



Victory Offices
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ASX Release

26 February 2021

Victory Offices Limited H1 FY2021 Results

Victory Offices Limited (ASX.VOL) has today released its half year results for the period ending 31 December 2020 (H1 FY21).

Revenue from flexible workspaces was \$6.6 million compared to \$26.5 million for H1 FY20, as COVID-19 had a significant impact on the business.

Despite the difficult period, initial signs of recovery have been evident as lock downs have eased and workers return to their physical places of work. Victorian occupancy rates have increased to 40% from a low of 20% during lockdown, with one centre recording occupancy of over 80%. Average occupancy in NSW centres at 60%, with three centres recording occupancy at over 80%. Conditions in WA and QLD have also seen improvement with occupancy rates at 60% and 48% respectively.

The Company has arranged a new lending facility of \$15 million provided by the co-founders to successfully navigate FY2021 and beyond, while moving toward an anticipated return to profitability in FY2022. The facility has not been drawn down upon at this time.

The Company continues to focus on delivering cost savings including staffing and discretionary spend; is using government support measures such as JobKeeper and has further negotiated lease rental, deferrals, and waivers with our landlords.

The company delivered a net loss after providing for income tax in the period amounted to \$17.7 million (H1 FY2020: profit of \$3.3 million). Underlying net loss after tax was \$14.1 million (H1 FY2020: \$3.3 million) which excludes impairment of receivables, impairment of assets and adjusts for JobKeeper subsidies and rent concession income.

An increase in the provision for impairment of receivables and impairment of assets has been identified for \$2.8 million and \$3.9 million respectively. The provisions are non-cash and required on receivables of \$7.2 million and assets of \$257.5 million after performing value-in-use calculations across the portfolio.

Dan Baxter, CEO and Managing Director of Victory Offices said that “Over the past year we have had to navigate the challenging impacts of COVID-19 on our business and our clients. While it has been a difficult and unpredictable time, we are encouraged by initial green shoots of recovery that we have seen within our business. The new financing facility will enable the business to continue to successfully operate and support our clients as we all work toward the anticipated gradual recovery.



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Manisha Angirish, co-CEO of Victory Offices also said “It is positive to see Australia’s COVID-19 vaccination roll-out commence this week and we continue to believe that the flexible workspace industry is a leading indicator of COVID-19 recovery. The Board believes Victory Offices remains well placed to meet the expectations that flexible workspaces will be more strategically important to the way the world does business in the future”.

This release was authorised by the Board of Directors.

For further information contact:

investorrelations@victoryofficeslimited.com

Claire Newstead-Sinclair, Company Secretary +61 421 754 092

Kyahn Williamson, WE Communications +61 401 018 828; kwilliamson@we-worldwide.com

Kirsty Collins, WE Communications +61 471 915 763; kcollins@we-worldwide.com

About Victory Offices Limited

Victory Offices Limited is a leading company in the evolving Australian flexible workspace industry, providing comprehensive serviced office packages and coworking spaces as an alternative to traditional office space. Victory Offices Limited has locations in high quality buildings across Melbourne, Sydney, Brisbane, Perth, Canberra and Adelaide.