



Victory Offices

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ASX Release

28 February 2022

VICTORY OFFICES LIMITED H1 FY22 RESULTS

Victory Offices Limited (ASX:**VOL**)(**the Company**) has today released its half year results for the period ended 31 December 2021 (**H1 FY22**).

Revenue from flexible workspaces was \$7.0 million compared to \$6.6 million for H1 FY21.

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. Consolidated Victorian occupancy rates have increased to 45% from a low of 20% during lockdown, with two centres recording occupancy of over 80%. Average occupancy in NSW centres at 65%, with two centres recording occupancy at over 70%. Conditions in WA and QLD have also seen improvement with occupancy rates at 60% and 48% respectively.

The Company continues to focus on delivering cost savings including staffing, leasing and discretionary spend, while moving towards an anticipated return to profitability in FY23.

The Company delivered a net loss after providing for income tax in the period amounting to \$25.9 million (\$17.7 million for H1 FY20). Underlying net loss after tax was \$18.6 million (\$14.1 million for H1 FY20). Underlying net loss after tax excludes the impact of impairment of receivables, impairment of assets, gains on termination of leases, surrender of bank guarantees as well as COVID-19 rent concession income.

An impairment on assets of \$2.4 million has been recognised in the profit and loss during the period which is predominantly due to the impact on short-term cash flows of the COVID-19 pandemic. A reversal of impairment of assets of \$3.2 million from the previous assessment at 30 June 2021 has occurred relating to surrendered leases. The provisions are non-cash and required on assets after performing value-in-use calculations across the portfolio.

Dan Baxter, CEO and Managing Director of Victory Offices said that “Over the past 2 years we have had to navigate the challenging impacts of COVID-19 on our business and clients. Whilst it has been a difficult and unpredictable time, we are encouraged by the initial green shoots of recovery that we have seen within our business.

Manisha Angirish, co-CEO of Victory Offices also said “It is very pleasing to see the on-going easing of restrictions and changing guidance in relation to working from home. We continue to believe that the flexible workspace industry is a leading indicator of economic recovery post-COVID. The Board believes Victory Offices remains well placed to meet the expectation that flexible workspace will be more strategically important to the way the world conducts business in the future”.



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Update to CEO's AGM Presentation

On 28 January 2022, the Company released the CEO's AGM Presentation, which included unaudited H1 FY2022 earnings guidance on Slide 2. The Company now advises that the audit reviewed 1H FY2022 results as announced in the 1H FY2022 Report are different to the results provided in the AGM presentation. This is primarily due to a recent recalculation of the Company's lease portfolio and the consequential impact on income tax expense as a result of the derecognition of deferred tax assets.

This release was authorised by the Board of Directors.

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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.