(1)	–	636
Revenue	156,817	42,838	19,374	5,972	–	225,001
Profit/(loss) for the period	100,272	34,388	14,953	3,821	(86,521)	66,913
Properties as per valuations	2,620,007	702,665	319,709	135,370	–	3,777,751
Sectoral spread	69%	19%	8%	4%	–	100%
Total assets	2,650,203	707,084	319,064	136,353	414,236	4,226,940
Total liabilities	(29,916)	(12,424)	(5,402)	(6,190)	(2,628,999)	(2,682,931)

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

	Retail	Industrial	Office	Residential	Fund	Group
Rental – operating income	111,821	38,973	18,604	5,595	–	174,993
Rental – straight-line adjustment	(6,443)	(1,367)	896	6	–	(6,908)
Revenue	105,378	37,606	19,500	5,601	–	168,085
Profit/(loss) for the period	77,084	33,837				

2. Notes to the financial results (continued)

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

	Six months ended			Six months ended		
	31.12.2023			31.12.2022		
	Namibian	Non-Namibian	Group	Namibian	Non-Namibian	Group
Rental – operating income	218,544	5,821	224,365	169,530	5,463	174,993
Rental – straight-line adjustment	1,063	(427)	636	(6,708)	(200)	(6,908)
Revenue	219,607	5,394	225,001	162,822	5,263	168,085
Share of profit from associate after tax	–	28,712	28,712	–	24,185	24,185
Profit for the period	32,986	33,927	66,913	11,034	22,796	33,830
Properties as per valuations	3,731,351	46,400	3,777,751	2,901,711	60,500	2,962,211
Sectoral spread	99%	1%	100%	98%	2%	100%
Total assets	3,800,689	426,251	4,226,940	2,968,977	394,021	3,362,998
Total liabilities	(2,552,660)	(130,271)	(2,682,931)	(1,925,074)	(98,162)	(2,023,236)

2.6 Property portfolio

The directors valued the portfolio at N\$3.78 billion (June 2023: N\$3.10 billion) at period end. The 22% growth in the portfolio is mainly due to the acquisition of Dunes Mall (Pty) Ltd on 1 August 2023, amounting to N\$628.25 million. Additionally, capital expenditure amounting to N\$20 million was incurred during the period (Dec 2022: N\$53 million), which consisted of N\$5.1 million incurred on the Maerua Mall development, with the capital expenditure in the Retail and Office segments amounting to N\$12.5 million and N\$2.2 million respectively. A fair value adjustment amounting to N\$7 million was recorded during the period under review, relating to the Dunes Mall property.

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

2.7 Interest-bearing borrowings

Expiry	31.12.2023 Unaudited		30.06.2023 Audited	
	Utilised facility N\$'000	Weighted average interest rate %	Utilised facility N\$'000	Weighted average interest rate %
Non-current liabilities				
2025	269	10.4	292,763	10.5
2026	562,191	10.6	488,500	10.7
2027	356,605	8.9	–	–
2028	500,000	9.8	–	–
Total	1,419,065	9.9	781,263	10.6
Current liabilities				
Maturing within one year	150,011	10.4	461,273	9.5
Total	150,011	10.4	461,273	9.5
GRAND TOTAL	1,569,076	9.9	1,242,536	10.2

Total available unutilised facilities, excluding the Domestic Medium-Term Note Programme (DMTNP) of N\$252 million (June 2023: N\$252 million), Maerua development loan and cash balances, amounted to N\$419 million (June 2023: N\$409 million) at period end. The unutilised foreign facilities amounted to €3.4 million (June 2023: €3.0 million) at period end.

2.8 Derivative asset/(liability)

	Total fair value N\$'000	Non-current fair value N\$'000	Current fair value N\$'000	Nominal value N\$'000	Average fixed interest rate %*
31.12.2022 Unaudited	7,272	2,790	4,482	810,000	6.7%
Asset	9,576	5,379	4,482		
Liability	(2,304)	(2,589)	–		
30.06.2023 Audited	17,590	7,424	10,166	610,000	5.9%

* Floating rate is the three-month Johannesburg Interbank Average Rate.

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

3. Directors' commentary

3.1 Financial results and distribution

For the period ending 31 December 2023, the Group has maintained its positive momentum in financial and operational performance, resulting in the normalised rental operating income (excluding Dunes Mall) increasing by 7% (June 2023: 6%) to N\$187 million (Dec 2022: N\$175 million), while reducing commercial vacancies to 5.4% (Dec 2022: 6.1%) and tenant collections averaging 100% (Dec 2022: 104%). Oryx's prudent financial and cash flow management strategies continue to position it well, notwithstanding the challenging environment of prolonged higher interest rates.

Dunes Mall's tenant collection averaged 102% year-to-date with vacancies reducing to 5.8% (Dec 2022: 7.8%) at period end. During the period under review, a contractual purchase price adjustment (PPA) of N\$7.02 million was paid to the previous owners for filling vacancies within the property.

Other income amounting to N\$33 million (Dec 2022: N\$nil) was recorded during the period, which relates to a capital gain realised on the settlement of a headlease agreement.

3.2 Investment in associate

The investment in associate cash yield was 9.3% (Dec 2022: 6.4%) for the period, of which Oryx's 26% share amounts to N\$13 million (Dec 2022: N\$8 million). The increase in the dividend yield follows the introduction of higher interest charges on the shareholder loans. A positive fair value adjustment was recognised during the period when the Croatian portfolio was revalued to €91.3 million (Dec 2022: €85.6 million). The translation of the loan from Euro to Namibian Dollar resulted in a foreign exchange loss of N\$590 thousand (Dec 2022: N\$5.3 million). The translation of the associate in turn resulted in a foreign exchange gain of N\$4.2 million (Dec 2022: N\$24 million), using a spot rate of N\$20.50 as at 31 December 2023 (Dec 2022: N\$18.16).

3.3 Interest-bearing borrowings

The weighted average interest rate at period end was 9.9% (Dec 2022: 9.1%), which excludes any interest rate hedges. The increase in the weighted average interest rate is significantly attributed to the 100bps increase in the repo rate from December 2022 (6.75%) to December 2023 (7.75%). 52% (June 2023: 49%) of total debt drawn was fixed at period end, which increased slightly after entering into a N\$250 million nominal value hedge fixed at 8.118% over 3-month JIBAR with a tenure of three years. The hedge was partially offset by the maturity of a N\$50 million hedge.

3.4 Contingencies

A purchase price adjustment was agreed on the acquisition of the Dunes Mall (Pty) Ltd on condition that the seller fills certain vacant gross lettable areas of the Dunes Mall asset. The maximum purchase price adjustment and therefore contingent liability recorded amounts to N\$15.19 million.

3.5 The market and prospects

In its December 2023 Economic Outlook Update, the Bank of Namibia projected a deceleration in Namibian GDP growth for 2023 and 2024. This slowdown is primarily attributed to weakened global demand and an anticipated contraction in the agriculture sector. The estimate suggests a decline in real GDP growth to 3.9% in 2023, further easing to 3.4% in 2024, which represents a significant reduction in the robust 7.6% growth observed in 2022. The anticipated slowdown in 2023 is largely attributed to a diminished demand in both global and domestic economies, influenced by elevated inflation and high interest rates, which adversely impact consumer spending.

Despite the challenging micro- and macroeconomic conditions, the Group maintains its optimism regarding Namibia's future and is unwaveringly advancing toward fulfilling its strategy to expand the property portfolio. The Group believes that this will lead to an increase in shareholder value over the medium to long term. Following the successful capital raise in July 2023 and the completion of the Dunes Mall acquisition, the Group's total asset base increased to N\$3.78 billion. Rental demand within the portfolio has seen vacancies improve, showing that prospective tenants are similarly positive about the economy and thus prioritising leasing decisions.

3.6 Changes to the Board

Mr S Hugo, Mr M Langheld and Ms TK Nkandi were appointed to the Board of Directors on 28 November 2023. The Board welcomes the three new directors to the Group and looks forward to their future contributions.

3.7 Subsequent events

The directors are not aware of any other material subsequent events after the reporting period.

3.8 Appreciation

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

I also want to extend my appreciation to our unitholders and other stakeholders for their continued support which contributes to Oryx's success.

4. Declaration of distribution number 41

Notice is hereby given of the declaration of distribution number 41, amounting to interest of 51.50 cpu, in respect of the six-month period ended 31 December 2023.

Last date to trade cum distribution Wednesday, 20 March 2024

Units will trade ex-distribution Friday, 22 March 2024

Record date to participate in the distribution Thursday, 28 March 2024

Payment of debenture interest Friday, 12 April 2024

By order of the Board

B Jooste – Chief Executive Officer

6 March 2024