



Victory Offices

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ASX Release

28 October 2021

Quarterly Activities Report – 30 September 2021

Victory Offices Limited (ASX.VOL) (the Company) today released its quarterly cash flow report for the period ending 30 September 2021 (the quarter).

During the quarter and subsequent to 30 September, a number of governmental announcements on policy with respect to “living with COVID-19”, premised on ever increasing vaccination rates in the broader community, indicate that in the upcoming quarters there will be a greater chance for a broader return to work, including offices, seen throughout the community.

Over the last couple of weeks, we have seen a national increase in sales, tours, and foot traffic in our Victory centres with Sydney commencing “work-from-office” on the 11th October, Canberra on the 15th October, and Victoria announcing for this Friday 29th October. Surveys were sent out to existing members to understand their return-to-work business plans, with majority responding in eagerness to return. Since the mentioned opening dates, we have seen a spike in foot traffic with both small and large companies making their return, this has led to a growth in ancillary sales through meeting room bookings and administrative charges. We have seen a massive increase in tours from both new enquiries and those enquiries made during the lockdown period. This has led to many green shoots with several deals being signed across the country.

In the quarter, net cash outflows from operating activities were \$3.0 million. Receipts from customers recorded \$3.4 million. Operating cash outflows include staffing, administration and corporate costs were \$6.4 million which also includes notional interest paid component of lease payments pursuant to AASB 16.

Payments to related parties and their associates during the quarter was \$46k. This is outlined in Section 6 of the accompanying Appendix 4C to this quarterly activity report. These payments are related to the settlement of directors’ fees for the current period.

The Company’s cash balance at 30 September 2021 was \$7.8 million.



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Manisha Angrish, co-CEO of Victory Offices said “We remain optimistic as the vaccine targets are met across the country that business and consumer confidence will aid the return to the office in the shorter term. We continue to believe that flexible workspaces are strategically important to the way the world does business in the future, this view is also supported by international studies. The recovery in the flexible workspace is expected to take longer than initially anticipated, in parallel with overall economic recovery in the Australian economy.”

Dan Baxter, CEO and Managing Director of Victory Offices also added, “We are continuing to focus on seeking ways to strengthen the balance sheet and ensure the long-term viability of the business as we navigate the lifting of the COVID restrictions and business confidence moving forward.”

Ends

This release was authorised by the Board of Directors.

For further information contact:

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About Victory Offices Limited

Victory Offices Limited are the industry leaders in providing premium office spaces across Australia, specialising in providing a vast range of flexible workspace solutions to all business sizes. Continually recognised for service excellence and innovation, Victory Offices Limited strategically expand their portfolio of locations in premium Grade A buildings across Melbourne, Sydney, Brisbane, Perth and Canberra.

Victory Offices Limited are a customer centric business that is built and developed around the Members of the Victory Community and seek to ‘incubate’ each and every Member throughout their journey by truly exceeding the benchmark and their expectations of partnering with a leading flexible workspace solution.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Victory Offices Limited

ABN

76 616 150 022

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,346	3,346
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(62)	(62)
(d) leased assets	(773)	(773)
(e) staff costs	(1,560)	(1,560)
(f) administration and corporate costs	(766)	(766)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3,209)	(3,209)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,024)	(3,024)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(335)	(335)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	737	737

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	402	402

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,466	1,466
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Settlement of lease liabilities	(5,603)	(5,603)
3.10	Net cash from / (used in) financing activities	(4,137)	(4,137)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,513	14,513
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,024)	(3,024)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	402	402

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4,137)	(4,137)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,754	7,754

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,754	7,754
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,754	7,754

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 Salary payments for related parties	46
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,024)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,754
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	7,754
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.6
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2021

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.