



INTEGRATED ANNUAL REPORT '20

ORYX is a property loan stock company listed on the Namibian Stock Exchange (NSX) in the Financial Real Estate sector. We are directly invested in property mainly in Namibia and have an investment in Croatia. This is our Integrated Annual Report for the financial year ended 30 June 2020.

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FEEDBACK

Oryx is committed to improving its reporting, aligned with best practice. Please provide any feedback and questions to admin@oryxprop.com.na.

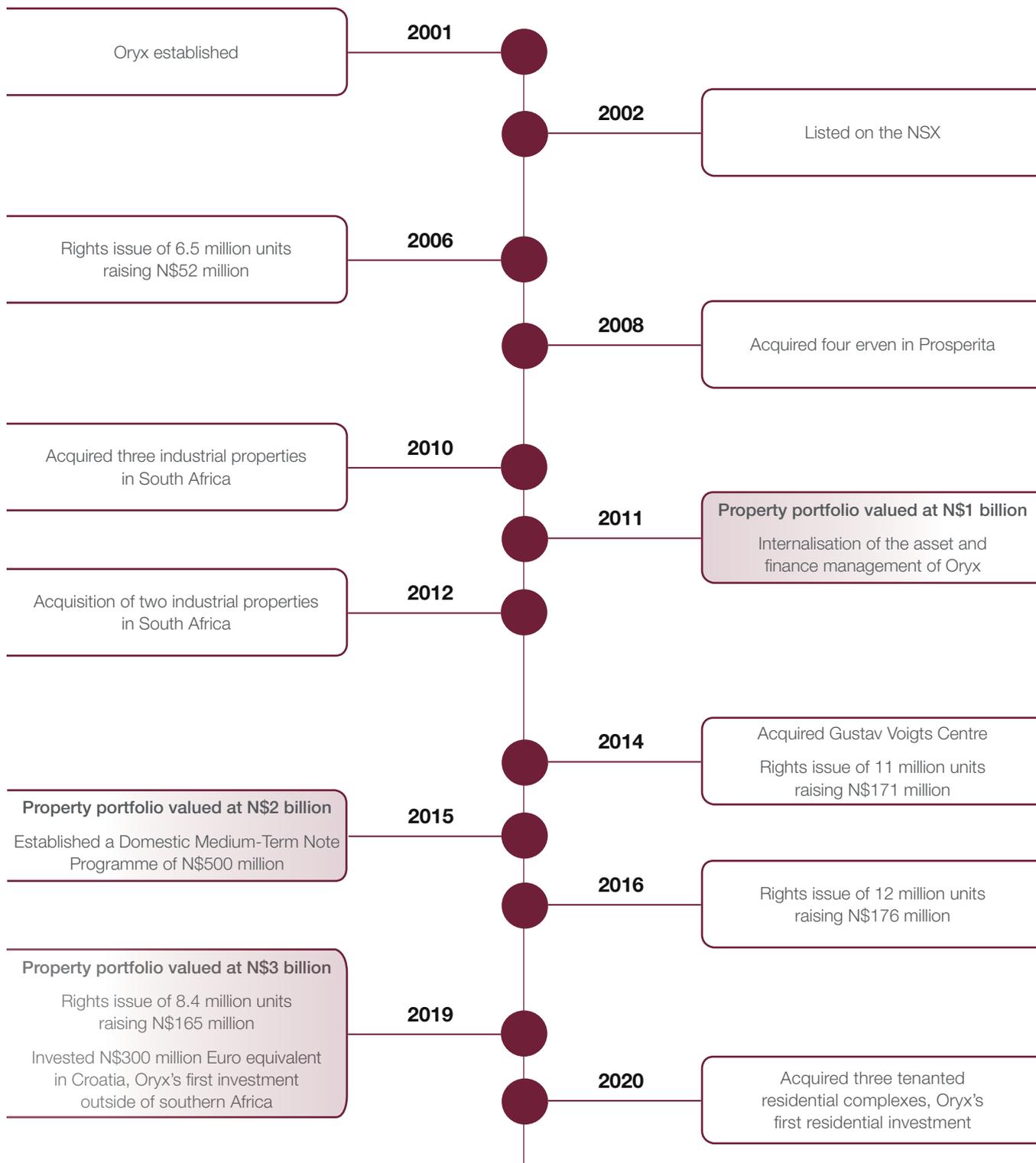
OUR 2020 PERFORMANCE AT A GLANCE

69.75 CPU	Total distribution (cents per unit (cpu)) (2019: 150.00)	N\$1.528 Bn	Market capitalisation (2019: N\$1.704 billion)	N\$2.914 Bn	Property portfolio value (2019: N\$2.914 billion)
N\$1.912 Bn	Net asset value (NAV) (2019: N\$2.043 billion)	2.0%	Net rental income growth (2019: 12%)	39.1%	Gearing ratio (2019: 34.9%)
5.83%	Overall weighted average cost of funding (2019: 9.2% ¹)	2.3 times	Interest cover ratio (excluding interest on linked debentures) (2019: 2.96 times)	5.40%	Vacancy rate (excluding residential) (2019: 3.20%)

¹ Excludes Euro loan.

ORYX'S EVOLUTION

Oryx has a diverse property portfolio worth N\$3 billion. Owned nearly entirely by Namibians, Oryx is proud of our Namibian heritage and passionate about securing prosperity for our country.



HOW WE COMPILED THIS REPORT

Oryx Properties Limited and its subsidiaries (Oryx or the Group) are pleased to present the Integrated Annual Report for the year ended 30 June 2020. This report provides an integrated overview of the Group's performance and value creation.

SCOPE AND REPORTING BOUNDARY

This report's scope is consistent with the prior year, with no restatement of prior year financial information. Our organisational structure is set out on pages 64 and 65.

This report strives to align 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)

We continued our journey to align with the International Integrated Reporting Council (IIRC) Integrated Reporting (<IR>) Framework. The key improvement areas for our 2020 report are an enhanced focus on materiality, a more detailed review of Oryx's operating environment and improved governance and remuneration disclosure.

Due to the size and nature of Oryx, we compile a concise Integrated Annual Report and do not issue a summarised Integrated Annual Report. Our full Annual Financial Statements start on page 70. Additionally, this report includes the notice of Annual General Meeting (AGM) and Proxy Form.

More information, including Securities Exchange News Service (SENS) announcements and general meeting notices, is available at oryxprop.com/page/investors/.

MATERIALITY

The Board of Directors (the Board) and the executive team applied its interpretation of materiality to determine the content in this report. A matter is material if it could affect the assessment and decisions of the Board, unitholders and other providers of financial capital, and affect the Group's value creation over time.

Oryx's material matters are defined on page 15.

ASSURANCE AND APPROVAL

The Board and management reviewed the report's content. Deloitte, the Group's external auditor, provided assurance on the Annual Financial Statements (pages 71 to 74) and expressed an unmodified audit opinion thereon.

BOARD APPROVAL

The Board and the Risk, Audit and Compliance Committee (RACC), assisted by other Board sub-committees, oversaw the integrity and completeness of the Integrated Annual Report. The Board approved the frameworks guiding the preparation of this report and the material matters and considered the reliability of the data and information included in this report.

The Board applied its collective mind to the preparation and presentation of the information in this report and concluded that it reflects a fair and balanced view of the Group's integrated value creation.

The Board approved the Integrated Annual Report on 14 September 2020.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on underlying uncertainties. The Group cannot guarantee that any forward-looking statement will materialise. Accordingly, readers are cautioned not to place undue reliance on these statements. If new information becomes available due to future events or other reasons, the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statements.

WHAT WE DO

Oryx is proudly Namibian.

Oryx is a balanced property fund listed on the NSX. We own a diverse, quality real estate portfolio comprising retail, industrial, office and residential properties. Of the two property companies on the NSX, Oryx is the only primary listing.

VISION

To remain at the forefront of the Namibian listed property sector.
To do this, we nurture our Namibian heritage and use innovative and progressive solutions to create sustainable economic, social and environmental benefits for our stakeholders.

MISSION

Acquire premium-quality retail, industrial, office and residential properties and investments in property.
This will be achieved by acquiring or developing properties with growing income streams from quality tenants to secure sustainable, dependable and predictable long-term earnings growth and capital appreciation.

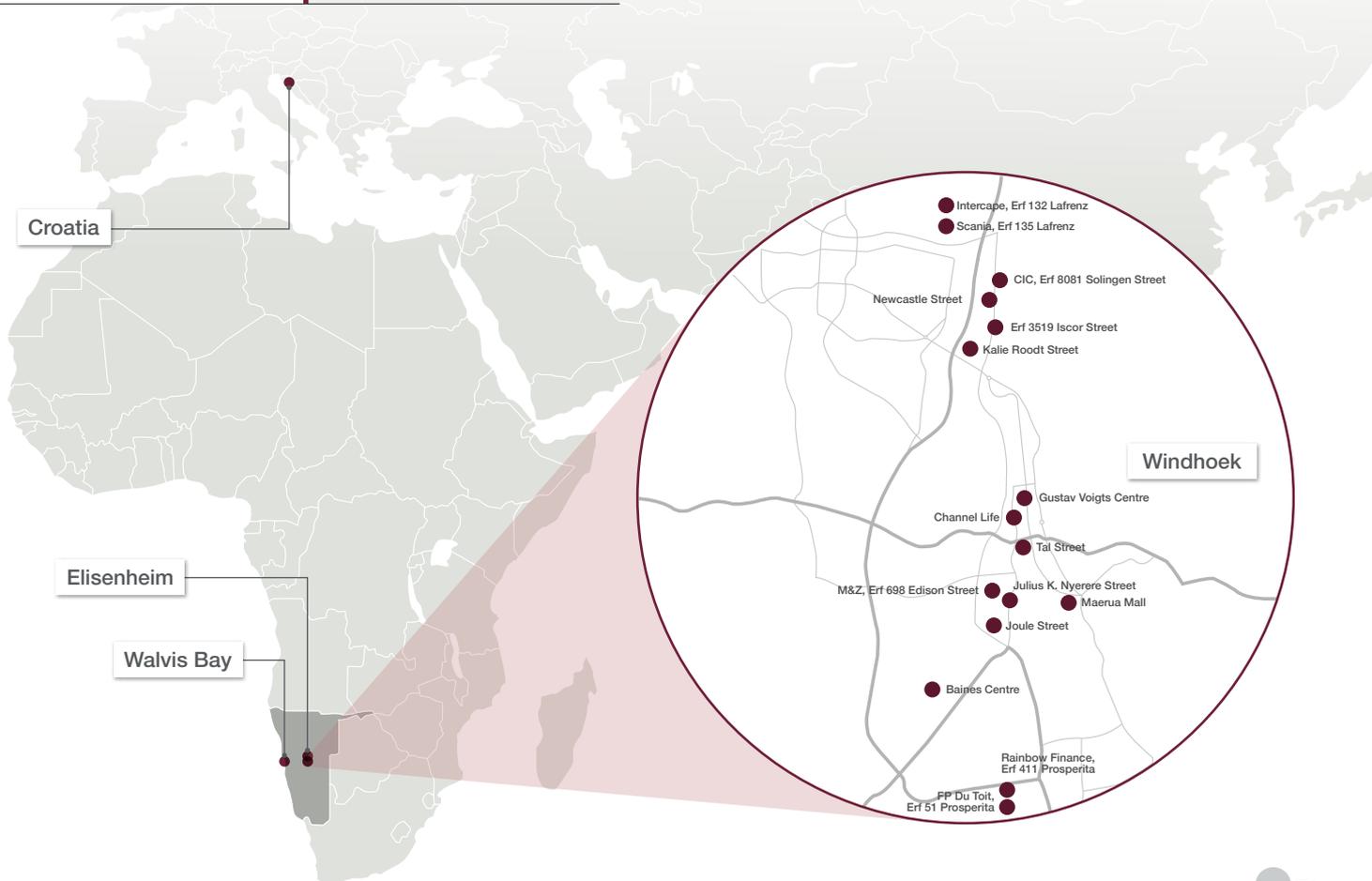
Oryx's property portfolio by sector (based on N\$ value)

64% retail (2019: 68%)	10% office (2019: 11%)
21% industrial (2019: 21%)	5% residential (2019: 0%)

Our portfolio is mainly based in Namibia with one property in South Africa.

Our flagship retail properties include Maerua Mall and Gustav Voigts Centre in Windhoek, Namibia's capital. We attract quality tenants and have 256 tenants in 28 properties, and an occupancy rate of 94.6% across commercial properties and 90.7% on the residential complexes.

We have a 26% investment in TPF International Limited (TIL) with an underlying Croatian portfolio valued at €92 million.





We understand property,
the Namibian market
and our people.

WHY ORYX IS A GOOD INVESTMENT

In an industry that has been under pressure, even before COVID-19, we believe that Oryx's balanced property portfolio is well placed to withstand the current economic downturn.

Our share price is stable

- The Oryx share price has historically performed well compared to other South African Real Estate Investment Trusts (REITs), despite the significant volatility in the Namibian and South African property sectors

We are proudly Namibian

- Oryx is the only property fund with a primary listing on the NSX, and our listing allows investors to have a transparent view of our performance
- Our business is underpinned by responsible leadership and our aspiration to be a responsible corporate citizen

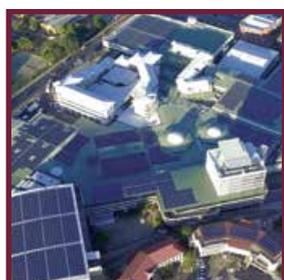
We own a balanced, diverse and quality property portfolio

- Our portfolio covers different real estate sectors that provide diversity and resilience during economic cycles
- We entered the residential property market in 2020
- We offer investors international exposure to the Croatian property sector through our 26% shareholding in TIL

We understand the Namibian property market

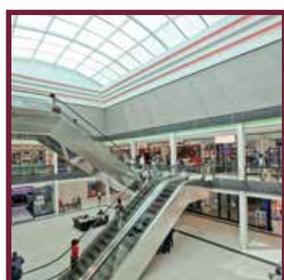
- We employ people who have a deep knowledge of and experience in the Namibian property sector
- Our property teams align with our sectoral portfolio, allowing us to respond effectively to tenants' needs
- We have the relevant property experience within the management team

OUR TOP 10 PROPERTIES



Maerua Mall Node | Cnr Jan Jonker and Robert Mugabe Avenues, Windhoek

Sector	Open market valuation (N\$'000)	Gross lettable area (GLA) (m ²)	Occupancy (%)	Major tenants
Retail and office	1,420,600 2019: 1,538,100	65,397 2019: 65,290	94.2 2019: 96.5	Checkers, Clicks, Truworths, Stuttafords, Ster-Kinekor, Food Lover's Market, Mr Price, Foschini, Edgars, Ackermans, House & Home, Markham, Totalsports, Sportscene, Cape Union Mart



Gustav Voigts Centre | Independence Avenue, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Retail	495,200 2019: 534,200	25,268 2019: 25,315	98.7 2019: 98.87	Avani Hotel and Casino, Checkers, Clicks, Ackermans, Safariland, Mr Price



CIC, Erf 8081, Windhoek | Cnr Solingen and Iscor Streets, Northern Industrial Area, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Industrial	107,100 2019: 106,000	14,559 2019: 14,559	100 2019: 100	Commercial Investment Company (CIC)



Eisenheim | Erf 422 Eisenheim, Windhoek

Sector	Carried at cost (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Retail	97,000 2019: 56,000	3,132 2019: 0 ¹	90.5 2019: 0	SPAR



Roodepoort, Erven 972 and 973 Constantia Kloof | Cnr William Nicol and Constantia Boulevard, Gauteng, South Africa

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Industrial	76,000 2019: 82,757	4,295 2019: 4,295	100 2019: 100	Action Ford Dealership

¹ Property was under development in 2019.



Baines Centre | Erf 1297, Pioneerspark, Fritsche Street, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Retail	83,000 2019: 83,000	4,682 2019: 4,682	95.7 2019: 99	OK Foods, Nucleus Gym, City Pets, Schnitzel King



Channel Life | 25 Post Street, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Office	70,000 2019: 80,000	4,956 2019: 4,979	83 2019: 89.6	USAid, Nedloans, Namibia Standards Institutions (NSI)



Scania | Erf 135, Rendsburger Street, Lafrenz Township, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Industrial	66,300 2019: 67,000	2,815 2019: 2,815	100 2019: 100	Scania



Inyati Residential Complex | 19 Sesriem Street, Kleine Kuppe, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Residential	64,550 2019: n/a ²	3,740 2019: n/a	94 2019: n/a	Various individuals



FP Du Toit, Erf 51 Prosperita | 36 to 46 Platinum Street, Prosperita, Windhoek

Sector	Open market valuation (N\$'000)	GLA (m ²)	Occupancy (%)	Major tenants
Industrial	60,000 2019: 62,885	8,725 2019: 8,725	100 2019: 100	FP du Toit Transport Group

² Property acquired during the year.

HOW OUR BUSINESS MODEL CREATES VALUE

Our Integrated Annual Report provides an overview of the Group's performance and integrated value creation.

Our **core business activities** are focused on investing (directly or indirectly) in, developing and managing properties. This is supported by:

- Financial management, securing appropriate funding and cost optimisation
- Employee attraction, retention and development, including succession planning and managing key man dependency risks
- Utility management, including measuring, monitoring and reporting on operational efficiencies and related environmental impact
- Stakeholder engagement

FINANCIAL CAPITAL

MANUFACTURED CAPITAL

HUMAN AND INTELLECTUAL CAPITAL

Inputs

Inputs are the tangible and intangible resources we depend on or that provide a source of differentiation for Oryx. This is not intended as an exhaustive list of all inputs – it focuses on those that have a material impact on our ability to create value.

Our sources of financial capital are:

- Equity
- Debt
- Rental income

The availability of equity investors and the cost of debt funding can have a material impact on our future growth.

The availability of cash is impacted by successfully collecting our debtor balances.

Our portfolio of property assets is the source of our revenue. We define our offshore investment in TIL as part of our manufactured capital.

The quality of our portfolio and how we manage our assets and tenants has a direct impact on our financial performance and future sustainability.

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

The technology we have in place to manage our assets and tenants impacts all the other capitals and is therefore key to our business.

Outcomes in 2020

Outcomes are the material positive and negative impacts our business activities, products and services have on the various capitals.

We earned N\$335 million revenue and net rental income increased by 2%. We declared N\$61 million to unitholders.

Oryx's gearing level was 39.1%.

We acquired three residential complexes for N\$86.7 million in October 2019.

We invested N\$62 million in Eisenheim phase one, a community retail centre which commenced trading in March 2020.

We enhanced our human and intellectual capital by:

- Automating certain processes
- Implementing wellness initiatives

Our headcount increased to 28. We launched our Maerua Mall app in July 2020.

Refer to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) report on page 20.

Refer to the CEO and CFO report on page 20 and the Asset Manager's report on page 27.

Refer to the employee section within stakeholder relationships on page 13, and how we reward performance on page 57.

**SOCIAL AND
RELATIONSHIP CAPITAL**

**NATURAL
CAPITAL**

Inputs

The quality of our relationships with key stakeholders drives business performance and impacts the value we create.

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

Outcomes in 2020

We engaged significantly with providers of financial capital throughout the year, especially on Oryx's response to COVID-19.

We provided assistance to tenants through rent relief of N\$17.5 million and contributed to society to help combat the impact of COVID-19.

We continued to minimise our impact on the environment by implementing solar power, improving our water management and creating awareness around water saving.

Refer to stakeholder relationships on page 13 and how we support our communities on page 33. More detail on our response to COVID-19 is on pages 18 and 22.

Refer to the Asset Manager's report on page 27.

THE EXTERNAL OPERATING ENVIRONMENT

FINDING CERTAINTY IN UNCERTAINTY

Prior to the COVID-19 pandemic in early 2020, Namibia was already in a multi-year recession where businesses and households were under pressure.

Namibia was in a stage one (most severe) lockdown from 28 March 2020 to 5 May 2020. Only those tenants classified as essential service providers were allowed to trade. Once the lockdown was lifted, tenants were able to trade again, except for restaurants, cinemas, gyms, casinos and entertainment facilities. Social distancing measures and, specifically, limitations on the number of consumers per shop, placed pressure on retailers' turnovers immediately after lockdown. It recovered gradually over the next two months as foot counts returned to 70% of pre-COVID-19 figures. The closure of Namibia's borders further limited Namibia's industrial sectors and hotels' ability to operate due to the restrictions it placed on the cross-border movement of non-essential goods and tourists.

As the COVID-19 situation unfolded, Oryx took decisive actions and immediately implemented a range of measures focused on ensuring the hygiene and safety of our customers, tenants and employees. Our malls were the first in Namibia to implement additional hygiene measures at all entrances and exits, and pro-actively continued with mass scale disinfection initiatives.

Tenants will need a recovery period to return to their pre-COVID-19 turnovers. Oryx focused on supporting tenants and assisted them to navigate their businesses through the pandemic, including by providing rent relief in the time when they needed it most.

Oryx supports various initiatives during COVID-19. Together with various partners, we partnered with the City of Windhoek Mayoral Relief Fund to provide water and food parcels to communities in desperate need. The Board committed N\$500,000 towards social initiatives specifically during the COVID-19 pandemic.

We believe there are opportunities for countries and businesses to look inward at their own capabilities:

- o **Increase local manufacturing activities:** Activities to identify and create supply synergies with regional partners may benefit our industrial portfolio.
- o **Increase entrepreneurial activity:** Unemployment may lead to an increased entrepreneurial spirit. Our retail portfolio would benefit from an entrepreneurial growth in its tenancy, positively balancing the impact of South African national retailers downsizing their stores as they have confirmed in the past to be significant players in the Namibian retail market.

Despite COVID-19's economic and health impacts, it encouraged a strengthening of relations between the private and public sectors which were previously unseen. We are hopeful that this will create opportunities for us to collectively modernise the regulatory environment within the sectors.

Economic empowerment

Government issued The New Equitable Economic Empowerment Framework (NEEEF) draft legislation, which is designed to encourage a more equitable private business sector and to contribute to national economic empowerment and transformation. This was followed by a consultative and legal process for the National Equitable Economic Empowerment Bill (NEEEB), which will legislate NEEEF.

Cabinet approved the NEEEB in February 2020. We are analysing the NEEEB requirements and their potential impact on Oryx to enable us to make an informed response.

BEING THE LANDLORD OF CHOICE

We are embracing the “digital landlord” landscape, which includes investigating how we can better use technology to engage with our centres, tenants and consumers.

Shoppers expect an entertainment experience as part of the malls offering. We were the first landlord to respond to this expectation and introduced a Family Entertainment Centre in Maerua Mall. COVID-19 has led to an increase in demand for online shopping and we are gearing ourselves to address this as, compared to our regional peers in South Africa, Namibia lags in this space.

We deployed a touchless parking entry system and Namibia's first electronic parking payment options at Maerua Mall using payment apps.

We also developed a mobile loyalty app that allows us to engage proactively with retailers and shoppers in our centres. The app provides digital scanning when entering shops, which provides an alternative to the sign-in process at each shop. It also enables the consumer to engage with a retailer from the comfort of their home. The app was launched on 11 July 2020. This app provides insights that will be used to identify shopper trends, closer engagement with the public and a platform to build loyalty and to reward shoppers in the mall.

We acknowledge that there is much to be done and understood in terms of matching shoppers' expectations with technological solutions and will continue to explore them in the short term.

We implemented a real time electronic water and electricity reading system at Elisenheim. The system sends usage data electronically and maintenance alerts of any property-related issues, e.g. water leaks. We will roll this system out at the Gustav Voigts Centre and other properties in our portfolio.

BUILDING A GREENER PORTFOLIO

Oryx remains committed to contributing to the environment and to this end has invested in generating solar power at Maerua Mall. We are generating 2.6MW power from its roof, and plan to roll out solar power to our industrial portfolio in 2021. The 2020 rollout was delayed due to COVID-19. There is a financial benefit to Oryx due to the lower electricity costs and this will be passed on to tenants once the capital investment has been recouped. Oryx is rolling out LED lights and new air-conditioning units to support our tenants' electricity usage and reduce their operating costs.



OUR STAKEHOLDER RELATIONSHIPS

Oryx takes a long-term view in our decision making and understands the cyclical nature of our business.

Mr Ben Jooste
CEO

The Board is cognisant that stakeholder perception impacts the Group's reputation. The Board is the ultimate custodian of corporate reputation and stakeholder relationships. It considers all stakeholder interests in its overarching duty to act in the Group's best interest.

OUR UNITHOLDERS AND OTHER PROVIDERS OF FINANCIAL CAPITAL

Oryx's unitholders expect annual growth in distributions and return on their investment, from a financially stable organisation. We enable growth by raising capital through equity or debt.

Significant unitholders

- o Allan Gray Namibia
- o Government Institutions Pension Fund (GIPF)
- o Investec Namibia
- o Old Mutual Namibia
- o Sanlam Namibia
- o TLP Investments 137

We proactively engaged with providers of financial capital during the year. Our engagement increased further during the period following the onset of COVID-19 by providing operational updates, engaging around distributions and having a session to address questions.

Equity market shifts

Raising capital remains challenging:

- o Declining South African property share prices reflecting higher yields, making them more attractive to investors. In comparison, Oryx shares have not reduced in value as much and are therefore not yielding such high returns compared to the peers in SA and therefore appear to be more expensive.
- o While regulatory requirements to invest locally has been increased, the application of this is not sufficient to secure a larger pool of available investment from local asset managers, pension funds and insurance companies.
- o More investment options becoming available in the local market that Oryx could potentially take advantage of.

Changing loan profiles

Namibian banks are under strain as they were expected to provide debt relief. This, in turn, put pressure on liquidity in the banking sector, negatively impacting the cost of debt and the banking sector's appetite for new business in general, despite lower interest rates.

Oryx's current loan agreements provide for the payment of interest and not capital amortisation. This might change going forward, depending on the banks' responses to the economic environment. This poses a potential challenge as our Trust Deed prohibits Oryx from deducting any capital repayments of loans from distributable income.

Despite these challenges and shifts, we have managed Oryx's funding as a result of our proactive approach, our strong relationships and continuous engagement with funders, and our good credit rating. We have a track record of being able to refinance our debts and meet payment obligations. Our good standing is further reflected in the fact that we were able to raise debt to fund income generating assets such as the residential portfolio, secure a N\$100 million facility from RMB subsequent to year end and obtain COVID-19-related relief from ABISA and Standard Bank Namibia. After year end, we were also able to refinance the N\$75 million facility with Nedbank Namibia that was set to mature February 2021. Refer to page 20 for our financial performance.

Next year's priorities

- o Continue to investigate alternative sources of capital
- o Continue the focus on the Group's long-term sustainability and ensure the strategy remains appropriate
- o Continue to proactively address investors' feedback and engage with stakeholders

OUR REGULATORY AND INDUSTRY BODIES

Our regulators expect compliance with all applicable laws and regulations. We engage with regulatory and industry bodies to ensure compliance, identify best practice, grow responsibly and sustain value creation.

Main Namibian regulatory bodies

- Namibian Competition Commission
- Namibian Receiver of Revenue
- Namibia Stock Exchange
- City of Windhoek
- Electricity Control Board

Sponsor

- IJG Securities

Regional regulatory bodies

- City of Johannesburg
- South African Revenue Service

Compliance with laws and regulations is part of being a responsible corporate citizen. This requires that we remain abreast of evolving regulations in the countries in which we operate and monitor regulatory developments in the regions. We are monitoring Government's efforts to regulate the rental market through the Rent Control Board, and its potential impact on Oryx.

We strive to make our engagement with the NSX more formalised to ensure continuous compliance. To this end we appointed a new sponsor during the year to enhance our interactions with them and to ensure we remain at all times compliant with the relevant listing requirements. We monitor compliance continuously, and compliance risks are assessed by the RACC.

OUR EMPLOYEES

Oryx's employees are one of the Group's key pillars and we need to retain talent where possible and have appropriate succession plans in place. Employees expect career development, fair remuneration and a safe and harmonious working environment.

Namibia has a shortage of specialist asset and property management skills and experience, making it difficult to fill or replace critical roles. Oryx's "best resource hire" philosophy ensures that we attract and hire the best candidate for each role. In addition, Oryx's relatively small employee complement means we have to actively manage key man dependency risks. However, being a small team of 28 employees (2019: 23) allows us to remain agile in our decision making.

We structured the property team into separate focused sectoral portfolio management teams and increased the depth in the teams. This assisted in addressing key man dependency risks.

We also implemented wellness initiatives and assisted the lower earning employees to obtain access to medical aid.

Next year's priorities

- Formalise our succession planning for critical roles
- Develop a formal Retention Scheme for key employees by building on the current Long-Term Incentive (LTI) Scheme for the executive team

OUR TENANTS

Tenants are our source of revenue. They expect us to understand their specific needs and provide them with a safe and enjoyable shopping and business environment. They expect fair contract renewal and rent escalation processes.

Oryx's tenant base is another key pillar of the Group and in 2020 we focused on:

- Staying abreast of the rapidly changing environment
- Improving our engagement model to provide tenants with better service
- Addressing slow-paying tenants as a top risk and formalised a Debtor-Reduction Plan (see page 51)

We established a Tenant Committee at Maerua Mall to address tenant concerns and improve communication and implemented initiatives to increase the foot count in the mall (free parking on Sundays, standardised trading hours, family entertainment days, etc.).

Oryx's tenant base was negatively impacted by the financial hardships felt by some major South African retailers, for example, the Edcon Group. We expect continued pressure in the retail sector, which will be amplified due to the inability to import stock and social distancing measures as required by law due to COVID-19.

Next year's priorities

- Understand the longer-term impact COVID-19 will have on the portfolio
- Continue to conduct scenario analyses to understand individual tenants' financial health
- Review the retail offering to increase the relevance of such offering in the current market.

Oryx's immediate COVID-19 response

- Established a Rent Relief Programme for existing tenants
- Established a Credit Committee to manage applications for rent concessions or payment deferrals and monitor vacancies
- Implemented health and safety measures and precautions at retail outlets

OUR SUPPLIERS

Our suppliers can impact the service we provide to tenants. Suppliers expect efficient contract management and mutually beneficial partnerships.

Relevant suppliers

- o AGA Cooling
- o Bidvest Steiner Cleaning
- o Sanitech
- o City of Windhoek
- o PEC Metering
- o Ultra Security

Service delivery to our buildings is key to growing and sustaining Oryx's tenant base. As there are a limited number of suppliers in Namibia, we understand the value of building and maintaining good relationships with those suppliers who can sustain high service levels.

OUR COMMUNITIES

Engaging with communities enhances the Oryx brand and secures our ongoing social licence to operate.

Oryx continuously engages with communities in proximity to our properties to understand and to try and address their needs, including the need for entertainment at our centres and sustainable job creation. We involve students to help with marketing events and provide a small number of internships.

Oryx's immediate COVID-19 response

- o Partnered with the City of Windhoek Mayoral Relief Fund
- o Committed N\$500,000 towards COVID-19-related social initiatives



THE MATERIAL MATTERS WE MANAGE

Oryx used an externally facilitated workshop to determine the material matters that impact its ability to create value over the short, medium and long term. We considered the risks we face (page 51), the external themes and trends that shape our business (page 10), and our continuous evolving relationships with stakeholders (page 12).

These considerations were distilled, based on the current and future impact on our business, to five key material matters. The RACC reviewed the material matters and recommended them to the Board. The Board approved the material matters set out below on 2 June 2020.

The material matters formed the basis for the Integrated Annual Report.

1. Funding availability and cost

Refer to the CEO and CFO report on page 20 for more information.

In terms of the Trust Deed, 90% of distributable income is required to be declared to unitholders annually. Because Oryx has historically paid out 100% of distributable income, most capital projects are funded through debt or raising of additional equity, as limited cash is kept within the business. Coupled with the low income and capital growth environment, this places pressure on gearing ratio.

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 equity market's liquidity is constrained and the new unitholder base is limited. Oryx's return yield versus the higher-yielding South African market also adds to the funding constraints.

The above impacts Oryx's ability to grow and increase the return on unitholders' investments. The Board is engaging with debenture holders to review the business model for sustainable and long-term benefit to all unitholders.

2. Tenants and consumers' evolving requirements

Refer to our tenants on page 13 and Asset Manager's report on page 27 for more information.

Consumers level of disposable income and shopping patterns impact our tenants' performance. This means we have to understand consumer trends, and continuously monitor the changing profile of the shoppers visiting our centres so we can manage our tenant mix to maximise their trading densities.

In addition, we have to continue building close relationships and partnering with our tenants. Understanding their requirements and their financial health (especially during COVID-19), together with consumer trends, inform our investment approach and how we optimise our asset portfolio's performance.

3. Asset portfolio performance

Refer to the Asset Manager's report on page 27 for more information.

As a property company the performance of our asset base drives our long-term sustainability. We have to balance tenants' and consumers' current requirements with their future expectations to optimise the performance of each asset.

4. Succession planning and key man dependency risk

Refer to page 43 for more information.

With only 28 employees, succession planning, and managing the risk of key man dependency is vital.

5. The COVID-19 impact

Refer to the external operating environment on page 10, our stakeholder relationships on page 12, Chairperson's report on page 18 and CEO and CFO report on page 20 for more information.

The worldwide COVID-19 pandemic had a significant impact on the 2020 financial results, and its full impact on the future is still unknown. What we do know is that it will impact all spheres of life, whether business, political, economic, social or technological. It will require significant management attention to ensure the associated risks are managed and that any opportunities are identified, leveraged and maximised.

INVESTMENT STRATEGY

Oryx's strategy has remained consistent since 2018 and remains relevant.

Oryx is a balanced income-based property fund. We measure our strategic progress against the value returned to unitholders and the size, growth and spread of the portfolio. Our strategy therefore aims to drive growth and value through investments that are:

- Yield-accretive
- Diversified

Oryx remains focused on protecting and maintaining its assets and tenant base, staying at the forefront of retail trends and driving long-term value to our unitholders.

OUR STRATEGIC PROCESS

Oryx's business strategy aims to grow the fund to N\$4 billion by 2022 and drive distribution growth through improving net income growth. In driving Oryx's strategy, we also ensure that we follow a prudent financial management strategy and a robust risk management approach.

The investment strategy guides decisions on investments, including acquisitions, developments and disposals. It is developed by management and submitted to the Investment Committee for approval. The Investment Committee annually reviews past performance and recommends the investment strategy to the Board for approval.



INVESTMENT STRATEGY

Focus areas

- Focused search for income-producing investment properties in Namibia as opposed to greenfield developments
- Capital allocation to invest in the in-store costs to entice new retail offerings, enhance the offering of current tenants and retain tenants
- Diversify local assets by investing in offshore and non-Namibian property
- Invest in undervalued South African REITs
- Issue new units as a payment method for acquisitions (vendor placements)
- Invest in green initiatives to optimise energy and water efficiencies and reduce carbon footprint

CRITICAL SUCCESS FACTORS

Focus areas

Create a platform for growth

- Drive existing rental income growth and lower vacancies
- Improve recoveries of property expenses
- Manage expenses
- Prudent asset management
- Strong balance sheet management
- Focus on yield-enhancing opportunities

End-to-end stakeholder management

- Align our unitholders, especially major unitholders
- Invest in employees to allow for growth and low turnover
- Align and partner with tenants to better understand their businesses and offer better support
- Utilise focused research and data-driven insights to improve offering to consumers
- Understand investor requirements

Operational efficiencies

- Focused organisational structuring to allow for operational efficiencies
- Drive operational efficiencies, including the reporting and tracking thereof, to optimise the portfolio

OUR BUSINESS STRATEGY IS MEASURED THROUGH

- **Return to unitholders:**
 - Distribution growth per unit
 - Increase in market price
- **Growth:**
 - Predetermined portfolio size
- **Sound property fundamentals:**
 - Defined sectoral and geographic spreads

CHAIRPERSON'S REPORT



2020 IN CONTEXT

The year under review developed into a very difficult period for Oryx as Namibia's negative economic growth continued for the third year, mainly because of another year of extensive drought, which only ended in the first quarter of this year, the declining resource prices which affected the profitability of Namibia's largest foreign exchange earners and the impact of the worldwide depressed economic activity. These factors have had a dramatic negative impact on Namibia's GDP, which decreased substantially compared to last year. It further contributed to the continued rise in unemployment, which in turn affected the level of consumer spending and the turnover of Oryx's tenants. This, in turn, placed pressure on Oryx's revenue and vacancy rates.

Namibia's already poor economic prospects were drastically weakened in the final quarter of Oryx's financial year due to COVID-19. In August 2020 the Bank of Namibia forecast that real GDP was expected to contract by 7.8% in 2020 before recovering to a growth of 2.1% in 2021. The worst-case scenario sees the economy contracting 12.2% this year, thereafter a mild recovery of 1.9% in 2021 and 2.8% in 2022. This is a severe deterioration from the 1.5% growth projected by the Bank of Namibia in February 2020.

The contraction estimated for 2020 was largely attributed to worldwide travel bans and lockdowns. The Namibian Government declared a state of emergency on 17 March and ordered a 21-day lockdown on all non-essential businesses and services in the Khomas and Erongo regions, effective 28 March 2020. Strict rules and measures restricted movement and all international flights were cancelled. Social distancing was enforced and gatherings were restricted to a maximum of 10 people. All these measures were introduced in order to assist in the containment of the spread of COVID-19.

The lockdown period was extended and is currently still effective, and restrictions – though eased – were extended to the entire country. The sectors most affected include tourism, restaurants, retailers, alcoholic beverage production and sales as well as mining operations.

GOVERNANCE OVERVIEW

The Board functioned well and supported management in the execution of the investment strategy and maintained high corporate governance standards. The three sub-committees responsible for risk, audit and compliance; remuneration and nominations; and investments made valuable contributions. A COVID-19 Committee was formed with a specific focus on supporting the executive team during these unprecedented times.

We refined the Board performance evaluations process during November 2019 to be conducted at a director level. The evaluations process continues to formally monitor and evaluate the performance of the Board, its sub-committees and individual members in a structured way. Although no significant gaps were noted, we expect this ongoing process to enhance Oryx's governance. We also perform ongoing

detailed reviews of the NamCode chapters and principles to assess Oryx's continued compliance.

Oryx specifically focused on aligning and streamlining its risk management processes and procedures, and improved the way in which risks are identified and managed, especially since Covid-19 confronted us with a new and different set of risks which needed to be analysed and resolved as professionally as possible.

The emphasis going forward is to further enhance and embed the risk management process. Refer to the governance report on page 50 for Oryx's risk management process and for our top risks.

The Board's response to COVID-19

Oryx considers requests from tenants for rent relief and any additional concerns on a case-by-case basis. The COVID-19 Committee oversees the relief process and approved the total amounts.

The implications and consequences of the various measures taken by Government such as the strict lockdowns, the restrictions placed on various businesses, who were forbidden to trade and the very restricted movement of people into shops, shopping Malls and other businesses, affected all tenants of Oryx in one or other way. Some had their activities contract by 20% to 40%, others, mainly in the tourism industry recorded a drop in turnover of as much as 98%.

Naturally our tenants looked to their landlord to assist, which was done on a case-by-case basis to the best of our financial abilities, as can be seen by the actions which Oryx introduced as we established a COVID-19 Committee as a sub-committee of the Board. The Committee's critical proposals and interventions included:

- Proposing the deferment of the interim distribution to unitholders
- Approving a rent relief package, based on categorisation of tenants according to SAPOA¹ guidelines
- Evaluating and adopting guidelines as defined by various industry associations
- Scenario planning and tracking
- Guiding management on pricing of debt engagements with banks

The Committee approved N\$17.5 million for tenant support in the form of rent relief or related initiatives between April and June 2020.

The Board's proposal to defer the interim distribution payment for 2020 proved to be a prudent course of action considering the uncertainty of the impact on the business environment from COVID-19. Postponement of the distribution provided us with additional financial flexibility. Refer to the CEO and CFO report for more detail. While the latest lockdown is still in operation we expect more rent relief being requested by our tenants, which we will deal with in a very responsible way.

² South African Property Owners Association.

The Board's composition

The Board considers the available local skills and expertise, balanced with the natural demographics in respect of race, gender and age diversity in its appointments. We aim for an even split between gender and race. 44% of our directors are female, and the same percentage are previously disadvantaged. The retirement age for Board members is 70, with possible further appointments for 12 months for directors older than 70. We have a structured succession planning process.

The Board is confident that it has the right balance of knowledge, experience and skills to ensure objective and effective governance. We are focusing on sourcing a specialist with expert property skills and experience as part of our succession planning process.

Mr Francois Uys officially retired on 20 November 2019 after 18 years of service as a director. I acted as Chairperson after Francois' unfortunate accident in March 2019, and officially took over as Chairperson in November 2019. Ms Ally Angula succeeded me as Deputy Chairperson on 1 March 2020.

Ms Roswitha Gomachas was appointed as a Non-executive Director on 1 July 2019. This appointment creates a valuable link between us and our biggest investor, the GIPF, and enhances the legal skills of the Board.

Ms Lizette Smit resigned as CFO and director effective 30 September 2020. The Board wishes her well with her future endeavours and thank her for her invaluable contribution to Oryx. We welcome Ms Francis Heunis as her successor who assumes her duties on 1 October 2020. Refer to page 42 where a brief CV is included.

OUTLOOK

Growth is central to our vision; therefore, we must find innovative ways of attracting the emerging shopper and adapt to changes in consumer shopping preferences.

Our ability to read, interpret and respond to the changing world beyond COVID-19 will be critical to Oryx's sustainability in the medium to long term.

While the COVID-19 landscape is uncertain for the foreseeable future, the Board will remain focused on:

- o Managing costs down while ensuring continued effective support to operations

- o Providing appropriate support and assistance to our tenants in balance with Oryx's financial stability
- o Ensuring that our funding strategy is inline with the optimal gearing ratio and closely monitoring loan covenants
- o Carefully and continuously reviewing our going concern status, ensuring that decisions consider Oryx's long-term sustainability and that we have the right skills to support these decisions

APPRECIATION

My appreciation goes to my fellow Board members for their continued support and guidance, and the amount of time they spent to ensure that Oryx navigates through the COVID-19 pandemic and its impacts.

Thank you to the executive team for steering the Group through this challenging time and their hard work and dedication. We also thank all our employees, tenants, service providers and other stakeholders for their valuable inputs, support, participation and loyalty during the year.

The Board's decisions aim to position the Group for long-term sustainability, while supporting its vision to remain at the forefront of the Namibian listed property sector.



Mr Peter Kazmaier

Chairperson

CEO AND CFO REPORT



2020 presented a mixture of successes and several unprecedented challenges. Namibia's prevailing negative GDP growth and the COVID-19 pandemic jointly contributed to sharp economic declines which impacted the property market significantly. Despite these challenges, 2020 delivered several highlights for Oryx, which in the long term, will contribute to the sustainability, success and value creation of the Group.

We were on track for good income growth, reducing our internal budget deficit from earlier in the year, keeping vacancies low and managing expenses well.

The COVID-19 pandemic became a reality towards the end of the third quarter and we had to adapt and manage as best as we could its impact on Oryx. We acted decisively to ensure that our properties are providing a safe environment for our tenants and consumers. Through collaboration with the industry, we lobbied the public sector on various levels to move towards a risk-based lockdown strategy, which allowed for the re-opening of portions of the economy. In the time that tenants needed it most, we provided essential rental relief to qualifying tenants to protect jobs and livelihoods.

Some of the year's highlights include:

- Revenue increased to N\$335 million (2019: N\$325.9 million) including the Elisenheim income, and net property income increased to N\$229 million (2019: N\$224.5 million) amid COVID-19 relief provided.
- We diversified our portfolio by investing in a residential portfolio acquired at a discount, one of the few asset classes to deliver growth.
- Phase one of the Elisenheim project was completed, handed over and occupied in the first half of the year.

There remains pressure on Oryx and our tenants' businesses due to the uncertainty of COVID-19. During this time it became difficult to raise further capital making decisions to protect our cash flow paramount.

Key statistics and key performance indicators (KPIs)

	Unit	2020	2019	2018
NAV	N\$Bn	1.912	2.043	1.591
NAV per unit	N\$	21.88	23.37	20.43
Market capitalisation	N\$Bn	1.528	1.704	1.573
Property portfolio value	N\$Bn	2.914	2.914	2.561
Properties sold	N\$M	–	14	71
Capital raised	N\$M	–	165	–
Unencumbered assets	N\$M	458	426	40
Overall weighted average cost of funding	%	5.83¹	9.2	9.1
Gearing ratio	%	39.1	34.9	35.9
Interest cover ratio (excluding interest on linked debentures)	times	2.3	2.96	2.29
Net rental income growth	%	2	12	2
Headline earnings per linked unit (weighted)	cpu	3.88	137.34	148.03
Earnings per linked unit (weighted)	cpu	(110.63)	533	187.98
Total distribution	cpu	69.75	150	157
Share price	N\$	17.5	19.5	20.2

¹ Includes the Euro loan.

ENTERING THE RESIDENTIAL SECTOR

We acquired three residential complexes this year, increasing our sectoral spread to include residential. We are of the view that at the time, we read the market well and secured these investments at a favourable price, both from a yield and comparative sales valuation perspective. This is evidenced by the favourable valuations and a positive contribution to distributable income at year end. We expect positive and consistent yields from this acquisition to continue.

URBAN VILLAGE, A NEW CONVENIENCE LIFESTYLE OFFERING

Elisenheim's first phase officially commenced operating in March 2020 and the highlights of the project are:

- Was completed from breaking ground to hand-over in seven months
- Provides an offering that satisfies a real need in the surrounding community
- Diversifies our retail asset class, providing more exposure to the smaller convenience retail sector

At year end, phase one was 90% occupied, which has since improved and is trading well.

DIVERSIFYING AWAY FROM LOCAL ASSETS

Our 26% investment in TIL provides us with exposure to foreign currency earnings and markets, reducing the dependency on local assets exposed to the Namibian economy mainly. The investment showed resilience during the pandemic which is evident of the portfolio's quality.

The investment yielded a return of 7.3% (2019: 8.2%) for its financial year ended May 2020.

Income from associate amounted to N\$23 million (2019: N\$26 million) for the year which includes N\$4 million (2019: N\$9 million) relating to fair value adjustment of investment property.

Oryx received dividends of N\$14 million (2019: N\$10 million).

The lockdown periods in Croatia were similar to Namibia and South Africa. Rental relief of €157 143 was given during March to May 2020, and was based on sharing the rental relief impact with the head lease holder.

The Vukovarska property in Zagreb was sold for €12.4 million (an 11% premium to book value). The proceeds of €2.276 million were paid into the Oryx Euro flexi reserve facility in May 2020. This helped reduce the Euro debt, improved gearing and somewhat reduced currency risk exposure to local Namibian security on the Euro loan.

TIL also disposed of the Velica Gorica property in Zagreb at book value of €9.1 million and Oryx's share of the proceeds amounted to €1.47 million. This was received post year end and was paid into the Euro flexi reserve facility. The sale was concluded notwithstanding the current market uncertainty as a result of COVID-19 and is testament of the quality of the Croatian portfolio.

In addition to acquiring the Yazaki Building A during the previous year, the acquisition of Yazaki Building B was concluded in February 2020 for €3.45 million through a loan from Erste Bank.

TIL refinanced two loans in Croatia as interest only at reduced interest rates which will reduce the cost of funding and increase our income from the investment in 2021. TIL also performed due diligence on two potential acquisitions where capital can be re-allocated at better yields in multi-tenanted assets.

TIL is giving ongoing consideration to the process and cost of listing an entity in Croatia, new regulatory requirements and the impact it will have on its financial performance. The current global impact of COVID-19 could influence this decision, although TIL is currently assessing various options to take the investment forward.

TIL's gearing ratio at 31 May 2020 was 28.2% (2019: 27.2%) and its vacancies 1.7% (2019: 6.7%). Because of the head leases that are in place, physical vacancies do not impact the income stream.

POSITIONING OUR PEOPLE FOR PERFORMANCE

Oryx structured its teams on a portfolio basis. The structuring entailed the challenging amalgamation of operational and administrative functions. We developed processes and procedures to accommodate the progression towards a sectoral portfolio management function with customer centricity at the core.

We reviewed employees' KPIs and bonus structure. This has resulted in:

- Tangible performance measurements, which means employees better understand the bonus system
- More interaction between managers and employees, encouraging better performance of our employees
- Increased focus on career paths, training and development

Due to the impact of COVID-19 on the Group's cash flow, no increases or bonuses were awarded to employees for the 2020 financial year.

ORYX'S RESPONSE TO COVID-19

The health and safety of our stakeholders is our priority, which is why we are supporting the Namibian Government in its efforts to curb the spread of COVID-19. The lasting impact of COVID-19 is still unknown. For now, we are focusing on understanding its short to medium-term impact on the property sector. We expect

We have gone to lengths to protect our employees, tenants, assets and communities and adapted our approach with each lockdown stage. Our COVID-19 initiatives include:

Employees	Tenants	Retail assets	Communities
<ul style="list-style-type: none"> Upgraded information technology (IT) requirements for employees to work effectively from home Provided transport to staff Temperature screening at the workplace Paid for COVID-19 testing, provided face masks and hand sanitisers Allowed flexibility for working parents who did not have childcare during this time Introduced a rotation schedule for employees to ensure appropriate social distancing 	<ul style="list-style-type: none"> Rent relief Established a Credit Committee to review and approve applications for rent concessions or payment deferrals Worked with tenants to promote social distancing and minimise the amount of shoppers Worked with retailers to sponsor food for community programmes 	<ul style="list-style-type: none"> Introduced the disinfection of retail facilities during night hours and deployed additional cleaning resources Installed hand sanitising stations at all entrances Removed public seating areas Sold masks at entrances Implemented free parking at all retail centres to eliminate use of coins Launching of our Maerua Mall app that allows for electronic sign in at shops which would aid in contact tracing should the need arise 	<ul style="list-style-type: none"> Supported the City of Windhoek Mayoral Relief Fund Contributed to a clean and free water project <p>Refer to how we support our communities on page 33 for more detail.</p>

The financial impact of our COVID-19 response was as follows:

	April 2020 N\$M	May 2020 N\$M	June 2020 N\$M	Total N\$M
Rent relief provided	9.4	4.9	3.2	17.5
Parking income lost	0.5	0.5	–	1
Additional property expenses for health and safety	0.3	0.2	0.1	0.6

We will continue to monitor COVID-19's impact on our business as circumstances change. We established a COVID-19 Committee comprising all the Chairpersons from the respective Board Committees. Refer to the Chairperson's report on page 18 for more details.

our retail portfolio to be most impacted by a shift in shopping and dining behaviours and we are actively responding to these changing trends. We started a project at Maerua Mall to safeguard its relevancy in the short to medium term which will be implemented during 2021.

PROPERTY VALUATIONS

The total portfolio was valued at N\$2.914 billion with a like for like decrease of N\$178 million or 6.2% in the core portfolio. A decrease in rental escalations, anticipation of continued negative growth within the Namibian economy and an increase in vacancy rates contributed to the decrease in valuations, which were further exacerbated by COVID-19. The residential complexes acquired during the year reflected a positive valuation.

No properties were disposed of during the year, and significant acquisitions and capital expenditure consisted of the residential complexes and the Eisenheim development.

THE AVAILABILITY AND COST OF FUNDING

Oryx has historically remained conservative with its funding strategy and management thereof. Our gearing was 39.1% at 30 June 2020. This increase is due to the negative fair value adjustment on the property portfolio that offset the growth from acquisitions and additions as well as the increase in debt drawn. Unencumbered assets were N\$458 million at year end. Loan covenants remained intact in 2020 and are closely monitored. We obtained a condonement to relax the Absa vacancy rate covenant to 10% until 30 September 2021.

The overall weighted average all-in interest rate was 5.83% (2019: 9.2%), and the weighted average interest rate of variable borrowings was 5.2% (2019: 9.1%). The decrease is due to the cumulative 250 basis points (bps) decrease in the repo rate since January 2020, which resulted in a saving in interest costs. However, cash flow remained under pressure and was impacted by the decrease in collections during the latter part of the year.

Oryx's focus remains on diversifying the Group's funding providers and we achieved this through the conclusion of facilities with Standard Bank and, after year end, RMB.

Debt maturity profile

	2020		2019	
	N\$'000	%	N\$'000	%
Revolving credit facilities	123,530	9	116,227	10
Due 2020	–	–	268,700	23
Due 2021	75,000	6	75,000	7
Due 2022	575,761	44	549,760	47
Due 2023	311,310	24	150,000	13
Due 2025 onwards	227,000	17	–	–
Total	1,312,601	100	1,159,687	100

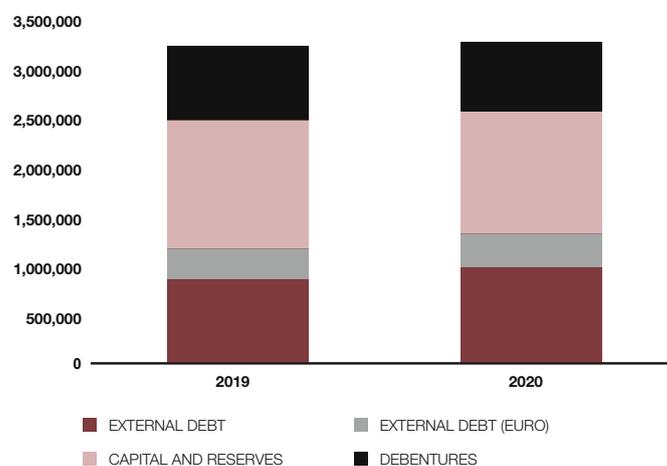
The following loans were refinanced during the year:

- N\$140 million term loan with Standard Bank (facility A)
- N\$85 million revolving credit facility with Standard Bank (facility B)
- N\$83.3 million (2019: N\$128.7 million) bonds issued to various holders

The Board decided not to roll the entire bond amount that came up for maturity in November 2019. Oryx received total bids of N\$198.7 million but did not accept all bids, as there were indications from financial institutions that debt could be obtained at lower rates than the bids received. The difference between the bonds issued and the bonds that matured was paid from existing facilities.

We also entered into a new loan of N\$86.7 million, comprising N\$57 million added to facility A of Standard Bank (bringing the total of facility A to N\$197.7 million) and N\$29.7 million as facility C of Standard Bank for the purchase of the residential complexes.

FUNDING MIX (N\$'000)



Subsequent to year end, Oryx:

- Concluded a N\$100 million facility with RMB at a rate of three-month Johannesburg Interbank Average Rate (JIBAR) plus 2.98% and provided properties to the value of N\$225 million as security
- Refinanced the N\$75 million Nedbank facility set to mature February 2021, at three-month JIBAR plus 2.85% for another three-year term

The above will assist with spreading the Group's current debt maturity profile.

COVID-19-related relief was obtained as follows:

1. ABSA interest roll up on facilities to the value of six months' interest, and repaid over 12 equal instalments
2. Standard Bank facility equating to six months' interest, and repaid over six equal instalments

The debentures are set to mature during 2027. The Board and executives are reviewing the business model as part of this consideration to develop a plan and to ensure timely communication to debenture holders.

During the year the Group obtained improved swap pricing through revised rates and extension of maturity dates as follows:

	Initial rate %	Revised rate %	Margin saved bps
N\$100 million	7.110	5.502	160.8
N\$140 million	7.792	7.153	63.9
N\$100 million	6.860	6.628	23.2

Unutilised facilities available for further expansion and capital projects include the unutilised portion of the Domestic Medium-Term Note Programme of N\$416.7 million, N\$65 million of other facilities and €2 million in the ABSA flexi reserve facility.

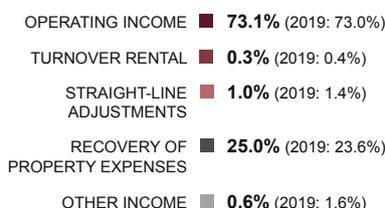
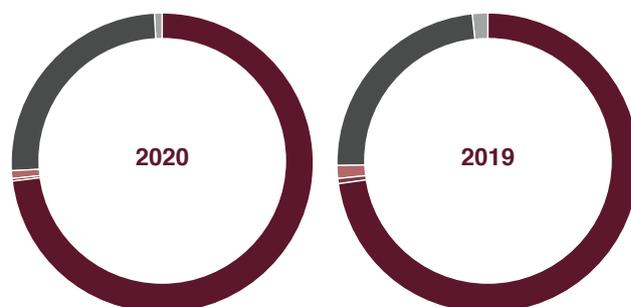
GCR rating

On 23 April 2020, GCR Ratings (GCR) revised the national-scale long-term and short-term issuer ratings assigned to Oryx Properties Limited on criteria change to BBB(NA) and A3(NA), respectively, from BBB+(NA) and A2(NA) previously. The rating change is attributable to the Namibian operating environment as well as liquidity and leverage constraints within Oryx.

The outlook was revised to stable from negative, which was based on the GCR's expectation that banks will continue to support Oryx through a protracted period of considerable uncertainty, and that Oryx will sustain its cash preservation initiatives in the short term.

RENTAL INCOME

Oryx derives its revenue from leases of investment property and it is made up as follows:



Rental income growth would have been 8.2% should the rent relief as a result of COVID-19 not have been necessary. Instead rental income increased by only 2.8% for the year. The focus area for the coming year will be to ensure that we return rental income growth to the portfolio. Although the rental relief impacted our rental income growth, it was paramount for our tenants and their financial standing.

MANAGING DEBTORS

There was a decline in collections during the year due to the continued weak economic conditions, which was further aggravated by COVID-19. IFRS 9 requires that the impact of COVID-19 be considered and we adjusted the provision matrix accordingly.

As a result of the above, the provision for bad debts increased to N\$23 million (2019: N\$9 million). We wrote off bad debts of N\$7 million (2019: N\$3.2 million) which were considered to be irrecoverable.

We continued to focus on debt collection as one of our key risks and have allocated additional human capacity for increased focus on the debtors throughout the year. We anticipate this to bear fruit in 2021.

DISTRIBUTIONS

The Board evaluated the impact COVID-19 could have on Oryx's cash flows. Given that last year was the first time the Group paid 90% of distributable income, the Group not foreseeing COVID-19 did not have sufficient time to build up significant cash reserves. The Board decided to postpone paying the half year distribution of N\$60,947,000 (69.75cpu) to 2 October 2020.

After further Board deliberations, Oryx called an extraordinary general meeting of debenture holders on 29 June 2020. The outcome was as follows:

	Resolution ¹	Outcome
<i>Special Resolution 1:</i> Waiving of notice period	Waiving the 21-day notice period	Passed
<i>Special Resolution 2:</i> Interim debenture interest payment	Interim debenture interest declared on 2 March 2020 reduced to zero and accrued interest entitlements waived	Not passed
<i>Special Resolution 3:</i> Final debenture interest payment	No final debenture interest payment declared or paid for the 2020 financial year	Passed
<i>Special Resolution 4:</i> Future interest payments for the financial year ending 30 June 2021	Moratorium on the payment of interest for the 2021 financial year	Not passed
<i>Special Resolution 5:</i> Future interest payments with effect from the commencement of the financial year ending 30 June 2022	Trust Deed requirement changed to pay out 75% (and not 90%) of distributable income, effective for the 2022 financial year	Not passed

The resolutions pertaining to future distributions will be tabled at the AGM for consideration by unitholders as the Board strongly believes that these changes remain necessary to see the Group through these unprecedented times.

The Group's distributions for 2020 would have amounted to N\$105 million (2019: N\$125 million) or 119.75cpu (2019: 150cpu), had debenture holders not voted in favour of non-payment of the final debenture interest payment based on the 90% pay-out ratio. Based on this resolution, distributions for the year amount to N\$61 million or 69.75cpu and will go a long way in ensuring the sustainability of the Groups' operations.

Therefore, distributions decreased by 54%. The largest contributor to this position is the impact of COVID-19 on the rental income and bad debts for the year.

Refer to the notice of AGM:

- Special resolution number 8: Distributable income amendments

¹ The notices of these meetings are available at oryxprop.com/page/investors/.



In the face of adversity, Oryx delivers solid results and continues its journey towards being sustainable in the longer term.

GOING CONCERN

By July 2021 the Group is required to refinance N\$533 million of debt. There are currently no indications that these debts will not be refinanced with the respective banks. Due to deterioration in trading conditions resulting in higher bad debts, the decrease in liquidity in the market and the undetermined impact that COVID-19 will continue to have, the Board deems it appropriate to ensure that sufficient cash reserves and available financing facilities are in place.

In response, the Board and management have proactively implemented the following:

- Secured a new N\$100 million facility with RMB for a three-year term
- Refinanced the N\$75 million Nedbank loan for a three-year term which forms part of current liabilities at year end
- Identified investment properties for sale
- Various cost saving initiatives (additional solar tender process underway)
- Parked proceeds from the Croatian properties on facilities to reduce our Euro interest expense
- Obtained relief from Standard Bank and ABSA to assist with immediate cash flow
- Requested unitholders to agree to the cancellation of distributions for the remainder of the 2020 financial year to retain cash within Oryx and bolster liquidity

Various budget scenarios were stress tested and the Board further noted that should the facilities not be refinanced, the Group has the following mitigating actions available:

- Availability of the Bond Programme for future facilities albeit at potentially higher interest rates than what the Group is used to
- Reducing expenditure on capital projects
- Sale of listed share investment in South Africa

- Gearing of 39.1%, which is below our externally imposed limit of 50%, provides scope to source additional debt
- Unencumbered assets of N\$232 million (post the RMB loan entered into after year end)
- Disposal of the investment in associate

Given the above considerations and sound financial discipline by management, the Board is of the opinion that Oryx will be a going concern for the foreseeable future from the date of this report. The going concern basis was therefore adopted in preparing the Annual Financial Statements.

OUTLOOK FOR ORYX

Oryx's balanced portfolio gives us access to different areas of the economy and ensures that unitholders are not overexposed to any particular property sector. We are also acutely aware that we cannot take guidelines of past periods as set in stone as so eliminated by COVID-19 and therefore we have embarked on a journey to review the impact of COVID-19 and how we can best serve our tenants as they serve their customers.

The market is likely to present opportunities to buy high-yielding assets in the short term, which was not possible for several years. Making use of these opportunities will be a focus, cash flow permitting, and raising new capital will be a key factor.

The offshore portfolio proved to be resilient during 2020. This diversification gives our unitholders exposure to a first world investment, especially in times when the local currency has deteriorated against first world currencies.

SPECIAL THANKS

We thank our teams for their effort and commitment during these unprecedented times. We applaud them for adapting to find new ways of working, staying on track and productive, supporting our tenants and community initiatives and pulling together when needed.

The management team would also like to thank Ms Lizette Smit for her contribution to Oryx and the team and wish her well with her future endeavours. We would also like to congratulate Ms Francis Heunis on her appointment as CFO, effective 1 October 2020 and wish her well with her new role.

We also thank the Board for making itself available more frequently, supporting our initiatives, enabling quicker decisions and for helping us move steadily through this period.

Message from outgoing CFO

I would like to thank the Board and the amazing people at Oryx, especially my finance team, for their unwavering support during my time at Oryx. I have learned and grown tremendously and wish Oryx well with its future endeavours.

Mr Ben Jooste

CEO

Ms Lizette Smit

CFO

ASSET MANAGER'S REPORT



The performance of the Oryx portfolio is balanced given the challenges of a prevailing recession, pressure on established retailers, rental stagnation and COVID-19.

Oryx's overall performance was consistent given the economic challenges. We were well on our way to delivering positive results for the year, when COVID-19 became a reality in March 2020. It was a watershed event that has had a major impact on our industry, although it will provide opportunities and drive innovation in our sector.

We drive portfolio performance by focusing on the basics through:

- Quality properties in good locations that are presentable and comfortable
- Our knowledge of the property market and a focus on the finer details
- Getting closer to our tenants to understand them and their businesses better
- Consistent lease expiry profiles

PORTFOLIO PERFORMANCE SNAPSHOT

Key statistics and KPIs	Unit	2020	2019	2018
Properties	Number	28	25	26
Core portfolio growth	%	(6.22)	14.6	8.3
Average base rent	N\$/m ²	118.39	117.02	111.79
Vacancy rate (excluding residential)	%	5.4	3.20	6.50
Vacancy rate – residential ¹	%	9.3	–	–
Tenant retention ratio	%	89.34	95.41	86.4
Rental reversion rate	%	1.71	0.61	5.9
SA National tenancy ²	%	89.17	83.8	81.8
Property expense ratio	%	31.67	31.11	33.69
Electricity recovery ratio	%	127	133	112

PORTFOLIO OVERVIEW

Oryx's portfolio was diversified to include residential, which has added an interesting and vibrant dynamic to the portfolio.

Our residential acquisition and the completion of the first phase of the Urban Village at Eisenheim increased our total GLA by 3,132m² in 2020. Maerua Mall remained our largest asset, contributing 49% (2019: 53%) to the retail portfolio. We managed the overarching risks in our portfolio, including our exposure to South African tenants, the oversupply of local office space and COVID-19.

Namibia's retail sector is significantly influenced by the South African economy and sector performance. South African retailers who do not expand or perform poorly have a direct impact on our vacancy and rental risks, and we continue to explore ways of increasing our Namibian tenant base.

There is an oversupply of office space which is exacerbated by peripheral properties being rezoned. We are countering this trend by firming up existing leases to extend their expiry.

We foresee an increase in available properties and therefore, Oryx's ability to capitalise on these opportunities will depend on the availability and price of funding.

We have not disposed of any non-core properties in 2020, although the following assets are earmarked for sale:

- South African property in Roodepoort
- Channel Life building in Windhoek central business district (CBD)
- Walvis Bay property
- Keetmanshoop property

The single-tenanted South African property is the only remaining property in South Africa and is geographically too removed. Channel Life is at risk due to the knock-on effects of the Standard Bank head office's relocation from the neighbouring Town Square. The performance and outlook for the Walvis Bay and Keetmanshoop properties are questionable due to poor microeconomic conditions in the area.

We focused on minimising vacancies, growing net income and prioritising tenant retention, while engaging with and supporting our tenants during COVID-19. We continued to work on understanding tenants' businesses and challenges better, resulting in superior service, more empathetic relationships. We should also see the positive impact of the portfolio team structures materialise in 2021.

¹ Average vacancy factor for the year.

² Based on rental income.

Valuations

We follow a tender process to appoint the external valuer which is approved by the Investment Committee and ratified by the Board. Mills Fitchet Magnus Penny performed the valuations for this year again. The valuations consider various elements, including vacancy rates, rental reversal rates, average lease escalations, expense and recovery ratios.

The portfolio was valued at N\$2.914 billion (2019: N\$2.914 billion) with a negative fair value adjustment of N\$153 million which was offset by acquisitions and additions of N\$153 million. The Maerua Mall Node and Gustav Voigts Centre values were negatively impacted due to their exposure to the national retail environment and the tourism industry respectively.

We will focus on yield-enhancing defensive capital expenditure for the year ahead to ensure that the retail offerings within our malls remain relevant and at the front of the experiential retail model to satisfy evolving customer needs.

Vacancies and weighted average lease expiry (WALE)

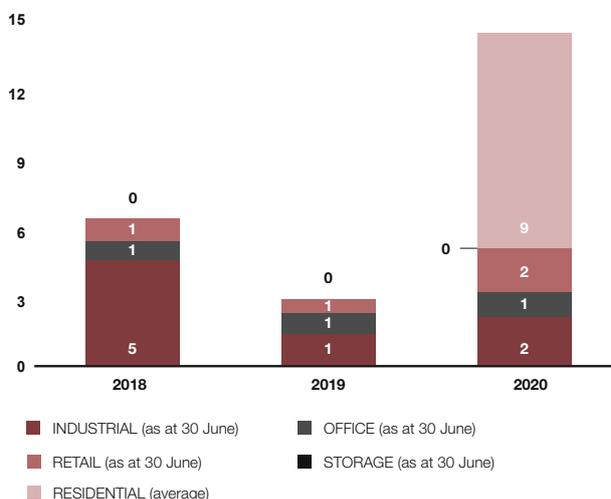
Our vacancy rate increased to 5.4% in 2020 (2019: 3.2%), mainly due to the multi-year recession in Namibia which has impacted the retail sector. The office and industrial sectors were also negatively affected largely by the slowdown in the economy but also by the oversupply of office space and the changed habits of office workers due to COVID-19 – impacting Channel Life and Maerua Park. We are managing expense ratios well compared to the industry average and the portfolio is matching Oryx's quality standards.

We expect possible vacancy increases and net income reductions as the impact of COVID-19 becomes clear. Further risks associated with COVID-19 include lengthy legal processes and rising bad debts and debtor days. Oryx is focused on the need to balance tenant retention with vacancies and the debtors' book.

Our WALE is 3.1 years (2019: 3.5 years), excluding the residential sector, but differs from sector to sector. This is testament to businesses' view of the Namibian economy and their preparation for the uncertainty as tenants are more reluctant to enter into longer-term leases. The residential sector is not considered in the overall WALE calculation due to the short-term nature of the leases (standard practice is a one-year lease term).

Lease expiry profiles are managed at different levels. Ideally Oryx wants an expiry profile with a relatively flat graph, spreading risk over a longer term. This is even more crucial, albeit difficult, in uncertain times like these, as a number of tenants opt for shorter-term leases. Our relationships with tenants are critical for managing the profile. It is important to note that shorter lease profiles do have certain benefits in times of uncertainty, like currently experienced with COVID-19.

EACH SECTOR'S CONTRIBUTION TO THE OVERALL VACANCY RATE (%)

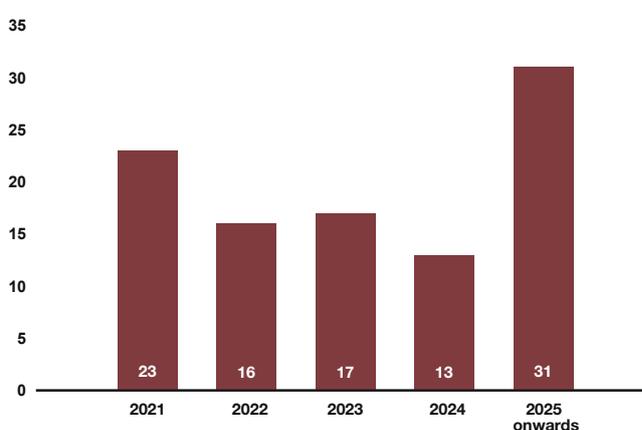


	2020	2019	2018
Industrial	2.1	1.4	4.6
Office	1.1	0.9	0.8
Retail	2.9	0.6	1.0
Storage	0.2	0.3	0.1
Residential	9.3	–	–

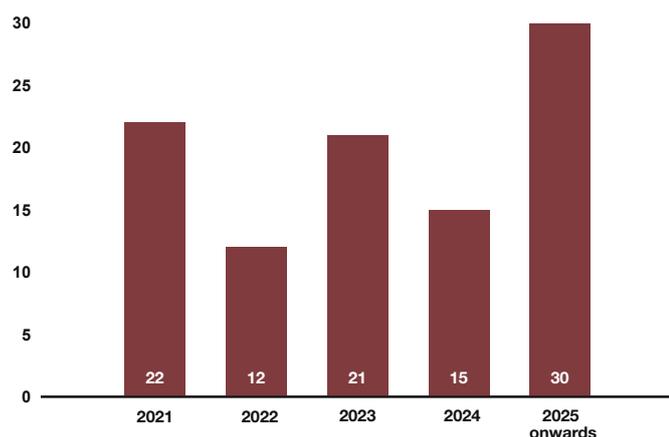
Sector (years)	2020	2019
Industrial	3.0	3.3
Office	2.5	2.1
Retail	3.8	4.0

Lease expiry profile

MONTHLY RENTAL VALUE (%)



AREA (%)



Top tenants

Our top 10 tenants comprise 48% of GLA (2019: 45%) and together contribute 41.2% of basic rental income (2019: 41.7%). There is no substantial change in our top 10 tenants this year, except for a reduction in Edcon Group's tenancy due to the sale of CNA. Refer to page 51 of the governance chapter for more information on Edcon.

Our overall tenant base reflects a 89.17% South African vs 10.83% Namibian profile.

Tenant (% of total income)

	2020	2019	2018
Avani Hotel	8.4	9.0	7.4
Checkers	6.4	6.3	6.3
CIC	5.4	5.3	4.5
Edcon Group	3.6	4.0	3.5
Pep	3.4	3.3	3.0
Metje & Ziegler Motors	3.4	3.2	2.6
Action Ford	2.9	2.9	2.4
Scania Trucks	2.9	2.7	2.3
FP du Toit Transport	2.3	2.6	2.2
Virgin Active	2.6	2.4	2.0

Cost management and environmental matters

Our costs remained consistent year on year, although above-inflation municipal rates beyond our control continue to be a challenge. We achieved an expense ratio of 31.78% and focused heavily on cost management and preventative maintenance. Other initiatives included reviewing service level agreements with security and cleaning service providers to optimise service cost and delivery.

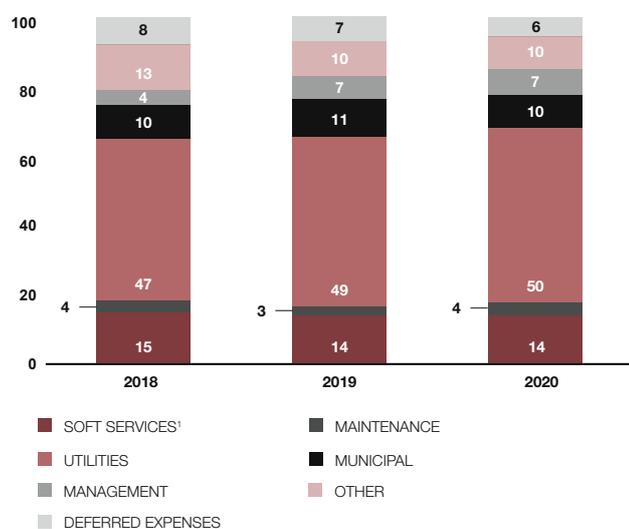
Our energy-saving projects included the installation of a solar solution at Maerua Mall in 2019 and we are continuing the installation of LED lights. We analysed where solar power would have the best cost benefit and aim to have the industrial portfolio installations completed in the 2021 financial year.

We have seen an improvement in the electricity recovery ratio, and our solar installations contributed to the improvement of the electricity recovery ratio at Maerua Mall to 142% (2019: 141%). The recovery ratio for the entire portfolio is 127% (2019: 133%).

As older air-conditioning units expire, we replace them with new, energy-saving units. This results in a direct benefit to tenants as their electricity consumption decreases.

Oryx implemented water saving devices across the portfolio. We installed real time water and electricity usage reading technology at Elisenheim, which enables quick responses to leakages etc.

EXPENSE PROFILE (%)



¹ Includes services like cleaning, security, etc.

SECTORAL PERFORMANCE

Property values by sector	2020 N\$'000	2019 N\$'000
Industrial	611,280	622,642
Office	302,724	319,267
Retail	1,863,076	1,972,033
Residential	137,200	–

Reversion rates by sector	2020 %	2019 %
Industrial	4.15	8.24
Office	4.29	(5.19)
Retail	(2.52)	0.74

GLA by sector	2020 m ²	2019 m ²
Industrial	65,103	74,176 ¹
Office	14,274	14,331
Retail	89,161	85,935
Residential	7,961	–

Tenant retention rate by sector	2020 %	2019 %
Industrial	82.92	100
Office	92.79	95.7
Retail	92.30	87.35

Industrial

“The ever-resilient industrial sector again performed amicably in turbulent times. We are privileged to have quality tenants and strive to understand their businesses and their respective needs.”

Dirk Schuler – Portfolio Manager.

Vacancies increased by 2.3% to 5.5% as we lost one major tenant, Steeledale, due to the recessionary climate. We are evaluating plans to redevelop this property. We also entered a new lease on the vacant unit 3 in Walvis Bay in September 2019.

Rental reversion rates are becoming increasingly important and must be balanced within the context of rising vacancies and pressured market rental rates.

Our key tenants are Action Ford and Metje & Ziegler who operate in the luxury automotive market and FP du Toit Transport. The impact of COVID-19 will certainly be felt and we are reviewing tenant assistance options.

Office

“Considering the fact that COVID-19 has changed the landscape of the general office environment and led to a number of employees working remotely, offices still play an important role in the property investor model. We are focused on ensuring that we

maintain standards within all our office buildings while simultaneously looking at technology as a strategic partner to improve our offering to tenants.”

Conrad van der Westhuizen – Asset Manager

Vacancies increased by 2.96% to 13.6% and net rental income increase to N\$28 million. We are facing pressure in especially the B and C-grade buildings in the Windhoek CBD. The challenge is to contain costs while improving the offering, balanced against a possible slow uptake.

Channel Life is a B-grade office space with onsite, secure basement parking close to a major shopping centre. The prior year upgrades to the elevators and the top floor enhanced the building significantly. Standard Bank's relocation from the area will, however, have a negative impact on the surrounding office space market going forward. We proactively managed this risk by securing lease agreements. Channel Life was valued at N\$70 million (2019: N\$75.4 million), with a GLA of 4,956m², a vacancy rate of 17% (2019: 11.7%) and a tenant retention rate of 87% (2019: 100%).

Maerua Park is a well-situated lower B-grade office located within the Maerua Mall Node, but its age impacts the interest and asking rentals. It was valued at N\$58 million (2019: N\$60.3 million), with a GLA of 3,218m², a vacancy rate of 33% (2019: 29.6%) and a tenant retention rate of 100% (2019: 56.1%).

¹ Prior year including the entire Steeledale property erf size versus current year that only reflects the GLA.

The impact of COVID-19 has not been felt immediately, but we expect lockdown and remote work to change office trends and possibly result in a "mixed breed" sector. This changing trend can be exciting for the office sector as it would encourage innovation and creative solutions.

Retail

"The significant slowdown in the retail sector caused by COVID-19 and related regulations have forced malls and retailers to re-examine their trading environment. This requires landlords and retailers to collaborate, and to be agile and solution driven."

Ms Petro Oberholster – Portfolio Manager

The retail sector is heavily impacted by the state of the economy and COVID-19 as these have a direct impact on consumers' spending ability and patterns.

The GLA of this portfolio increased by 3,132m² as the first phase of the Eisenheim development was completed. Vacancies increased by 2.3% to 3.6% and net rental income decreased 7% to N\$140 million.

The split in favour of national retailers has increased due to the higher vacancy rate that was predominantly caused by smaller Namibian stores closing down. We promote Namibian tenancy where we can. A key initiative is to develop a retail platform to assist local entrepreneurs, selling local goods, to obtain store space in our malls. The progress of this drive was unfortunately hampered by COVID-19 and it will be rolled out during the new financial year.

We expect a change in retail tenancy and the market post COVID-19 and, in the interim, are monitoring the developing trends closely. We remain focused on collaborating and assisting tenants to improve retail offerings to the consumer.

Refer to page 10 for detail on the mobile app we launched in July 2020.

Maerua Mall

Maerua Mall is a regional shopping centre on the periphery of the Windhoek CBD and is Oryx's largest asset within the portfolio.

The vacancy rate increased to 1.3%, mostly attributable to COVID-19. The tenant mix is largely driven by market demand. The challenge we face is that South African retailers are under pressure, freezing any further rollouts, decreasing store size or closing stores.

We conducted a retail study in 2019 which reflected positive sentiments for the asset and use this as a base for the mall's strategy. We formed a committee to further identify and review the trending ideas from South Africa and the rest of the world and to propose projects that will keep Maerua Mall relevant going forward.

Major tenants remained in line with 2019.

Tenant	2020 m ²
Checkers	6,016
Edgars	4,197
Virgin Active	3,000
Woolworths	2,810
Food Lover's Market	2,042

Gustav Voigts Centre

The centre is in the heart of the Windhoek CBD among all the high-rise office blocks catering to the financial services industry. It includes the Avani Hotel and the well-known Wecke and Voigts department store.

Despite the upgrade completed in 2019 and updating the lease agreements, the growth benefits were overshadowed by COVID-19 due to its stunting of tourism, which decreased the valuations.

The property will benefit from additional foot traffic once the construction of the Nedbank head office is completed. We anticipate a positive, more banking-focused change in the node and we continue to position our offering to focus on convenience. We view the centre as an opportunity for further growth.

Major tenants remained in line with 2019.

Tenant	2020 m ²
Avani	12,276
Checkers	2,594
Wecke and Voigts	1,502
Mr Price	1,008
Clicks	700
Queenspark	513

ASSET MANAGER'S REPORT *continued***Baines Centre**

Baines Centre is a boutique convenience centre servicing the residential suburb of Pioneerspark in Windhoek. It performed solidly and the valuation for this year remained unchanged. The location of the asset has made it a favourite destination for its loyal customers over the years.

Elisenheim

Elisenheim's Urban Village is a much-needed convenience retail offering to a growing residential node north of Windhoek. Phase one of the project amounted to N\$62 million (excluding the land). We handed the centre over to the anchor tenant, SPAR, in November 2019 for beneficial occupation and trading commenced in March 2020. The immediate contribution has not yet been yield-enhancing as the scale of phase one was relatively small.

Phase two and three are expected to gradually increase yield, but the impact of COVID-19 and the slowing economy has stunted the growth of the residential node. We are re-assessing the next phase and timeframe of this project based on the current environment. We are considering a mixed-use development, possibly including a residential component. We also foresee an increase in yields as the economy gradually recovers.

Residential

Part of our investment strategy has been to gradually diversify away from the retail portfolio's dominance. We acquired three residential complexes (111 units, GLA 7,961m²) and expect strong yields due to their prime location and potential for capital growth. The portfolio was acquired at a net property income yield of 10% and at a cost of N\$86.7 million and contributed positively to distributable income. The portfolio will be managed for three years by Jimmey Realtors (known as Namibia Property Rentals), after which Oryx will take over.

The residential complexes delivered positive valuations and increased to N\$137 million.

OUTLOOK

Oryx's aim is to remain consistent in these inconsistent times. COVID-19 caused a lot of uncertainty and unease in the Namibian and South African REIT spaces and it is important that we remain calm, understand the cyclic nature of our industry and make long term decisions.

Our immediate focus going forward will be on balancing tenant retention with net income performance, health and safety measures, cost management and maintaining our relationships with our tenants.

We foresee the challenges and impact of COVID-19 in the medium term to be:

- Understanding the extent of the impact on all property sectors
- Managing our debtors' book
- Better understanding tenants and their businesses
- Dealing with unplanned vacancies

We want to reassure our stakeholders that we understand the Namibian trading environment, Oryx's properties and the Namibian people. We strive for great tenant relationships and remain positive about the future.


Mr Conrad van der Westhuizen

Asset Manager



OUR COMMUNITIES

Oryx embraces the principles of corporate citizenship and embodies these in its interactions with local society, its unitholders, employees, the environment and all other stakeholders. In this way, we contribute meaningfully to the economy, to social welfare and to the environment. We aim to build and sustain our corporate reputation and create conditions conducive to profitable business.

Guided by a comprehensive Corporate Social Responsibility (CSR) Policy, we focus on enhancing youth development, promoting

environmental preservation and enhancing social welfare. Our CSR strategy includes a deliberate emphasis on social investment activities aimed at making a meaningful contribution to the local society. As a team, we also draw significant personal satisfaction from assisting our communities and find the various initiatives Oryx contributes to, and is involved with, incredibly rewarding.

Our corporate social investment (CSI) is concentrated on the following:

Environmental preservation

We are serious about our responsibility to minimise our impact on the environment. We focus on implementing water saving initiatives, renewable energy generation, efficiency improvements and waste reduction. Refer to page 29 in the Asset Manager's report for more detail on environmental projects.

Promoting Oryx as a truly caring Namibian company

We provide support to social welfare initiatives that contribute positively to local communities. Our intention is to be a responsible corporate citizen, enhance our reputation and promote relationships with opinion leaders.

Social welfare and philanthropy

Our two-fold aim is to give back to local communities without the expectation of a direct material benefit in return, and to enhance Oryx's reputation as a caring corporate citizen. Our focus includes:

- Health-related causes such as HIV/Aids, cancer awareness and treatment, and the Namibia Blood Transfusion Service
- Youth development
- Welfare

SUPPORTING THOSE IMPACTED BY COVID-19

We considered our employees, tenants, assets and communities in our response to COVID-19. Refer to page 22 in the CEO and CFO report for a full overview of our COVID-19 measures.

In addition to the City of Windhoek Mayoral Relief Fund and a clean and free water project detailed below, we also:

- Participated in Co-Feed Namibia, a citizen-driven initiative aimed at mobilising food supplies and other necessities to the vulnerable within our communities during national lockdown. Two of our employees served on the Co-Feed Namibia Committee. A total of 1,325 parcels were handed out.
- We donated essential food to the Katutura Old Age Home, based in Katutura, Windhoek – home to approximately 32 pensioners.
- We donated various babies' goods to the Ministry of Gender Equality and Child Welfare.

City of Windhoek Mayoral Relief Fund

We participated in the City of Windhoek Mayoral Relief Fund during the COVID-19 lockdown period. Oryx, along with some of its retail partners, contributed and distributed 939 food parcels to Windhoek's vulnerable communities.

All Oryx employees were extensively involved in this project. Employees dedicated a significant number of work hours to packing the food parcels and co-ordinating their delivery and distribution.



OUR COMMUNITIES *continued*

Our corporate partners in this project were:



Clean and free water project

When the COVID-19 lockdown period started, Oryx partnered with other local entities to provide clean and free water to Windhoek's informal settlements.

This project co-ordinated the sourcing and delivery of clean water to informal settlements. This included conducting tests to ensure the water is safe for consumption and providing locations for refilling and delivering water.

Our corporate partners in this project included the Ohlthaver & List Group, Namibbeton, Namibia Construction, LewCor Group, Pupkewitz Megabuild and Aqua Services.



SUPPORTING VULNERABLE CHILDREN

We remain committed to the care of vulnerable children, which is evident in the various causes we supported during the year.

Church Alliance for Orphans (CAFO) Namibia

Oryx donated swimwear and towels to 125 children between the ages of four and 14 years at CAFO. This enabled them to treat these vulnerable children to a weekly swimming pool visit, contributing to their physical development. Oryx also renovated the children's playground at CAFO and donated a jungle gym and Christmas lights and decorations. Over 150 vulnerable children receive after-school care services at CAFO.

Children's Camp Namibia

We contributed towards printing booklets for a children's camp that is hosted by Children's Camp Namibia. Their aim is to give children a place where they can play and learn while affording them the opportunity to just be children. The camp was planned for May 2020 but due to COVID-19, an alternative date will be set.

Groendraai Primary School

Oryx donated stationery supplies to Groendraai Primary School, located on a farm 60 km south-west of Rehoboth, in the Hardap region. The school caters to approximately 160 children and is considered a facility in need.

Orange Babies Namibia

Oryx sponsored the admission to our trampoline park and a goody bag with stationery and snacks for 40 children from Orange Babies Namibia, together with one of our tenants, Planet Aero Trampoline Park.

We gave two photography students the opportunity to photograph the day. Oryx employees also dedicated their time to renovating the playground and getting involved with the community.



Photo credit: Alamea Photography

Namibian Kiddies Crèche

In November, Oryx teamed up with Urban Friction, one of our tenants, to treat 20 children from the Namibian Kiddies Crèche (a school for vulnerable children), to their first wall climbing experience, a breakfast at Wimpy Maerua Mall and a small gift. Again, we invited a photography student to capture the special moments.



Photo credit: Kaitlin L Mouton

Fundraising

Oryx, in collaboration with Maerua Mall, provided free space during November to raise funds for a young girl's stem cell treatment through a hair spray and face paint fundraiser.

WE CARE FOR NAMIBIA

Throughout the year, we offered free space in our malls for the Blood Transfusion Service of Namibia to contribute towards saving lives by providing a platform where blood can be donated.

Oryx provided space at various malls and shopping centres to the Electoral Commission of Namibia to assist them with performing their duties during the Namibian Presidential Election.

We also offered free parking in Maerua Mall to employees of the Society for the Prevention of Cruelty to Animals in Windhoek. In this way we contributed towards the pivotal role they play in rescuing and assisting animals that are maltreated, abandoned and abused.

We participated in and financially contributed to the Bank Windhoek Cancer Apple Project . The project raises funds for the Cancer Association of Namibia, which, in co-operation with the community, fights cancer and the impact thereof for the benefit of all Namibians by supporting research, health education and information, care and support services.

OUR APPROACH TO GOVERNANCE

OUR GOVERNANCE PHILOSOPHY

The Group recognises the need to conduct its business with integrity and provide effective leadership based on an ethical foundation. The Board directs the strategy and operations to build a sustainable business while considering the short and long-term impacts on the economy, society and environment.

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

- The Companies Act
- NSX Listings Requirements
- The NamCode

The Board ensures that the Group acts as a responsible corporate citizen and endorses the principles of openness, integrity, accountability and transparency. The Board is aware that stakeholders' perceptions affect Oryx's reputation, and we are committed to promoting the highest standards of ethical business practice in all our operating activities.

All directors are expected to take decisions objectively in the interest of Oryx and act in good faith to promote Oryx's success. The Board is collectively responsible for the sustainability of Oryx and acts as the custodian for corporate governance.

To assist the Board in properly discharging its duties, it delegates certain functions to the various Board Committees and to the executive team. Each Board Committee acts within an agreed terms of reference.

We have structured our Board Committees to address our organisational requirements. Specifically, we have aimed to ensure that the roles, mandates and Committee composition allow for shared responsibilities, dispersed influence and balanced perspectives on the strategic matters the Board faces.

NamCode application

The Board aims 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 done on a "comply or explain" basis.

The Board did a full review of the chapters and principles during the year. Where items are indicated as applied, the Board evaluated and concluded that Oryx complies with all requirements. Items indicated as partially applied were not complied with in all aspects as recommended by the NamCode and are explained.

	NamCode principle	Application	Further commentary
1	Ethical leadership and corporate citizenship	Applied	
2	Boards and directors	Applied	
3	Audit committees	Partially applied	Oryx does not compile a summarised Integrated Annual Report. Results and distribution announcements provide a summary of results.
4	The governance of risk	Applied	
5	The governance IT	Applied	
6	Compliance with laws, rules, codes and standards	Applied	
7	Internal audit	Applied	
8	Governing stakeholder relationships	Partially applied	A Communication Policy is in place and we do not consider a separate strategy necessary.
9	Integrated reporting and disclosure	Applied	

BOARD RESPONSIBILITIES

The Board is ultimately responsible for Oryx's financial performance and corporate governance. The Board, together with the constituted Board Committees, is responsible for assessing and managing risk policies, assuring appropriate internal controls and overseeing major capital expenditure or acquisitions and disposals. The Board oversees the implementation of the plans and strategies.

The Board seeks to exercise ethical leadership, integrity and judgement in pursuing strategic goals and objectives, to achieve long-term sustainability, growth and prosperity. It provides leadership within a framework of prudent and effective controls which ensures risks are assessed and properly managed.

The Board is guided by a Board Charter and Approval Framework. These provide the framework within which the Board operates and stipulate which decisions should be taken by the Board and which

should be delegated to management without abdicating its own responsibilities.

The Board meets its objectives by reviewing and guiding strategy, setting high standards of corporate governance and ensuring that obligations to its unitholders and other stakeholders are understood and met. By understanding the key risks and approving and reviewing the processes in operation, the Board seeks to mitigate the impact of risk incidents.

The Board is satisfied that it has fulfilled its responsibilities as set out in the Board Charter and in accordance with its mandate. The Board is confident that it and its respective Committees discharged their fiduciary duties, acted in good faith, with due diligence and care, and in the best interests of Oryx and all its stakeholders.

Board meeting attendance

	Meeting attendance
Members	
PM Kazmaier (Chairperson)	4/4
A Angula (Deputy Chairperson)	3/4
JJ Comalie	4/4
RMM Gomachas	4/4
NBS Harris	4/4
B Jooste (CEO)	4/4
JC Kuehhirt	4/4
LP Smit (CFO)	4/4
A Swanepoel	4/4
Invitee	
C van der Westhuizen (Asset Manager)	4/4

Personal share dealings by directors

Directors and the Company Secretary are required to obtain written approval from the Board Chairperson before dealing in Oryx shares. All share transactions are disclosed on SENS within the time prescribed by the NSX. Refer to the directors' report in the Annual Financial Statements on page 77 for dealings by directors and prescribed officers.

Managing conflicts of interest

One of the fundamental duties of a director is to avoid any possible conflict of interest with the Group. It is an accepted principle that, due to the trust placed in a director, they are bound to put the Group's interests before their own. Established procedures require all directors to timeously inform the Board of any actual or potential conflicts of interest they may have in relation to specific items of the business. Directors are obliged to recuse themselves from discussions or decisions on matters in which they have a conflict of interest.

A director is also prohibited from any action that may influence a discussion or vote by the Board and is prohibited from executing any document on behalf of the Group in relation to the matter,

unless specifically requested to do so by the Board. In general, directors are required to 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 the director. Thus, where a director knows that a related person has a personal financial interest in a matter to be considered at a Board meeting, the director should disclose this. Further, should he/she become aware that a related person has acquired a personal financial interest in a matter, after the Board has approved that agreement or matter, the director should disclose such to the Board.

IT management

The Board appreciates that IT can create and unlock value. IT governance responsibility is delegated to the RACC. The Portfolio Manager for industrial, offices and small retail is responsible for managing day-to-day IT operations. Most of the operational functions have been outsourced to service providers. Detailed service level agreements are in place and services are supervised to comply with requirements.

The RACC oversees how management identifies and manages risk relating to IT that the necessary IT security policies and firewalls are in place. Daily offsite backups are maintained for added IT security. There have been no material changes to IT management during the year.

During 2018 Oryx implemented the MDA property management system as the main financial reporting tool. Quarterly updates were provided to the RACC with regards to key milestones and any risks related to the project. In 2020 the Group concluded implementation of the order system which significantly reduces the time spent on the supplier process.

Internal control

Ensuring that management implements the systems of internal and operational control is the Board's responsibility. The executive team is responsible for ensuring assets are protected, losses arising from fraud and/or other illegal acts are minimised, all valid transactions are properly recorded and systems operate effectively.

Oryx's internal audit function is outsourced to KPMG. KPMG performed comprehensive reviews and tested the effectiveness of the internal control systems in operation and reported its findings to the RACC.

Risks and controls are regularly reviewed and monitored for relevance and effectiveness. Internal controls are designed to mitigate, but not eliminate, significant risks faced. Such a system provides reasonable but not absolute assurance against error, omission, misstatement or loss. This is achieved through combining risk identification, evaluation and monitoring processes, appropriate decision making, assurance and control functions, such as risk management and compliance.

These ongoing processes were in place throughout the year and up to the date of approval of the Integrated Annual Report.

OUR BOARD COMPOSITION

Under the Board Charter, the Board's composition is annually reviewed by the Remuneration and Nomination Committee (RNC). The Board predominantly consists of Non-executive Directors, who bring a wide range of skills and experience to the Group. This allows them to contribute independent views and exercise objective judgement in matters requiring directors' decisions.

The Board is of the view that the Non-executive Directors are independent of management and promote the interests of all stakeholders. The balance of Executive and Non-executive Directors is such that there is a clear division of responsibility. This ensures balance of power, so that no individual or group can dominate Board processes or have unfettered powers of decision making.

The Board is satisfied that its composition reflects the appropriate mix of skills, knowledge, qualifications, diversity, experience and independence.

CHANGES DURING THE YEAR

The following changes were made to the Board:

- Mr Peter Kazmaier was appointed as Board Chairperson, having served as Deputy Chairperson the previous year, after Mr Francois Uys' retired as Independent Non-executive Director and Board Chairperson effective 20 November 2019, due to medical reasons
- Ms Ally Angula was appointed as Deputy Chairperson, effective 1 March 2020
- Ms Roswitha Gomachas was appointed as a Non-executive Director, effective 1 July 2019

Changes to the Board after 30 June 2020:

- Ms Lizette Smit resigned as CFO and director effective 30 September 2020

APPOINTMENT POLICY

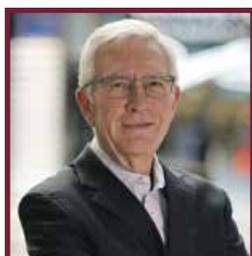
The appointment of a director must comply with the requirements of the Companies Act, the NSX Listings Requirements and other relevant legislation. The Board has the following powers regarding the appointment of directors:

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

The process is managed by the RNC. Under our Articles of Association, a unitholder that has more than 25% unitholding in Oryx is entitled to appoint a representative to the Board. Ms Roswitha Gomachas was appointed to the Board as the representative for the GIPF, which is Oryx's largest unitholder.

THE BOARD OF DIRECTORS AND THE EXECUTIVE TEAM

Board members as at 30 June 2020



Mr Peter Kazmaier (68)

*Independent Non-executive Director,
Chairperson*

Namibian | BCom | Appointed 2016

Peter was previously CEO at Agra Limited. His experience includes various roles at Namibia Breweries Limited, Ohlthaver & List, SWABOU Building Society. Previous boards served include Karakul Board of Namibia, Agra Pension Fund, Rosenthal Group of Companies, Hartlief Corporation, and he is a trustee of the Renaissance Health Medical Fund.

He is a non-executive director of Elso (Proprietary) Limited.



MS Ally Angula (40)

*Independent Non-executive Director,
Deputy Chairperson*

Namibian | BAcc, BCom (Hons) |
Appointed 2013

Ally was previously 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 (Proprietary) Limited, Namcor and Bank of Namibia.

She is the managing director of Leap Holdings (Proprietary) Limited and serves as a non-executive director at Pupkewitz Holdings.



Ms Jenny Comalie (46)

Independent Non-executive Director

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

Jenny has worked for various financial services and investment companies both in the private and public sectors. She is currently the executive for financial services at NamPost and serves on a number of boards as a non-executive director which includes chairperson of the Namcor board.



Mr Ben Jooste (41)

CEO and Executive Director

Namibian | MBA | Appointed 2018

Ben has experience in the financial, legal, technology and media industries. Previously the head of Rest of Africa at Hitachi Data Systems, programme manager at Bank of America Merrill Lynch and management consultant, managing projects for Barclays, ABN Amro, RBS, Abbey National and Dresdner Kleinwort Benson across Europe, the Middle East and Africa.

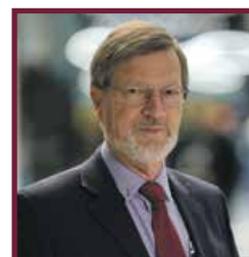


Mr Nick Harris (77)

Independent Non-executive Director

South African | FRICS | Appointed 2012

Nick was previously the CEO of South African listed company, Ambit Properties Limited. He has more than 40 years' experience in the real estate industry, was president of the South African Property Owners Association, chairman of the South African Board of the Royal Institution of Chartered Surveyors and board member of the Middle East and African World Regional Board of the Institution.



Mr Jens Kuehhirt (70)

Independent Non-executive Director

Namibian | BCom, CA(Nam), CA(SA) |
Appointed 2007

Jens was previously senior partner at Deloitte & Touche where he served mainly large blue-chip, listed clients in the banking and other financial services sectors and the mining, fishing, retail and manufacturing sectors.

Current directorships include Old Mutual Life Assurance Company (Namibia) Limited and Old Mutual Short Term Insurance Company of Namibia Limited.

OUR BOARD COMPOSITION *continued*

Board members as at 30 June 2020



Ms Lizette Smit (32)

CFO and Executive Director
Namibian | BAcc (Hons), CA(Nam) |
Appointed 2018 | Resigned 2020

Lizette, a qualified chartered accountant, was previously senior manager at Deloitte & Touche in the assurance division before joining Oryx in 2017 as CFO and then appointed to the Board in 2018. Her experience includes the financial services, mining, retail, real estate and telecommunications sectors, serving mainly large blue-chip and listed clients.



Mr Andre Swanepoel (66)

Independent Non-executive Director
Namibian | BCom, LLB | Appointed 2006

Andre was previously a member of the Law Society's Standing Committee on Conveyancing, Board for Legal Education, and the Screening Committee of the NSX. He has extensive experience in corporate, commercial and property law and structuring of sectional title development schemes, and other property-related transactions.

He is the managing director of Dr Weder, Kauta & Hoveka Inc. Legal Practitioners.



Ms Roswitha Gomachas (39)

Non-executive Director
Namibian | LLB | Appointed 2019

Roswitha has extensive experience as a legal consultant and advisor, land environment and development project lawyer with over 14 years' experience.

She is the deputy chief legal advisor to the Office of the Attorney-General, and a trustee for GIPF and serves on various of its committees.

Board member that retired during the year

Mr Francois Uys (73)

Independent Non-executive Director, previous Chairperson
Namibian | BA, BCom (Hons), MCom | Appointed 2002 | Retired 2019

Francois was previously a director and chairperson of FP du Toit Transport (Proprietary) Limited, Intercap Group (Proprietary) Limited, MacDonalds Transport Group (Proprietary) Limited, Darling Group (Proprietary) Limited, Ambit Properties Limited and was senior executive of the Trencor Group, managing director of TransNamib Limited and of Metje & Ziegler and chairperson and executive committee member of the NSX.

Executive and management team



Mr Ben Jooste (41)

CEO and Executive Director

See Board members



Ms Lizette Smit (32)

CFO and Executive Director

See Board members



Mr Conrad van der Westhuizen (53)

Asset Manager

Namibian | LLB

Conrad previously worked as a property manager and general manager at Old Mutual Properties Limited and general manager property at Joseph & Snyman and joined Oryx in 2014. He was the chairperson of the Windhoek Chamber Of Commerce's CBD Association and a director at Old Mutual Properties (Namibia) (Proprietary) Limited.



Ms Petro Oberholster (50)

Portfolio Manager

Namibian | BCom

Petro has 25 years of commercial, marketing and finance experience, of which 15 years is in property and retail development. Petro has gained property experience in various industries by the rolling out of retail shops in shopping centres and being part of the development team of national and regional centres across Namibia.

Executive and management team



Ms Francis Heunis (31)

Finance Manager

Namibian | BCompt (Hons), CA(Nam), CFA(Nam), MBA

Francis was previously a manager at PwC. She is a qualified chartered accountant with extensive experience in several industries gained during her time at PwC.



Mr Dirk R Schuler (58)

Portfolio Manager

Austrian | MBA

Dirk has gained experience in marketing, sales and business development in different industries including machinery building and soft- and hardware. His experience includes managing retail, office and industrial properties.

Changes to the executive team after year end

Ms Francis Heunis was appointed as CFO effective 1 October 2020. She is currently Oryx's finance manager.

Board diversity and tenure

Policy: Oryx’s policy is to have a majority of Independent Non-executive Directors, with separate roles for Chairperson and CEO. The Board is compliant with principle C2-18 of the NamCode in that the majority of Non-executive Directors are independent. Eight of our nine directors are Namibian.



Independence 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. Specific consideration is given to directors that have served for longer than nine years.

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 Listings requirements and the NamCode. These include leading in the Chairperson’s absence, assisting where possible conflict of interests may be present, and supporting the Chairperson with executing his responsibility.

Considering their length of service, the Board and the RNC carefully reviewed the independence of Mr Jens Kuehhirt and Mr Andre Swanepoel. The holistic, in-depth assessment focused on substance over form, and concluded that the directors do not have any interest, positions, associations or relationships which, when judged objectively and reasonably, would likely impair their judgement. Refer the director rotation section on the following page for information relating to Mr Jens Kuehhirt, who turned 70 during the year.

The Board’s performance assessments indicated that their peers hold their contributions in high regard and that the Board is well balanced between long-serving and newly appointed directors. Ms Roswitha Gomachas is not considered independent as she represents GIPF, Oryx’s largest unitholder.

SUCCESSION PLANNING

The Board considers its composition suitable to the business of the Group. Overall, the Board is confident that it has the right level

of knowledge, experience and skills to ensure objective and effective governance.

The RNC considers Non-executive Director succession each year. When Board members retire, the opportunity is used to rejuvenate the Board based on skills profiling and any shortcomings identified from Board assessments. As part of the Board’s succession planning, emphasis is placed on searching for specialist property-related skills and experience. The Committee considers succession planning for Executive Directors every year.

Oryx only has 28 employees, which impacts its ability for succession plans within the Group. The RNC, together with the CEO, annually reviews Oryx’s organisational structure to identify key gaps in the Group. The executive team is identifying critical roles to develop succession plans for key employees (whether through internal or external measures) to ensure business continuity.

OUR BOARD COMPOSITION *continued*

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).

Mr Nick Harris is over the retirement age but, given the limited property-related skills available in the market, was requested to extend his appointment by another year, from the 2020 AGM

2020	2019	2018
	A Angula JJ Comalie PM Kazmaier	JC Kuehhirt A Swanepoel MK Shikongo
NBS Harris JC Kuehhirt	F Uys NBS Harris	F Uys NBS Harris
	RMM Gomachas	

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	First election by unitholders
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Refer to the notice of AGM, Ordinary Resolution number 1 – Board composition

DEVELOPING DIRECTORS

The Group's success is intimately connected to the effectiveness of its Board. Although the Board comprises directors who have extensive knowledge and experience within their specific disciplines, they are encouraged to keep abreast of new developments and engage in continuous professional development. Newer directors also shadow the more experienced directors to assist with knowledge transfer.

Relevant new developments are communicated to directors at Board meetings, or on an ad hoc basis when they arise, including those regarding corporate governance, the Companies Act and other relevant legislation. If deemed necessary, training is sourced. There is an open invitation to Board members to request the CFO to arrange additional training or development to help them fulfil their duties to Oryx.

All new appointees are provided with an induction pack, the contents of which is approved by the Board and managed by the Company Secretary. Directors are provided with all necessary information and documentation to familiarise themselves with Oryx and issues typically facing the Board. As part of the onboarding process, directors visit Oryx's properties to familiarise themselves with the portfolio.

BOARD EVALUATION

The Company Secretary facilitated a formal, internal performance assessment process in November 2019. Each Board member assessed each other's contribution and the competency and effectiveness of the Board's and individual Committees' performance. The assessments are questionnaire-based, and the Board believes that the evaluation provides adequate opportunity for members to give feedback on various aspects.

to the 2021 AGM, or until an appropriate replacement can be obtained. He accepted and the RNC is searching for an appropriate candidate to succeed him.

Mr Jens Kuehhirt reached the age of 70 during the year and was also requested to extend his appointment for another year, which he accepted. The re-appointment was approved by the Board at the September 2020 meeting.

The below table summarises the retirement by rotation at the AGM.

Each member's scores and comments are provided anonymously followed by a one-on-one discussion facilitated by the Board Chairperson. The evaluation concluded that the Board and its Committees are functioning well and effectively with no significant concerns noted. The Board is satisfied that the evaluation process leads to an improvement in its performance.

COMPANY SECRETARY

Oryx's company secretarial services are outsourced to Bonsai Secretarial Services, represented by Annelie van Zyl. None of Bonsai Secretarial Services' employees are directors of any of the companies within the Group, nor do they have any interests or relations that may affect independence. The company secretarial services were assessed and the Board is satisfied that Annelie van Zyl has the required knowledge, skill and discipline to perform the functions and duties of the Group Company Secretary. The Board also 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 also ensures that all administrative requirements relating to the AGM, Board and Committees are met. The Company Secretary also provides guidance to the Board in terms of risk, ethics, good governance and changes in legislation. The Board as a whole and each individual director has unrestricted access to the advice and services of the Company Secretary.

During the year, the RNC proposed to the Board, who concurred with the recommendation, that the Company Secretary's contract be extended for a further two years effective November 2021. This was to align the contract with the employment contracts in place for Executive Directors, which is five years.



We aim to ensure that the roles, mandates and Committee composition allow for shared responsibilities, dispersed influence and balanced perspectives.

BOARD COMMITTEES

A terms of reference sets out each Committee’s 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 2020 financial year.

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 to directors before the meetings.

The COVID-19 Committee was created in 2020 in response to an increase in governance requirements to deal with COVID-19-related matters. Its responsibilities are to assist the executive team with accelerated decisions regarding tenants, financing, CSR and COVID-19-related external communication.

Members: PM Kazmaier, NBS Harris, JC Kuehhirt, A Angula, B Jooste, LP Smit, C van der Westhuizen

The Committee met when needed during the COVID-19 period and members were not remunerated for their time.

The RNC’s primary objectives are to address risks associated with human resources and social and ethics matters. The RNC further assists with remuneration policies, performance assessments of the executive team, Board fees, and short-term and long-term incentives for executives.

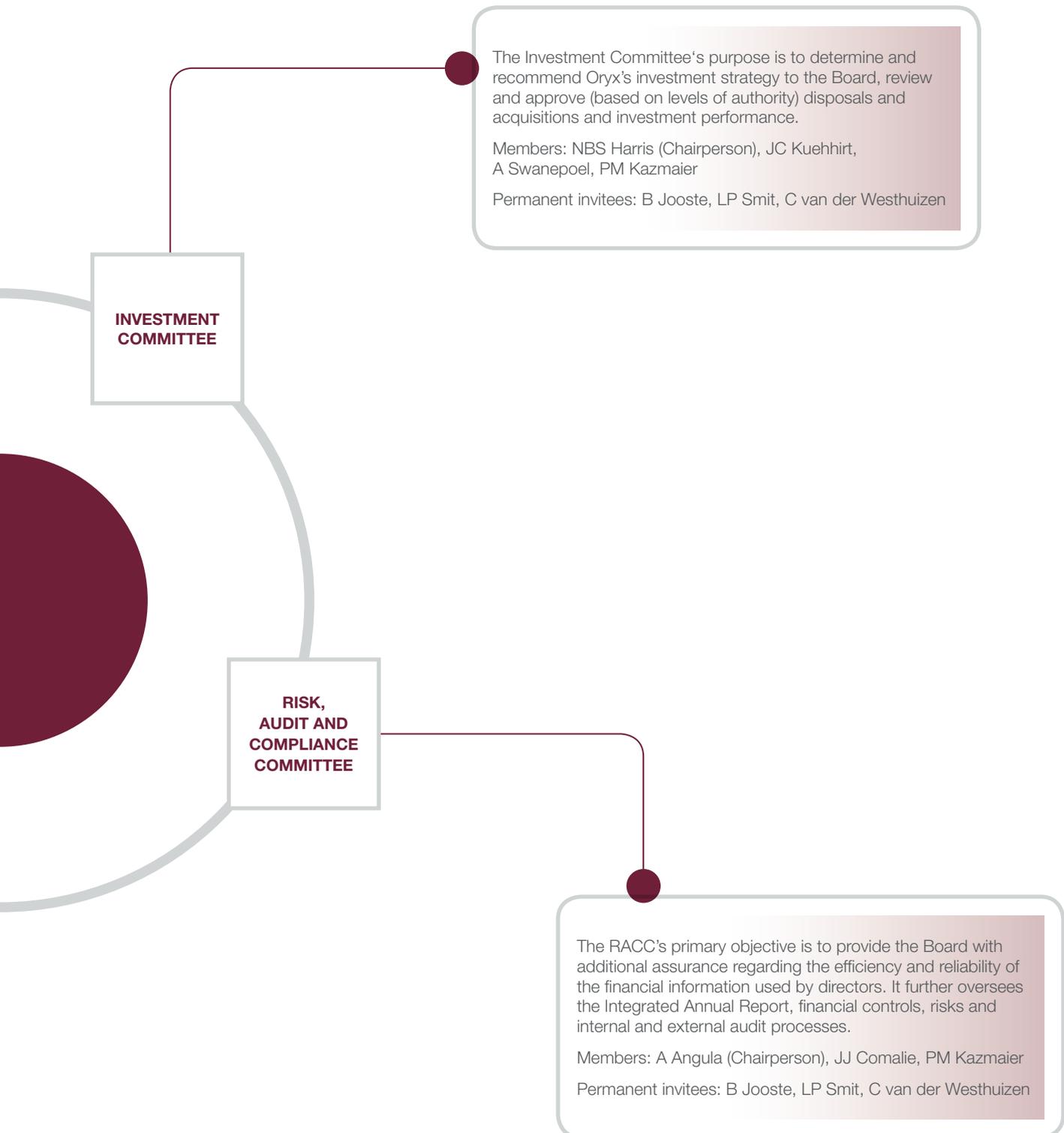
Members: JC Kuehhirt (Chairperson), JJ Comalie, PM Kazmaier

Permanent invitee: B Jooste

**COVID-19
COMMITTEE**

**REMUNERATION
AND
NOMINATION
COMMITTEE**

BOARD



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 performance of new and existing investments against predetermined criteria
- High-level review of interim and year end property valuations
- Monitoring debt fixing strategy (swaps)
- Reviewing and recommending to the Board any equity based capital raising initiatives
- Advising, reviewing and recommending policies pertaining to the above to the Board for adoption
- Supporting, developing and recommending sustainability practices and green opportunities for the Group

Key matters for the year

- Approved the investment strategy for 2021, with specific focus on the COVID-19 impact
- Approved the residential portfolio acquisition
- Reviewed interim and year end property valuations, and specifically assessed and analysed the impact of COVID-19 on property valuations
- Reviewed the debt fixing of the Group
- Concluded the bond issue in November 2019
- Approved the disposal of two Croatian properties

Composition policy

At least three independent Non-executive Directors.

Meeting policy

Minimum meeting requirement of twice a year with ad hoc meetings where required to approve strategic acquisitions, disposals, developments, etc.

Future focus areas

- Reviewing the relevance of the business model, considering the performance expectations of the various property sectors post COVID-19
- Reviewing the investment strategy post COVID-19:
 - Identifying defensive capital requirements to maintain current assets' performance during a period of changed consumer behaviour
 - Assessing new investment opportunities and the funding thereof
 - Monitoring the performance and funding model of the Croatian portfolio

Meeting attendance for the year

Members	Meeting attendance	Other invitees	Meeting attendance
NBS Harris (Chairperson)	2/2	B Jooste	2/2
JC Kuehhirt	2/2	LP Smit	2/2
A Swanepoel	2/2	C van der Westhuizen	2/2
PM Kazmaier	2/2		

In addition, a number of ad hoc meetings were held during the year in response to specific investment decisions that were required.

Conclusion

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



Mr Nick Harris

Chairperson – Investment Committee

RISK, AUDIT AND COMPLIANCE COMMITTEE FEEDBACK

<p>Areas of responsibility</p>	<p>The primary objective of the Board's RACC is to provide the Board with additional assurance regarding the efficiency and reliability of the financial information used by the directors and to assist them in discharging their duties.</p> <p>Among other things, the RACC ensures the integrity of integrated reporting and internal financial controls and identifies and manages risks. The RACC also oversees co-operation between the internal and external auditors and serves as a link between the Board and these functions.</p>
<p>Composition policy</p>	<p>At least three independent Non-executive Directors.</p>
<p>Meeting policy</p>	<p>Minimum meeting requirement of three times a year.</p>
<p>Areas of focus</p>	
<p>Recommended to the Board</p> <ul style="list-style-type: none"> ○ The 2021 budget ○ The 2020 Integrated Annual Report and Annual Financial Statements ○ Interim and year end financial results and distributions ○ Going concern principles (refer to page 26 in the CEO and CFO report) ○ The amendment of the Distributions Policy for the year to support Oryx's ability to pay and settle its current debt ○ Valuation of the investment in subsidiaries <p>Monitored</p> <ul style="list-style-type: none"> ○ Assessed the independence of external audit ○ Legal and compliance matters ○ IT governance ○ New accounting standards and management's assessment of these (IFRS 16 Leases and IFRS 3 Business Combinations amendments) ○ The risk register and risk reports, specifically for new risks resulting from COVID-19 ○ Business continuity plan 	<p>Approved</p> <ul style="list-style-type: none"> ○ Annual work plan ○ The appropriateness, experience and expertise of the CFO and financial function ○ Appropriateness and operating effectiveness of the financial reporting procedures ○ The annual audit plan, terms of engagement and fees for external audit as well as the non-audit services provided during the year ○ The appointment of the external auditor, Deloitte, for the financial year ending 30 June 2021 ○ The internal audit plan, budget and findings for the year, with KPMG continuing as internal auditor <p>Reviewed</p> <ul style="list-style-type: none"> ○ Significant matters considered in the Annual Financial Statements including the valuations of investment property (refer page 99) ○ The internal controls through detailed review of management's feedback regarding controls and discussions with external and internal auditors on the results of their audits
<p>Future areas of focus</p>	<ul style="list-style-type: none"> ○ Further improve risk management ○ Continue to improve the balance sheet and cash flow ○ Improve the overall internal control environment and processes

Auditor rotation

During the year, the RACC approved a policy in which Oryx will be required to obtain proposals from reputable audit firms every 10 years, to consider changing audit firms. The policy is not a mandatory audit firm rotation as the mandatory audit firm rotation principles has not been adopted yet within the Namibian market.

This policy is applied retrospectively, effective from 1 July 2017. The first tender process will be for the financial year commencing 1 July 2027. This policy aligns with other entities within the Namibian market.

Refer to the notice of AGM, Ordinary Resolution number 10 – Appointment of auditors.

Meeting attendance for the year

Members	Meeting attendance	Other invitees	Meeting attendance
A Angula (Chairperson)	3/3	B Jooste	3/3
JJ Comalie	3/3	LP Smit	3/3
PM Kazmaier	2/3	C van der Westhuizen	3/3

Risk and opportunity management

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

The key risk management objectives are to:

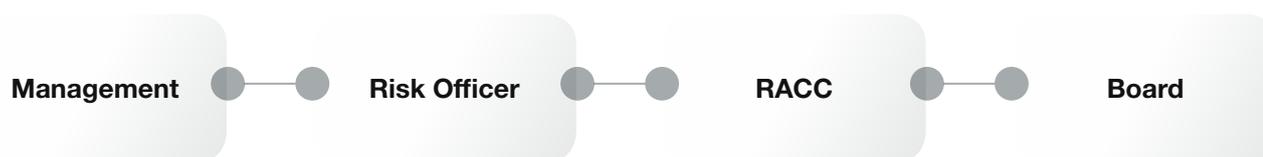
- Timely identify, assess and mitigate risks
- Provide timely information on risk situations and appropriate risk responses
- Identify potential opportunities which would result in long-term sustainable distributions
- Enhance a risk management culture throughout Oryx

The Board maintains an understanding of the various risks Oryx faces and ensures appropriate internal and other controls are in place to create a strong control environment to address key risk

areas. A risk workshop is held annually and externally facilitated. The workshop this year was attended by the RACC members, the Board Chairperson and the Oryx management team. This led to a more comprehensive assessment of risks, and new risks being captured in the risk register.

The Board is satisfied with the adequacy, accuracy and effectiveness of information distribution and reporting in the area of management and controls. However, it is continuously striving to improve the information flow by further integrating its systems. Oryx does not have a combined assurance process in place and it is a future consideration for the RACC.

The RACC is tasked with ensuring that the risk management process is adhered to through review and debate of relevant documents. Management is accountable and responsible for managing risks daily. The CFO is designated as the Risk Officer.

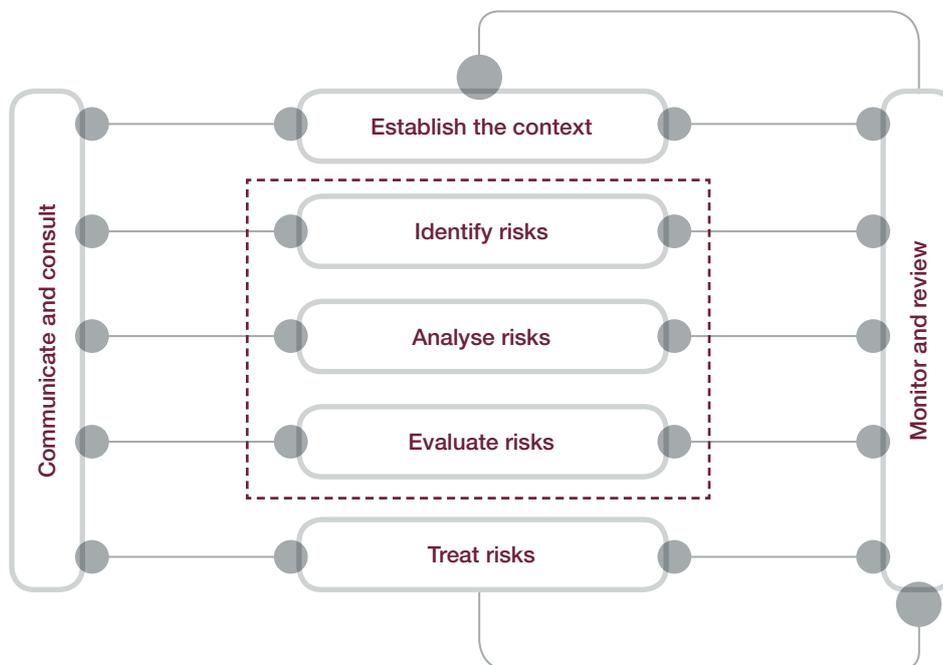


The RACC continuously evaluates risks by reviewing the consolidated risk register, and the Board reviews key risks. Management actions are identified for follow-up.

Risk Management Policy and Plan

The Risk Management Policy and Plan were reviewed in May 2020 and have been implemented throughout the business. The RACC monitored Oryx’s compliance with the Risk Management Policy and is satisfied that the Group complied with it in all material aspects during the year. As the revised risk process was only concluded and fully adopted in 2019, Oryx has yet to define its risk tolerance and risk appetite. These will be defined as the risk culture matures.

Risk methodology, based on COSO 2004: Enterprise Risk Management Framework



Our top risks

The table below sets out our top risks and a high-level overview of how we manage them.

	Risk description	Management of the risk
Slow payments by tenants	<p>The recession has put economic pressure on tenants, which resulted in slower payments and recoveries and an increase in rental rebate requests.</p> <p>Some tenants are at risk of defaulting, which could potentially increase our vacancy rate and impact income growth.</p> <p>This risk is elevated by COVID-19.</p>	<p>Credit checks are performed on tenants. We have a formal write-off process and a formal strategy to reduce outstanding debtors' balances.</p> <p>We prioritise key debtors and have weekly discussions with impacted debtors. Where required, we follow a legal process to collect outstanding debt, which is monitored monthly. With COVID-19 and the rent relief provided by Oryx, this risk is receiving increased attention from management.</p> <p>Refer to the CEO and CFO report on page 24 for more information.</p>
The Edcon Group's future sustainability	<p>The sustainability and future plans of the Edcon Group can have a significant impact on our occupancy rate and revenue – either through the entity vacating Maerua Mall or reducing space, experiencing reduced turnover or not settling outstanding debt.</p> <p>This risk is elevated by COVID-19, as the Edcon Group has been placed under business rescue.</p>	<p>We vigilantly monitor vacancy factors in our portfolio, with a specific focus on Maerua Mall. We engage proactively with national tenants to understand their concerns and partner with tenants on alternative solutions to vacating the premises.</p> <p>During July 2020 this risk was reduced with Edgars, through its new potential owners, Retailability, accepting a new three-year lease in Maerua Mall. The sale of Edgars is still pending approval by the South African Competition Commission. The risk is constantly monitored.</p> <p>Refer to the Asset Manager's report on page 29 for more information.</p>

	Risk description	Management of the risk
Available cash flow and funding	<p>Oryx's cash flow has significantly been impacted by:</p> <ul style="list-style-type: none"> • The number of rent relief requests due to current economic environment and COVID-19 • The decline in liquidity and availability of loans • The requirement to continue servicing debt • Disparity between available cash flow and distributions • Requirement by the Trust Deed to pay out a minimum of 90% of distributable income <p>The unavailability of additional funding, where required, can have an impact on managing operational cost and working capital.</p>	<p>Cash flows, operating expenses and capital expenditure are carefully monitored, and non-essential expenses are limited. We performed scenario analysis which were reviewed by the COVID-19 Committee.</p> <p>We developed a holistic rent relief strategy for tenants. We engaged with lenders to obtain relief from immediate interest payments to assist in reducing the immediate cash flow pressure, and to obtain additional facilities.</p> <p>Interim distribution payments were postponed and we are engaging with unitholders to have the Trust Deed amended to a lower pay-out ratio from the 2021 financial year. We have identified properties for sale in order to realise cash for the business.</p> <p>Refer to the CEO and CFO report on page 23 for more information.</p>
The impact of COVID-19 on property valuations	<p>The valuation of our property portfolio is fundamental to Oryx's value proposition and investment case. The uncertainty surrounding COVID-19 could potentially impact these valuations significantly.</p> <p>This is a new risk created by COVID-19.</p>	<p>We engaged with various stakeholders to understand the industry's approach to these valuations given COVID-19.</p> <p>Valuations were performed by independent valuers and resulted in a negative fair value adjustment.</p> <p>Refer to the Asset Manager's report on page 28 and to notes 4.1 and 6 of the Annual Financial Statements for more information.</p>
Unforeseen damage to properties	<p>This risk relates to unforeseen damage to property caused by crime, terrorist attacks, acts of God, fire, poor safety practices, etc. This may also result in loss of life.</p> <p>The ineffective implementation of risk assessment recommendations could put our properties at risk.</p>	<p>A third party performed a general risk assessment on all properties in 2020.</p> <p>Going forward, these findings will be addressed and we will:</p> <ul style="list-style-type: none"> • Implement appropriate training • Develop and implement a formal occupational health and safety plan, emergency response plan and a crisis management plan • Outsource some of the risk assessment functions to an external service provider as we have limited expertise in this field
Fast-tracking the move towards being a digital landlord	<p>Consumer trends and behaviours are changing and lean towards more digital methods.</p> <p>This risk is elevated by COVID-19.</p>	<p>We formed a dedicated team to develop a holistic plan for our shopping centres and to:</p> <ul style="list-style-type: none"> • Understand digital behaviour and how to incorporate it into our shopping centres • Review our existing tenant mix and assess what tenant mix is required post the pandemic to ensure relevant offerings to the consumer <p>Refer to the external operating environment section on page 10 for more information on our mobile app.</p>

	Risk description	Management of the risk
<p>Foot count at Maerua Mall is under pressure</p>	<p>The Windhoek shopping market is shared between Maerua Mall, The Grove Mall and Wernhill Park, and all major retail centres' foot counts are under pressure. Thus, there is a risk that Oryx cannot maintain its market share. This can have a negative impact on occupancy rates and rental income.</p> <p>We have a covenant requirement that the vacancy rate to not exceed 5% for the ABSA bonded portfolio, or else the loans become payable.</p> <p>This risk is elevated by COVID-19.</p>	<p>We continue to monitor market competition and run market initiatives to attract customers to our shopping centres. We implemented free parking on Sundays and introduced family entertainment.</p> <p>The project team, as mentioned above, will develop a holistic plan for Maerua Mall. The plan will be rolled out in 2021.</p> <p>Refer to the CEO and CFO report on page 23 for more information on covenants and note 6 of the Annual Financial Statements for the bonded portfolio disclosure.</p>

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



COVID-19 COMMITTEE FEEDBACK

Purpose

The Committee was created during the year to be, among other things, an interface between the Board and the executive team for COVID-19 matters.

Terms of reference

- Advise on recommendations and processes, and add areas that management may want to consider during the COVID-19 period
- Consider increased communication and disclosures to stakeholders during the COVID-19 crisis and recovery period, where relevant
- Evaluate the financial strength of the Group
- Scrutinise and approve updated scenarios and action plans

Composition policy

The Chairpersons of each Board Committee (Board, RNC, RACC and Investment Committee) and the executive team

Meeting policy

As and when deemed necessary, and no fees are paid to directors attending.

Future focus areas

- Scrutinised the financial models and the impact of COVID-19 on these
- Reviewed the risk register for updates related to COVID-19
- Decisions around additional funding (refer to the CEO and CFO report on page 20)
- Discussions and decision around the approach to distributions for 2020 and going forward
- Guidance around the blend and extending of existing swaps (refer to the CEO and CFO report on page 20)
- Communication Plan to relevant stakeholders via operational updates
- Final approval of rent relief packages to tenants
- CSR fund and activities approved for COVID-19

REMUNERATION AND NOMINATION COMMITTEE FEEDBACK

The primary objective of the RNC is to address the risks associated with human resources and social and ethics matters. The Committee's areas of responsibility 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
- Annually reviewing and approving executives' performance contracts in conjunction with the Board's approved strategy and assessing their performance
- Approving annual increases and year end bonuses for employees
- Recommending Non-executive Directors' fees to the Board
- Periodically reviewing the general conditions of employment to ensure compliance with Namibian Labour Law and income tax requirements
- Reviewing Oryx's employee Code of Conduct on a three-year cycle
- 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
- Recommending the appointment of the CEO to the Board and appointing CFO and Asset Manager and approving the employment contracts
- Ensuring the processes followed in terminating and renewing executive contracts are objective and transparent

Social and ethics

- Monitoring Oryx's activities, considering relevant legislation and other legal requirements or prevailing codes of best practice
- Considering social and economic development
- 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 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

BOARD COMMITTEES *continued*

Key matters for the year

- Approved the changes to the LTI Scheme (refer to the remuneration report on page 57)
- Approved and implemented a Malus and Clawback Policy
- Recommend the appointment of Board Chairperson and Deputy Chairperson
- Improved remuneration disclosure
- Through the COVID-19 Committee, ensured that Oryx acted as a good corporate citizen (refer to how we support our communities on page 33)
- Ensured that all Oryx employees' wellbeing was considered with the necessary health and safety measures as required by law
- Re-appointed the Company Secretary

Composition policy

At least three independent Non-executive Directors.

Meeting policy

Minimum meeting requirement of twice a year, with ad hoc meetings when required.

Future focus areas

- Board composition and the search for potential directors with property experience
- Review performance areas for the Short-Term Incentive (STI) and LTI Schemes
- Review remuneration policies and philosophy to ensure a fair and ethical Remuneration Policy is in place

Meeting attendance for the year

Members	Meeting attendance	Other invitee	Meeting attendance
JC Kuehhirt (Chairperson)	2/2	B Jooste	2/2
JJ Comalie	2/2		
PM Kazmaier	2/2		

Conclusion

The RNC executed its duties during the year in line with its roles and responsibilities as outlined above. Refer to the full remuneration report starting on the following page for more detail.



Mr Jens Kuehhirt

Chairperson – Remuneration and Nomination Committee

REMUNERATION FOR EMPLOYEES AND EXECUTIVE DIRECTORS

HOW WE GOVERN REMUNERATION

Oryx's remuneration governance is prescribed by the Companies Act, NamCode, NSX Listings Requirements and the RNC's terms of reference. The Board sets the overarching remuneration philosophy, approves the Remuneration Policy and appoints the RNC.

Sound remuneration governance provides unitholders with the assurance that Oryx's remuneration philosophy and policies translate into remuneration outcomes that are closely linked to the Group's performance. The Board and RNC apply independent judgement in developing appropriate remuneration models and in evaluating and approving remuneration outcomes.

OUR REMUNERATION POLICY AND OBJECTIVES

The purpose of our Remuneration Policy is to create a framework for managing and controlling remuneration to ensure that Oryx can effectively attract and retain the talent required to achieve the desired business results.

The Remuneration Policy sets out Oryx's approach to remunerating employees across all elements of remuneration. This policy and its application are regularly reviewed. Inherent in our remuneration philosophy is the linkage between pay and short and long-term performance.

Remuneration is structured in a fair and reasonable manner and recognises individual contributions and collective results. There is a clear differentiation between executives and employees based on line-of-sight responsibility, accountability, competencies, work performance and scarcity of skills.

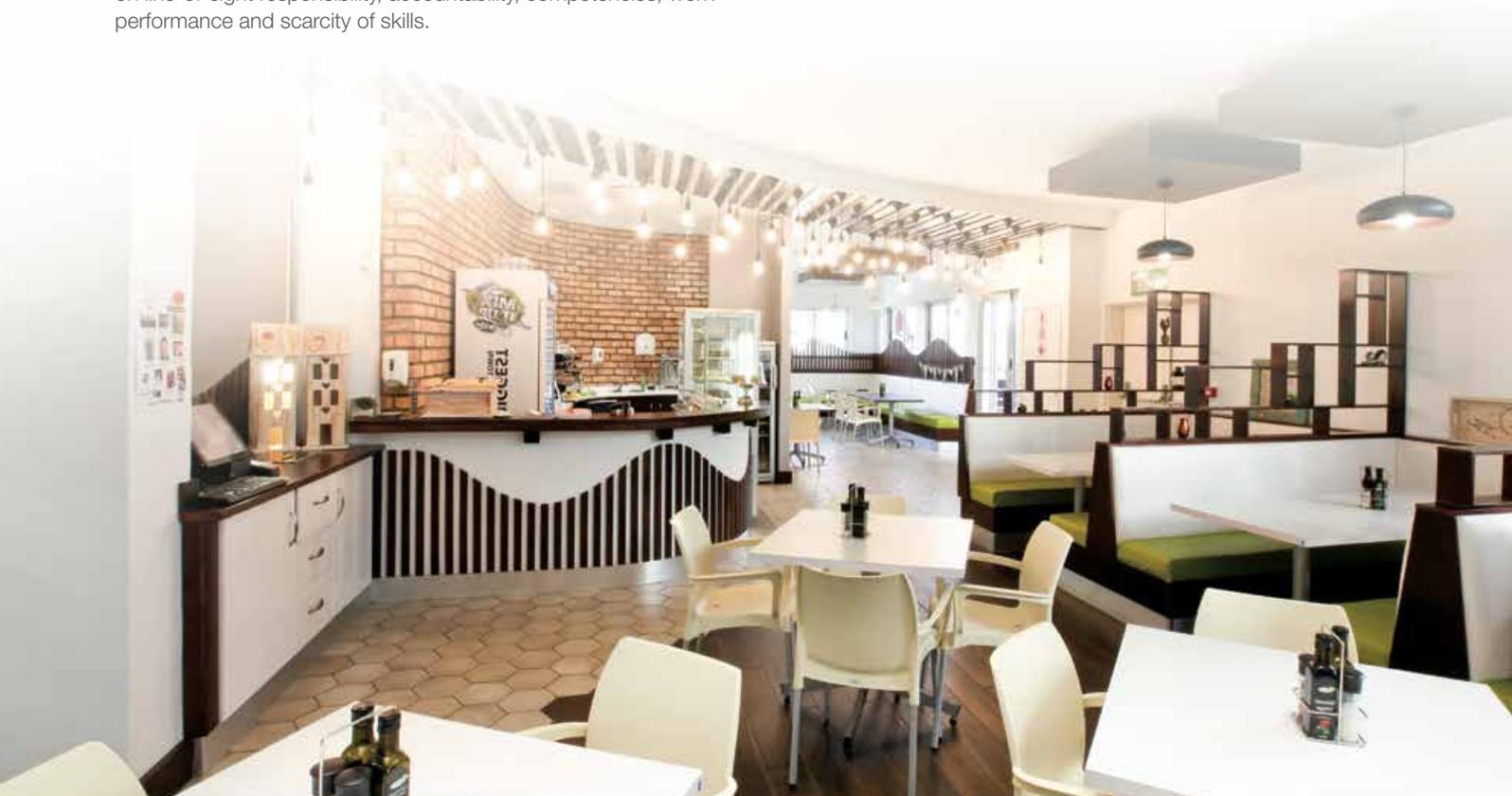
Executive Directors' remuneration is reviewed after considering:

- Remuneration paid to similarly sized listed property companies in South Africa
- The latest available PwC South Africa report on executive directors' remuneration practices and trends
- Norms of directors' remuneration in Namibia

Service contracts and other appointments

Members of the executive team are employed on fixed term contracts of five years. These employment agreements provide for a notice period of three months for the CFO and Asset Manager, and six months for the CEO. There is a shorter notice period for executives who are dismissed following the results of disciplinary proceedings.

Employees are required to retire at age 65.



REMUNERATION OVERVIEW

	Guaranteed pay and benefits	Annual short-term incentive	Long-term incentive
Purpose	<ul style="list-style-type: none"> Compensate employees for work performed Attract and retain talent 	<ul style="list-style-type: none"> Reward employees for the financial year's corporate financial performance, delivery of strategic priorities and personal performance Attract and retain talent 	<ul style="list-style-type: none"> Attract, retain and reward executives Reinforce alignment between executive interests and unitholder interests
Eligibility	All employees	All employees	Executive team
How the pay is set	<ul style="list-style-type: none"> Total cost to company (CTC) basis Benchmarking is performed for new roles and as and when needed for existing roles; in 2019 we performed a full benchmarking exercise for all employees Reflects the scope and depth of a role, experience required, level of responsibility and individual performance 	<ul style="list-style-type: none"> Individual discretionary bonus linked to seniority and individual performance (based on predetermined KPIs specific to each role), as evaluated by the respective managers, which the CEO oversees Top performers could be awarded a discretionary element which is factored into their overall performance rating The bonus is limited to a maximum of 1.5 months of CTC The executive team's performance assessment is conducted by the RNC based on predetermined KPIs set at the start of each financial year The annual STI is determined by applying a performance rating factor to the maximum allowed incentive of 25% of annual CTC 	LTI consists of shares in Oryx Properties Limited allocated based on the external and internal performance assessments as set out below
Performance hurdle	Not applicable	Performance assessed with a minimum rating of 2.5 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 (refer page 59)
Link between remuneration and performance	Not applicable	Payment is subject to Oryx's performance and cash position	<ul style="list-style-type: none"> Internal: Budgeted distributable income External: Distribution performance measured against peer group
Key changes in 2020	<ul style="list-style-type: none"> Provided lower income employees with medical aid by adjusting their CTC Introduced an employee gym benefit 	None	<ul style="list-style-type: none"> Malus and clawback were introduced Finalised Oryx's peer group for the LTI Allocation of LTI awards for the CEO, CFO and Asset Manager were aligned

Unpacking the 2020 changes in remuneration

Medical aid and health benefit

The health and overall wellbeing of employees contributes to our overall success. We identified the need to assist lower income employees with obtaining membership of a medical aid. We adjusted their total CTC by adding the cost of medical aid to their total earnings. Five employees qualified for this benefit.

We also introduced a monthly N\$250 benefit where Oryx reimburses employees a portion of their monthly gym membership on presentation of proof of attendance.

Malus and clawback

The provisions below were implemented effective 1 March 2020 for the executive team:

Malus

The RNC 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 RNC, 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 RNC 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 RNC 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 which, in the judgement of the RNC, 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 which was based on error or inaccurate or misleading information
- Any information used to determine the quantum of an LTI Scheme payment, or the number of shares subject to an 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

LONG-TERM INCENTIVE SCHEME

Our LTI Scheme aims to:

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

Pertinent details of the LTI Scheme are as follows:

- Shares can be allocated every year after the performance reviews of the executive team and assessment of the Group's performance against its peer group
- A minimum STI rating of "meet requirements" is needed to qualify for the LTI
- Shares vest at the end of year three
- If the employee leaves within the three-year cycle by his/her own accord, the share allocation is forfeited
- Once the shares have vested, there are no restrictions with regard to being able to retain/sell the shares
- The share option price is based on the share price at year end (effective allocation date) to which the allocation relates

REMUNERATION FOR EMPLOYEES AND EXECUTIVE DIRECTORS *continued*

The LTI performance measurements were amended during 2019 to consider an external and internal perspective.

- 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 assessed by an external company against the peer group.

Performance	% of peers	Executive team
Under median	Below 50%	Discretionary (RNC)
Median quartile	50% – 75%	1 month of CTC
Upper quartile	76% – 90%	2 months of CTC
Top quartile	91% – 100%	Discretionary (RNC)

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

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

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

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

Performance	% of budget	Executive team
Under budget	Below 100%	Discretionary (RNC)
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 (RNC)

The following resolutions are included in the notice of AGM:

- Ordinary Resolution number 4: LTI allocation for the Executive Directors June 2019
- Special Resolutions number 10 – 16: Amendments to the LTI Trust Deed

REMUNERATION FOR THE YEAR

During the year no STI or LTI allocation was made to the Executive Directors due to the impact of COVID-19 on Oryx's financial position.

During 2019, a provision of N\$1.4 million was raised based on management's best estimate for the LTI allocation that was yet to be concluded by the RNC at the date of the 2019 report.

Oryx's performance was assessed by the RNC for the 2019 financial year and, based on the performance assessment of the internal and external factors, the final allocation awarded to the executive team was N\$1,796,760 at a price of N\$19.50, amounting to 92,142 shares. The price used to determine the number of shares is based on the June 2019 year end closing price. The shares have not yet been purchased within the open market as at the date of this report, due to the cash flow constraints being experienced by the Group.

Executive Director	Cash salary N\$'000	STI N\$'000	LTI N\$'000	Total remuneration N\$'000
2020				
B Jooste	2,255	-	-	2,255
LP Smit [^]	1,300	-	-	1,300
2019				
B Jooste	2,050	410	769	3,229
LP Smit	1,050	221	394	1,655

[^] Ms Lizette Smit resigned as CFO and director effective 30 September 2020. Refer to page 19 where the new CFO appointment is discussed. Due to her resignation, she forfeits her LTI and the related provision was reversed.

Refer to the notice of AGM, Ordinary Resolution number 3 – Executive Directors' remuneration for the year ended 30 June 2020.

NON-EXECUTIVE DIRECTORS' FEES

HOW FEES ARE SET

Non-executive Directors' fees for the 2020 financial year were paid on the basis presented in the 2019 Integrated Annual Report. They were recommended by the RNC for approval by the Board. The unitholders approved the benchmarking method highlighted on page 63 and the fee structure as indicated below at the AGM held on 20 November 2019.

Non-executive Directors' fees are structured as set out below. No fees were paid for the COVID-19 Committee established in 2020. Non-executive Directors also attend various ad hoc meetings, participate in telephone conferences and undertake other preparatory work for which no additional fees are paid.

Board

- Fixed fee based on four meetings a year, paid quarterly
- Additional fixed fee for Chairperson based on four meetings a year, paid quarterly
- Attendance of additional meetings at an hourly rate, but capped with a daily rate

RACC

- Fixed fee based on three meetings a year, paid quarterly
- Additional fixed fee for Chairperson based on three meetings a year, paid quarterly
- Attendance of additional meetings at an hourly rate, but capped with a daily rate

RNC

- Fixed fee based on two meetings a year, paid quarterly
- Additional fixed fee for the Chairperson based on two meetings per annum, paid quarterly
- Attendance of additional meetings at an hourly rate, but capped with a daily rate

Investment Committee

- Fixed fee based on two formal meetings per annum and ad hoc conference call meetings, paid quarterly
- Additional fixed fee for Chairperson based on two formal meetings a year, paid quarterly
- Attendance of additional meetings at an hourly rate, but capped with a daily rate

The RNC proposed no increases to Non-executive Directors' fees for the 2021 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 Board and Committee meeting fees for 2021 remain unchanged from 2020.
- 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 to determine the duration thereof for remuneration purposes. Fees remain unchanged 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.

Refer to the notice of AGM, Ordinary Resolution number 6 – Non-executive Directors' fee structure.

Benchmarking

Non-executive Directors' fees are benchmarked against:

- The latest available PwC South Africa report on Non-executive Directors' fee trends for appropriate size and sector companies listed on the JSE
- Norms of directors' fees paid in Namibia per the PwC report
- Peer group of South African listed property companies

ACTUAL AND PROPOSED FEES

Non-executive Directors' fees

	Fees for 2020		Proposed fees for 2021	
	Chairperson N\$'000	Director/ Committee member N\$'000	Chairperson N\$'000	Director/ Committee member N\$'000
Board	336,857	187,143	336,857	187,143
RACC	191,141	127,427	191,141	127,427
RNC	127,427	84,952	127,427	84,952
Investment Committee	127,427	84,952	127,427	84,952
COVID-19 Committee	–	–	–	–

The fee for the Deputy Board Chairperson was N\$254,855 and will remain the same in 2021.

Actual fees paid to the Non-executive Directors

Director	2020 N\$'000	2019 N\$'000
F Uys*	–	410
PM Kazmaier	614	383
A Angula	401	358
JJ Comalie	409	379
RMM Gomachas	212	–
M Shikongo**	15	175
NBS Harris	318	295
JC Kuehhirt	404	377
A Swanepoel	275	258
Total	2,648	2,635

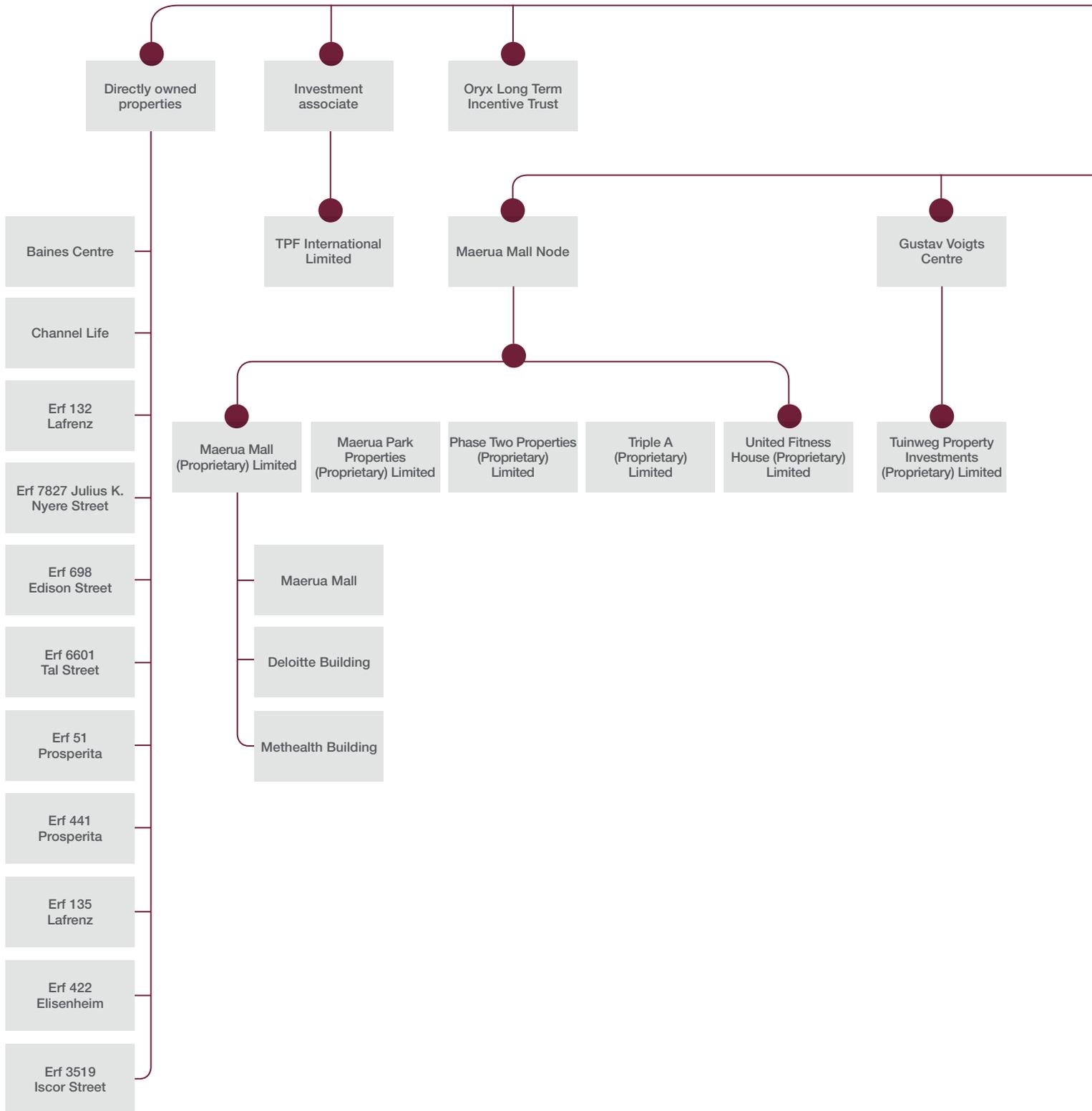
* Resigned 20 November 2019.

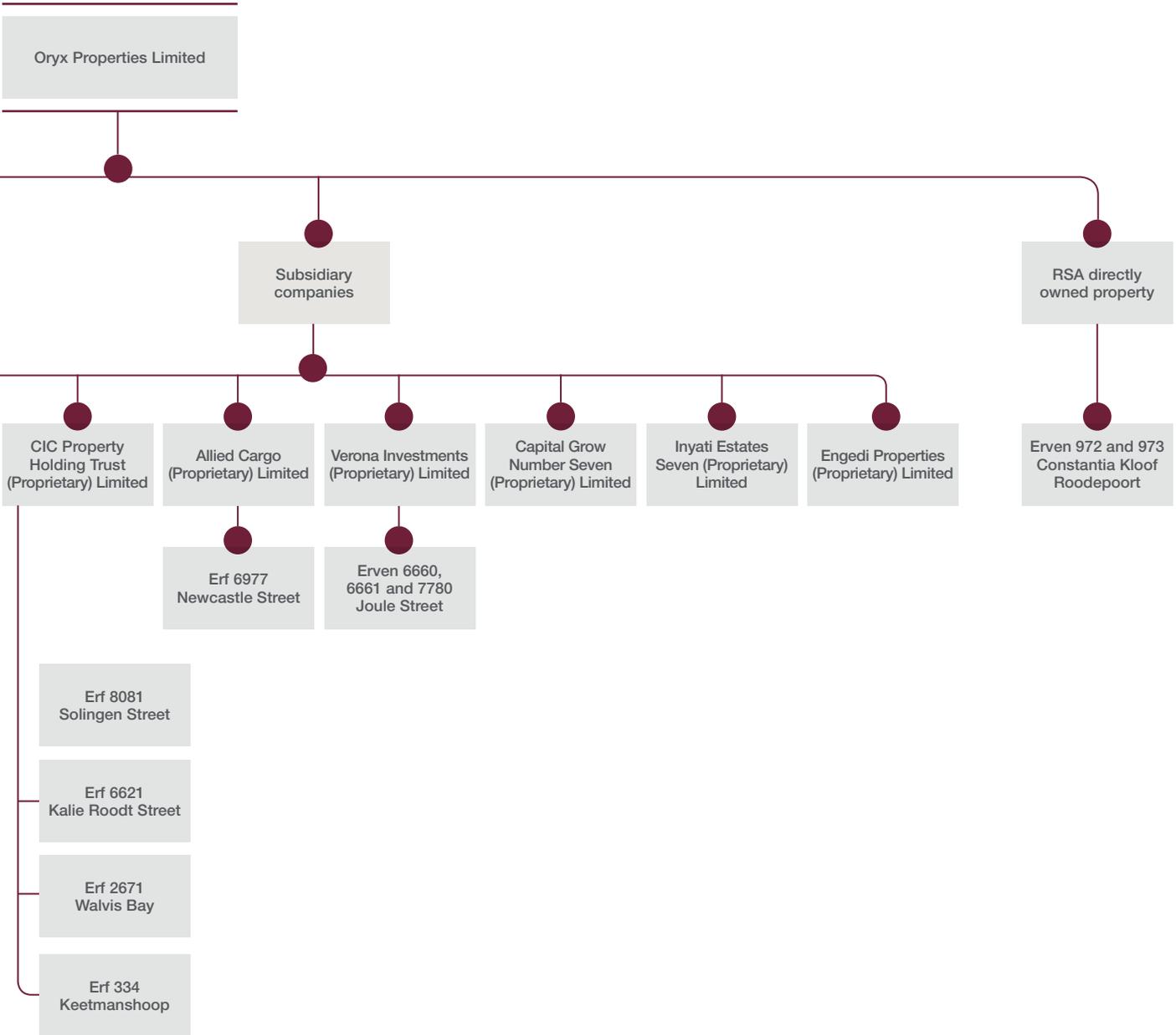
** Resigned 30 June 2019.

The following resolutions are included in the notice of AGM:

- Ordinary Resolution number 2: Non-executive Directors fees for the year ended 30 June 2020
- Ordinary Resolution number 5: Non-executive Directors' fees for the year ended 30 June 2021

HOW WE ARE STRUCTURED





FULL REAL ESTATE PORTFOLIO

Name	Sector	Location	Open market value N\$	% of portfolio value	GLA m ²	Occupancy %	Major tenants
Maerua Mall	Retail and offices	Cnr Jan Jonker and Robert Mugabe Avenues, Windhoek	541,900,000	18.7	25,104	98.7	Checkers, Truworths, Clicks, Stuttafords, Ster-Kinekor, Food Lover's Market, Mr Price Group, House & Home, sportscene, Cape Union Mart, Foschini, Edgars
Phase Two	Retail		482,000,000	16.5	19,093	92.4	
Maerua Park	Retail and offices		253,500,000	8.8	14,138	87.4	
Triple A	Retail		3,100,000	0.1	-	-	
United Fitness House	Retail		39,000,000	1.3	3,842	93.2	
Deloitte Office	Offices		44,600,000	1.5	1,383	100.0	
Methealth	Offices		56,500,000	1.9	1,837	100.0	
Subtotal Maerua Mall Node				1,420,600,000	48.8	65,397	
Baines Centre	Retail	Erf 1297, Pioneerspark, Fritsche Street, Windhoek	83,000,000	2.80	4,682	95.7	OK Foods, Nucleus Gym, City Pets, Schnitzel King
Gustav Voigts Centre	Retail	Independence Avenue, Windhoek	495,200,000	17.10	25,268	98.7	Avani Hotel and Casino, Checkers, Clicks, Ackermans, Safariland
Elisenheim	Retail	Erf 422 Elisenheim, Windhoek	97,000,000	3.30	3,132	90.5	SPAR, Bfit, Slice Above Pizzeria
Erf 6601 Tal Street	Industrial	Tal Street, Windhoek	55,700,000	1.90	7,857	100.0	Metje & Ziegler
Erf 8081 Solingen Street	Industrial	Cnr Solingen and Iscor Streets, Northern Industrial Area, Windhoek	107,100,000	3.70	14,559	100.0	Commercial Investment Company (CIC)
Erf 135 Lafrenz	Industrial	Erf 135, Rendsburger Street, Lafrenz Township, Windhoek	66,300,000	2.30	2,815	100.0	Scania and vacant land
Erf 51 Prosperita	Industrial	36 to 46 Platinum Street, Prosperita, Windhoek	60,000,000	2.10	8,725	100.0	FP Du Toit Transport
Erf 7827 Julius K. Nyerere Street	Industrial	Cnr of Mandume Ndemufayo and Nyerere, Windhoek	43,200,000	1.50	3,597	100.0	Plumbblink, Steiner, Tyre Rack
Erven 972 and 973, Constantia Kloof, Roodepoort	Industrial	Cnr William Nicol and Constantia Boulevard, Gauteng, South Africa	76,000,000	2.60	4,295	100.0	Action Ford Dealership
Erven 6660, 6661 and 7780 Joule Street	Industrial	18 Joule Street, Windhoek	23,400,000	0.80	2,732	100.0	Hollard Insurance, BJ Auto Body Repair

Name	Sector	Location	Open market value N\$	% of portfolio value	GLA m ²	Occupancy %	Major tenants
Erf 698 Edison Street	Industrial	Cnr Edison and Mandume Ndemufayo Avenues, Windhoek	36,700,000	1.30	2,268	100.0	Metje & Ziegler, Engen Namibia
Erf 662 1 Kalie Roodt Street	Industrial	Cnr Kalie Roodt and Tommie Muller Streets, Northern Industrial Area, Windhoek	33,300,000	1.10	3,973	100.0	Freshmark distribution
Erf 6977 Newcastle Street	Industrial	Newcastle Street, Northern Industrial Area, Windhoek	25,000,000	0.90	3,281	100.0	Matrix1-2-1
Erf 2671 Walvis Bay	Industrial	3rd Street East, Walvis Bay	13,100,000	0.40	3,525	50.1	Steiner, Kuiseb Mineral Water Distribution, Citiproduce
Erf 334 Keetmanshoop	Industrial	5th Avenue, Keetmanshoop	1,410,000	–	810	100.0	Commercial Investment Company
Erf 441 Prosperita	Industrial	Erf 441 Prosperita, Windhoek	22,000,000	0.80	4,482	66.7	Rainbow Finance
Erf 132 Lafrenz	Industrial	Erf 35 and Erf 36, Nordland Street, Lafrenz Township, Windhoek	24,650,000	0.80	1,889	100.0	Intercape Namibia
Erf 3519 Iscor Street	Industrial	Erf 3519, Iscor Street, Lafrenz Township, Windhoek	23,420,000	0.80	295	100.0	
Channel Life	Office	25 Post Street, Windhoek	70,000,000	2.40	4,956	83.0	USAid, Nedloans, NSI
Subtotal			1,356,480,000	46.60	103,141	95.2	
Engedi Residential Complex	Residential	56 to 60 Scheppmann Street, Pioneerspark, Windhoek	45,050,000	1.50	2,772	90	Individuals
Inyati Residential Complex	Residential	19 Sesriem Street, Kleine Kuppe, Windhoek	64,550,000	2.20	3,740	94	Individuals
Penuel Residential Complex	Residential	16 to 18 Hegner Street, Pioneerspark, Windhoek	27,600,000	0.90	1,449	88	Individuals
Subtotal			137,200,000	4.6	7,961	91.1	
Total			2,914,280,000	100.00	176,499	94.7	

FIVE-YEAR REVIEW FOR THE GROUP

	2020 N\$M	2019 N\$M	2018 N\$M	2017 N\$M	2016 N\$M
Summarised balance sheet					
Assets					
Investment properties	2,855	2,858	2,510	2,389	2,276
Investment in associate	363	326	–	–	–
Other non-current assets	75	87	90	52	84
Current assets	66	51	48	77	39
Total assets	3,359	3,322	2,648	2,518	2,399
Equity and liabilities					
Linked unitholders' interest	1,912	2,042	1,591	1,582	1,584
Interest bearing liabilities	1,313	1,160	951	836	696
Deferred taxation	27	23	23	12	21
Other non-current liabilities	14	3	–	1	–
Linked unitholders for distribution	61	62	51	69	70
Other current liabilities	32	32	32	18	28
Total equity and liabilities	3,359	3,322	2,648	2,518	2,399
Summarised income statement					
Revenue	333	325	305	297	288
Investment income	2	3	5	7	3
Total revenue	335	328	310	304	291
Other property income	–	–	3	–	–
Property expenses	(106)	(101)	(103)	(96)	(92)
Share of associate profit after tax	23	26	–	–	–
Other expenses	(39)	(19)	(17)	(19)	(16)
Amortisation of debenture interest	41	30	26	26	21
Other (expenses)/income	(30)	(9)	(2)	(1)	4
Profit/(loss) on sale of investment property	–	2	(1)	1	(1)
Changes in fair value of investment property	(156)	274	18	–	91
Exchange differences on foreign loan	(65)	(10)	–	–	–
Net operating income	3	521	234	215	298
Finance cost	(94)	(100)	(77)	(67)	(67)
Taxation	(6)	–	(11)	6	4
(Loss)/income before debenture interest	(97)	421	146	154	235
Debenture interest	(61)	(119)	(108)	(122)	(129)
(Loss)/profit for the year	(158)	302	38	32	106
Exchange differences on associate	70	10	–	–	–
Total comprehensive (loss)/income for the year	(88)	312	38	32	106

	2020 N\$M	2019 N\$M	2018 N\$M	2017 N\$M	2016 N\$M
Summarised cash flow statement					
Net cash inflow/(outflow) from operating activities	32	(22)	(14)	(25)	3
Net cash outflow from investing activities	(94)	(360)	(104)	(112)	(62)
Net cash inflow from financing activities	86	379	115	140	58
Net movement in cash and cash equivalents	24	(3)	(3)	3	(1)
Unit statistics					
Linked units in issue (million)	87	87	78	78	78
Distribution per linked unit (cents)	69.75	147.25	138.75	156.75	166.00
Dividend paid (cents)	–	2.75	4.25	10.25	1.00
Dividend declared (cents)	–	–	14.00	–	–
Total distribution growth (%)	(54.0)	(4.0)	(6.0)	0.0	5.4
Net asset value per linked unit (cents)	2,258	2,337	2,044	2,032	2,034
Listed market price (cents)	1,749	1,950	2,020	2,074	2,115
Interest bearing liabilities to total asset value ratio (%)	39.1	34.9	35.9	33.2	29.0
Property statistics					
Number of properties	28	25	25	24	25
Lettable area (m ² GLA)	176,499	174,442	169,242	184,214	188,254
Vacancy factor (%)	5.4	3.2	6.5	6.4	2.1
Total return (cents per linked unit)					
Opening price (1 July)	1,950.00	2,020.00	2,074.00	2,115.00	1,953.00
Closing price (30 June)	1,749.00	1,950.00	2,020.00	2,074.00	2,115.00
(Decrease)/increase in price	(201.00)	(70.00)	(54.00)	(41.00)	162.00
Total distribution 30 June	69.75	150.00	157.00	167.00	167.00
Total return	(131.25)	80.00	103.00	126.00	329.00
Total return (%)	(6.7)	4.0	5.0	6.0	16.8

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

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 75 to 149.

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 for an appropriate control environment.

The financial statements have been audited by the independent auditor, Deloitte & Touche, who was given 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 auditor during the audit are valid and appropriate. The audit report of Deloitte & Touche is presented on pages 71 to 74.

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 in the year ahead, as adequate funding facilities are in place and the operational and cash flow budget support this statement. See the directors' report on page 75 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 2020 as set out on pages 75 to 149 were approved by the Board on 14 September 2020 and are signed on behalf of the Board by:



Mr Peter Kazmaier

Chairperson

17 September 2020



Mr Ben Jooste

Chief Executive Officer (CEO)

INDEPENDENT AUDITOR'S REPORT

To the members of Oryx Properties Limited

Report on the audit of the consolidated and separate financial statements

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 75 to 149, which comprise the consolidated and separate statements of financial position as at 30 June 2020, 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 Group and Company as at 30 June 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditor'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 the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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. These matters were 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 on these matters.

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\$2,915 million (2019: N\$2,913 million) for Group and N\$658 million (2019: N\$637 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 loss of N\$152 million (2019: gain of N\$279 million) for the Group and N\$28 million loss (2019: N\$50 million gain 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: capitalisation rates (including reversionary rates) and discount rates.

The Group's investment properties comprised of various properties, the most significant being the Maerua Mall node. 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 independent valuers to determine the fair values for all of 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.

Our response to the key audit matter included the following audit procedures: We assessed the competence, capabilities and objectivity of management's independent valuers, and verified their qualifications. In addition, we discussed the scope of their work with management and reviewed their terms of engagement, to confirm their independence and objectivity and to confirm that no scope limitations were placed on them. We confirmed that the approaches they used are consistent with IFRS.

We tested a selection of data inputs underpinning the investment property valuation, including rental income, discount rates, capitalisation rates and reversionary capitalisation rates to that of the May 2020 South African Property Owners' Report.

We performed a sensitivity analysis on the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the entity's disclosures relating to these sensitivities.

We found that the assumptions and judgements used for the various properties were appropriate. The discount rates were comparable to the market and that the capitalisation rates, reversionary cap rates and discount rates used were reasonable.

The disclosures pertaining to the investment property were found to be appropriate in the consolidated and separate financial statements.

Key audit matter

How the matter was addressed in the audit

Going concern – Group and Company

The COVID-19 pandemic has resulted in strain on the Group's and Company's cash flows and as a result, the directors re-evaluated its forecast cash position and challenged both a reasonable expectation of cash flows as well as a "reasonable worst case" in order to assess the Group's ability to continue as a going concern.

This resulted in considerable focus and time being spent on the assessment and evaluation of the appropriateness of applying the going concern assumption in preparation of these financial statements by both the directors and auditor. In doing so, the directors evaluated the available funding, the likelihood of rolling short-term financing and alternative measures should some or all of the short-term financing not remain available.

An assessment was also made to consider any forecast covenant breaches and in the instance this was required, a condonement was obtained.

The directors also obtained approval from the unitholders, at a special general meeting held on 29 June 2020 to waive payment of unit distributions for the second half of the 2020 financial year and have applied for, and received, relief from their key financiers.

After considering the above, the directors concluded that the Group has sufficient resources available to continue operating as a going concern and settle liabilities as these become due and that therefore, there are no material uncertainties that give rise to significant doubt with regards to the Group's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements.

Further details of the directors' assessment is included on page 79 of the Annual Financial Statements.

As a result of the uncertainties of the impact of the COVID-19 pandemic on the Group and Company and the judgement required to conclude the going concern, we identified this as a key audit matter.

In responding to the identified key audit matter we:

- Re-assessed our risk assessment on going concern and took into account the additional considerations of the impact of the COVID-19 pandemic
- Obtained the approved cash flow models and covenant compliance forecast, including the sensitivity tests that were performed to evaluate the impact of a "reasonable worst case"
- Compared the approved budget to historical actuals and considered the impact and reasonability of the directors' assumptions on the expected cash flows
- Evaluated the reliability of the underlying data generated to prepare the forecast and corroborated the key assumptions made by management to external data or other evidence to consider the reasonability thereof
- Specifically considered the reasonability of forecast rental cash conversion as well as the reasonability of capital and operational expenditure
- Considered management's view on possible future covenant breaches and inspected the waiver obtained
- Considering whether any additional facts or information have become available since the date on which management made its assessment
- Evaluated the Group's disclosure of going concern in terms of International Accounting Standard (IAS) 1

We are satisfied with the directors' conclusion that there are no material uncertainties over the Group and Company's ability as a going concern.

We considered the going concern disclosure as made in the directors' report to be appropriate.

Other information

The directors are responsible for the other information. The other information comprises of the directors' responsibility and approval of the Annual Financial Statements received prior to the date of this audit report and "our 2020 performance at a glance", the Integrated Annual Report from pages 1 – 69 as well as the Unitholder information and notice of AGM, Glossary and corporate information as at the date of this report sections, which is expected to be made available after that date. The other information does not include the consolidated and separate financial statements, 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 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 ISA 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 ISA, we exercise professional judgement and maintain professional scepticism 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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 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 Board through the Risk, Audit and Compliance Committee 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 Board through the Risk, Audit and Compliance Committee 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, related safeguards.

INDEPENDENT AUDITOR'S REPORT *continued*

From the matters communicated with the Board, 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)
ICAN practice number: 9407*

Per: J Cronjé
Partner

PO Box 47, Windhoek, Namibia
17 September 2020

Partners: RH McDonald (Managing Partner), H de Bruin, J Cronjé, AA Akayombokwa, AT Matenda, J Nghikevali, G Brand*, M Harrison*

* *Director.*

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

DIRECTORS' REPORT

The directors have pleasure in submitting their report, which forms part of the financial statements for the year ended 30 June 2020.

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, offices 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 2020, there were 87,378,835 (2019: 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 25 years from December 2002.

Financial review

	2020 Cents per unit	2019 Cents per unit
(Loss)/earnings attributable to linked units	(110,63)	533,00
Headline earnings attributable to linked units	3,88	137,34
Interest distribution per linked unit	69,75	147,25
Dividend per linked unit	–	2,75

Refer to note 25 for more detail.

The results of the Group are fully set out in the financial reports on pages 75 to 149.

Subsidiaries

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

Associate

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

Directorate

Directors at the date of this report are:

Director	Year appointed	Status	Independent	Gender	Tenure (years)
PM Kazmaier	2016	Non-executive Chairperson	Yes	Male	4
A Angula	2013	Non-executive Director/Deputy Chair	Yes	Female	7
JJ Comalie	2012	Non-executive Director	Yes	Female	8
RMM Gomachas [^]	2019	Non-executive Director	No	Female	1
NBS Harris [#]	2012	Non-executive Director	Yes	Male	8
B Jooste	2018	Executive Director/CEO	No	Male	2
JC Kuehhirt	2007	Non-executive Director	Yes	Male	13
LP Smit	2018	Executive Director/CFO	No	Female	2
A Swanepoel	2006	Non-executive Director	Yes	Male	14

[#] South African.

[^] Appointed 1 July 2019.

Attendance of directors and sub-committee meetings

Director/Executive	Board		Risk, Audit and Compliance Committee	
	Member	Attendance	Member	Attendance
PM Kazmaier	X*	4/4	X	2/3
A Angula	X	4/4	X*	3/3
JJ Comalie	X	4/4	X	3/3
RMM Gomachas	X	4/4		
NBS Harris	X	4/4		
B Jooste	X	4/4		3/3 [®]
JC Kuehhirt	X	4/4		
LP Smit	X	4/4		3/3 [®]
A Swanepoel	X	4/4		
C van der Westhuizen (Asset Manager)		4/4 [®]		3/3 [®]

Director/Executive	Remuneration and Nomination Committee		Investment Committee	
	Member	Attendance	Member	Attendance
PM Kazmaier	X	2/2	X	2/2
A Angula				
JJ Comalie	X	2/2		
RMM Gomachas				
NBS Harris			X*	2/2
B Jooste		2/2 [®]		2/2 [®]
JC Kuehhirt	X*	2/2	X	2/2
LP Smit				2/2 [®]
A Swanepoel			X	2/2
C van der Westhuizen (Asset Manager)				2/2 [®]

[®] By invitation.

* Chairperson.

Directors' fees

Actual fees paid to Non-executive Directors

Director	2020 N\$'000	2019 N\$'000
F Uys [^]	–	410
PM Kazmaier	614	383
A Angula	401	358
JJ Comalie	409	379
RMM Gomachas	212	–
M Shikongo [§]	15	175
NBS Harris	318	295
JC Kuehhirt	404	377
A Swanepoel	275	258
Total	2 648	2 635

[^] Resigned 20 November 2019.

[§] Resigned 30 June 2019.

Directors' remuneration**Actual amounts paid to Executive Directors (N\$'000)**

Director	2020		2019			Total remuneration
	Cash salary	Total remuneration	Cash salary	Short-term incentive (STI)	Long-term incentive (LTI)	
B Jooste	2,255	2,255	2,050	410	769	3,229
LP Smit	1,300	1,300	1,050	221	394	1,665
Total	3,555	3,555	3,100	631	1,163	4,894

No short-term and long-term incentive bonuses were awarded to the Executive Directors for the year. Ms Lizette Petra Smit resigned effective 30 September 2020.

Company Secretary

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

Registered office

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

Auditor

Deloitte & Touche
Deloitte Building
Maerua Mall Complex
Jan Jonker Road, Windhoek
PO 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 2020 were 0.96% (2019: 5.52%) and can be analysed as per table below:

	Direct beneficial		Indirect beneficial		Total	
	Linked units	%	Linked units	%	Linked units	%
2020						
Oryx LTI Trust	45,500	0.05	-	-	45,500	0.05
NBS Harris	18,662	0.02	-	-	18,662	0.02
JC Kuehhirt	-	-	757,427	0.87	757,427	0.87
B Jooste	20,000	0.02	-	-	20,000	0.02
Total	84,162	0.09	757,427	0.87	841,589	0.96

DIRECTORS' REPORT *continued*

	Direct beneficial		Indirect beneficial		Total	
	Linked units	%	Linked units	%	Linked units	%
2019						
Oryx LTI Trust	45,500	0.05	–	–	45,500	0.05
NBS Harris	18,662	0.02	–	–	18,662	0.02
JC Kuehhirt	–	–	757,427	0.87	757,427	0.87
F Uys	38,326	0.04	3,952,388	4.52	3,990,714	4.56
B Jooste	20,000	0.02	–	–	20,000	0.02
Total	122,488	0.13	4,709,815	5.39	4,832,303	5.52

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

Borrowings

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.

The Group's long-term borrowings at 30 June 2020 are disclosed in note 16.2 to the Annual Financial Statements, representing 39.1% (2019: 34.9%) 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:

	2020 N\$'000	2019 N\$'000
Baines	729	593
Channel Life	148	1,895
Erf 422, Eisenheim	47,306	10,098
Maerua Mall	5,660	1,983
Phase Two	1,875	2,215
Maerua Park	963	1,421
Tuinweg (GVC)	6,505	50,194
United Fitness House	184	1,033
Erf 135, Lafrenz	562	–
Total additions for the year	65,278	86,243

The below table provides a summary of the acquisitions of properties/companies made during the year:

	N\$'000
2020	
Capital Grow Number Seven (Pty) Ltd	28,168
Engedi Properties (Pty) Ltd	28,851
Inyati Estates Seven (Pty) Ltd	30,996
Total residential properties	88,015
2019	
Erf 351, Iscor Street, Steeledale	21,005

No disposals were made during the year. During 2019, Erven 89, 90, 91, Isando, Johannesburg were sold and proceeds of N\$14 million were recorded. The carrying value at the date of sale amounted to N\$12 million.

Going concern

Due to the undetermined impacts that COVID-19 will continue to have on the Namibian economy and the Group, the detailed budgets reviewed by the Board received additional scrutiny during the year. By July 2021 the Group is required to refinance N\$533 million worth of debt comprising N\$199 million short-term and N\$334 million (Euro debt) long-term debt. There are currently no indications that these debts will not be refinanced with the respective banks, but due to an increase in bad debts and decrease in liquidity in the market and the undetermined impacts that COVID-19 will continue to have, the Board deems it appropriate to ensure that sufficient cash reserves are in place to cover the debt.

To ensure this, the Board and management have implemented various measures as follows:

- Secured N\$100 million facility with RMB for a three-year term (refer below to subsequent events)
- Refinanced the N\$75 million Nedbank Namibia Limited (Nedbank) loan for a three-year term (refer below to subsequent events) which forms part of current liabilities at year end
- Identified investment properties for sale which are Roodepoort, Channel Life, Walvis Bay and Keetmanshoop
- Various cost saving initiatives (additional solar tender process under way)
- Reviewed current expenses and service level agreements
- Parked proceeds from the Croatian properties on facilities to reduce our Euro interest expense (refer to note 16.2)
- Obtained relief from Standard Bank Namibia Limited (Standard Bank) and ABSA Bank Limited (ABSA) to assist with immediate cash flow (refer to note 16.2)
- Requested unitholders to cancel distributions for the 2020 financial year to retain the cash within Oryx and bolster liquidity (refer to note 29)

Various budget scenarios were stress tested and the Board further noted that should the facilities not be refinanced, the Group has the following mitigating actions available:

- Availability of the Bond Programme for future facilities albeit at potentially higher interest rates than what the Group is used to
- Reducing expenditure on capital projects
- Sale of listed share investment in South Africa
- Gearing of 39.1%, which is below our external imposed limit of 50%, provides scope to borrow more
- Unencumbered assets of N\$234 million (post the RMB loan entered into after year end)
- Disposal of the investment in associate

Given the above considerations and sound financial discipline by management, the directors are of the opinion that Oryx will be a going concern for the foreseeable future from the date of this report even after taking into account any reasonable adverse effect resulting from reverting to stage 3 lockdown. See subsequent events below. The going concern basis was therefore adopted in preparing the Annual Financial Statements.

The directors note that the Group has, historically, never breached any covenants and never had any difficulty in refinancing its loan obligations as needed. The directors also note that the value of collateral significantly exceeds the value of outstanding loans.

Subsequent events

Subsequent to year end, the Group obtained a N\$100 million facility from Rand Merchant Bank during July 2020, priced at three-month Johannesburg Inter-bank Average Rate (JIBAR) plus 2.98% for a three-year term. The Group further refinanced the N\$75 million Nedbank term loan during August 2020 at three-month JIBAR plus 2.85% for a three-year term. The proceeds from the sale of the Velica Gorica were received during August and September 2020 and paid into the Euro flexi reserve facility. A condonement was obtained from ABSA relating to the vacancy covenant of 5% on the bonded portfolio. Oryx and Retailability, the new owners of Edgars, agreed on the terms of a new three-year lease agreement. The formal agreement will be signed after Competition Commission approval for Retailability's purchase of Edgars has been approved in South Africa, which reduces the risk of this potential vacancy in the short term. We also take note of the announcement made by Government on 12 August 2020 to revert to stage 3 lockdown with curtailment of large gatherings, prohibition on sit-down restaurant meals and travel restrictions. This will have an adverse effect on the business, the impact of which is not currently quantifiable. Ms Francis Heunis has been appointed as CFO effective 1 October 2020 and the Board would like to congratulate her on her new role.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

For the year ended 30 June 2020

	Notes	Group		Company	
		2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Assets					
Non-current assets					
Investment properties	6	2,854,783	2,857,834	643,607	622,905
– At valuation		2,914,280	2,913,942	657,970	636,892
– Straight-line adjustment		(59,497)	(56,108)	(14,363)	(13,987)
Furniture and equipment	7	901	219	751	219
Interest in subsidiaries	8	–	–	1,491,759	1,379,293
Investment in listed shares	10	11,811	23,623	11,811	23,623
Investment in associate	9	362,993	326,068	362,993	326,068
Deferred expenditure	11.1	9,245	11,911	1,719	1,928
Rental receivable straight-line adjustment		53,056	51,089	13,597	13,575
		3,292,789	3,270,744	2,526,237	2,367,611
Current assets					
Taxation receivable		2,398	736	2,398	736
Trade and other receivables		31,204	37,627	16,668	15,866
– Trade and other receivables	11.2	24,764	32,608	14,462	12,676
– Rental receivable straight-line adjustment		6,440	5,019	2,206	3,190
Dividend receivable	31	–	1,233	–	1,233
Deferred expenditure	11.1	4,037	5,345	408	1,259
Cash and cash equivalents	11.3	28,298	6,658	22,509	6,247
		65,937	51,599	41,983	25,341
Total assets		3,358,726	3,322,343	2,568,220	2,392,952
Equity and liabilities					
Capital and reserves					
Share capital	12	874	874	874	874
Non-distributable reserves	15	1,151,826	1,282,639	329,527	335,665
Distributable reserves		55,250	12,874	115,635	62,845
		1,207,950	1,296,387	446,036	399,384
Non-current liabilities					
Debentures	16.1	392,127	392,127	392,330	392,330
Debenture premium	16.1	311,891	353,107	312,133	353,349
Interest-bearing borrowings	16.2	1,114,071	774,760	1,114,071	774,760
Derivative liability	17	13,546	2,904	13,546	2,904
Deferred taxation	18	27,433	22,993	5,290	787
		1,859,068	1,545,891	1,837,370	1,524,130
Current liabilities					
Trade and other payables	19	21,535	29,643	14,641	19,040
Derivative liability	17	9,455	2,258	9,455	2,258
Deferred income	20	1,198	1,159	1,198	1,135
Interest-bearing borrowings	16.2	198,530	384,926	198,530	384,926
Linked unitholders for distribution	29	60,990	62,079	60,990	62,079
		291,708	480,065	284,814	469,438
Total equity and liabilities		3,358,726	3,322,343	2,568,220	2,392,952

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	Group		Company	
		2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Revenue	5	332,777	324,816	103,714	94,321
– Rental – operating income		329,388	320,154	104,675	94,456
– Rental – straight-line adjustment		3,389	4,662	(961)	(135)
Property expenses		(106,114)	(101,384)	(25,244)	(25,584)
Net rental income		226,663	223,432	78,470	68,737
Share of profit from associate after tax	9	23,427	26,263	23,427	26,263
Investment income	21	413	489	126,613	147,234
Dividends received	31	1,189	2,462	1,189	2,462
Amortisation of debenture premium	16.1	41,217	29,986	41,217	29,986
Profit on sale of investment property		–	1,457	–	1,457
Changes in fair value of investment property		(156,344)	274,169	(28,729)	49,539
– As per valuations	6	(152,955)	278,831	(28,353)	49,650
– Straight-line adjustment	6	(3,389)	(4,662)	(376)	(111)
Changes in fair value of derivative instruments		(17,839)	(5,072)	(17,839)	(5,072)
Exchange differences on foreign loan	16.2	(64,594)	(9,852)	(64,594)	(9,852)
Changes in fair value of listed investments	10	(11,812)	(2,752)	(11,812)	(2,752)
Impairment reversal/(loss) on investment in subsidiaries		–	–	16,482	(64,187)
Other expenses	22	(39,071)	(19,229)	(26,116)	(16,181)
Operating profit before finance costs and debenture interest		3,249	521,353	138,308	227,634
Less: Finance costs	23	(93,786)	(99,639)	(93,695)	(99,581)
Operating (loss)/profit before debenture interest		(90,537)	421,714	44,613	128,053
Less: Debenture interest expense	29	(60,947)	(118,757)	(60,947)	(118,757)
(Loss)/profit before taxation		(151,484)	302,957	(16,334)	9,296
Taxation	24	(6,084)	95	(6,145)	1,639
(Loss)/profit for the year		(157,568)	303,052	(22,479)	10,935
Other comprehensive income	9	69,131	9,760	69,131	9,760
Items that may be reclassified subsequently to profit or loss: Foreign exchange differences on associate	9	69,131	9,760	69,131	9,760
Total comprehensive (loss)/income for the year		(88,437)	312,812	46,652	20,695
(Loss)/profit attributable to:					
Owners of the company		(157,568)	303,052	(22,479)	10,935
Non-controlling interest		–	–	–	–
		(157,568)	303,052	(22,479)	10,935
Total comprehensive (loss)/income attributable to:					
Owners of the company		(88,437)	312,812	46,652	20,695
Non-controlling interest		–	–	–	–
		(88,437)	312,812	46,652	20,695
(Loss)/earnings per share (cents)	25	(180.42)	382.94		
(Loss)/earnings per linked unit (cents)	25	(110.63)	533.00		

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Share capital N\$'000	Distributable reserves N\$'000	Non- distributable reserves N\$'000	Total N\$'000
Group				
Balance at 1 July 2018	779	9,340	986,539	996,658
Net profit attributable to linked unitholders	–	303,052	–	303,052
Other comprehensive income	–	9,760	–	9,760
Transfer to non-distributable reserves	–	(297,938)	297,938	–
Transfer from non-distributable reserves	–	1,838	(1,838)	–
Dividends paid	–	(13,178)	–	(13,178)
Issue of linked units (refer to note 16)	95	–	–	95
Balance at 30 June 2019	874	12,874	1,282,639	1,296,387
Net loss attributable to linked unitholders	–	(157,568)	–	(157,568)
Other comprehensive income	–	69,131	–	69,131
Transfer loss to non-distributable reserves	–	130,813	(130,813)	–
Balance at 30 June 2020	874	55,250	1,151,826	1,207,950
Company				
Balance at 1 July 2018	779	59,350	331,643	391,772
Net profit attributable to linked unitholders	–	10,935	–	10,935
Other comprehensive income	–	9,760	–	9,760
Transfer to non-distributable reserves	–	(5,761)	5,761	–
Transfer from non-distributable reserves	–	1,739	(1,739)	–
Dividends paid	–	(13,178)	–	(13,178)
Issue of linked units (refer to note 16)	95	–	–	95
Balance at 30 June 2019	874	62,845	335,665	399,384
Net loss attributable to linked unitholders	–	(22,479)	–	(22,479)
Other comprehensive income	–	69,131	–	69,131
Transfer loss to non-distributable reserves	–	6,138	(6,138)	–
Balance at 30 June 2020	874	115,635	329,527	446,036

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 30 June 2020

	Notes	Group		Company	
		2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Operating activities					
Cash generated by operating activities	28	188,465	200,976	186,160	205,976
Investment income	21	413	489	406	435
Finance costs	23	(92,608)	(103,572)	(92,517)	(103,514)
Distribution paid to linked unitholders	29	(62,036)	(120,645)	(62,036)	(120,645)
Taxation paid	30	(1,903)	–	(1,903)	–
Net cash inflow/(outflow)		32,331	(22,752)	30,110	(17,748)
Investing activities					
Acquisition of and additions to investment properties	6	(153,293)	(86,245)	(49,431)	(28,877)
– Additions	6	(17,972)	(76,147)	(2,125)	(18,779)
– Acquisitions/developments	6	(135,321)	(10,098)	(47,306)	(10,098)
Acquisition of furniture and equipment	7	(837)	(314)	(754)	(221)
Dividends received from listed shares	31	2,422	2,511	2,422	2,511
Dividends received from associates	9	14,057	9,955	14,057	9,955
Acquisition of investment in associate	9	–	(300,000)	–	(300,000)
Share buy back from associate	9	43,561	–	43,561	–
Investment in subsidiary companies	8	–	–	(107,197)	(62,840)
Proceeds on disposal of investment properties	6	–	13,991	–	13,991
Net cash (outflow)/inflow		(94,090)	(360,102)	(97,342)	(365,481)
Financing activities					
Repayments of loans	16.2	(343,553)	(145,879)	(343,553)	(145,879)
Additional facilities drawn	16.2	429,923	344,908	429,889	344,908
Proceeds from the issue of linked units		–	180,797	–	180,797
Net cash inflow		86,370	379,826	86,336	379,826
Net change in cash and cash equivalents		24,611	(3,028)	19,104	(3,404)
Cash and cash equivalents at beginning of the year	11.3	6,658	9,747	6,247	9,711
Foreign exchange differences on cash balances		(2,971)	(61)	(2,842)	(61)
Cash and cash equivalents at end of the year	11.3	28,298	6,658	22,509	6,247

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2020

1. General information

Oryx Properties Limited (the Company) is a company incorporated in Namibia. The address of its registered office is disclosed in the corporate section of the Integrated Annual 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 accounting standards during the current year:

2.1.1 IFRS 16 Leases

In the current year, the Group has applied IFRS 16 (as issued by the International Accounting Standards Board (IASB) in July 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 July 2019. The Group has applied the standard prospectively and has elected not to restate the prior period as the standard did not have a significant impact on the financial position of the Group.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to IFRS 16 not to re-assess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and International Financial Reporting Interpretations Committee (IFRIC) 4 will continue to be applied to those contracts entered into or modified before 1 July 2019. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on risks and rewards in IAS 17 and IFRIC 4. The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 July 2019. The review of all the leases has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

(i) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group has reviewed all leases and did not note any significant leases (operating or finance) which are required to be recorded as a right-of-use asset.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

(ii) Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.

(c) Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and accounts for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular with regards to how a lessor manages the risks arising from its residual interest in leased assets. Refer to note 3.20 which deals with the related disclosure.

2. Adoption of new and revised standards *continued*

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

2.1.2 IAS 28 Investments In Associate

The Group has adopted the amendment to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate. The Group applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the Group does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

2.1.3 Annual improvements to IFRS 2015 – 2017

IAS 12 Income Taxes

The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRIC 23 Uncertainty Over Income Tax Treatments

The Group has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to:

- Determine whether uncertain tax positions are assessed separately or as a group
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings
 - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method

2.1.4 IFRS 3 Business Combinations

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional 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.

The Group has elected to early adopt the changes in IFRS 3 on 1 July 2019. The Group acquired three companies comprising residential investment properties (refer to note 6 and 8) during the year. With the application of the concentration test, the subsidiaries acquired were deemed not to be a business as substantially all of the fair value of the gross assets acquired is concentrated in a single asset, which is the investment property.

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		Effective date	Currently applicable
Standard	Pronouncement		
IFRS 17 Insurance Contracts	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	Jan-21	No
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	TBD	No
IAS 1 and IAS 8	Definition of material	Jan-20	Yes

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. 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 except for the adoption of IFRS 16 Leases and IFRS 3 Business Combinations amendments.

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 shareholders' meetings

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.

3. Accounting policies *continued*

3.3 Basis of consolidation *continued*

Profit or loss and each component of other comprehensive income are 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.

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.

3. Accounting policies *continued*

3.4 Investment in associate *continued*

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 the 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.

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. Accounting policies *continued*

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
- And 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 at 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 are re-attributed to non-controlling interests and are 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\$.

Foreign currency exchange rates used in converting Euro to N\$ are:

	2020	2019
Spot Euro rate	19.45	15.96
Average Euro rate	17.26	16.20

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 is depreciated on the 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. Accounting policies *continued*

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.

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 taxation 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 taxation 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. Accounting policies *continued*

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 from 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 and 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).

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

3. Accounting policies *continued*

3.12 Financial instruments *continued*

3.12.1 Financial assets *continued*

(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 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.

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 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 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.

3. Accounting policies *continued*

3.12 Financial instruments *continued*

3.12.1 Financial assets *continued*

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.

(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 relate 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

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 *continued*

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 is 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 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)

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 ECLs

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 is 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.

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

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
- (2) The present value of the cash flows after modification 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 of 25 years from December 2002.

In terms of the Debenture Trust Deed the interest entitlement on each debenture shall be not less than 90% of the net earnings of the Company before providing for debenture interest, depreciation, amortisation and deferred taxes (other than income taxation charges) and before taking into account any revaluation surpluses and income which are to be transferred to any non-distributable reserves, but after provision for funding cost, whether interest or dividend in nature, and also after transfers to non-distributable reserves.

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.

3.15 Treasury linked units

Linked units in Oryx by Oryx LTI Trust are held for employee participants in the Executive Incentive Scheme and classified as treasury linked units. The book value of these linked units, together with related transaction costs, is deducted from equity, but disclosed separately in the statement of changes in equity. The issued and weighted average number of linked units are 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. Accounting policies *continued*

3.16 Provisions

The Group recognises bonus and LTI provisions as noted below in note 3.22. Provisions are 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 a provision 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that re-imburement will be received and the amount of the receivable can be measured reliably.

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 the 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.

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. Accounting policies *continued*

3.20 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Furniture and Equipment policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line Property expenses in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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.

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 to 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 taxation 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 consist of shares in Tower Property fund and are initially recorded at fair value on purchase of such investment with any gains or losses subsequent to initial recognition being recorded in profit or loss. Fair value is determined in the manner as described in note 3.12.

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.

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.

4. Critical accounting estimates and judgements *continued*

4.1 Critical accounting estimates and assumptions

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:

- (1) 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
- (2) 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
- (3) 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 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 36 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 are 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 five to 10 years. The present value of the values is 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) Developments: property is valued at costs spent to date on the development.
- (4) 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.

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, that 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 performed in addition to consider the increased credit risk as a result of COVID-19.
- The rent relief provided to tenants as a result of COVID-19 was limited to three months and the impact thereof has been accounted for in the provision matrix.

4. Critical accounting estimates and judgements *continued*

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 of 25 years from December 2002 (refer to note 36 for financial disclosure).

Deferred taxation on investment properties

For the purpose of measuring deferred taxation liabilities or deferred taxation 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 objection 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 taxation 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.

Control over all subsidiaries

Note 8 to the Annual Financial Statements describes the subsidiaries of Oryx. The ownership interest of all these subsidiaries is 100% and equates to 100% of the voting rights. The directors of Oryx assessed whether or not the Group has control over these subsidiaries based on whether the Group has the practical ability to direct the relevant activities of these subsidiaries unilaterally. In making their judgement the directors considered the size of shareholding and voting rights. The directors concluded that the Group has the dominant voting interest and shareholding to direct the relevant activities of these subsidiaries and therefore the Group has control over all these subsidiaries.

Going concern

Due to the undetermined impacts that COVID-19 will continue to have on the Namibian economy and the Group, the detailed budgets reviewed by the directors received additional scrutiny during the year. By July 2021 the Group is required to refinance N\$198 million short-term and N\$335 million (Euro debt) long-term debt. The directors implemented various measures described in the directors' report to ensure that the Group will be able to continue as a going concern. With a number of judgements being considered in the preparation of the various budget scenarios that were stress tested during this process, the directors concluded the Group will be a going concern for the foreseeable future from the date of this report. Refer to the directors' report for more detail around the actions considered by the directors.

5. Revenue

The directors have assessed the following:

- o Rental and recovery income falls outside the scope of IFRS 15. This is included in the scope of IFRS 16 Leases (2019: IAS 17 Leases).
- o 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.
- o 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 good or service. 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Basic rental income	242,864	240,044	86,871	79,289
Turnover rental	969	1,254	–	–
Late payment interest and penalties on operating income	1,353	1,192	82	126
Total operating income	245,186	242,490	86,953	79,415
Straight-line adjustments	3,389	4,662	(961)	(135)
Recovery of property expenses	84,202	77,664	17,722	15,041
Total rental income	332,777	324,816	103,714	94,321
Investment income (note 21)	413	489	126,613	147,234
Dividends from listed shares (note 31)	1,189	2,462	1,189	2,462
	334,379	327,767	231,516	244,017

The above is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 32). Refer to note 6 where the rental relief to tenants as a result of COVID-19 is disclosed.

6. Investment properties

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Reconciliation of investment property				
Balance at fair value at beginning of the year	2,857,834	2,509,955	622,905	557,024
Investment properties at valuation	2,913,942	2,561,400	636,892	570,900
Cumulative rental straight-line adjustments	(56,108)	(51,445)	(13,987)	(13,876)
Additions	17,972	76,147	2,125	18,779
Acquisitions/developments	135,321	10,098	47,306	10,098
Fair value adjustments	(152,955)	278,831	(28,353)	49,650
Disposals	–	(12,535)	–	(12,535)
Rental straight-line adjustment	(3,389)	(4,662)	(376)	(111)
Balance at fair value at end of the year	2,854,783	2,857,834	643,607	622,905
Investment properties at valuation	2,914,280	2,913,942	657,970	636,892
Cumulative rental straight-line adjustments	(59,497)	(56,108)	(14,363)	(13,987)

6. Investment properties *continued*

Properties of the Group are as follows:

	Fair value		Subsidiary name
	2020 N\$'000	2019 N\$'000	
Indirectly owned properties			
Maerua Mall	541,900	576,800	Maerua Mall (Pty) Ltd
Maerua Park	253,500	260,400	Maerua Park Properties (Pty) Ltd
Phase Two Properties	482,000	567,000	Phase Two Properties (Pty) Ltd
Deloitte	44,600	41,400	Maerua Mall (Pty) Ltd
Methealth	56,500	55,400	Maerua Mall (Pty) Ltd
Triple A	3,100	3,100	Triple A (Pty) Ltd
Engedi Residential Complex	45,050	–	Engedi Properties (Pty) Ltd
Inyati Residential Complex	64,550	–	Inyati Estates Seven (Pty) Ltd
Penuel Residential Complex	27,600	–	Capital Grow Number Seven (Pty) Ltd
Erf 6977 Newcastle Street	25,000	25,800	Allied Cargo (Pty) Ltd
United Fitness House	39,000	34,000	United Fitness House (Pty) Ltd
Gustav Voigts Centre	495,200	534,200	Tuinweg Property Investments (Pty) Ltd
Erf 8081 Solingen Street	107,100	106,000	CIC Property Holding Trust (Pty) Ltd
Erf 6621 Kalie Roodt Street	33,300	30,000	CIC Property Holding Trust (Pty) Ltd
Erf 2671 Walvis Bay	13,100	15,650	CIC Property Holding Trust (Pty) Ltd
Erf 334 Keetmanshoop	1,410	1,900	CIC Property Holding Trust (Pty) Ltd
Erven 6660/6661/7780 Joule Street	23,400	25,400	Verona Investments (Pty) Ltd
Total	2,256,310	2,277,050	
Directly owned properties			
Baines Centre	83,000	83,000	
Channel Life	70,000	80,000	
Erf 132 Lafrenz	24,650	23,750	
Erf 7827 Julius k. Nyerere Street	43,200	45,400	
Erf 698 Edison Street	36,700	34,700	
Erf 6601 Tal Street	55,700	53,400	
Erf 51 Prosperita	60,000	62,885	
Erf 441 Prosperita	22,000	25,000	
Erf 135 Lafrenz	66,300	67,000	
Elisenheim	97,000	56,000	
Erf 3519 Iscor Street	23,420	23,000	
Erf 972/973 Constantia Kloof, Roodepoort	76,000	82,757	
Total	657,970	636,892	

Refer to note 36 for fair value disclosures.

Three residential complexes were purchased on 30 October 2019, measuring 7,961m² and comprising 111 residential units. The total purchase consideration of these properties amounted to N\$86.7 million. The acquisition was funded through a loan with Standard Bank. Refer to note 16.2 where this is discussed in detail. Each residential complex was purchased in a subsidiary. Refer to note 8 where investment in subsidiaries is disclosed in the Group. Refer to note 2.1.4 regarding the IFRS 3 considerations and application.

The Elisenheim Phase 1 development was concluded at an amount of N\$57 million.

6. Investment properties *continued*

Investment properties were independently valued at 30 June 2020 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 and 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, which changed from the method of capitalising net income earnings into perpetuity in the previous financial year. The change was made to represent a more reasonable valuation. 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. Due to the Elisenheim development being phased, the valuers consider it more appropriate to value it at cost spent to date. The residential portfolio was valued by capitalising the net income earnings into perpetuity.

The outbreak of COVID-19 has significantly affected the global economy and our industry. The uncertain economic outlook for the period of (and post) the lockdown may result in a decrease in tenants' consumer traffic, reduce the number of hours tenants remain open or force us to cease operations entirely. The pandemic is expected to have an effect on our tenants' operations, the viability of their business and their ability to meet their rental obligations. The valuer has noted that even due to COVID-19 no significant movement has been seen in the capitalisation rates or discount rates. Therefore these inputs remain our key drivers for the valuations. This uncertainty is factored into the valuation of our investment property. Refer to note 36 where the significant inputs and their sensitivities have been considered. Measures put in place by Government relating to the lockdown resulted in the Group providing relief amounting to N\$18 million (April, May, June 2020 rental periods) which was once off and did not result in material significant modifications to rental contracts. The relief was provided due to tenants' inability to have unobstructed access to the rental properties as a result of a force majeure event. The Group has not provided any other form of relief nor rent-free periods other than deferment of rental payments for tenancies severely impacted by COVID-19 effective from July 2020 and which has been considered in the valuations. These deferment arrangements were agreed on a case by case basis.

The assumptions that have the most significant impact on the valuations are listed in note 36. Refer to this note where the sensitivity analyses were performed.

The fair value was approved by the directors on 25 August 2020.

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.

	2020			
	Discount rate %	Capitalisation rate %	Rental growth %	Vacancy rate %
Retail	14	8	6	2
Industrial	16	10	6	2
Office	15	9	6	2
Residential	–	8	6	2

	2019			
	Discount rate %	Capitalisation rate %	Rental growth %	Vacancy rate %
Retail	14	8	6	2
Industrial	15	10	6	2
Office	15	9	6	2

6. Investment properties *continued*

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Properties encumbered are as follows:				
Standard Bank facilities (note 16.2)	303,414	–	303,414	–
<i>Secured by:</i>				
Gustav Voigts Centre	495,200	–	–	–
Engedi Residential Complex	45,050	–	–	–
Inyati Residential Complex	64,550	–	–	–
Penuel Residential Complex	27,600	–	–	–
	632,400	–	–	–
ABSA facilities (note 16.2)	760,886	739,760	760,886	739,760
<i>Secured by:</i>				
Maerua Mall Node	1,420,600	1,538,100	–	–
Tal Street, Erf 6601	55,700	53,400	55,700	53,400
Julius K Nyerere Street, Erf 7827	43,200	45,400	43,200	45,400
Prosperita, Erf 51	60,000	62,885	60,000	62,885
	1,579,500	1,699,785	158,900	161,685
Old Mutual Investment Group Namibia Promissory Notes (note 16.2)	90,000	90,000	90,000	90,000
<i>Secured by:</i>				
Lafrenz, Erf 132 and 135	90,950	90,750	90,950	90,750
Nedbank (note 16.2)	75,000	330,000	75,000	330,000
<i>Secured by:</i>				
Gustav Voigts Centre	–	534,200	–	–
Channel Life and Baines	153,000	163,000	153,000	163,000
Total investment property balance	2,914,280	2,913,942	657,970	636,892
Total properties encumbered	2,455,850	2,492,435	402,850	420,135
Total properties unencumbered	458,430	421,507	255,120	216,757

Eleven properties are unencumbered, consisting of Erf 698 Edison Street, Erf 6977 Newcastle Street, Erven 6660, 6661 and 7780 Joule Street, Erf 8081 Solingen Street, Erf 6621 Kalie Roodt Street, Erf 2671 Walvis Bay, Erf 334 Keetmanshoop, Erven 972 and 973 Roodepoort, Erf 441 Prosperita, Erf 422 Elisenheim and Erf 3519 Iscor Street. Refer to subsequent events, note 39 for details relating to the additional facility entered into which will see the unencumbered properties decrease by N\$226 million.

Refer to note 16.2 for details on the changes in the facilities during the year.

7. Furniture and equipment

	Cost N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Group			
Balance at 30 June 2018	686	(646)	40
Additions/depreciation	314	(135)	179
Balance at 30 June 2019	1,000	(781)	219
Additions/depreciation	837	(155)	682
Balance at 30 June 2020	1,837	(936)	901
Company			
Balance at 30 June 2018	573	(440)	133
Additions/depreciation	221	(135)	86
Balance at 30 June 2019	794	(575)	219
Additions/depreciation	754	(222)	532
Balance at 30 June 2020	1,548	(797)	751

8. Interest in subsidiaries

	Company 2020 N\$'000	2019 N\$'000
Details of the Company's subsidiaries are as follows:		
Total interest in subsidiaries – shares at cost and loans	1,491,759	1,379,293

Name of subsidiary	Place of incorporation and operation	Issued share capital N\$	% holding	Number of properties held
Comprising:				
2020				
Allied Cargo (Pty) Ltd	Namibia	15,000	100	1
CIC Property Holding Trust (Pty) Ltd	Namibia	10,000	100	4
Maerua Mall (Pty) Ltd	Namibia	20,000	100	1
Maerua Park Properties (Pty) Ltd	Namibia	400	100	1
Phase Two Properties (Pty) Ltd	Namibia	100	100	1
Triple A (Pty) Ltd	Namibia	200	100	1
Tuinweg Property Investments (Pty) Ltd	Namibia	100	100	1
United Fitness House (Pty) Ltd	Namibia	1	100	1
Verona Investments (Pty) Ltd	Namibia	100	100	1
Engedi Properties (Pty) Ltd	Namibia	100	100	1
Inyati Estates Seven (Pty) Ltd	Namibia	100	100	1
Capital Grow Number Seven (Pty) Ltd	Namibia	100	100	1

8. Interest in subsidiaries *continued*

Name of subsidiary	Place of incorporation and operation	Issued share capital N\$	% holding	Number of properties held
2019				
Allied Cargo (Pty) Ltd	Namibia	15,000	100	1
CIC Property Holding Trust (Pty) Ltd	Namibia	10,000	100	4
Maerua Mall (Pty) Ltd	Namibia	20,000	100	1
Maerua Park Properties (Pty) Ltd	Namibia	400	100	1
Phase Two Properties (Pty) Ltd	Namibia	100	100	1
Triple A (Pty) Ltd	Namibia	200	100	1
Tuinweg Property Investments (Pty) Ltd	Namibia	100	100	1
United Fitness House (Pty) Ltd	Namibia	1	100	1
Verona Investments (Pty) Ltd	Namibia	100	100	1

Name of subsidiary	Loan accounts N\$'000	Share investment N\$'000	Indebtedness N\$'000
2020			
Allied Cargo (Pty) Ltd	–	1,188	3,934
CIC Property Holding Trust (Pty) Ltd	(15)	26,062	16,262
Maerua Mall (Pty) Ltd	(32,458)	7,230	518,494
Maerua Park Properties (Pty) Ltd	(17,725)	7,818	228,267
Phase Two Properties (Pty) Ltd	(137,552)	–	397,392
Triple A (Pty) Ltd	–	1,573	2,753
Tuinweg Property Investments (Pty) Ltd	(12,516)	13,967	329,730
United Fitness House (Pty) Ltd	10,823	168	36,717
Verona Investments (Pty) Ltd	–	–	9,187
Engedi Properties (Pty) Ltd	611	–	27,988
Inyati Estates Seven (Pty) Ltd	140	–	30,996
Capital Grow Number Seven (Pty) Ltd	155	–	20,570
	(188,537)	58,006	1,622,290
Total interest in shares and loan accounts			1,491,759

2019			
Allied Cargo (Pty) Ltd	(15)	1,188	3,948
CIC Property Holding Trust (Pty) Ltd	917	26,062	14,988
Maerua Mall (Pty) Ltd	(33,510)	7,230	513,029
Maerua Park Properties (Pty) Ltd	(17,378)	7,818	227,099
Phase Two Properties (Pty) Ltd	(131,758)	–	394,999
Triple A (Pty) Ltd	610	1,573	2,144
Tuinweg Property Investments (Pty) Ltd	(11,030)	13,967	321,810
United Fitness House (Pty) Ltd	14,756	168	11,580
Verona Investments (Pty) Ltd	84	–	9,014
	(177,324)	58,006	1,498,611
Total interest in shares and loan accounts			1,379,293

All the subsidiary companies noted above are property investment companies. No subsidiaries were disposed of during the year.

8. Interest in subsidiaries *continued*

On 30 October 2019, the Group acquired 100% interest in three companies, namely Engedi Properties (Pty) Ltd, Inyati Estates Seven (Pty) Ltd and Capital Grow Number Seven (Pty) Ltd which holds Engedi Residential Complex, Inyati Residential Complex and Penuel Residential Complex respectively. The acquisition was made by obtaining an interest-bearing borrowing from Standard Bank (refer to note 16.2), amounting to N\$86.7 million. The acquisition price was considered the fair value of the companies and therefore no gain or loss was recorded on the acquisition. The transaction was not regarded as a business combination as defined in IFRS 3. Refer to note 2.1.4 where this is discussed.

	Company	
	2020 N\$'000	2019 N\$'000
Directors' valuation	2,482,993	2,456,770

The valuation has been calculated based on the net asset value of the subsidiary companies, inclusive of any adjustments necessary for deferred taxation on revaluation of investment properties.

All the investments in subsidiaries were tested for impairment during the year. United Fitness House (Pty) Ltd (UFH) has a negative net asset value at 30 June 2020, which has decreased from the prior year. Based on the review performed by the directors an impairment loss reversal of N\$25 million (2019: N\$64 million impairment loss) was recorded for Oryx's investment in UFH bringing the total impairment to N\$39 million. Impairment losses were also recorded for Capital Grow of N\$8 million and Engedi of N\$864,000 for the year resulting in an overall impairment reversal of N\$16 million in the Oryx Company accounts. The impairment calculations were based on the discounted cash flow method and taking into account future ECLs. A subordination letter was further put in place for UFH and no interest will be charged on this loan account until such time that the entity returns to profitability. The other subsidiaries did not show any indication of impairment.

Oryx does not intend to call on any of the loans during the new financial year.

	Company	
	2020 N\$'000	2019 N\$'000
(Losses)/profits of subsidiaries attributable to the holding company	(135,089)	292,229

Interest is charged on the net outstanding loan amount and indebtedness at variable rates at an average rate of 8.4% (2019: average of 12%) which is considered to be market related.

9. Investment in associate

The Group holds an investment in TPF International Limited (TIL) incorporated in Mauritius. Below are the key items around the associate. The Group does not hold any other interests as disclosed below.

Name of associate	Principal activity	Principal place of business	Proportion of ownership interest and voting rights held by the Group	
			2020	2019
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 37 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.

9. Investment in associate *continued*

The financial year end of the associate is 31 May. This was the reporting date established when the company was incorporated. For the purposes of applying the equity method of accounting, the financial records of TIL for the year ended 31 May 2020 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 June 2020. As at 30 June 2020, 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. 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

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 relationship 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 managed through natural hedges by way of keeping the dividends received in Euro to service the Euro loan interest. Refer to note 35.5 for more detail on the 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 that there would be interest in them should the requirement arise for disposal.

Dividends received from the associate below represent the actual amounts attributable and hence received by 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.

During the year, TIL disposed of one property, Vukovarska, to a third party. The sale was recorded at €8.7 million of which Oryx's share amounts to €2.3 million (26%) or N\$43.6 million using a spot rate of N\$19.21. At year end a sales agreement was in place for the Velica Gorica property (refer to subsequent events relating to when the proceeds were received). The proportional sale proceeds from TIL were returned to the shareholders by way of a share repurchase. The share repurchase was proportional to all shareholders and therefore this did not affect the percentage holding of the Group in the associate.

There were no impairment indicators present for the investment in associate.

Summarised financial information in respect of each of the Group's material associates 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	
	2020 N\$'000	2019 N\$'000
Carrying value of investment in associate		
Investment at cost	300,000	300,000
Accumulated share of retained income	26,068	–
Share of current year's retained income	23,427	26,263
– Profit before tax	21,223	18,425
– Current tax	(1,872)	(1,140)
– Changes in fair value of investment property	4,076	8,978
Dividends received	(14,057)	(9,955)
Realised gain on share buy back from investment in associate	(1,985)	–
Share buy back from investment in associate	(41,576)	–
Foreign exchange gain on translation of associate	71,116	9,760
	362,993	326,068

9. Investment in associate *continued*

An average exchange rate calculated at N\$17.26 (2019: N\$16.20) for every Euro was used to translate transactions relating to the investment in associate. An exchange rate of N\$19.45 (2019: N\$15.96) for every Euro at year end was used to translate the investment in associate's carrying value. The carrying value of the investment equates the Group's share of the net assets of the associate.

	Group/Company	
	2020 N\$'000	2019 N\$'000
Directors' valuation	362,993	326,068
The directors' valuation was determined using its price to book value.		
Summarised financial information associate:		
Summarised statement of comprehensive income:		
Revenue	122,317	100,060
Changes of fair value of investment property	18,477	34,316
Fair value losses on derivative instruments	(2,501)	–
Profit on sale of investment property	26,839	–
Net expenses	(64,298)	(33,767)
Profit before tax	100,834	100,609
Tax	(9,164)	(5,617)
Foreign currency translation reserve	124,535	61,154
Total comprehensive income for the year	216,205	156,146
Summarised statement of financial position:		
Non-current assets	1,601,714	1,641,893
Current assets	252,729	59,358
Cash and cash equivalents	60,752	50,619
Other current assets	191,977	8,739
Non-current liabilities	(590,472)	(522,358)
Current liabilities	(13,748)	(11,594)
Net asset value	1,250,223	1,167,299
Interest in associate (26%)	362,993	326,068

10. Investment in listed shares

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Carrying value at beginning of the year	23,623	26,379	23,623	26,379
Fair value adjustment recognised through profit or loss	(11,812)	(2,756)	(11,812)	(2,756)
Carrying value at end of the year	11,811	23,623	11,811	23,623

At year end Oryx held 3,937,091 shares in Tower Property Fund Limited (2019: 3,937,091). The directors do not consider that the Group has the ability to exercise any significant influence over the company. Refer to note 31 for the dividends received from the investment during the year.

The fair value hierarchy is level 1 as disclosed in note 36.

11. Other assets**11.1 Deferred expenditure**

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Balance at beginning of the year	17,256	20,717	3,187	4,481
Additions	1,838	3,330	331	604
Amortisation	(5,812)	(6,791)	(1,391)	(1,898)
Balance at year end	13,282	17,256	2,127	3,187
Closing balance of long-term portion	9,245	11,911	1,719	1,928
Closing balance of short-term portion	4,037	5,345	408	1,259

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.

11.2 Trade and other receivables

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Financial instruments at amortised cost:				
Trade receivables	32,260	21,836	11,368	4,009
Less: Allowance for doubtful debts	(23,163)	(8,557)	(8,414)	(1,002)
Trade receivables net of allowance for doubtful debts	9,097	13,279	2,954	3,007
Other receivables	7,851	7,405	4,824	4,607
Receiver of revenue – value added tax (VAT)	1,037	6,679	–	–
Prepayments	6,779	5,245	6,684	5,062
	24,764	32,608	14,462	12,676
Other receivables mainly consist of withholding tax on interest refunds receivable from ABSA, guarantee rental income receivable relating to the investment in associate and utility deposits held with municipalities.				
Impaired (excluding VAT)	23,163	8,557	8,414	1,002
Past due but not impaired	9,097	13,279	2,954	3,007
Total trade receivables	32,260	21,836	11,368	4,009
Allowance for doubtful debts	(23,163)	(8,557)	(8,414)	(1,002)
Trade receivables net of allowance for doubtful debts	9,097	13,279	2,954	3,007
Ageing of impaired trade receivables				
Current	1,919	105	780	–
30 days	1,967	592	599	61
60 days	2,587	630	1,176	75
90+ days	16,690	7,230	5,859	866
	23,163	8,557	8,414	1,002
Allowance for doubtful debts				
Balance at beginning of the year	8,557	10,173	1,002	4,009
Increase/(decrease) in provisions recognised	21,576	1,552	8,622	(1,419)
Amounts written off during the year	(6,970)	(3,168)	(1,210)	(1,588)
Balance at year end	23,163	8,557	8,414	1,002

11. Other assets *continued*

11.2 Trade and other receivables *continued*

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 during the current year. The Group has recognised a loss allowance of 100% against all receivables over 60 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. None of the trade receivables that have been written off are subject to enforcement activities.

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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Provisions excluding VAT	23,163	8,557	8,414	1,002
VAT thereon	3,474	1,284	1,262	150
Provisions including VAT	26,637	9,841	9,676	1,152
Trade receivables	32,260	21,836	11,368	4,009
Provision as a % of trade receivables	83%	45%	85%	29%

Management and the Board consider the provision for any material credit risk exposure to be adequate.

11. Other assets *continued***11.2 Trade and other receivables** *continued*

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					
2020					
Current					
Trade debtors (N\$'000)	6,840	4,442	669	1,007	723
ECL	28%	36%	-	31%	-
Provision (N\$'000)	1,919	1,607	-	312	-
30 days					
Trade debtors (N\$'000)	3,381	3,166	96	83	36
ECL	58%	59%	20%	79%	-
Provision (N\$'000)	1,967	1,882	20	65	-
60 days					
Trade debtors (N\$'000)	3,229	2,388	489	299	54
ECL	80%	81%	85%	77%	-
Provision (N\$'000)	2,587	1,940	416	231	-
90 days					
Trade debtors (N\$'000)	1,930	1,550	233	112	35
ECL	96%	100%	92%	88%	-
Provision (N\$'000)	1,862	1,550	214	99	-
120+ days					
Trade debtors (N\$'000)	16,879	16,122	2	696	58
ECL	88%	88%	87%	85%	-
Provision (N\$'000)	14,828	14,231	2	595	-
Total trade debtors	32,260	27,669	1,488	2,196	906
Total ECL provision	23,163	21,211	651	1,301	-

11. Other assets *continued*
11.2 Trade and other receivables *continued*

	Total	Retail	Industrial	Offices
Company				
2020				
Current				
Trade debtors (N\$'000)	2,463	906	669	889
ECL	32%	58%	–	29%
Provision (N\$'000)	780	524	–	255
30 days				
Trade debtors (N\$'000)	827	659	96	72
ECL	72%	78%	20%	89%
Provision (N\$'000)	599	515	20	64
60 days				
Trade debtors (N\$'000)	1,446	648	489	299
ECL	81%	82%	85%	77%
Provision (N\$'000)	1,176	530	416	230
90 days				
Trade debtors (N\$'000)	771	426	233	112
ECL	87%	87%	87%	87%
Provision (N\$'000)	670	371	203	97
120+ days				
Trade debtors (N\$'000)	5,862	5,173	2	696
ECL	89%	89%	87%	85%
Provision (N\$'000)	5,189	4,600	2	591
Total trade debtors	11,368	7,812	1,488	2,068
Total ECL provision	8,414	6,540	640	1,237

11. Other assets *continued***11.2 Trade and other receivables** *continued*

	Total	Retail	Industrial	Offices
Group				
2019				
Current				
Trade debtors (N\$'000)	5,227	4,358	622	247
ECL	4%	5%	–	–
Provision (N\$'000)	209	209	–	–
30 days				
Trade debtors (N\$'000)	2,288	2,130	105	53
ECL	24%	25%	14%	–
Provision (N\$'000)	546	531	15	–
60 days				
Trade debtors (N\$'000)	2,076	1,952	78	46
ECL	28%	28%	45%	–
Provision (N\$'000)	590	555	35	–
90 days				
Trade debtors (N\$'000)	2,202	2,081	76	45
ECL	30%	30%	45%	26%
Provision (N\$'000)	667	621	34	12
120+ days				
Trade debtors (N\$'000)	10,043	8,161	1,588	294
ECL	65%	70%	41%	72%
Provision (N\$'000)	6,545	5,684	649	212
Total trade debtors	21,836	18,682	2,469	685
Total ECL provision	8,557	7,600	734	224

11. Other assets *continued*
11.2 Trade and other receivables *continued*

	Total	Retail	Industrial	Offices
Company				
2019				
Current				
Trade debtors (N\$'000)	1,896	1,249	622	25
ECL	–	–	–	–
Provision (N\$'000)	–	–	–	–
30 days				
Trade debtors (N\$'000)	165	7	105	53
ECL	9%	4%	14%	–
Provision (N\$'000)	15	–	15	–
60 days				
Trade debtors (N\$'000)	129	5	78	46
ECL	28%	15%	45%	–
Provision (N\$'000)	36	1	35	–
90 days				
Trade debtors (N\$'000)	123	2	76	45
ECL	38%	34%	45%	26%
Provision (N\$'000)	47	1	34	12
120+ days				
Trade debtors (N\$'000)	1,695	64	1,338	294
ECL	53%	68%	49%	72%
Provision (N\$'000)	904	43	649	212
Total trade debtors	4,008	1 326	2,219	463
Total ECL provision	1,002	45	733	224

11.3 Cash and cash equivalents

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Balances with banks	28,296	6,653	22,507	6,242
Cash	2	5	2	5
	28,298	6,658	22,509	6,247
Cash and cash equivalents balance is made up as follows:				
Cash in local currency	23,401	4,408	17,612	3,997
Cash in foreign currency	4,897	2,250	4,897	2,250
	28,298	6,658	22,509	6,247

The cash in foreign currency relates to the dividends received from the investment in associate (refer to note 9) that are received quarterly. The dividends are utilised to service the Euro loan interest from ABSA on a monthly basis, with the excess being paid into other loan facilities at the end of each quarter. Foreign exchange differences are realised on the date of receiving the funds in our Customer Foreign Currency (CFC) account. For detail around the exchange rates refer to the accounting policy note 3.7.

12. Share capital

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Authorised				
200,000,000 (2019: 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 (2019: 77,859,791) ordinary shares of 1 cent each at beginning of the year	874	779	874	779
Vendor placement of ordinary shares of 1 cent each (see note 16.1)	–	11	–	11
Rights issue of ordinary shares of 1 cent each (see note 14)	–	84	–	84
87,378,835 (2019: 87,378,835) ordinary shares of 1 cent each at end of the year	874	874	874	874

The Long Term Share Incentive Trust owns 45,500 shares. See note 13 for more detail.

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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Balance at beginning of the year	(446)	(446)	-	-
Acquired during the year	-	-	-	-
Balance at year end	(446)	(446)	-	-

The Remuneration and Nomination Committee concluded and awarded shares to the value of N\$1,796,760 to the executive team which was based on the 2019 financial results and performance of the Group based on KPIs of internal and external factors. The 2019 results included a provision of N\$1.4 million which was based on management's best estimate at that period and therefore an additional amount of N\$396,760 was expensed in 2020. At year end the shares were not yet purchased and held by the Trust due to the Group's focus on protecting and managing cash flows during the year as a result of COVID-19. The number of shares to be purchased is fixed at the June 2019 unit price of N\$19.50 and will be bought and held in the Trust until it vests (vesting period is three years). Due to the resignation of the Chief Financial Officer, her portion of the LTI was forfeited and a reversal of N\$393,750 was passed. The total number of units that will therefore be purchased, at a date yet to be determined, amounts to 71,949. Refer to note 37 where the directors' remuneration is disclosed.

14. Proceeds from issue of linked units

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Rights issue of ordinary shares	-	84	-	84
Rights issue debentures: issue of 8,432,166 units	-	37,860	-	37,860
Premium arising on new issues	-	127,241	-	127,241
Antecedent interest included in issue price	-	(3,373)	-	(3,373)
Share issue expenses	-	(1,872)	-	(1,872)
	-	159,940	-	159,940

The Group concluded a rights issue in 2019, issuing 84,322 shares at N\$19.59 per linked unit for cash consideration. This resulted in total capital raised of N\$165,186,152. The proceeds were used partially to settle debt (note 16.2) in 2019 and partially for phase 1 of the Eisenheim development. The share issuance resulted in an antecedent of N\$3,372,866. The antecedent is recorded against the debenture premium and amortised over the remaining period of the Debenture Trust Deed. The antecedent interest does not form part of income and therefore was not recorded in profit or loss in 2019.

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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Opening balance at beginning of the year	1,282,639	986,539	335,665	331,643
Movement during the year	(130,813)	296,100	(6,138)	4,022
Balance at end of the year	1,151,826	1,282,639	329,527	335,665
Comprising:				
Capital reserves				
– Realised capital profits	29,531	29,836	20,615	20,936
– Unrealised capital profits (net of deferred taxation)	1,122,295	1,252,803	308,912	314,729
– Rental straight-line adjustment (note 5)	(4,256)	(6,561)	(1,049)	(395)
– Amortisation of debenture premium (note 16.1)	182,944	141,727	182,944	141,727
– Fair value adjustments (notes 6, 9, 10, 16.2 and 24)	943,607	1,117,637	127,017	173,397
Balance at end of the year	1,151,826	1,282,639	329,527	335,665

16. Borrowings

16.1 Debentures and debenture premium

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Debentures				
87,378,835 (2019: 77,859,791) debentures of 449 cents each at beginning of the year	392,127	349,387	392,330	349,590
2019 vendor placement: issue of 1,086,878 units	–	4,880	–	4,880
2019 rights issue: issue of 8,432,166 units (note 14)	–	37,860	–	37,860
87,378,835 debentures of 449 cents each	392,127	392,127	392,330	392,330
Debenture premium				
Balance at beginning of the year comprising:	353,108	245,131	353,350	245,373
Premium arising on listing	20,544	20,544	20,544	20,544
Premium arising on new issues	496,230	353,022	496,230	353,022
Antecedent debenture interest	(9,042)	(5,669)	(9,042)	(5,669)
Treasury linked units	(242)	(242)	–	–
Share issue expenses	(12,656)	(10,784)	(12,656)	(10,784)
Amortisation of debenture premium	(141,726)	(111,740)	(141,726)	(111,740)
Vendor placement during the year	–	15,966	–	15,966
Premium arising on new issues	–	15,966	–	15,966
Rights issue during the year	–	121,996	–	121,996
Premium arising on new issues (note 14)	–	127,241	–	127,241
Antecedent debenture interest	–	(3,373)	–	(3,373)
Treasury linked units (note 14)	–	–	–	–
Share issue expenses (note 14)	–	(1,872)	–	(1,872)
Current year amortisation of debenture premium	(41,217)	(29,986)	(41,217)	(29,986)
Balance at year end	311,891	353,107	312,133	353,349

On 14 December 2018, the Group entered into an agreement with one of its existing shareholders, TLP Investments 137 (Pty) Ltd (TLP), for a vendor placement and consideration for the purchase of a property from Steeledale Reinforcing & Trading Namibia (Pty) Ltd, an unrelated party. The total purchase consideration for Erf 3519 Iscor Street amounted to N\$23,609,490 of which N\$20,857,185 related specifically to the vendor placement at an issue price of N\$19.19 per linked unit. The issue price was arrived at after a 5% discount to the weighted average share price 10 days prior to the issue. The total number of linked units issued to TLP was 1,086,878 comprising N\$10,869 share capital, N\$4,880,081 debentures and debenture premium of N\$15,966,235.

Refer to note 14 for further detail regarding the rights issue.

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 25 years from December 2002.

In terms of the Debenture Trust Deed, the interest entitlement of every debenture linked to each ordinary share shall not be less than 90% of net earnings of the Company before debenture interest, depreciation and amortisation, taxes (other than deferred taxation charges) and before taking into account both realised and unrealised capital profits but after provision for funding costs, whether interest or dividend in nature and also after transfers to reserves. The interest is payable bi-annually. The debentures are redeemable at the option of the holder after 25 years from 2 December 2002 being the first date of the allotment of debentures. Refer to note 29 for details regarding distribution payments for the year.

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 45,500 (2019: 45,500) debentures held by the Long Term Share Incentive Trust.

16. Borrowings *continued***16.2 Interest-bearing borrowings**

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Bank Windhoek Limited				
<i>Revolving credit floating interest rate facility</i>	–	–	–	–
– Unsecured loan bearing interest at the Namibian prime lending rate. At 30 June 2020 the account was in a favourable balance and reflected under cash and cash equivalents (refer to note 11.3)				
– N\$20 million (2019: N\$20 million) facility bearing interest at Namibian prime and is re-assessed annually in March				
ABSA Group Limited South Africa				
<i>ABSA revolving credit facility</i>	123,530	84,166	123,530	84,166
– This is a N\$130 million (2019: N\$130 million) facility and is re-assessed annually in February				
– Loan bearing variable interest at one-month JIBAR plus 2.05%				
<i>ABSA term loan 1</i>	151,603	150,000	151,603	150,000
– Loan expires 28 February 2022				
– The loan bears variable interest at one-month JIBAR plus 2.175%				
<i>ABSA term loan 2</i>	151,597	150,000	151,597	150,000
– Loan expires 28 February 2023				
– The loan bears variable interest at one-month JIBAR plus 2.2%				
<i>ABSA Euro loan</i>	334,156	309,760	334,156	309,760
– Loan expires 16 July 2021				
– Loan bears interest at Euro Inter-bank Offered Rate (EURIBOR) (floored at 0%) plus 2.72%				
– Total facility of €19.4 million				
– Refer below for the loan recon which shows the forex gain/(loss) that is included in the balance				
Nedbank				
<i>Nedbank revolving credit facility</i>	–	204	–	204
– N\$30 million facility and is re-assessed annually				
– Loan bearing variable interest at three-month JIBAR plus 2.35%				
– At 30 June 2020 the account was in a favourable balance and reflected under cash and cash equivalents (refer to note 11.3)				
<i>Nedbank revolving credit facility</i>	–	31,856	–	31,856
– N\$85 million facility and was settled during the year (refer below)				
– Loan bore variable interest at Namibian prime less 1.39%				
– Refer below for detail regarding refinancing of the loan				

16. Borrowings *continued*
16.2 Interest-bearing borrowings *continued*

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Nedbank <i>continued</i>				
Five-year floating interest rate	–	140,000	–	140,000
– Loan expired 31 August 2019				
– Loan bore interest at a floating interest rate of three-month JIBAR plus 2.00%				
Three-year floating interest rate	75,000	75,000	75,000	75,000
– Loan facility of N\$75 million and is due on 1 February 2021				
– Loan bearing variable interest at three-month JIBAR plus 2.35%				
Domestic Medium Term Note Programme (DMTNP)	83,300	128,700	83,300	128,700
– Facility of N\$500 million listed on the NSX				
– Bonds in issue expire 20 November 2022 (2019: 21 November 2019)				
– Bonds bearing variable interest at three-month JIBAR plus 2.2% (2019: 3 month JIBAR plus 1.7%)				
– The bonds are unsecured				
Old Mutual Investment Group Namibia (OMIGNAM)				
Promissory notes	90,000	90,000	90,000	90,000
– Promissory notes expire 4 September 2021				
– Promissory notes bear variable interest at three-month JIBAR plus 2.1%.				
Standard Bank				
Facility A	197,700	–	197,700	–
– Loan facility of N\$197.7 million				
– Loan bearing variable interest at three-month JIBAR plus 2%				
– Loan expires 7 August 2024				
Facility B	76,415	–	76,415	–
– Loan facility of N\$85 million				
– Loan bearing variable interest at three-month JIBAR plus 2%				
– Loan expires 7 August 2022				
Facility C	29,300	–	29,300	–
– Loan facility of N\$29.3 million				
– Loan bearing variable interest at three-month JIBAR plus 2%				
– Loan expires 30 October 2024				

16. Borrowings *continued***16.2 Interest-bearing borrowings** *continued*

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Total interest-bearing borrowings	1,312,601	1,159,686	1,312,601	1,159,686
Less: Classified as current liabilities	(198,530)	(384,926)	(198,530)	(384,926)
– ABSA revolving credit facility	123,530	84,166	123,530	84,166
– DMTNP	–	128,700	–	128,700
– Nedbank revolving credit facility	–	204	–	204
– Nedbank: three-year facility	75,000	–	75,000	–
– Nedbank revolving credit facility	–	31,856	–	31,856
– Nedbank: five-year facility	–	140,000	–	140,000
Total non-current portion of interest-bearing borrowings	1,114,071	774,760	1,114,071	774,760
Total non-current portion of interest-bearing borrowings	1,818,090	1,519,994	1,818,535	1,520,439

Refer to note 6 for details around the bonded properties per facility.

The following facilities were refinanced during the year:

1. N\$140 million facility (facility A) and N\$85 million facility (facility B) with Standard Bank at three-month JIBAR plus 2% for a five-year and three-year term respectively. The loans were previously with Nedbank.
2. N\$75 million term loan and N\$30 million revolving credit facility with Nedbank at three-month JIBAR plus 2.35%.
3. The DMTNP amounting to N\$128.7 million matured on 21 November 2019 and a new amount of N\$83.3 million was entered into which is set to mature on 20 November 2021. The difference was paid from existing facilities. The Group received total bids to the amount of N\$198.7 million but did not accept all the bids as indications from financial institutions were that cheaper debt could be obtained from them.

New loans entered into during the year:

The acquisition of the residential complexes was financed by Standard Bank, through increasing facility A by N\$57.7 million and a new facility (facility C) of N\$29.3 million. Facility C is priced at three-month JIBAR plus 2% with a five-year term.

Subsequent to year end the following refinancing/additional loans were entered into:

- N\$100 million facility with RMB Namibia at three-month JIBAR plus 2.98% for a three-year term commencing August 2020
- N\$75 million Nedbank facility set to mature 1 February 2021 was refinanced for a three-year term at three-month JIBAR plus 2.85%

The Group also obtained a flexi reserve facility from ABSA. The flexi reserve allows the Group to pay any foreign currency amounts into the Euro facility. During the year the Group paid the proceeds from the sale of the properties in Croatia (refer to note 9) into this facility. The facility remains available to the Group and limits the Group's exposure to foreign currency.

Covenants remained in place during the year. No covenants were in breach at year end. The key covenants measured are gearing at 39.1% (2019: 34.8%) and an interest cover ratio of 2.3 times based on earnings before tax and interest (2019: 2.96 times).

The modifications to the Group's debt as a result of COVID-19 relief have not been more than 10% and therefore there is no requirement to recognise a new financial liability.

The following relief was provided by the banks:

1. ABSA approved relief through interest capitalisation directly to each of the facilities limited to six months' interest. Repayment of the capital on this relief facility to take place over 12 months.
2. Standard Bank approved relief through a facility amounting to six months' worth of interest priced at three-month JIBAR plus 2%. Repayment of the facility to be done over six months.

16. Borrowings *continued*
16.2 Interest-bearing borrowings *continued*

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.

	Group	
	2020 N\$'000	2019 N\$'000
Borrowing capacity (excluding debentures and debenture premium) up to gearing ratio of 50%	1,679,363	1,661,172
Less: Borrowings (excluding debentures)	(1,312,601)	(1,159,687)
Unutilised borrowing capacity	366,762	501,485
Unutilised funding facilities (excluding DMTNP)	65,057	148,773
Flexi reserve (€2 million translated at spot) on Euro loan from share buy back by associate	44,105	–
	109,162	148,773
Reconciliation of interest-bearing borrowings		
Balance at beginning of the year	1,159,687	950,805
Movement of interest-bearing borrowings	88,769	199,090
Non-cash movement: Foreign exchange adjustments	64,145	9,792
Balance at year end	1,312,601	1,159,687

17. Derivative financial instruments

			Non-current liabilities N\$'000	Current liabilities N\$'000	Total N\$'000
Group/Company					
2020					
<i>Interest rate swap agreements carried at fair value</i>					
Notional value	Maturity	Rate fixed			
N\$100 million	22-Feb-22	5.50%	1,400	1,652	3,052
N\$100 million	20-Jun-23	6.63%	4,107	2,953	7,060
N\$140 million	11-Jan-24	7.15%	8,039	4,850	12,889
Balance at end of the year			13,546	9,455	23,001
2019					
<i>Interest rate swap agreements carried at fair value</i>					
Notional value	Maturity	Rate fixed			
N\$100 million	20-Apr-20	7.50%	–	604	604
N\$100 million	20-Jun-22	6.86%	112	79	191
N\$100 million	20-Jan-21	7.11%	343	229	572
N\$140 million	11-Jun-22	7.79%	2,449	1,346	3,795
Balance at end of the year			2,904	2,258	5,162

17. Derivative financial instruments *continued*

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Reconciliation of interest rate swaps				
Balance at beginning of the year	5,162	90	5,162	90
Fair value adjustments	17,839	5,072	17,839	5,072
Balance at end of the year	23,001	5,162	23,001	5,162

Fair value adjustments on the interest rate swaps are recorded in the statement of comprehensive income, 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.

As a result of the decrease in the repo rate during the year by 250bps, the existing swap agreements were repriced and the term extended to obtain better pricing to benefit from the lower interest rates. No new swaps were entered into during the year.

The fair value hierarchy is treated as level 2 as is reflected in note 36. 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Not later than one year	9,455	2,258	9,455	2,258
Later than one year and not later than five years	13,546	2,904	13,546	2,904
Expected cash flow	23,001	5,162	23,001	5,162

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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
<i>Deferred taxation South Africa</i>				
Balance at beginning of the year	10,281	8,840	10,281	8,840
Prior period adjustment	1,292		1,292	
Deferred taxation charged to profit or loss for the year:				
– building allowance	–	(314)	–	(314)
– investment property revaluations	(1,730)	2,679	(1,730)	2,679
– rental straight-line basis adjustment	291	1	291	1
– assessed loss	179	(1,107)	179	(1,107)
– tenant installation costs	(26)	(26)	(26)	(26)
– prepaid expenditure	37	(214)	37	(214)
– deposits received	(4)	126	(4)	126
– provisions	–	296	–	296
Balance at end of the year	10,320	10,281	10,320	10,281
<i>Deferred taxation Namibia</i>				
Balance at beginning of the year	12,712	14,248	(9,494)	(6,414)
Deferred taxation charged to profit or loss for the year:				
– building allowance	23,797	19,770	8,580	1,727
– capital allowances	58	3	52	3
– rental straight-line basis adjustment	793	1,492	(598)	–
– derivative liability	(5,709)	(1,623)	(5,709)	(1,623)
– assessed loss	(9,431)	(18,123)	4,127	(1,522)
– tenant installation costs	(1,246)	(1,081)	(313)	(388)
– prepaid expenditure	530	(463)	559	(405)
– deferred income	(20)	35	(20)	(43)
– deposits received	(1,115)	(831)	(929)	70
– provisions	249	(659)	494	(659)
– doubtful debts	(3,505)	(56)	(1,779)	(240)
Balance at end of the year	17,113	12,712	(5,030)	(9,494)
Total balance at year end	27,433	22,993	5,290	787
<i>Comprising temporary differences relative to:</i>				
– building allowances	202,857	179,062	28,294	19,714
– capital allowances	84	26	74	26
– investment property revaluations	6,323	8,078	6,323	8,078
– rental straight-line basis adjustment	19,039	17,954	5,057	5,365
– derivative liability	(7,360)	(1,652)	(7,360)	(1,652)
– tax losses	(189,302)	(183,362)	(24,634)	(30,370)
– tenant installation costs	4,250	5,523	681	1,019
– prepaid expenditure	1,213	529	1,183	587
– deferred income	(383)	(363)	(383)	(363)
– deposits received	(3,005)	(1,783)	(1,448)	(413)
– provisions	(6,283)	(1,019)	(2,497)	(1,204)
	27,433	22,993	5,290	787

At the reporting date, the Group has unused tax losses of N\$588 million (2019: N\$573 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Financial liabilities at amortised cost:				
Trade payables	4,303	5,960	1,485	2,290
Tenant deposits	9,263	8,976	4,463	4,082
Other payables	324	2,089	49	651
Provisions	2,419	3,783	2,420	3,783
Accruals	5,226	8,835	4,714	6,702
VAT	–	–	1,510	1,532
	21,535	29,643	14,641	19,040
Reconciliation of provisions:				
Opening balance	3,783	1,333	3,783	1,333
Movement for the year	(1,364)	2,450	(1,363)	2,450
Closing balance	2,419	3,783	2,420	3,783

The trade payables comprise amounts outstanding to suppliers and ongoing 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Rental received in advance	1,198	1,159	1,198	1,135

21. Investment income

Interest received – cash and bank balances	413	489	406	435
Interest received – inter-Company loans	–	–	126,207	146,799
	413	489	126,613	147,234

Refer to note 8 for details regarding the interest charged on the inter-Company loans.

22. Other expenses

Other expenses include the following:

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Directors' remuneration – Executive (note 37)	3,555	3,365	3,555	3,365
Directors' fees – Non-executive (note 37)	2,648	2,635	2,648	2,635
External auditors' remuneration:	1,938	1,109	1,938	1,099
– current year	1,351	1,099	1,351	1,099
– prior year	415	–	415	–
– other audit services	172	10	172	–
Internal auditors' remuneration:	369	–	369	–
– current year	369	–	369	–
Allowance/(release) of provision for doubtful debts	14,605	(1,616)	7,412	(3,008)
Bad debts written off	6,970	3,168	1,285	1,588
Salaries and other employee benefits (excluding Executive Directors)	4,157	7,055	4,157	7,054
Other	4,829	3,513	4,752	3,448
	39,071	19,229	26,116	16,181

23. Finance costs

ABSA Group Limited	42,560	45,677	42,560	45,677
Bank Windhoek Limited	43	81	43	81
DMTNP	8,662	11,261	8,662	11,261
First National Bank Limited	2,947	1,659	2,947	1,659
Nedbank	9,804	25,687	9,804	25,687
Old Mutual Investment Group Namibia	7,839	7,925	7,839	7,925
Nedbank Limited South Africa	–	5,781	–	5,781
Standard Bank	19,118	–	19,118	–
Other	–	35	–	68
Less: Interest capitalised to investment property, as part of additions	(2,022)	(3,933)	(2,022)	(3,933)
Finance charges	4,835	5,466	4,744	5,375
	93,786	99,639	93,695	99,581

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.

Interest was capitalised at an average annual rate of 8.45% (2019: 9.11%). The capitalised interest is included in the investment property as detailed in note 6. At year end, the total weighted average interest rate was 5.83% (2019: 7.48%). The variable interest rate was 5.15% (2019: 7.35%).

24. Taxation

There was no change to the statutory tax rate in Namibia for the current year. Taxation 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Namibian taxation				
Deferred tax – building allowance	23,797	19,770	8,580	1,727
Deferred tax – capital allowance	58	3	52	3
Deferred tax – rental straight-line basis adjustment	793	1,492	(598)	–
Deferred tax – derivative liability	(5,709)	(1,623)	(5,709)	(1,623)
Deferred tax – assessed loss	(9,536)	(18,123)	4,020	(1,522)
Deferred tax – tenant installation costs	(1,246)	(1,081)	(313)	(388)
Deferred tax – prepaid expenditure	530	(463)	559	(405)
Deferred tax – deferred income	(20)	35	(20)	(43)
Deferred tax – deposits received	(1,115)	(831)	(929)	70
Deferred tax – provisions	249	(659)	494	(659)
Deferred tax – doubtful debts	(3,505)	(56)	(1,779)	(240)
South African taxation				
Deferred tax – building allowance	–	(314)	–	(314)
Deferred tax – revaluation of investment property	(1,730)	2,679	(1,730)	2,679
Deferred tax – rate change adjustment	–	–	–	–
Deferred tax – rental straight-line basis adjustment	291	1	291	1
Deferred tax – assessed loss	179	(1,107)	179	(1,107)
Deferred tax – tenant installation costs	(26)	(26)	(26)	(26)
Deferred tax – prepaid expenditure	37	(214)	37	(214)
Deferred tax – deposits received	(4)	126	(4)	126
Deferred tax – provisions	–	296	–	296
Normal income taxation	3,041	–	3,041	–
	6,084	(95)	6,145	(1,639)
Tax losses available	(591,569)	(573,006)	(76,981)	(94,906)
Less: Applied to reduce deferred tax liability	233,766	211,172	41,612	34,789
Balance unutilised	(357,803)	(361,834)	(35,369)	(60,117)
Reconciliation of effective tax rate:	%	%	%	%
Namibian statutory rate				
Statutory rate	32.0	32.0	32.0	32.0
Capital gains	(56.1)	(28.9)	(418.4)	(153.9)
Exempt income	30.9	(13.2)	342.2	(220.6)
Disallowable expenditure	(0.7)	9.7	(8.3)	324.8
	6.1	(0.4)	(52.5)	(17.7)
Reconciliation of effective tax rate for South African operations only:				
South African statutory rate	28.0	28.0	28.0	28.0
Capital gains	(10,204.0)	(69.2)	(10,204.0)	(69.2)
Exempt income	18,359.0	(63.8)	18,359.0	(63.8)
Disallowable expenditure	–	–	–	–
Prior year adjustment	–	–	–	–
Statutory rate difference	–	174.4	–	174.4
	8,183.0	69.4	8,183.0	69.4

Exempt income mainly relates to realised capital profits or losses on sale of properties, foreign exchange gains and straight-lining of rental income.

Disallowable expenditure mainly relates to impairment losses and foreign exchange losses.

25. Earnings per share

The reconciliation to undistributed earnings is based on the weighted number of units of 87,333,335 (2019: 79,138,137) in issue at the end of the respective distribution period which has been adjusted for the 45,500 units held by the Oryx LTI Trust for the period and is calculated as follows:

	2020 N\$'000	2019 N\$'000	2020 Cents per unit/share	2019 Cents per unit/share
Group				
(Loss)/profit for the year	(157,568)	303,052	(180.42)	382.94
Debt interest	60,947	118,757	69.79	150.06
(Loss)/earnings attributable to linked units	(96,621)	421,809	(110.63)	533.00
Adjusted for:				
Amortisation of debt premium	(41,217)	(29,986)	(47.20)	(37.89)
Fair value gain associate investment property	(4,076)	(8,978)	(4.67)	(11.35)
Capital profit/(loss)	145,307	(274,146)	166.38	(346.42)
– Changes in fair value of investment property as per valuations	152,955	(278,831)	175.13	(352.33)
– Loss on sale of property	–	516	–	0.65
– Profit on sale of associate property	(6,978)	–	(7.99)	–
– Deferred tax on fair value adjustment of investment property	(1,754)	2,677	(2.01)	3.38
– Deferred tax straight-line adjustments	1,084	1,492	1.24	1.88
– Rental straight-line adjustment to operating income	(3,389)	(4,662)	(3.88)	(5.89)
– Rental straight-line adjustment to revaluation	3,389	4,662	3.88	5.89
Headline earnings attributable to linked units	3,393	108,699	3.88	137.34
Debt interest	(60,947)	(118,757)	(69.79)	(150.06)
Headline loss attributable to linked units	(57,554)	(10,058)	(65.91)	(12.72)
<i>Distribution attributable to linked unitholders</i>				
The reconciliation to undistributed earnings is based on the actual number of units of 87,378,835 (2019: 87,378,835) in issue at end of the year and is calculated as follows:				
Distribution attributable to linked unitholders				
Interest – interim distribution	60,947	61,184	69.75	77.50
– final distribution	–	60,946	–	69.75
	60,947	122,130	69.75	147.25

25. Earnings per share *continued*

	2020 N\$'000	2019 N\$'000	2020 Cents per unit/share	2019 Cents per unit/share
Headline loss attributable to linked units	(57,554)	(10,058)		
Debt interest	60,947	118,757		
Rental straight-lining net of deferred taxation	–	–		
Distributable earnings	3,393	108,699	3.88	131.05
Adjusted for:				
– Elisenheim headlease income	5,678	5,748	6.50	6.58
– Antecedent interest	–	3,373	–	3.86
– Deferred tax	10,822	–	12.39	–
Capital profits/(losses) not included in headline earnings	96,338	16,053	110.26	18.37
Unrealised capital loss (note 10)	11,812	2,752	13.52	3.15
Foreign exchange loss in associate	7,802	–	8.93	–
Deferred tax on swap fair value adjustments (note 24)	(5,709)	(1,623)	(6.53)	(1.86)
Fair value adjustment on financial instruments	17,839	5,072	20.42	5.80
Exchange differences on foreign loan	64,594	9,852	73.92	11.28
Adjusted distributable income	116,231	133,873	133.03	159.86
Interim distribution	(60,947)	(61,184)	(69.75)	(77.50)
Final distribution	–	(60,946)	–	(69.75)
Undistributed income for the year	55,284	11,743	63.28	12.61

Refer to note 29 for distributions made during the year.

26. Dividend paid per linked unit

Group	2020 N\$'000	2019 N\$'000	2020 Cents per unit/share	2019 Cents per unit/share
Undistributed income transferred to reserves (note 25)	55,284	11,743	63.28	12.61
Dividend paid for the prior year distribution	–	(10,902)	–	(14.00)
Dividend paid for the current year distribution	–	(2,277)	–	(2.75)
Non-distributable reserves	55,284	(1,436)	63.28	(4.14)

27. Operating lease arrangements

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
The future minimum lease commitments receivable under non-cancellable operating leases are as follows:				
Not later than one year	244,993	215,272	82,716	73,868
Later than one year and not later than five years	624,467	504,064	261,238	170,730
Later than five years	139,157	267,861	25,965	65,566
	1,008,617	987,197	369,919	310,164

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\$334 million (2019: N\$326 million). 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\$470,000 (2019: N\$1.7 million).

All of the properties held have a weighted average lease period of 3.1 (2019: 3.5 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. Refer to note 6 which addresses the rental relief provided on operating leases during the year as a result of COVID-19.

28. Reconciliation of net income before tax to cash

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Generated from operating activities				
Profit before taxation	(151,484)	302,957	(16,334)	9,296
Adjustments:	350,638	(101,030)	203,588	192,599
Fair value adjustment to investment property	152,955	(278,831)	28,353	(49,650)
Fair value adjustment to hedging instruments	17,839	5,072	17,839	5,072
Fair value adjustment to listed investment	11,812	2,752	11,812	2,752
Investment income	(413)	(489)	(406)	(435)
Dividends received	(2,422)	(2,511)	(2,422)	(2,511)
Finance costs	92,608	103,572	92,517	103,514
Distributions to linked unitholders	60,947	118,757	60,947	118,757
Straight-line adjustment to revenue	(3,389)	(4,662)	961	135
Straight-line adjustment to investment property	3,389	4,662	376	111
Exchange differences on loans	67,116	9,852	67,116	9,852
Share of profit from associate after tax	(23,427)	(26,263)	(23,427)	(26,263)
Impairment loss/(reversal) on investment in subsidiaries	–	–	(16,482)	64,187
Allowance for doubtful debts	14,605	(1,616)	7,412	(1,616)
Amortisation of debenture premium	(41,217)	(29,986)	(41,217)	(29,986)
Profit/(loss) on sale of investment property	–	(1,457)	–	(1,457)
Depreciation	235	118	209	137
Working capital changes:	(10,689)	(951)	(1,094)	4,080
Movement in trade and other receivables	(6,594)	(4,179)	(9,031)	3,182
Movement in deferred expenditure	3,974	3,461	1,060	1,294
Movement in trade and other payables	(8,069)	(233)	(4,336)	(2,766)
Movement in subsidiary operating balances	–	–	11,213	2,370
	188,465	200,976	186,160	205,975

29. Distribution paid to linked unitholders

The Group has historically distributed all of its distributable income to the unitholders. During the prior year, the Board decided for the long-term sustainability of the Group and to improve the liquidity of the Group, to revert to the Debenture Trust Deed which only requires payment of a minimum of 90% of distributable income. The effect of this was a decrease in the overall distribution for the Group. 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.

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Debenture interest paid is reconciled as follows:				
Amounts unpaid at beginning of the year	(62,079)	(50,788)	(62,079)	(50,788)
Amounts charged to the income statement	(60,947)	(118,757)	(60,947)	(118,757)
Dividends paid (refer to note 26)	–	(13,179)	–	(13,179)
Amounts unpaid at end of the year	60,990	62,079	60,990	62,079
	(62,036)	(120,645)	(62,036)	(120,645)

During March 2020 the Board decided to postpone the payment of the half year distribution, amounting to N\$60,947,000 or 69.75cpc, to 2 October 2020 due to the unknown impact that COVID-19 might have. After further deliberation by the Board an extra-ordinary general meeting of debenture holders on 29 June 2020 was called for and held. Resolutions adopted were to cancel any further distributions for 2020, but that the half year distributions remain payable.

30. Taxation paid

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Amounts due at beginning of the year	736	736	736	736
Amounts reclassified during the year	1,400	–	1,400	–
Taxation charge to the income statement	(1,641)	–	(1,641)	–
Amounts due at end of the year	(2,398)	(736)	(2,398)	(736)
	(1,903)	–	(1,903)	–

Withholding tax paid on the sale of the investment property (Isando) during 2019 was reclassified from receivables to tax during the year. The change did not have a material effect on the Group's consolidated results.

31. Dividend received

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Dividend received is reconciled as follows:				
Amounts receivable at beginning of the year	(1,233)	(1,282)	(1,233)	(1,282)
Amounts raised in the statement of comprehensive income	(1,189)	(2,462)	(1,189)	(2,462)
Amounts receivable at end of the year	–	1,233	–	1,233
	(2,422)	(2,511)	(2,422)	(2,511)

32. Segment information
32.1 Information on reportable segments

	Total N\$'000	Residential N\$'000	Retail N\$'000	Industrial N\$'000	Offices N\$'000	Fund N\$'000
Group 2020						
Statement of comprehensive income						
Revenue						
– Rental – operating income	329,388	6,707	217,548	66,091	39,042	–
– Rental – straight-line adjustment	3,389	(49)	3,372	(1,107)	1,173	–
Property expenses	(106,114)	(1,803)	(80,510)	(11,481)	(11,692)	(628)
Net rental income	226,663	4,855	140,410	53,503	28,523	(628)
Other property income	–	–	–	–	–	–
Share of profit from associate after tax	23,427	–	–	–	–	23,427
Investment income	413	–	7	–	–	406
Dividends received	1,189	–	–	–	–	1,189
Amortisation of debenture premium	41,217	–	–	–	–	41,217
Changes in fair value of investment property	(156,344)	49,234	(179,732)	(11,820)	(14,026)	–
Changes in fair value of derivative instruments	(17,839)	–	–	–	–	(17,839)
Exchange differences on foreign loan	(64,594)	–	–	–	–	(64,594)
Changes in fair value of listed investments	(11,812)	–	–	–	–	(11,812)
Other expenses	(39,071)	(8)	(27,046)	(1,704)	(3,231)	(7,082)
Operating profit/(loss) before finance costs and debenture interest	3,249	54,081	(66,361)	39,979	11,266	(35,716)
Less: Finance costs	(93,786)	–	–	–	–	(93,786)
Operating (loss)/profit before debenture interest	(90,537)	54,081	(66,361)	39,979	11,266	(129,502)
Debenture interest	(60,947)	–	–	–	–	(60,947)
(Loss)/profit before taxation	(151,484)	54,081	(66,361)	39,979	11,266	(190,449)
Taxation	(6,084)	128	155	(1,037)	(270)	(5,060)
(Loss)/profit for the year	(157,568)	54,209	(66,206)	38,942	10,996	(195,509)
Other comprehensive income	69,131	–	–	–	–	69,131
Total comprehensive (loss)/income for the year	(88,437)	54,209	(66,206)	38,942	10,996	(126,378)
Statement of financial position						
Properties – at valuation	2,914,280	137,200	1,863,076	611,280	302,724	–
Properties – straight-line adjustment	(59,497)	49	(43,222)	(13,729)	(2,595)	–
Other assets	503,943	975	71,377	19,756	4,577	407,258
Total assets	3,358,726	138,224	1,891,231	617,307	304,706	407,258
Total liabilities	(2,150,776)	(1,116)	(33,818)	(24,210)	(5,583)	(2,086,049)
Acquisitions and improvements	153,293	88,015	62,122	1,895	161	1,100

32. Segment information *continued***32.1 Information on reportable segments** *continued*

	Total N\$'000	Retail N\$'000	Industrial N\$'000	Offices N\$'000	Fund N\$'000
Group					
2019					
Statement of comprehensive income					
Revenue					
– Rental – operating income	320,154	218,843	62,040	39,209	62
– Rental – straight-line adjustment	4,662	6,264	53	(1,655)	–
Property expenses	(101,384)	(74,725)	(12,913)	(12,750)	(996)
Net rental income	223,432	150,382	49,180	24,804	(934)
Share of profit from associate after tax	26,263	–	–	–	26,263
Investment income	489	(149,244)	54	–	149,679
Dividends received	2,462	–	–	–	2,462
Amortisation of debenture premium	29,986	–	–	–	29,986
Profit on sale of investment property	1,457	–	1,457	–	–
Changes in fair value of investment property	274,168	218,146	31,757	24,206	59
Changes in fair value of derivative instruments	(5,072)	–	–	–	(5,072)
Exchange differences on foreign loan	(9,852)	–	–	–	(9,852)
Changes in fair value of listed investments	(2,752)	–	–	–	(2,752)
Other expenses	(19,228)	75,408	1,494	(14,281)	(81,849)
Operating profit/(loss) before finance costs and debenture interest	521,353	294,692	83,942	34,729	107,990
Finance costs	(99,639)	(75)	(6,594)	(23)	(92,947)
Operating (loss)/profit before debenture interest	421,714	294,617	77,348	34,706	15,043
Debenture interest	(118,757)	–	–	–	(118,757)
(Loss)/profit before taxation	302,957	294,617	77,348	34,706	(103,714)
Taxation	95	(2,015)	(1,456)	529	3,037
(Loss)/profit for the year	303,052	292,602	75,892	35,235	(100,677)
Other comprehensive income	9,760	–	–	–	9,760
Total comprehensive (loss)/income for the year	312,812	292,602	75,892	35,235	(90,917)
Statement of financial position					
Properties – at valuation	2,913,942	1,972,033	622,642	319,267	–
Properties – straight-line adjustment	(56,108)	(39,833)	(14,836)	(1,439)	–
Other assets	464,509	79,371	17,075	(1,352)	369,415
Total assets	3,322,343	2,011,571	624,881	316,476	369,415
Total liabilities	(2,025,956)	(31,462)	(24,879)	(3,480)	(1,966,135)
Acquisitions and improvements	86,559	61,736	22,614	1,895	314

32. Segment information *continued*
32.2 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			
2020			
Total revenue	321,582	11,195	332,777
Property expenses	(104,286)	(1,828)	(106,114)
Share of profit from associate after tax	–	23,427	23,427
(Loss)/profit for the year	(171,532)	13,964	(157,568)
Other information			
Properties at fair value	2,838,280	76,000	2,914,280
Investment in associate	–	362,993	362,993
Sectoral spread	97%	3%	100%
Total assets	2,916,260	442,466	3,358,726
Total liabilities	1,805,921	344,855	2,150,776
2019			
Total revenue	311,490	8,664	320,154
Property expenses	(97,412)	(3,965)	(101,384)
Share of profit from associate after tax	–	26,263	26,263
Profit for the year	295,995	7,057	303,052
Other information			
Properties at fair value	2,831,192	82,750	2,913,942
Investment in associate	–	326,068	326,068
Sectoral spread	97%	3%	100%
Total assets	2,881,075	441,268	3,322,343
Total liabilities	(1,655,119)	(370,837)	(2,025,956)

33. Guarantees

Guarantees to the amount of N\$1,288,713 were issued in favour of the City of Windhoek for electricity and water deposits for local companies. These are currently in place.

34. Statement of financial position**34.1 Categories of financial instruments**

	Notes	Financial assets/ (liabilities) at amortised cost			Total N\$'000
		At FVTPL N\$'000	cost N\$'000	Non-financial instruments N\$'000	
Group					
2020					
Assets					
Investment properties	6	-	-	2,854,783	2,854,783
Furniture and equipment	7	-	-	901	901
Investment in listed shares	10	11,811	-	-	11,811
Deferred expenditure	11.1	-	-	13,282	13,282
Rental receivable straight-line adjustment		-	-	59,496	59,496
Trade and other receivables	11.2	-	23,727	1,037	24,764
Investment in associate	9	-	-	362,993	362,993
Dividend receivable	31	-	-	-	-
Taxation receivable		-	-	2,398	2,398
Cash and cash equivalents	11.3	-	28,298	-	28,298
Total assets		11,811	52,025	3,294,890	3,358,726
Liabilities					
Debentures	16.1	-	(392,127)	-	(392,127)
Debenture premium	16.1	-	(311,891)	-	(311,891)
Interest-bearing borrowings	16.2	-	(1,312,601)	-	(1,312,601)
Derivative liability	17	(23,001)	-	-	(23,001)
Deferred taxation	18	-	-	(27,433)	(27,433)
Trade and other payables	19	-	(19,116)	(2,419)	(21,535)
Deferred income	20	-	-	(1,198)	(1,198)
Linked unitholders for distribution		-	(60,990)	-	(60,990)
Total liabilities		(23,001)	(2,096,725)	(31,050)	(2,150,776)

34. Statement of financial position *continued*
34.1 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					
2019					
Assets					
Investment properties	6	–	–	2,857,834	2,857,834
Furniture and equipment	7	–	–	219	219
Investment in listed shares	10	23,623	–	–	23,623
Deferred expenditure	11.1	–	–	17,256	17,256
Rental receivable straight-line adjustment		–	–	56,108	56,108
Trade and other receivables	11.2	–	25,929	6,679	32,608
Investment in associate	9	–	–	326,068	326,068
Dividend receivable	31	–	1,233	–	1,233
Taxation receivable		–	–	736	736
Cash and cash equivalents	11.3	–	6,658	–	6,658
Total assets		23,623	33,820	3,264,900	3,322,343
Liabilities					
Debentures	16.1	–	(392,127)	–	(392,127)
Debenture premium	16.1	–	(353,107)	–	(353,107)
Interest-bearing borrowings	16.2	–	(1,159,686)	–	(1,159,686)
Derivative liability	17	(5,162)	–	–	(5,162)
Deferred taxation	18	–	–	(22,993)	(22,993)
Trade and other payables	19	–	(25,860)	(3,783)	(29,643)
Deferred income	20	–	–	(1,159)	(1,159)
Linked unitholders for distribution		–	(62,079)	–	(62,079)
Total liabilities		(5,162)	(1,992,859)	(27,935)	(2,025,956)

34. Statement of financial position *continued***34.1 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					
2020					
Assets					
Investment properties	6	-	-	643,607	643,607
Furniture and equipment	7	-	-	751	751
Interest in subsidiaries	8	-	1,491,759	-	1,491,759
Investment in listed shares	10	11,811	-	-	11,811
Deferred expenditure	11.1	-	-	2,127	2,127
Rental receivable straight-line adjustment		-	-	15,803	15,803
Investment in associate	9	-	-	362,993	362,993
Trade and other receivables	11.2	-	12,952	1,510	14,462
Taxation receivable		-	-	2,398	2,398
Cash and cash equivalents	11.3	-	22,509	-	22,509
Total assets		11,811	1,527,220	1,029,189	2,568,220
Liabilities					
Debentures	16.1	-	(392,330)	-	(392,330)
Debenture premium	16.1	-	(312,133)	-	(312,133)
Interest-bearing borrowings	16.2	-	(1,312,601)	-	(1,312,601)
Derivative liability	17	(23,001)	-	-	(23,001)
Deferred taxation	18	-	-	(5,290)	(5,290)
Trade and other payables	19	-	(10,711)	(3,930)	(14,641)
Deferred income	20	-	-	(1,198)	(1,198)
Linked unitholders for distribution		-	(60,990)	-	(60,990)
Total liabilities		(23,001)	(2,088,765)	(10,418)	(2,122,184)

34. Statement of financial position *continued*
34.1 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					
2019					
Assets					
Investment properties	6	–	–	622,905	622,905
Furniture and equipment	7	–	–	219	219
Interest in subsidiaries	8	–	1,379,293	–	1,379,293
Investment in listed shares	10	23,623	–	–	23,623
Deferred expenditure	11.1	–	–	3,187	3,187
Rental receivable straight-line adjustment		–	–	16,765	16,765
Investment in associate	9	–	–	326,068	326,068
Trade and other receivables	11.2	–	12,676	–	12,676
Dividend receivable	32	–	1,233	–	1,233
Taxation receivable		–	–	736	736
Cash and cash equivalents	11.3	–	6,247	–	6,247
Total assets		23,623	1,399,449	969,880	2,392,952
Liabilities					
Debentures	16.1	–	(392,330)	–	(392,330)
Debenture premium	16.1	–	(353,349)	–	(353,349)
Interest-bearing borrowings	16.2	–	(1,159,686)	–	(1,159,686)
Derivative liability	17	(5,162)	–	–	(5,162)
Deferred taxation	18	–	–	(787)	(787)
Trade and other payables	19	–	(13,725)	(5,315)	(19,040)
Deferred income	20	–	–	(1,135)	(1,135)
Linked unitholders for distribution		–	(62,079)	–	(62,079)
Total liabilities		(5,162)	(1,981,169)	(7,237)	(1,993,568)

35. 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 in or engage in the trading of derivative instruments.

35. Financial risk management *continued*

35.1 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 loan stock property 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 2020 the gearing ratio was 39.1% (2019: 34.9%). The Group has an internal limit of 40% gearing and no externally imposed limit limiting gearing to less than 50%. The gearing ratio at 30 June 2020 is below the target.

35.2 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 8% of the operating income, which is in the hospitality industry and has been significantly impacted by COVID-19. 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 during the year, 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 United Fitness House (Pty) Ltd in the Company. 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.

35. Financial risk management *continued*
35.2 Credit risk management *continued*
Expected Credit Losses (ECL) continued

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Total credit exposure				
Interest in subsidiaries (excluding shares) (note 8)	–	–	1,433,753	1,321,287
Trade receivables (less impairment) (note 11.2)	23,727	25,929	12,952	12,676
Dividend receivable (note 32)	–	1,233	–	1,233
Cash and cash equivalents (note 11.3)	28,298	6,658	22,509	6,247
	52,025	33,820	1,469,214	1,341,443

The total credit exposure relates to cash resources and trade and other receivables. Although the Group does not perceive there to be 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 by rental area are disclosed below and 89.17% (2019: 83.9%) of the total floor space is occupied by major southern African companies or their franchisees and major Namibian tenants.

The top 10 tenants that contribute 41.2% (2019: 41.7%) of rental income are: Avani Hotel, Checkers, CIC, Edcon Group, Pep, Metje & Ziegler Motors, Action Ford, Scania Trucks, FP du Toit Transport and Virgin Active.

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)	Negative	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.

35.3 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 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 enable 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% (2019: 65%) of interest-bearing borrowings have a fixed interest rate. Refer to note 17 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.

35. Financial risk management *continued***35.3 Market risk** *continued***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.

	Notes	Group		Company	
		Balance at reporting date N\$'000	1% interest impact N\$'000	Balance at reporting date N\$'000	1% interest impact N\$'000
2020					
Assets					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	1,433,753	14,338
Current assets					
Trade and other receivables	11.2	32,260	323	11,368	114
Cash and cash equivalents	11.3	28,298	283	22,509	225
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	16.2	(1,114,071)	(11,141)	(1,114,071)	(11,141)
Derivative liability	17	(13,546)	(5,200)	(13,546)	(5,200)
Current liabilities					
Interest-bearing borrowings	16.2	(198,530)	(1,985)	(198,530)	(1,985)
Derivative liability	17	(9,455)	(3,630)	(9,455)	(3,630)
		(1,275,044)	(21,350)	132,028	(7,279)
2019					
Assets					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	1,321,287	13,213
Current assets					
Trade and other receivables	11.2	21,836	218	4,009	40
Cash and cash equivalents	11.3	6,658	67	6,247	62
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	16.2	(774,760)	(7,748)	(774,760)	(7,748)
Current liabilities					
Trade and other payables	19	–	–	–	–
Interest-bearing borrowings	16.2	(384,927)	(3,849)	(384,927)	(3,849)
		(1,131,193)	(11,312)	171,856	1,718

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in the debt drawn.

35. Financial risk management *continued*

35.4 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Less than three months				
– Trade and other payables	19,116	29,643	10,711	19,040
– Interest-bearing borrowings	–	140,000	–	140,000
– Distributions payable	60,990	62,079	60,990	62,079
– Interest payable*	10,068	11,298	10,068	11,298
Between three months and one year				
– Interest payable*	52,153	56,490	52,153	56,490
– Interest-bearing borrowings	198,530	244,926	198,530	244,926
Between one and five years				
– Interest-bearing borrowings	1,114,071	774,760	1,114,071	774,760
– Interest payable*	78,335	77,536	78,335	77,536
After five years				
– Debentures	392,127	392,127	392,330	349,387
	1,925,390	1,788,859	1,917,188	1,735,516

* Includes payments of fixed interest rates inherent in the swap agreements.

At 30 June 2020, the Group had access to financial facilities, of which N\$68 million (2019: N\$149 million) is unutilised and has a remaining borrowing capacity in terms of the articles of association of N\$712 million (2019: N\$834 million). The Group expects to meet its obligations from operating cash flows and long-term debt. The interest-bearing borrowings and debentures will be refinanced on maturity.

Bank Windhoek and Nedbank revolving credit facilities were in a favourable balance at the reporting date and thus classified under cash and cash equivalents. ABSA revolving credit facilities are classified under current liabilities. 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.

35.5 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 does not hedge its foreign currency exposure but rather maintains the dividends received in Euro in the CFC account to settle the interest on the Euro loan. In addition, the Board is of the opinion that the investment in the Euro-denominated associate effectively matches the volatility of the Euro-denominated debt.

35. Financial risk management *continued***35.5 Foreign currency risk management** *continued*

The carrying amounts of the Group's foreign currency denominated assets and liabilities at the end of reporting period are as follows:

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Non-current assets				
Investment in associate	362,993	326,068	362,993	326,068
Current assets				
Nedbank – CFC account	4,897	2,250	4,897	2,250
Non-current liabilities				
Interest-bearing borrowings	(334,157)	(309,760)	(334,157)	(309,760)

The Group is mainly exposed to the Euro relating to the assets and liabilities disclosed above.

The following table details the Group's sensitivity to a 5% weakening of the N\$ 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	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Profit on financial assets recorded in profit or loss	245	112	245	112
Profit on financial assets recorded in other comprehensive income	18,150	16,303	18,150	16,303
Loss on financial liabilities	(16,708)	(15,488)	(16,708)	(15,488)
Net impact on other comprehensive income	1,687	927	1,687	927

2019 was the first year that the Group was exposed to the foreign currency as a result of the conclusion of the investment in associate as disclosed in note 9. Refer to the accounting policy note that details the exchange rate used for the recording of the foreign currency. The Group managed the foreign currency risk by depositing the proceeds from the sale of the property sold in Croatia directly to the Euro-denominated flexi reserve facility from where the interest on the investment in associate is served. The Group also deposited the dividend received from the investment in associate to this facility to further reduce the foreign currency risk.

36. 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, note 17 for the derivative liability reconciliation and note 10 for the investment in listed shares reconciliation.

	Notes	Level 1 N\$'000	Level 2 N\$'000	Level 3 N\$'000	Designated at fair value N\$'000
Group					
2020					
Assets					
Investment properties – at valuation	6	–	–	2,914,280	2,914,280
Investment in listed shares	10	11,811	–	–	11,811
		11,811	–	2,914,280	2,926,091
Liabilities					
Derivative liability	17	–	(23,001)	–	(23,001)
2019					
Assets					
Investment properties – at valuation	6	–	–	2,913,942	2,913,942
Investment in listed shares	10	23,623	–	–	23,623
		23,623	–	2,913,942	2,937,565
Liabilities					
Derivative liability	14	–	(5,162)	–	(5,162)
Company					
2020					
Assets					
Investment properties – at valuation	6	–	–	657,970	657,970
Investment in listed shares	10	11,811	–	–	11,811
		11,811	–	657,970	669,781
Liabilities					
Derivative liability	17	–	(23,001)	–	(23,001)
2019					
Assets					
Investment properties – at valuation	6	–	–	636,892	636,892
Investment in listed shares	10	23,623	–	–	23,623
		23,623	–	636,892	660,515
Liabilities					
Derivative liability	17	–	(5,162)	–	(5,162)

There were no transfers between levels 1, 2 or 3 during the year.

36. 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

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.

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:

	Average capitalisation rate	Average discount rate	Average rental growth	Average vacancy rate
Group				
2020				
Portfolio value				
0.25% increase	2,825,970,235	2,862,131,667	2,794,732,800	2,495,297,143
0.25% decrease	3,001,688,079	2,961,938,726	3,037,753,043	3,493,416,000
Change in value				
0.25% increase	(85,209,765)	(49,048,333)	(116,447,200)	(415,882,857)
0.25% decrease	90,508,079	50,758,726	126,573,043	582,236,000
2019				
Portfolio value				
0.25% increase	2,824,312,809	2,859,917,542	2,799,229,960	2,699,911,420
0.25% decrease	3,002,840,799	2,963,612,885	3,031,724,143	3,157,523,525
Change in value				
0.25% increase	(86,529,191)	(50,924,458)	(111,612,040)	(210,930,580)
0.25% decrease	91,998,799	52,770,885	120,882,143	246,681,525

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.

37. 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	
		2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Party concerned	Transaction				
Key management personnel	– Executive remuneration	3,555	3,100	3,555	3,100
	– STI bonus	–	631	–	631
	– LTI bonus	–	1,163	–	1,163
Directors' fees	– Non-executive	2,648	2,365	2,648	2,635
Vendor placement (note 16.1)	– Acquisition of Steeledale Property for the issue of shares	–	20,857	–	20,857
	– Inter-Company interest received	–	–	126,207	146,799
	– Asset management fee received	–	–	9,917	9,351
	– Share buy back from investment in associate	41,576	–	41,576	–
	– Dividends received from investment in associate	14,057	9,955	14,057	9,955

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 8 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.

38. Capital commitments

	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Authorised and not contracted	32,233	86,700	4,364	–
Authorised and contracted	–	52,000	–	52,000
	32,233	138,700	4,364	52,000

39. Subsequent events

Subsequent to year end, the Group obtained a N\$100 million facility from Rand Merchant Bank during July 2020, priced at three-month JIBAR plus 2.98% for a three-year term. The Group further refinanced the N\$75 million Nedbank term loan during August 2020 at three-month JIBAR plus 2.85% for a three-year term. The proceeds from the sale of the Velica Gorica were received during August and September 2020 and paid into the Euro flexi reserve facility. A condonement was obtained from ABSA relating to the vacancy covenant of 5% on the bonded portfolio. Oryx and Retailability, the new owners of Edgars, agreed on the terms of a new three-year lease agreement. The formal agreement will be signed after Competition Commission approval for Retailability's purchase of Edgars has been approved in South Africa, which reduces the risk of this potential vacancy in the short term. We also take note of the announcement made by Government on 12 August 2020 to revert to stage 3 lockdown with curtailment of large gatherings, prohibition on sit-down restaurant meals and travel restrictions. This will have an adverse effect on the business, the impact of which is not currently quantifiable. Ms Francis Heunis has been appointed as CFO effective 1 October 2020 and the Board would like to congratulate her on her new role.

40. Approval of Annual Financial Statements

The Annual Financial Statements set out on pages 75 to 149 which have been prepared on a going concern basis, were approved by the Board on 14 September 2020.

UNITHOLDER INFORMATION

Unitholders' diary

Financial year end 30 June
Annual General Meeting 18 November 2020

Distribution plan dates in respect of the financial year ending 30 June 2021:

Financial period	Declaration date	Last date to register	Payment date
1st half to			
31 December 2020	Friday, 5 March 2021	Friday, 19 March 2021	Friday, 2 April 2021
2nd half to			
30 June 2021	Friday, 10 September 2021	Friday, 24 September 2021	Friday, 8 October 2021

2020

Analysis of unitholders	Number of unitholders	% of unitholders	Number of units held	% of issued units
Size of holding				
1 – 99	4	1.0	177	0.0
100 – 499	130	33.9	29,654	0.0
500 – 999	13	3.4	8,171	0.0
1,000 – 1,999	41	10.7	51,856	0.1
2,000 – 2,999	19	5.0	43,832	0.0
3,000 – 3,999	15	3.9	51,043	0.1
4,000 – 4,999	12	2.9	46,566	0.1
5,000 – 9,999	20	5.2	137,213	0.1
10,000 and above	130	34.0	87,010,323	99.6
	383	100.0	87,378,835	100.0
Type of unitholders				
Individuals and estates	291	76.0	4,760,437	5.5
Trusts	14	3.7	1,115,146	1.3
Nominee other	5	1.3	3,416,441	3.9
Nominee private clients	17	4.5	165,203	0.2
Nominee Corporates and Unit Trusts	12	2.1	17,410,170	19.9
Nominee pension fund	28	7.3	49,488,807	56.6
Nominee trusts	5	1.3	203,590	0.2
Corporate bodies	11	2.9	10,819,041	12.4
	383	100.0	87,378,835	100.0

Significant unitholders	Number of units held	% of issued units
Unitholders invested in 1% or more of the Company		
Standard Bank Namibia Nominees (Pty) Ltd	27,862,896	31.9
TLP Investments One Three Seven (Pty) Ltd	16,734,626	19.2
CBN Nominees (Pty) Ltd	5,249,889	6.0
First National Bank Nominees (Pty) Ltd	31,242,295	35.8
Total	81,089,706	92.9

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

Unitholder spread	Number of unitholders	% of issued units	Number of units held	% of issued units
Non-public				
Held by directors: direct	2	0.5	38,662	0.0
Held by directors: indirect	1	0.3	757,427	0.9
Held by related trust: direct	1	0.3	45,500	0.1
Holdings >10% of issued units	2	0.5	39,988,618	45.8
Public	377	98.4	46,548,628	53.2
Total	383	100.0	77,859,791	100.0

2019

Analysis of unitholders	Number of unitholders	% of unitholders	Number of units held	% of issued units
Size of holding				
1 – 99	4	1.0	177	0.0
100 – 499	128	33.0	29,065	0.0
500 – 999	14	3.6	9,071	0.0
1,000 – 1,999	41	10.6	51,859	0.1
2,000 – 2,999	18	4.6	41,137	0.0
3,000 – 3,999	15	3.9	51,043	0.1
4,000 – 4,999	12	3.1	50,566	0.1
5,000 – 9,999	20	5.2	136,620	0.2
10,000 and above	136	35.1	87,009,297	99.6
	388	100.0	87,378,835	100.0
Type of unitholders				
Individuals and estates	292	75.5	4,750,693	5.4
Trusts	15	3.9	1,116,546	1.3
Nominee other	5	1.3	2,713,899	3.1
Nominee private clients	17	4.4	162,603	0.2
Nominee Corporates and Unit Trusts	16	3.9	11,292,903	12.9
Nominee pension fund	31	8.0	50,146,455	57.3
Nominee trusts	5	1.3	203,590	0.5
Corporate bodies	7	1.8	16,904,146	19.3
	388	100.0	87,290,835	100.0

UNITHOLDER INFORMATION *continued*

Significant unitholders	Number of units held	% of issued units
Unitholders invested in 1% or more of the Company		
Standard Bank Nominees (Pty) Ltd	279,587,255	32.0
TLP Investments One Three Seven (Pty) Ltd	16,734,626	19.5
CBN Nominees (Pty) Ltd	5,249,889	6.0
First National Bank Nominees (Pty) Ltd	31,156,689	35.7
PSG Nominees (Pty) Ltd	431,625	0.5
Ferbros Nominees (Pty) Ltd	122,848	0.1
Total	81,654,402	93.8

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

Unitholder spread	Number of unitholders	% of issued units	Number of units held	% of issued units
Non-public				
Held by directors: direct	3	0.5	46,967	0.1
Held by directors: indirect	2	0.5	3,944,769	5.1
Held by related trust: direct	1	0.3	50,558	0.1
Holdings >10% of issued units	3	0.8	64,597,190	83.0
Public	383	98.00	9,220,307	11.7
Total	391	100.0	77,859,791	100.0

Units traded and issued	2020	2019
Number of units traded on the NSX	733,627	2,614,592
Number of units traded off market	-	1,086,878
Units traded as a weighted percentage of issued capital	0.8	8.80
NSX price history (cents)		
12-month high	2,060	2,021
12-month low	1,749	1,950
Closing price	1,749	1,950

NOTICE OF ANNUAL GENERAL MEETING

Oryx Properties Limited

Reg. No. 2001/673

Notice to all unitholders

Please take note

that the Annual General Meeting (AGM) of the Company will be held at Maerua Mall Rooftop, 5th floor, Maerua Office Tower, Maerua Mall, Corner of Jan Jonker & Robert Mugabe Avenue, Windhoek, Namibia on **18 November 2020** at 10:00.

1. **Notice convening the AGM**
2. **Apologies**
3. **Confirmation of the minutes of the AGM held on 20 November 2019**
4. **Report of the Chairperson of Oryx**

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions:

Unitholders are advised that in order 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.

5. Annual Financial Statements

Ordinary resolution number 1:

“Resolved that the audited financial statements for the Company for the year ended 30 June 2020, including the directors’ report and the report of the independent auditor, be adopted.”

6. Non-executive Directors’ fees for the year ended 30 June 2020

Ordinary resolution number 2:

“To ratify the remuneration of the Non-executive Directors for the financial year ended 30 June 2020 as set out on page 63 of the Integrated Annual Report of which this notice of AGM (notice) forms part.”

7. Executive Directors’ remuneration for the year ended 30 June 2020

Ordinary resolution number 3:

“To ratify the remuneration of the Executive Directors for the financial year ended 30 June 2020 as set out on page 61 of the Integrated Annual Report of which this notice of the general meeting forms part.”

8. Executive Directors’ LTI remuneration allocation for the year ended 30 June 2019

Ordinary Resolution Number 4:

“To ratify the LTI allocation of the Executive Directors for the financial year ended 30 June 2019 as set out on page 61 of the Integrated Annual Report of which this notice forms part.”

9. Non-executive Directors’ fees for the year ended 30 June 2021

Ordinary resolution number 5:

“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:”

	Fees for 2020 N\$		Proposed fees for 2021 N\$	
	Chairperson	Director/ Committee member	Chairperson	Director/ Committee member
Board	336,857	187,143	336,857	187,143
Risk, Audit and Compliance Committee	191,141	127,427	191,141	127,427
Remuneration and Nomination Committee	127,427	84,952	127,427	84,952
Investment Committee	127,427	84,952	127,427	84,952

	Fees for 2020 N\$		Proposed fees for 2021 N\$	
	Chairperson	Director/ Committee member	Chairperson	Director/ Committee member
COVID-19 Committee	–	–	–	–
			Fees for 2020 N\$	Proposed fees for 2021 N\$
Deputy Board Chairperson			254,855	254,855

10. Non-executive Directors' fee structure

Ordinary resolution number 6:

"To approve the fee structure of the Non-executive Directors for the ensuing year which conforms with Principle C2.25.10 of the Corporate Governance Code for Namibia (NamCode).

Non-executive Directors' fees are benchmarked against:

- o The latest available PwC South Africa report on Non-executive Directors' fee trends for appropriate size and sector companies listed on the JSE
- o Norms of directors' fees paid in Namibia per the PwC report
- o Peer group of South African listed property companies

Non-executive Directors' fees are structured as follows:

- o 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
- o Risk, Audit and Compliance Committee
 - Fixed fee based on three meetings per annum, paid quarterly
 - Fixed fee for Chairperson based on three meetings per annum, paid quarterly
 - Attendance of additional meetings at an hourly rate but capped on a daily basis
- o Remuneration and Nomination 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
- o Investment Committee
 - Fixed fee based on two formal meetings per annum and ad hoc conference call meetings, paid quarterly
 - Fixed fee for Chairperson based on two formal meetings per annum, paid quarterly
 - Attendance of additional meetings at an hourly rate but capped on a daily basis."

11. Linked units

11.1 Unissued linked units

Ordinary resolution number 7:

“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 of Namibia, 28 of 2004 (Companies Act), as amended, the Company’s Articles of Association and the Listings 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.”

11.2 Vendor placements

Ordinary resolution number 8:

“Resolved that the directors be and are hereby authorised by way of a general authority, to issue shares in the Company for the purpose of vendor placements for the acquisition of property assets, and further provided that such issue may only be made after registration of transfer of any property assets to be acquired as and when they in their discretion deem fit, subject at all times to the provisions of the Companies Act, the Company’s Articles of Association and the Listings 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.”

11.3 Limitation of units to be issued per annum

Ordinary resolution number 9:

“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. The issue of such units is subject to a maximum discount of 5% of the weighted average traded price on the NSX of these units over the 10 (ten) days prior to the date the price of issue is agreed between the Group and the party subscribing for the units and should include an antecedent interest.”

12. Appointment of auditor

In terms of section 278(1) of the Companies Act, the auditor of a public company is required to be appointed at the Company’s AGM. The purpose of ordinary resolution number 10 is to confirm the re-appointment of Deloitte & Touche as independent auditor 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.

Ordinary resolution number 10:

“Resolved that the re-appointment of Deloitte & Touche as independent auditor to the Company for the ensuing year be confirmed and to authorise the directors to determine their remuneration be confirmed.”

13. Board composition

Ordinary resolution number 11:

“To ratify the appointment of any new directors and the re-election of any existing directors in accordance with the Articles of Association. Motions for ratification will be moved individually.

In accordance with the Board Charter of the Company, a director should retire at the age of 70, but an appointment may be extended on a year-to-year basis.

- To ratify the re-appointment of Mr NBS Harris as a Non-executive Director of the Company from the AGM of 18 November 2020 until the following AGM to be held in 2021
- To ratify the re-appointment of Mr JC Kuehhirt as a Non-executive Director of the Company from the AGM of 18 November 2020 until the following AGM to be held in 2021.”

Abridged curricula vitae of these directors are available on pages 39 to 42 of this Integrated Annual Report. Refer to page 44 of this Integrated Annual Report with respect to justification of the re-appointment for the directors at retirement age.

14. Authority to action all ordinary resolutions

Ordinary resolution number 12:

“Resolved that any director of the Company, and the Company Secretary be and are hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company and take all actions as may be necessary to implement the above ordinary resolutions and special resolutions with or without amendment.”

Unitholders are advised that in order for all special resolutions to be passed, votes in favour must represent at least 75% + 1 (seventy-five plus one) of all votes cast and/or exercised at the meeting in respect of these resolutions.

15. Amendments to the Debenture Trust Deed

Special resolutions 1 to 6 are being proposed to the unitholders in order to make provision for electronic communication within the Debenture Trust Deed. It is therefore proposed to amend the following sections within the current Debenture Trust Deed as follows:

Special resolution number 1:

"6.3 (b) within twenty business day of the notice date, the company shall advise all persons on the list in writing by ordinary mail that the debentures are to be repaid and that objections thereto are to be received by the trustee within a period of twenty business days from the date of posting that advice to unsubordinated creditors. The company shall be deemed to have advised all unsubordinated creditors even though it fails to advise, inadvertently or otherwise, any particular unsubordinated creditor or creditors. The trustee shall not be obliged to take account of any objections received from unsubordinated creditors at the notice date after the period of twenty business days has expired"

to read

"6.3 (b) within twenty business day of the notice date, the company shall advise all persons on the list with in writing by ordinary mail or by electronic mail that the debentures are to be repaid and that objections thereto are to be received by the trustee within a period of twenty business days from the date of posting that advice to unsubordinated creditors. The company shall be deemed to have advised all unsubordinated creditors even though it fails to advise, inadvertently or otherwise, any particular unsubordinated creditor or creditors. The trustee shall not be obliged to take account of any objections received from unsubordinated creditors at the notice date after the period of twenty business days has expired."

Special resolution number 2:

"8.1 Interest may be paid by cheque or such other manner as may be determined by the company or may be paid by electronic transfer to the account of those debenture holders who have consented to the said method of payment, and who have provided the company with particulars of the account into which electronic transfers are to be made. Payment into the designated account by electronic transfer of funds shall be a valid discharge of the company and the trustee."

to read

"8.1 Interest may be paid by electronic transfer to the account of the debenture holders, and who have provided the company with particulars of the account into which electronic transfers are to be made. Payment into the designated account by electronic transfer of funds shall be a valid discharge of the company and the trustee."

Special resolution number 3:

"20.2 Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing."

to read

"20.2 Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective if in writing or electronic communication."

Special resolution number 4:

"20.4 Any notice to a party:

- (a) Sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at its domicilium citandi et executandi shall be deemed to have been received on the 7th business day after posting (unless the contrary is proved);
- (b) Delivered by hand to a responsible person during ordinary business hours at its domicilium citandi et executandi shall be deemed to have been received on the day of delivery."

to read

"20.4 Any notice to a party:

- (a) Sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at its domicilium citandi et executandi shall be deemed to have been received on the 7th business day after posting (unless the contrary is proved);
- (b) Delivered by hand to a responsible person during ordinary business hours at its domicilium citandi et executandi shall be deemed to have been received on the day of delivery.
- (c) Sent by any electronic means to a responsible person during ordinary business hours at its domicilium citandi et executandi shall be deemed to have been received on the day of electronic communication sent."

Special resolution number 5:

“20.6 Any notice required to be given in terms of this deed to any debenture holder:

- (a) Shall be given to the debenture holder’s address as shown in the register;
- (b) In the case of joint holders, shall be notice to all those joint holders if the notice is given to the debenture holder whose name stands first in the register;
- (c) Shall be given by posting it by ordinary mail to that debenture holder;
- (d) Shall be deemed (unless the contrary is proved) to have been received by that debenture holder to whom it is addressed at his address in the register, on the day after it has been posted.”

to read

“20.6 Any notice required to be given in terms of this deed to any debenture holder:

- (a) Shall be given to the debenture holder’s address as shown in the register;
- (b) In the case of joint holders, shall be notice to all those joint holders if the notice is given to the debenture holder whose name stands first in the register;
- (c) Shall be given by posting it by ordinary mail to that debenture holder or by any electronic method, such as email;
- (d) Shall be deemed (unless the contrary is proved) to have been received by that debenture holder to whom it is addressed at his address in the register, on the day after it has been posted or in the event of electronic communication, on the day it was sent.”

Special resolution number 6:

“20.7 In proving the giving of any notice in terms of this deed, it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and sent by the appropriate method of posting.”

to read

“20.7 In proving the giving of any notice in terms of this deed, it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and sent by the appropriate method of posting or that the email was sent to the address as contained in the register.”

Special resolution number 7:

The proposed resolution makes provision for the payment dates to be aligned to that of schedule 24.2 (a) of the NSX Listings Requirements.

“7.5 (b) Shall, subject to clause 7.2 of the Principal Deed, be due and shall accrue to the first debenture holders registered on the first record date (and be payable on or before 31 March of each year), in respect of the interim payment and on second record date (and be payable on or before 30 September of each year), in respect of the final payment, commencing on the second record date;”

to read

“7.5 (b) Shall, subject to clause 7.2 of the Principal Deed, be due and shall accrue to the first debenture holders registered on the first record date (and be payable no later than 4 weeks following the release of the interim results), in respect of the interim payment and on second record date (and be payable no later than 4 weeks following the release of the final results each year), in respect of the final payment, commencing on the second record date inline with the NSX listings requirements;”

Special resolution 8:

a. The Board considers the sustainability of the Company and its cash flows paramount hence requesting to change the minimum pay-out ratio from 90% to 75%. Management has done extensive analysis and stress testing of our going concern and cash flows. Given that we are in a low-growth environment where valuations are under pressure and gearing at internal limits, having financial flexibility to cover capital expenditure from cash and not additional loans is imperative.

The Board has further reviewed Oryx’s significant assessed tax losses. Estimations show that if the 75% policy is applied Oryx will remain in a non-taxable position for the foreseeable future. The pay-out ratio change will give the Company financial flexibility and each year consider and decide on a pay-out ratio between 75% and 90%. Shareholders are requested to favourably consider this change to protect the future financial well-being of the Company.

- b. The addition of the income received from associate other than by way of dividends to ensure that only the cash received from the investment in associate is transferred to unitholders.
- c. The definition is further reworded to ensure that it is clear to all unitholders with respect to the adjustments being made to arrive at distributable income. This change does not add or remove, with the exception of the income of associate noted above, any new matters to the definition of distributable income but rather aids the user of the Debenture Trust Deed to be able to more easily calculate the distributable income.

NOTICE OF ANNUAL GENERAL MEETING *continued*

Refer to page 26 of this Integrated Annual Report relating to the going concern of the Group that also forms the basis of the recommendation below.

“(c) Subject to clause 23 of the Principal Deed, the interest entitlement on each debenture shall be not less than 90% of the net earnings of the company before providing for debenture interest, depreciation, amortisation and deferred taxes (other than income tax) and before taking into account any revaluation surpluses and income which is to be transferred to any non-distributable reserves but after provision for funding costs, whether interest or dividend in nature, and after transfers to non-distributable reserves.”

to read

“(c) Subject to clause 23 of the Principal Deed, the interest entitlement on each debenture shall be not less than 75% of the IFRS profit/(loss) for the year of the company adjusted for:

- Debenture interest
- Depreciation/amortisation
- Deferred tax
- 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.”

Special resolution 9:

The current Debenture Trust Deed has had several addendums proposed and approved in prior years from unitholders. There is therefore a risk that some of these changes might be overlooked or read in isolation. Copies of the current and proposed documents are loaded on our website for perusal before the AGM. It is therefore proposed that the current Debenture Trust Deed that incorporates all the addendums adopted by special resolutions passed since incorporation of the Company be replaced, including the special resolutions 1 to 7, whichever is approved at the AGM.

“RESOLVED THAT the current Debenture Trust Deed be replaced with the updated Debenture Trust Deed.”

16 Amendments to the Oryx Long Term Share Incentive Trust Deed (LTI)

Special resolutions 10 to 15 are being proposed to the unitholders in order to comply with the requirements of Paragraph 29.1.3 of the LTI. It is therefore proposed to amend the following sections within the current LTI Trust Deed as follows:

Special resolution 10:

“2.1.16 incentive period – a three (3) year period commencing or deemed to have commenced on 1 July 2014 and termination on 30 June 2017 and thereafter any further periods as determined by the Board”

to read

“2.1.16 incentive period – a three (3) year period commencing or deemed to have commenced on 1 July 2019”

Special resolution 11:

“2.1.19 lock-in-period – a period of four (4) years from the date of vesting of any units in a participant during which period participants may only dispose of units awarded to them under the scheme in accordance with limitations prescribed by clause 23.”

to read

“2.1.19 lock-in-period – a period of three (3) years from the date of vesting of any units in a participant during which period participants may only dispose of units awarded to them under the scheme in accordance with limitations prescribed by clause 23.”

Special resolution 12:

New definition for “net income” to be included as 2.1.20

to read

“2.1.20 Net Income – distributable income excluding taxation, but including dividends received from investments;”

Special resolution 13:

“5.3.8 the maximum allocation and possible award of units to eligible participants shall be determined on the following basis, as a percentage of the eligible participant’s cost to company remuneration pertaining to that financial year and benefit package:

- 5.3.8.1 in respect of the chief executive officer, fifty percent (50%);
- 5.3.8.2 in respect of the chief operations officer, forty percent (40%);
- 5.3.8.3 in respect of the chief financial officer, thirty percent (30%);
- 5.3.8.4 in respect of the executive property manager, thirty percent (30%); and
- 5.3.8.5 any other eligible employees at percentages as determined by the board in its sole discretion.”

to read

“5.3.8 the maximum allocation and possible award of units to eligible participants shall be determined by the Remuneration and Nomination Committee (“RNC”), as an equal percentage of the eligible participant’s cost to company (“CTC”) remuneration pertaining to that particular financial year and benefit package, and in accordance with the following basis of the plan:

- 5.3.8.1 External Perspective: The allocation is based on the Company’s performance assessed by an external company against the peer group.

Performance	% of peers	Executive team
Under median	Below 50%	Discretionary (RNC)
Median quartile	50% – 75%	1 month of CTC
Upper quartile	76% – 90%	2 months of CTC
Top quartile	91% – 100%	Discretionary (RNC)

- 5.3.8.2 Internal perspective: The allocation is based on achieving distributable income measured against the budgeted distributable income.

Performance	% of budget	Executive team
Under budget	Below 100%	Discretionary (RNC)
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 (RNC)

Special resolution 14:

The following new sub-paragraphs be inserted under paragraph 9:

- “9.1 The Chairperson of the RNC will always be a Trustee of the Trust.” and
- “9.3.6 where such trustee holds office by virtue of being the chairperson of the RNC, he or she ceases to hold that position.”

Special resolution 15:

“11.4 Meetings shall be convened by the chairperson, who shall also have the power to convene meetings at any time if he or she considers it appropriate to do so, and who shall call a meeting if required to do so, in writing, by a fellow trustee”

to read

“11.4 Meetings shall be convened by the chairperson, who shall also have the power to convene meetings at any time if he or she considers it appropriate to do so, and who shall call a meeting if required to do so, in writing, by a fellow trustee. At least fourteen (14) days’ notice shall be given of any meeting, unless all the trustees agree to a shorter period of notice. Notice may be given by electronic means, such as email, SMS and WhatsApp.”

NOTICE OF ANNUAL GENERAL MEETING *continued*

Special resolution 16:

The current LTI Trust Deed has had addendums proposed and approved in prior years from unitholders. There is therefore a risk that some of these changes might be overlooked or read in isolation. Copies of the current and proposed documents are loaded on our website for perusal before the AGM. It is therefore proposed that the current LTI Trust Deed that incorporates all the addendums adopted by special resolutions passed since incorporation of the Company be replaced, including the special resolutions 10 to 15, whichever is approved at the AGM.

“RESOLVED THAT the current LTI Trust Deed be replaced with the updated LTI Trust Deed.”

17. Authority to action all special resolutions

Special resolution 17:

“It is further RESOLVED that any Director of the Company, and the Company Secretary be and are hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company and take all actions as may be necessary to implement the above special resolutions with or without amendment.”

TO TRANSACT ANY OTHER BUSINESS WHICH, UNDER THE ARTICLES OF ASSOCIATION, MAY BE TRANSACTED AT AN AGM

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 not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.

Dated at WINDHOEK on 23 September 2020.

Registered office

Maerua Mall Office Tower
2nd Floor
Corner of Robert Mugabe
And Jan Jonker
Windhoek

PO Box 97723
Maerua Park
Windhoek

Tel: +264 61 423 201
Fax: +264 61 423 211

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

16 November 2020

hereby appoint

of

or failing him/her

of

or failing him/her **the Chairperson 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 (AGM) of ORYX to be held on the

18 November 2020 at 10:00

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 30 June 2020			
Ordinary resolution number 2: To ratify Non-executive Directors' fees for the year ending June 2020			
Ordinary resolution number 3: To ratify Executive Directors' remuneration for the year ending June 2020			
Ordinary resolution number 4: To ratify the LTI allocation of the Executive Directors for the year ending 30 June 2019			
Ordinary resolution number 5: To approve Non-executive Directors' fees for the year ending 30 June 2021			
Ordinary resolution number 6: To approve the Non-executive Directors' fee structure			
Ordinary resolution number 7: Placing of unissued linked units under the control of directors			
Ordinary resolution number 8: Vendor placements			
Ordinary resolution number 9: Limitation of units to be issued per annum			
Ordinary resolution number 10: Appointment of auditor			
Ordinary resolution number 11			
11.1 Ratify the re-appointment of Mr NBS Harris			
11.2 Ratify the re-appointment of Mr JC Kuehhirt			
Ordinary resolution number 12: Authority to call action to ordinary resolutions			
Debenture Trust Deed resolutions			
Special resolution number 1: Provision of electronic communication			
Special resolution number 2: Removal to reference of cheques			
Special resolution number 3: Provision of electronic communication			
Special resolution number 4: Provision of electronic communication			
Special resolution number 5: Provision of electronic communication			
Special resolution number 6: Provision of electronic communication			
Special resolution number 7: Payment dates to align with NSX Listing Requirements			
Special resolution number 8			
8(a): Payout ratio amended to 75%			
8(b): Adjust income from associate other than dividends from definition			
8(c): Refinement of definition			
Special resolution 9: Updating and replacing the Debenture Trust Deed			
LTI Trust Deed resolutions			
Special resolution 10: Incentive period			
Special resolution 11: Locked-in period			
Special resolution 12: Definition of net income			
Special resolution 13: Allocation of units			
Special resolution 14: Chairperson of LTI Trust			
Special resolution 15: Convening of meetings			
Special resolution 16: Updating and replacing of LTI Trust Deed			
Special resolution 17: Authority to call action to the special resolution			

PROXY FORM *continued*

Signed at _____ on this _____ day of _____ 2020

Full names
(in block letters)

Signature(s)

Assisted by (guardian): _____ Date: _____ 2020

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

PO Box 97723
Maerua Park
Windhoek

Tel. +264 61 423201
Fax. +264 61 423211

Instructions on signing and lodging the proxy form

1. The proxy form must be deposited at the registered office of ORYX 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 Chairperson 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 entityunless the power of attorney or authority is deposited at the registered office of the Company 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 Chairperson 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
CAFO	Church Alliance for Orphans
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
CSR	Corporate Social Responsibility
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
IFRS	International Financial Reporting Standards
IT	Information technology
JSE	Johannesburg Stock Exchange
KPI	Key performance indicator
LTI	Long-Term Incentive
N\$	Namibian Dollar
NamCode	Corporate Governance Code for Namibia
NAV	Net asset value
NEEEB	Namibian 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
RNC	Remuneration and Nomination Committee
STI	Short-Term Incentive
TIL	TPF International Limited
WALE	Weighted average lease expiry

CORPORATE INFORMATION

as at the date of this report

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

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CHIEF FINANCIAL OFFICER

Francis Heunis

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ASSET MANAGER

Conrad van der Westhuizen

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Email: conrad@oryxprop.com.na

TRUSTEE

Christiaan Johan Gouws as nominee of Fisher Quarumby & Pfeifer

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Windhoek, Namibia

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Transfer Secretaries (Proprietary) Limited

4 Robert Mugabe Avenue
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Gurirab Street)
Windhoek
P O Box 2401
Windhoek, Namibia

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Deloitte & Touche Chartered Accountants (Namibia)

ICAN Practice Number: 9407
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Maerua Mall Complex
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Windhoek
PO Box 47
Windhoek, Namibia

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Barclays Towers West
15 Troye Street
Johannesburg, South Africa,
2001

Bank Windhoek Limited

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Maerua Park – Shop 0036
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Windhoek, Namibia

Nedbank Namibia Limited

Corporate Branch
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Ausspannplatz
PO Box 15
Windhoek, Namibia

Rand Merchant Bank a division of FirstRand Bank Limited

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Private Bag 13239
Windhoek
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Standard Bank Namibia Limited

2nd Floor, Town Square
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Koep & Partners

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