



Victory Offices

WE MIND **YOUR** BUSINESS

ASX Release

28 October 2022

Quarterly Activities Report – 30 September 2022

Victory Offices Limited (ASX:VOL) (**the Company**) today released its quarterly cash flow report for the period ended 30 September 2022 (**the quarter**).

The Company recorded net cash inflows from operating activities of \$0.2 million during the quarter. This included \$2.7 million of receipts from customers offset by operating cash outflows such as staffing, marketing, administration and corporate costs, costs related to leased assets and notional interest paid component of lease payments pursuant to AASB 16 which totalled \$2.5 million. Payments to related parties and their associates during the quarter totalled \$0.2m comprising Directors' fees and salaries.

During the quarter, the Company has continued to see improvements in business and steady incremental growth in occupancy rates across its properties as more people return to work in city and suburban locations.

The Company has seen an increase in the number of enquiries for our flexible workspace offerings. Pleasingly, the Company successfully converted a number of enquiries during the quarter, attracting some large and renowned organisations to our locations.

The Company remain confident that flexible workspaces are important to the way the world does business going forward and will recover in parallel with the Australian economy.

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, 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 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 2022

Consolidated statement of cash flows	Curent quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,670	2,670
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(22)	(22)
(d) leased assets	(78)	(78)
(e) staff costs	(1,342)	(1,342)
(f) administration and corporate costs	(167)	(167)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(867)	(867)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from operating activities	194	194

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(11)	(11)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Curent quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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) Payment for security deposit and member refunds	(150)	(150)
2.6	Net cash (used in) investing activities	(161)	(161)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,193	1,193
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	(1,277)	(1,277)
3.10	Net cash (used in) financing activities	(84)	(84)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	75	75
4.2	Net cash from operating activities (item 1.9 above)	194	194
4.3	Net cash (used in) investing activities (item 2.6 above)	(161)	(161)
4.4	Net cash (used in) financing activities (item 3.10 above)	(84)	(84)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	24	24

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	24	24
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)	24	24

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
Salary payments for Directors and related parties/associates
- 6.2 Aggregate amount of cash flow from loans to these parties included
in item 2.3

Current quarter \$A'000
170
-

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	8,000	1,193
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	8,000	1,193
7.5	Unused financing facilities available at quarter end		6,807
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. On 9 August 2022, the Company entered into an \$8 million loan facility agreement with a related entity of Mr Dan Baxter (Co-Chief Executive Officer and Chairman of the Board). The facility can be fully drawn down by 30 June 2023. The loan has a coupon of 5% p.a. with interest accruing daily with repayment due within 24 months from utilisation date. The facility is unsecured and repayable in cash. The financing facility will enable the Company to meet its debts as and when they fall due.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from operating activities (item 1.9)	194
8.2	Cash and cash equivalents at quarter end (item 4.6)	24
8.3	Unused finance facilities available at quarter end (item 7.5)	6,807
8.4	Total available funding (item 8.2 + item 8.3)	6,831
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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 2022

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.