

# Victory Offices Limited

ACN 616 150 022

## Prospectus

A fully underwritten, non-renounceable pro-rata entitlement offer of 1 New Share for every 1 Existing Shares held in Victory Offices Limited at an issue price of \$0.375 per New Share.

The Entitlement Offer closes at 5:00pm (Sydney time) on Thursday 2 July 2020 (unless extended). Valid applications must be received by the relevant time.

*This document is not for release or distribution in the United States.*

### **IMPORTANT NOTICE**

This is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. Please call your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any questions.

# Important information

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## Entitlement Offer

This Prospectus relates to the offer of New Shares by Victory Offices Limited (ACN 616 150 022) ("**Victory Offices**" or "**Company**") comprised of a 1 for 1 fully underwritten non-renounceable pro-rata entitlement offer ("**Entitlement Offer**").

This Prospectus is issued by the Company.

## Lodgement and listing

This Prospectus is dated 4 June 2020 ("**Prospectus Date**") and a copy was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date.

The Company will apply to ASX Limited ("**ASX**") on the Prospectus Date for official quotation of the New Shares to be issued pursuant to this Prospectus. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

## Expiry Date

No Shares will be issued or sold on the basis of this Prospectus after the ("**Expiry Date**"), being the date 13 months after the Prospectus Date.

## About this Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that Victory Offices is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. Investors should therefore have regard to the other information disclosed to ASX in relation to Victory Offices before deciding whether to invest.

Applicants should read this Prospectus in its entirety and seek professional advice where necessary.

## Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined in the Glossary in section 8 of this Prospectus.

## This Prospectus does not contain financial product or investment advice - you should seek your own professional investment advice

The information in this Prospectus is not financial product advice or investment advice and does not take into account your investment objectives, financial situation or particular needs (including financial and taxation issues).

It is important that you read this Prospectus carefully and in its entirety before deciding whether to apply for New Shares. In particular, you should consider all of the risks that could affect the value or performance of New Shares or Victory Offices. Risks identified in relation to investing in New Shares that you should consider include those described in section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances. You should carefully consider these risks and your investment objectives, financial situation or particular needs (including financial and taxation issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to apply for New Shares. You should also consider the assumptions underlying the pro forma financial information.

The potential tax effects of the Entitlement Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional advisers.

## Financial amounts and times

A reference to dollars, (\$) or cents in this Prospectus is a reference to Australian currency unless otherwise indicated. A reference to time in this Prospectus is a reference to the time in Sydney, Australia.

## Future performance and forward-looking statements

This Prospectus contains certain "forward looking statements" which can generally be identified by words such as "may", "could", "believes", "estimates", "expects", "intends", "likely", "should", "predict", "propose", "will", "forecast", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Victory Offices, the outcome and effects of the Entitlement Offer and the use of proceeds. To the extent that certain statements contained in this Prospectus may constitute "forward looking statements" or statements about "future matters", the information reflects Victory Offices' intent, belief or expectations as at the date of this Prospectus. Any forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements are subject to various risk factors that could cause Victory Offices' actual results, performance or achievements to differ materially from the results, performance or achievements expressed or anticipated in these statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Victory Offices, the Directors of Victory Offices and management of Victory Offices. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Prospectus in light of those disclosures and not place reliance on such statements. Any forward looking statements, opinions and estimates in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Neither Victory Offices, the Underwriter nor their respective related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of

the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Except as required by law or regulation (including the Listing Rules), Victory Offices undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, or guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

#### **Non-IFRS financial measures**

Certain financial data or measures included in, or incorporated by reference into, this Prospectus is non-IFRS financial information under ASIC Regulatory Guide 230 (*Disclosing non-IFRS financial information*). These measures may include fee revenue, EBIT, EBITDA, EBITDA margin, gross margin and working capital. These non-IFRS financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Victory Offices believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this Prospectus.

#### **Pro forma financial information**

This Prospectus contains pro forma financial information showing the proposed application of the proceeds of the Entitlement Offer. The pro forma financial information provided is for illustrative purposes only and should not be relied upon as, and is not represented as being indicative of, Victory Offices' future financial condition and/or performance.

#### **Restrictions applicable to foreign Shareholders**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. If you are a Shareholder in any jurisdiction outside Australia or New Zealand and you come into possession of this Prospectus, then you should observe any such restrictions. Please see section 7.15 on Foreign Selling Restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or the Entitlement Offer, or to otherwise permit a public offering of the New Shares, in any jurisdiction outside Australia and New Zealand. The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand.

#### **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Victory Offices with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Entitlement Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **United States**

This Prospectus, any investor presentation, any accompanying ASX announcements relating to the Entitlement Offer and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States).

The New Shares and the entitlements have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States or other jurisdiction of the United States. Accordingly, the New Shares and the Entitlements may not be offered, sold, resold or otherwise transferred, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in Victory Offices and are acting for the account or benefit of a person in the United States). The New Shares and the Entitlements may only be offered and sold to certain investors that are outside of the United States, in selected jurisdictions in reliance on Regulation S under the US Securities Act and the applicable laws of the jurisdiction in which the New Shares and entitlements are being offered and sold.

**This Prospectus may not be distributed or released to any person in the United States.**

#### **Application for New Shares**

An application for New Shares by Eligible Shareholders will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 3 of this Prospectus.

#### **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, the Underwriter, any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees and agents in connection with the Entitlement Offer. You should rely only on information in this Prospectus.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter, its related bodies corporate and affiliates and each of their directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any information, and you represent, warrant and agree that you have not relied on any statements made by the Underwriter, any of its related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

The Underwriter may also hold interests in the securities of Victory Offices or earn brokerage, fees or other benefits from Victory Offices. The engagement of the Underwriter by Victory Offices is not intended to create any agency, fiduciary or other relationship between the Underwriter and any other investor.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of Victory Offices and the Underwriter. To the maximum extent permitted by law, Victory Offices, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Underwriter, its related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim all liability in respect of, make no representation regarding and take no responsibility for any part of this Prospectus.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

#### **Photographs and Diagrams**

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Victory Offices. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus. Photographs in this Prospectus may be used under licence. The downloading, republication, retransmission, reproduction or other use of such photographs other than in this Prospectus is prohibited.

#### **Privacy**

Please read the privacy statement located under section 7.12. It is important you understand that by submitting an Entitlement and Acceptance Form in or accompanying this Prospectus and applying for New Shares, you consent to the matters outlined in that statement.

#### **Enquiries**

If you would like more information or have any questions in relation to the Entitlement Offer, please contact your stockbroker, accountant, solicitor or other professional adviser to determine whether it meets your objectives, financial situation and needs or call the Victory Offices Entitlement Offer Information Line on 1300 795 998 between 9:00am and 5:30am (Sydney time) Monday to Friday during the period from and including the date on which the Entitlement Offer opens until and including the date on which it closes on Thursday 2 July 2020 (within Australia), unless closed earlier.

If you have any questions on how to:

- (a) complete the personalised Entitlement and Acceptance Form accompanying this Prospectus which Eligible Shareholders may use to apply for New Shares; or
- (b) take up all or part of your Entitlement,

please call the Victory Offices Entitlement Offer Information Line between 9:00am and 5:30am (Sydney time) Monday to Friday during the period from and including the date on which the Entitlement Offer opens until and including the date on which it closes on 15 November (unless closed earlier).

If you are an Eligible Shareholder and take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued New Shares. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in Victory Offices will be diluted by your non-participation in the Entitlement Offer. Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for that part of their Entitlement they do not take up.

If you are an Eligible Shareholder and have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

**This document is important and should be read in its entirety.**

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# Summary of the Entitlement Offer and key dates

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## Key Entitlement Offer statistics

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Entitlement Offer Ratio	1 New Share for every 1 Existing Share held at the Record Date
Entitlement Offer Price	\$0.375 per New Share
Shares on issue as at the date of this Prospectus	40,900,000
Number of New Shares offered under the Entitlement Offer	40,900,000
Number of Shares on issue at completion of the Entitlement Offer	81,800,000
Entitlement Offer proceeds (before Entitlement Offer costs)	\$15,337,500.00

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## Summary of key dates

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Prospectus lodged and Entitlement Offer announcement	Thursday 4 June 2020
Entitlement Offer Record Date	7:00pm, Wednesday 10 June 2020
Prospectus dispatched	Friday 12 June 2020
Entitlement Offer opens	9:00am, Friday 12 June 2020
Entitlement Offer closes	5:00pm, Thursday 2 July 2020
Notification of shortfall to Underwriter	Friday 3 July 2020
Shortfall notification and announcement of Entitlement Offer results	Friday 3 July 2020
Entitlement Offer settlement	Tuesday 7 July 2020
Issue of New Shares under Entitlement Offer	Wednesday 8 July 2020
Commencement of trading in New Shares issued under the Entitlement Offer	Thursday 9 July 2020

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**Note:** The timetable above is indicative only and may be subject to change. Unless otherwise indicated, all times are stated in Sydney time. Victory Offices reserves the right to vary any and all of the above dates and times without prior notice subject to the Listing Rules, the Corporations Act and other Applicable Laws. In particular, Victory Offices reserves the right to extend the Closing Date with respect to the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer (or any part of it) without prior notice. Any extension of the Closing Date with respect to the Entitlement Offer will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.

## What you should do?

This Prospectus contains important information in relation to the Entitlement Offer. You should read all of this Prospectus carefully, including section 5 which identifies the key risks associated with an investment in Victory Offices and New Shares.

It is also important for you to read carefully and understand the information on Victory Offices and the Entitlement Offer made publicly available, including the information lodged by Victory Offices with the ASX as part of its continuous disclosure obligations, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement, or to apply for New Shares. In particular, please refer to the other announcements made available at [www.asx.com.au](http://www.asx.com.au) (search by reference to Victory Offices' ASX ticker, which is VOL) including announcements which may be made by Victory Offices after publication of this Prospectus and announcements relevant to the Entitlement Offer.

If you are in doubt as to the course of action you should follow, you should consult your broker, legal, financial or other professional adviser before making an investment decision.



# Chairman's letter

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4 June 2020

**Dear Investor,**

On behalf of the Board, I invite you to participate in Victory Offices' offer of New Shares to raise approximately \$15.3 million (**Entitlement Offer**).

## **Company Update**

Victory Offices is a provider of serviced offices, virtual office facilities and coworking within the flexible workspace industry. Our mission at Victory Offices is to offer a friendly, transparent and genuine serviced workplace experience to our clients, whether that be on-site via our serviced offices or coworking facilities, or off-site via our virtual office products. We understand the challenges that businesses are facing in the current environment and we aim to support our clients, allowing them to continue to operate without the additional administration burden and inefficiencies of a traditional office environment.

To combat the impacts of COVID-19, Victory Offices has undertaken a cost reduction program to assist with liquidity management: this has led to a reduction in operating costs and the deferment of Victory Offices' growth program. The primary driver of cost savings has been Victory Offices' ability to leverage its strong relationships with landlords and the Governments Code of Conduct for Commercial Tenancies ("**Code**") framework to negotiate rental relief. Almost half of Victory Offices' locations have favourably resolved negotiations with landlords to reduce and/or defer lease obligations, with the remaining negotiations underpin by the legislative requirements of the Code. This is expected to achieve minimum rental reductions of 50% for a six month period.

Victory Offices is undertaking a 1 for 1 traditional non-renounceable entitlement offer (**Entitlement Offer**). The Entitlement Offer will raise approximately \$15.3 million via the issue new fully paid ordinary shares in Victory Offices (**New Shares**) at a price of \$0.375 per New Share **Offer Price**. The Offer Price represents:

- a 26.5% discount to the last closing price of the Company's Shares on ASX as at 17 April 2020;
- a 43.9% discount to the 10 Volume Weighted Average Price (**VWAP**) of the Company's Shares on ASX as at 17 April 2020; and
- a 74.8% discount to the 30 Volume Weighted Average Price (**VWAP**) of the Company's Shares on ASX as at 17 April 2020; and
- a 15.3% discount to the theoretical ex-rights price (**TERP**)<sup>1</sup>.

We are pleased to advise that the Entitlement Offer is fully underwritten by Ord Minnett Limited. The terms and conditions of the underwriting are summarised in section 7.6.

Victory Offices' founding shareholder, Victory Group Holdings Pty Ltd, a company associated with Mr Dan Baxter, our Managing Director, which currently holds approximately 63% of the Existing Shares, has also committed to invest a further \$5.0 million to partially take up its entitlement under the Entitlement Offer.

The proceeds raised under the Entitlement Offer will be used to strengthen the Company's balance sheet and provide additional liquidity to manage the ongoing impacts of COVID-19, whilst leaving Victory Offices well positioned to fund sustainable growth initiatives and leverage its competitive advantages once market conditions begin to normalise.

## **Details of the Entitlement Offer**

The Entitlement Offer comprises a fully underwritten pro-rata non-renounceable entitlement offer at the price of \$0.375 per New Share (**Offer Price**), to raise up to \$15.3 million.

New Shares issued under the Entitlement Offer will rank equally with Existing Shares in all respects. For the purposes of participating in the Retail Entitlement Offer, the shareholding of Eligible Shareholders will be determined by the number of Shares held at 7:00 pm (Sydney time) on the Record Date of Wednesday, 10 June 2020.

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<sup>1</sup> The TERP is the theoretical price at which VOL shares should trade immediately after the ex-date of the Entitlement Offer and is calculated based on the maximum size of the Entitlement Offer being \$15.3 million.

Eligible Shareholders can choose to take up all, part or none of their Entitlement. Entitlements are non-renounceable, which means they cannot be traded.

The Entitlement Offer will open on Friday, 12 June 2020 and close at 5:00pm (Sydney time) on Thursday, 2 July 2020. If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you need to ensure that you have completed and returned your Entitlement and Acceptance Form before this time in the manner described in section 2 of this Prospectus.

An investment in Victory Offices involves risk, you should read and consider the risk factors in section 5 of this Prospectus, which contains a summary of some of the key risks associated with an investment in Victory Offices and New Shares.

#### **Further Information**

Please carefully read this Prospectus in its entirety and consult your broker, legal, financial or other professional adviser before making your investment decision. In particular, you should read and consider the risk factors in section 5 of this Prospectus, which contains a summary of some of the key risks associated with an investment in Victory Offices and New Shares.

Please call the Victory Offices Entitlement Offer Information Line on 1300 795 998 from 9:00am to 5:00pm (Sydney time) Monday to Friday if you have any questions in respect of the Entitlement Offer.

Yours sincerely,



**Steve Bracks**  
Chairman  
Victory Offices Limited

# 1. Details of the Entitlement Offer

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References to “you” in this section 1 are references to Eligible Shareholders.

## 1.1. Entitlement Offer

This Prospectus invites Eligible Shareholders to participate in the Entitlement Offer which is a pro rata non-renounceable entitlement offer of up to approximately 1 New Share for every 1 Existing Shares held at 7:00pm (Sydney time) on the Record Date at an issue price of \$0.375 per New Share, for the purpose of raising up to approximately \$15.3 million.

As at the date of this Prospectus, Victory Offices has 40,900,000 Shares on issue.

The Entitlement Offer is made on, and subject to, the terms conditions set out in this Prospectus.

You should note that not all Shareholders will be eligible to participate in the Entitlement Offer. Please see associated definitions in section 8 for more details.

All of the New Shares issued under this Prospectus will rank equally with the Existing Shares. Please refer to section 7.7 for further information about the rights and liabilities attaching to the New Shares.

Any Entitlement not taken up pursuant to the Entitlement Offer will form part of a shortfall unless such Entitlement have been allotted to the Underwriter or any sub-underwriters pursuant to the Underwriting Agreement (see section 7.6 for further details).

You should read this Prospectus carefully and consult your own professional advisers before making any decisions in relation to your Entitlement.

## 1.2. Purpose of the Entitlement Offer and use of proceeds

Victory Offices is seeking to raise up to \$15,337,500 from the Entitlement Offer.

The proceeds of the Entitlement Offer will be used to:

- (a) Strengthen the Company’s balance sheet to manage the ongoing impact of COVID-19; and
- (b) Fund working capital requirements of the Company for the next 12 months.

## 1.3. Effect on capital structure

Effect on capital structure (Shares)	Number of Shares on Issue
Current Victory Offices Shareholders	40,900,000
Entitlement Offer	40,900,000
<b>Post Exercise</b>	<b>81,800,000</b>

## 1.4. Entitlement Offer details

The Entitlement Offer opens at 9:00 am (Sydney time) on Friday 12 June 2020 and will close at 5:00pm (Sydney time) on Thursday 2 July 2020 (the **Closing Date**).

The Entitlement Offer has been fully underwritten by the Underwriter. Any Entitlements not taken up by Eligible Shareholders will be allotted to the Underwriter and any sub-underwriter. The Directors, in consultation with the Lead Manager, reserve the right to allocate Entitlements at their discretion.

(a) **Please consider the Entitlement Offer in light of your particular investment objectives and circumstances**

Please consult with your broker, legal, financial or other professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to the risks associated with an investment in Victory Offices and the New Shares which are set out in section 5 of this Prospectus.

An application for New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Victory Offices, including possible loss of income and principal invested. Victory Offices does not guarantee any particular rate of return or the performance of Victory Offices, nor does it guarantee the repayment of capital from Victory Offices or any particular tax treatment.

(b) **Your Entitlement under the Entitlement Offer**

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1 Existing Share you hold as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and from allotment rank equally in all respects with Existing Shares and will be entitled to dividends on the same basis as Existing Shares. The rights and liabilities attaching to the New Shares are set out in the Constitution, which can be inspected at Victory Offices' registered office.

Please also refer to section 7.7 which contains a summary of the rights and liabilities attaching to the New Shares.

## **1.5. Allotment of New Shares under the Entitlement Offer**

New Shares under the Entitlement Offer will be allotted on the Allotment Date.

No certificates will be issued in respect of New Shares. Following allotment, Applicants will be sent a holding statement which sets out the number of New Shares allotted to them.

Applicants may contact the Share Registry (after the Allotment Date in respect of New Shares issued under the Entitlement Offer) on the Victory Offices Entitlement Offer Information Line on 1300 795 998 from 9:00am to 5:00pm (Sydney time) Monday to Friday to seek confirmation of their allocation.

## **1.6. Foreign Applicants**

The distribution of this Prospectus, the Entitlement and Acceptance Form in jurisdictions outside Australia may be restricted by law. If you are a person (including a Shareholder) in any jurisdiction outside Australia and you come into possession of this Prospectus, then you should observe any such restrictions. See section 7.15 containing further information on International Entitlement Offer Restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or invitation to potential investors to whom it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction other than Australia (and to existing Shareholders only in New Zealand). In particular, the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered, sold or resold in the United States.

Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. See section 1.12 for further information.

This Entitlement Offer is not open to Shareholders outside Australia and New Zealand (**Foreign Holders**) on the basis that the Directors have formed the view that it is unreasonable to make an offer to those persons having regard to the number of Foreign Holders, the Shares held by Foreign Holders, and the costs of complying with the legal and regulatory requirements in the place of residence of the Foreign Holders.

Victory Offices reserves the right to reject any Application which it believes comes from a person who is not an Eligible Shareholder.

### **1.7. ASX quotation and trading of New Shares**

On the date of this Prospectus, Victory Offices has applied to ASX for the New Shares to be quoted on ASX. While Victory Offices is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If ASX does not grant quotation of the New Shares, Victory Offices will refund all Application Monies in accordance with the Corporations Act and without payment of interest.

The fact that ASX may grant quotation of the New Shares is not to be taken as an indication of the merits of Victory Offices or the New Shares issued under the Entitlement Offer. Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Entitlement Offer will commence on Friday 12 June 2020.

Holding statements are expected to be despatched by the Share Registry to Eligible Shareholders on Friday 10 July 2020. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Victory Offices, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement from the Share Registry, whether on the basis of confirmation of the allocation provided by Victory Offices, the Share Registry or the Underwriter.

### **1.8. Re-commencement of trading of Victory Offices Shares**

It is expected that normal trading in Victory Offices securities will resume on Thursday 4 June 2020. Victory Offices is not aware of any reason why the trading suspension would not be lifted and why normal trading in Victory Offices Shares will not resume at that time, but ultimately whether Victory Offices re-commence trading is a matter that will be finally determined by the ASX.

### **1.9. CHESS and issuer sponsored holdings**

New Shares will participate in CHESS from the date of commencement of quotation. New Shares must be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS sub register normally under sponsorship of a participant (usually a broker) or on the issuer-sponsored sub register. Arrangements can be made at any subsequent time, through your controlling participant, to convert your holding from the issuer-sponsored sub register to the CHESS sub register or vice versa.

### **1.10. Application Monies and interest**

Application Monies received from an Applicant will, until New Shares in respect of the Application Monies are issued, be held by the Share Registry in a trust account. If you subscribe for shortfall shares, and you are allotted less than the number of New Shares you applied for, any refund of Application Monies (without interest) will be returned as soon as practicable following the Allotment Date. Refunds will be made via Electronic Funds Transfer where there is valid banking details recorded with the Share Registry. Any balance of Application Monies that is remaining as a result of rounding will be refunded to you except where the amount is less than \$2, in which instance it will be retained by Victory Offices or donated to charity.

Victory Offices reserves the right to withdraw or vary all or part of the Entitlement Offer at any time, subject to Applicable Laws, in which case Victory Offices will refund Application Monies in relation to Entitlements or New Shares not already issued in accordance with the Corporations Act and without payment of interest. To the fullest extent permitted by law, each Applicant agrees that such Application Monies shall not bear or earn interest for the Applicant, irrespective of whether or not all or any New Shares applied for by the Applicant are issued to the Applicant.

Once you have paid your Application Monies, they will be held on trust for you in the Share Registry's trust account. If the Entitlement Offer does not proceed (because the Minimum Raise Amount is not raised, or for any other reason), any Application Monies held on trust for you by the Share Registry will be returned (other than any interest that has accrued on the Application Monies, such monies being the property of Victory Offices). If the Entitlement Offer proceeds, Application Monies will be taken out of the Share Registry trust account and will be the property of Victory Offices (or the Share Registry) when the New Shares are issued to you.

#### **1.11. Disclaimer**

Victory Offices and the Underwriter reserve the right to determine whether a Shareholder is an Eligible Shareholder. Please see all associated definitions in section 8 for more details of what constitutes an Eligible Shareholder. Please also refer to section 7.9 of this Prospectus which sets out the representations and warranties which accepting Applicants will be deemed to have given (confirming that they are an Eligible Shareholder) by completing and returning their personalised Entitlement and Acceptance Form or making a payment by BPAY®.

Victory Offices, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether an Applicant is an Eligible Shareholder.

#### **1.12. Notice to nominees and custodians**

Persons acting as nominees for other persons may not take up Entitlements or subscribe for New Shares on behalf of, or send any documents relating to the Entitlement Offer to, any person in the United States or any person who is acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States) or other jurisdiction outside of Australia as set out in section 7.15 (Foreign Selling Restrictions).

Victory Offices is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any Applicants (including beneficial owners of Existing Shares or Entitlements). Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. Victory Offices is not able to advise on foreign laws.

Victory Offices, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability (to the maximum extent permitted by law) in respect of any application made by a person who is acting for the account or benefit of a person in the United States.

## 2. How to apply under the Entitlement Offer

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### 2.1. Completion of relevant form

Eligible Shareholders wishing to apply for New Shares must complete the Entitlement and Acceptance Form which accompanies this Prospectus. Applicants must complete the form in accordance with the instructions set out in Entitlement and Acceptance Form, including, in each case, the acceptance of the declarations and acknowledgements contained in the form, and submit it to the Share Registry.

### 2.2. If you are an Eligible Shareholder and do nothing

If you take no action you will not be allocated New Shares and your Entitlement will lapse.

Your Entitlement to participate in the Entitlement Offer is non-renounceable, not tradeable and not otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

Eligible Shareholders who do not participate fully in the Entitlement Offer are likely to have their percentage holding in Victory Offices reduced.

### 2.3. Ineligible Shareholders

Ineligible Shareholders are not entitled to participate in the Entitlement Offer if you receive this Prospectus and a personalised Entitlement and Acceptance Form but you are an Ineligible Shareholder, please disregard.

### 2.4. Payment

Applicants must include with the completed Entitlement and Acceptance Form payment of Application Monies for an amount calculated by multiplying the number of New Shares applied for by the Offer Price. Please note that Victory Offices reserves the right to close the Entitlement Offer early or suspend or withdraw the Entitlement Offer at any time.

You can pay in the following ways:

(a) by BPAY®; or

(b) by cheque or bank draft.

Cash payments will not be accepted, and payments will only be accepted in Australian currency. Receipts for payment will not be issued.

Victory Offices will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

### **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding, and submit the separate personalised Entitlement and Acceptance Form provided for that holding, along with the relevant Application Monies for that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 7.9; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

Should you choose to pay with BPAY®, it is your responsibility to ensure that your BPAY® payment is received by the Victory Offices Share Registry by no later than 5:00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

Victory Offices takes no responsibility for any failure to receive Application Monies or payment by BPAY® before the Entitlement Offer closes arising as a result of, amongst other things, delays in postage or processing of payments by financial institutions.

### **Payment by cheque or bank draft**

For payment by cheque or bank draft, you should complete the relevant application form in accordance with the instructions on the form and return it accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to "Victory Offices Entitlement Offer" and crossed "Not Negotiable".

Your cheque or bank draft must be:

- (a) for an amount equal to the Offer Price multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies is insufficient to pay in full for the number of New Shares you have applied for in the relevant application form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on the relevant application form). Alternatively, your application will not be accepted.

In the event that your cheque does not result in cleared funds (i.e. the cheque is dishonoured), your application will not be accepted.

Should you choose to pay by cheque or bank draft, it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5:00pm (Sydney time) on the Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.

## **2.5. Mail**

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5:00pm (Sydney time) on Friday, Thursday 2 July 2020.



If you make payment via cheque, or bank draft, you should mail your completed relevant application form together with Application Monies to:

Victory Offices Entitlement Offer  
Link Market Services Limited  
Level 12  
680 George Street  
Sydney, NSW 2000

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Victory Offices' registered or corporate offices, or other offices of the Share Registry.

## **2.6. Returning the form or making a BPAY payment**

By returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have given certain representations and warranties to Victory Offices. Please see section 7.9 for further information.

## **2.7. Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form or have any questions, please contact the Victory Offices Entitlement Offer Information Line on 1300 795 998. The Victory Offices Entitlement Offer Information Line will be open from 9:00am to 5:00pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your broker, legal, financial or other professional adviser.

## 3. Company update

### 3.1. Business operations

Victory Offices' operating revenue sustained the December 2019 monthly run-rate of \$5.0 million through to the end of February 2020, with February financial year to date revenue of \$37.0 million. The Company continued to experience increasing EBITDA and NPAT growth from December 2019 to March 2020, increasing \$25.8 million and \$4.6 million respectively. Third quarter FY2020 earnings growth was driven by portfolio occupancy growth, increasing from 76% at December 2019 to 81% as at the end of February 2020, reflective of the maturing occupancy rates of new sites opened in the previous 12 months.

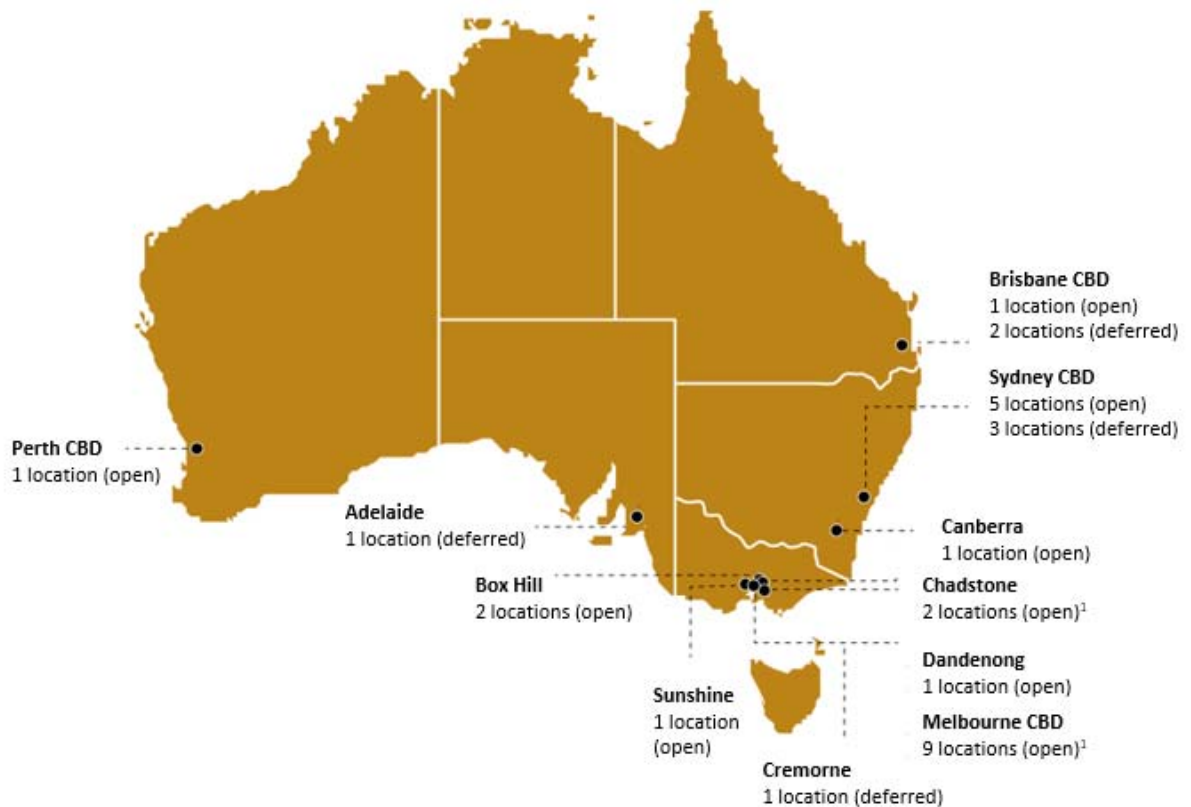
Summary metrics	March 2020 FYTD (\$' million)	1HFY2020 (\$' million)	1HFY2019 (\$' million)
Revenue from flexible workspace services	\$38.6	\$26.5	\$20.6
EBITDA	\$25.8	\$18.0	\$14.3
Net Profit After Tax	\$4.6	\$3.3	\$3.9
Net Assets	\$49.3	\$48.0	\$10.8

Since March 2020, COVID-19 and the associated government restrictions have materially impacted Victory Offices' operations and will continue to do so in the near future. There has been a material decline in occupancy rates and demand for Victory Offices' services which has severely impacted Victory Offices' ability to generate revenue. For further information on the impact of COVID-19 on the Company's financial performance and the initiatives and strategies being taken to mitigate that impact (including lease abatement and the deferral of all capital expenditure programs), please refer to the ASX announcement and Investor Presentation dated 4 June 2020.

### 3.2. Portfolio Update

Since December 2019, Victory Offices has opened a further two Sydney CBD locations and one Canberra CBD location. As at the date of this Prospectus the Company has 21 locations, all locations are open and operating except for the Victory Offices Lounges in Melbourne CBD and Chadstone, which have been temporarily closed due to COVID-19 restrictions. These Lounges will reopen once government enforced restrictions allow. A further two locations (one in Sydney CBD and one in Brisbane CBD) are ready to open with fit-outs having been completed. These locations will be opened when market conditions allow.

Given the current economic uncertainty, the Company has deemed it prudent to temporarily suspend its growth program. This has resulted in five locations that were expected to be open by June 2020 being placed on hold until market conditions normalise. The company has successfully negotiated the deferral of two of the locations' rental obligations and is in discussions to defer the remaining three locations.



### 3.3. Impacts of COVID-19 on Flexible Workspaces

#### 3.3.1. Industry Impact of COVID-19

Recent growth in the Australian flexible workspace sector has been predominantly driven by an increase in co-working spaces rather than serviced offices.

Co-working products are expected to take significantly longer to recover from COVID-19 as the segment will face additional headwinds in attracting returning clients driven by the segment's increased sensitivity to costs and macroeconomic drivers.

Industry growth has become highly fragmented, with a growing number of price driven competitors. The liquidity pressures of COVID-19 create significant headwinds for a large portion of co-working offerings due to their inability to access additional funding, resulting in reduced margin pressure and competition.

#### 3.3.2. Victory Offices is well positioned to capitalise on the impact of COVID-19

Victory Offices believes its offering is well placed to attract new clients post COVID-19, with working from home initiatives reinforcing the value proposition of serviced offices which specialise in providing clients with a full-service offering. Increased inbound enquiries regarding Virtual Office products has continued to occur as new and existing clients navigate the easing of restrictions and re-consider their need for permanent office space. The Government enforced COVID-19 restrictions have also reinforced the value proposition of Victory Offices' Business Continuity Program (**BCP**). This product provides clients with services to ensure the continuity of their operations through company specific or widespread turbulence.

Victory Offices is not bound by the government guidelines surrounding rental relief: where appropriate, the Company is seeking to ensure client retention by providing support to existing clients which have been impacted by COVID-19. Indications have continued to be received from core multinational and

large corporate clients that existing spaces will be required once the relaxation of government restrictions occurs, underpinning future expected occupancy levels.

### **3.4. Initiatives to Mitigate the Impact of COVID-19**

#### **Operating items**

- Employee costs reduced by over 40% (prior to JobKeeper) with all employees and executives agreeing to a voluntary 40% reduction in wages;
- Over 10 casual employees who had been with VOL for less than 12 months have been made redundant;
- Marketing spend will be minimal as only cheaper online based campaigns will be pursued throughout the period of COVID-19; and
- Cost saving initiatives rolled out across all on-site teams, with a focus on reducing consumables and utilities costs.

#### **Capital expenditure / investing items**

- Capex has been deferred on 5 of the 10 new locations planned to open in 2H FY2020;
- 3 of the 10 forecast FY2020 new locations have opened and a further 2 which are ready to open will have their opening delayed until market conditions allow; and
- Maintenance capex has been reviewed across the remaining portfolio, with all required maintenance being performed by Victory Offices Office maintenance employees.

#### **Lease rebate program**

- Negotiations are continuing with all landlords, with almost half of all portfolio locations resolved favourably; and
- Discussions with new, not yet opened locations are occurring to seek to defer start dates of lease payments.

### **3.5. Lease Abatement**

#### **3.5.1. Government Commercial Tenancies Initiatives**

On 7 April 2020, the National Cabinet released the mandatory Code of Conduct for commercial tenancies ("Code") which provides a framework for resolving how the financial burden of the COVID-19 pandemic should be shared between landlords and commercial tenants. The Code seeks to achieve this by requiring landlords to negotiate with tenants amendments to existing lease arrangements during the COVID-19 pandemic period (defined as the period during which the Jobkeeper program is operational), in accordance with a set of good faith leasing principles.

The Code applies to SME tenants that are eligible for the Commonwealth's JobKeeper programme (i.e. tenants that have an annual turnover of less than \$50 million and have suffered 30% or greater loss in revenue) and will take effect on a date to be determined by the relevant state and territory legislation giving effect to the Code.

The leasing principles, which are to be applied when negotiating appropriate temporary arrangements under the Code, include the following key principles:

- No termination - Landlords must not terminate leases for non-payment of rent during the COVID-19 pandemic period (or reasonable subsequent recovery period).
- Rent reductions - Landlords must offer tenants proportionate reduction in rent in the form of waivers and deferrals of up to 100% of the amount ordinarily payable based on the reduction in the tenant's trade during the COVID-19 pandemic period and a subsequent reasonable recovery period. Rental waivers must constitute at least 50% of the total rent reduction over the COVID-19 pandemic period.
- No penalty - The Landlord must not charge fees or interest on rent or payments being deferred.
- No draw on security - Landlords must not draw on a tenant's security (bond, bank guarantee or personal guarantee).
- Term extensions - Landlords should allow tenants to extend the lease for the period the subject of the rent deferral.
- Rent freeze - Landlords to freeze rent increases (other than turnover rent in retail leases) for the duration of the COVID-19 pandemic period and a reasonable recovery period after it passes.

If landlords and tenants cannot reach an agreement on leasing arrangements, the Code will allow the dispute to be referred to the applicable state or territory leasing dispute resolution process for binding mediation.

### **3.5.2. Victory Offices Lease update**

Victory Offices has favourably resolved negotiations with landlords for almost half of all portfolio locations and is in the process of finalising negotiations with the remainder of its full portfolio of locations.

Given the diversified nature of Victory Offices' portfolio of locations and their respective landlords, varying outcomes have been reached including:

- no rent for 3 - 6 months;
- 50% reduction for 6 months; and
- deferral of rent commencement (new locations).

## 4. Financial information

### 4.1. Introduction

The historical financial statements of Victory Offices can be accessed on the ASX website at [www.asx.com.au](http://www.asx.com.au) by searching against Victory Offices' ASX ticker code of "VOL".

Eligible Shareholders who are considering applying for all or part of their Entitlement should review those results in conjunction with this Prospectus and all documents used to notify the ASX of information relating to Victory Offices under the continuous disclosure provisions of the Listing Rules and the Corporations Act as listed in Section 7.4 of this Prospectus (including in particular the ASX announcement and Investor Presentation dated 4 June 2020).

### 4.2. Impact of the Offer: Historical and Pro forma Statement of Financial Position

\$ thousands	Notes	Unaudited Historical Balance Sheet 30-Apr-2020	Impact of the Offer <sup>1,2</sup>	Pro Forma 30-Apr-2020
<b>Current assets</b>				
Cash and cash equivalents	1,2	357	14,690	15,047
Trade receivables	3	5,504	-	5,504
Other assets and prepayments		1,843	-	1,843
<b>Total current assets</b>		<b>7,705</b>	<b>14,690</b>	<b>22,395</b>
<b>Non-current assets</b>				
Plant and equipment	4	184,233	-	184,233
Deferred tax assets	2	6,357	206	6,563
Other financial assets	5	28,904	-	28,904
<b>Total non-current assets</b>		<b>219,495</b>	<b>206</b>	<b>219,700</b>
<b>Total assets</b>		<b>227,199</b>	<b>14,896</b>	<b>242,095</b>
<b>Current liabilities</b>				
Trade and other payables		(4,327)	-	(4,327)
Other payables		(2,051)	-	(2,051)
Provisions		(324)	-	(324)
Current tax liabilities		(2,502)	-	(2,502)
Other liabilities		(3,484)	-	(3,484)
Lease liabilities	5	(8,184)	-	(8,184)
<b>Total current liabilities</b>		<b>(20,871)</b>	<b>-</b>	<b>(20,871)</b>
<b>Non-current liabilities</b>				
Other payables	6	(11,722)	-	(11,722)
Provisions		(1,965)	-	(1,965)
Lease liabilities	5	(146,596)	-	(146,596)
<b>Total non-current liabilities</b>		<b>(160,284)</b>	<b>-</b>	<b>(160,284)</b>
<b>Total liabilities</b>		<b>(181,155)</b>	<b>-</b>	<b>(181,155)</b>
<b>Net assets</b>		<b>46,044</b>	<b>14,896</b>	<b>60,940</b>
<b>Equity</b>				
Issued capital	1,2	28,165	14,690	42,855
Retained earnings	2	17,880	206	18,085
<b>Total equity</b>		<b>46,044</b>	<b>14,896</b>	<b>60,940</b>

Notes:

1. Cash and cash equivalents is expected to increase by \$14.69 million as a result of proceeds from the Offer assuming the issuance of 40.9 million new Shares at the Offer Price, offset by the Offer Costs (\$0.685 million).

2. Based on the equity raise currently assumed, one-off raising costs of \$0.685 million will be incurred. Costs that are directly related to raising new equity may be capitalised against issued capital. The recognition of Offer costs is expected to give rise to a deferred tax asset. Offer costs are expected to be deductible over a period of five years for income tax purposes.

3. Trade and other receivables has been adjusted to reflect a provision for non-recoverability based on 25% of the receivables balance as at 31 March 2020. Gross trade receivables as at 30 April 2020 were \$7,848,430. The provision for non-recoverability was \$2,344,601 and is subject to change.
4. Plant and equipment includes right of use assets pursuant to AASB 16 'Leases', fit-out related plant and equipment and other plant and equipment. The right of use asset balance at 30 April 2020 hasn't reflected any potential favourable adjustments as a result of potential rent concessions pursuant to COVID-19.
5. Lease liabilities relate to lease liabilities pursuant to AASB 16 'Leases'. The lease liabilities balance at 30 April 2020 hasn't reflected any potential favourable adjustments as a result of potential rent concessions pursuant to COVID-19.
6. Other payables includes non-current loans of \$2.6 million (interest bearing) and \$9.1 million (non-interest bearing) payable to Dan Baxter. The loan for \$9.1 million arose prior to June 2019 as Dan Baxter historically funded the majority of landlord bank guarantees required for all locations, repayment of this loan will only occur when bank guarantees are returned in relation to those locations. The loan for \$2.6 million was provided in March 2020 to fund capital expenditure commitments. This loan has a coupon of 5% p.a. accruing monthly and capitalising until payments commence. Quarterly repayments will commence from 1 July 2021 amortising over 24 months.

## 5. Key risks

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This section includes details of the key risks attaching to an investment in shares in Victory Offices. These risks may affect the future strategy, operating and financial performance of Victory Offices and the value of Victory Offices shares. It does not purport to list every risk that may be associated with an investment in shares in Victory Offices now or in the future, and the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Victory Offices, its Directors and senior management team. The risks are not set out in any particular order in this section.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Before applying for New Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether New Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in New Shares, it is recommended that you seek professional guidance from your broker, legal, financial or other professional adviser before deciding whether to invest.

All potential investors should be aware that this is not an exhaustive list of the risks associated with an investment in Victory Offices and should be considered in conjunction with other information disclosed in this Prospectus. There can be no guarantee that Victory Offices will achieve its stated objectives or that any forward looking statements or forecasts contained in this Prospectus will be realised or otherwise eventuate.

### 5.1. Specific risks

#### (a) Covid-19

The COVID-19 pandemic has had a significant impact on Victory Offices business and the serviced offices industry. The Government's measures to limit the transmission of the virus (including social distancing, quarantine and self-isolation policies and the prohibition on non-essential services) have had a material adverse impact on Victory Offices' operations and will continue to do so in the near future, in that businesses are unable to utilise Victory Offices services while the restrictions remain in place. Consequently, there has been a material decline in occupancy rates and demand for Victory Offices' service which is severely impacting Victory Offices' ability to generate revenue.

Victory Offices has exposure under its leases with landlords in that it must continue to perform its obligations (including payment of rent) under such leases, notwithstanding that it may be unable to licence the premises to, or recover licence fees from, its customers as a result of the measures imposed by the Government to combat COVID-19.

Victory Offices has sought to, and will continue to, mitigate the financial impact of COVID-19 by taking a number of initiatives, including negotiating rent abatements and deferrals with its landlords and reducing employee costs and capital expenditure (see page 9 for more information). As a commercial tenant which is an eligible business for the purpose of the Commonwealth Government's Jobkeeper program, Victory Offices can avail itself to the protections under the National Cabinet's mandatory code of conduct (Code) which, among other things, imposes obligations on landlords to negotiate rent reductions, waivers and deferrals in good faith with commercial tenants (see page 11 for more information regarding the new code). The Code is effective on the date to be determined by the relevant state or territory legislation that is enacted to give effect to the Code. There is a risk that states and/or territories do not enact legislation to give effect to the Code, delay in enacting such legislation or vary the protections given to tenants under the Code.

It is not clear how long government restrictions will stay in place in Australia, or how occupancy rates and demand for Victory Offices' services will recover once the restrictions are lifted and businesses are able to again operate from Victory Offices' premises. As such, it is difficult to quantify exactly what the impact of COVID-19 will be on Victory Offices' business.

While the board considers that demand for serviced offices may increase after the restrictions are lifted and the spread of the virus is eliminated or contained, on the basis that businesses may look for more



flexible and shorter term rental options to limited their exposure in future crises, it is also possible that businesses may seek to promote and utilise working from home options which could result in decreased demand for commercial office space.

**(b) Lease term asymmetry and exposure**

Victory Offices does not own freehold land, Rather, Victory Offices through its subsidiaries enters into long term leases with landlords for office space that the subsidiary then converts into serviced offices. The subsidiary then licences the serviced offices on shorter and flexible terms. This business model gives rise to a potential asymmetry between the timing and coverage of the obligations under the short-term licences relative to the overhead long-term lease under which the subsidiary leases the office space from a landlord. The subsidiary bears the risk of having to meet its obligations under the leases regardless of its ability to licence some or all of the space under licence arrangements. This risk has materialised as a result of COVID 19 outbreak and could materialise again in the future as a result of other events or factors.

**(c) Future capital needs**

Victory Offices cannot be certain how long the impact of COVID-19 will continue to limit its ability to operate. Victory Offices Office's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to Victory Offices, will vary according to a number of factors including the stock market, industry conditions, government measures to limit the transmission of COVID-19, Victory Offices' relationship with customers and the financial position of Victory Offices' customers. A consequence of the current economic downturn is that it is more difficult to access capital (equity and debt). No assurance can be given that future funding will be available to Victory Offices on favourable terms (or at all).

**(d) Personnel risk**

Victory Offices relies upon the performance and expertise of its key management personnel and employees. Any loss or changes to the quantity or quality of the operational services provided by these key personnel, or an inability to attract qualified and motivated personnel to provide these services, could adversely affect Victory Offices financial performance.

The COVID-19 pandemic has resulted in a large proportion of the global workforce working remotely, including Victory Offices' employees and executives. In many jurisdictions in which Victory Offices operates, employees working in non-essential services have already been mandated to work from home by government authorities. It is difficult to determine how long this shift towards working from home will continue, as this will depend to a large extent on factors beyond the Company's control, including the incidence and spread of COVID-19, government policy, health authority recommendations and community sentiment. While having its employee work from home allows Victory Offices to continue operations during the global pandemic, it can have implications on productivity, morale, collaboration and ability to retain and hire staff. The shift to working from home can also impact Victory Offices' relationships with its customers.

Any breakout of COVID-19 within the workforce of Victory Offices or its customers or disruption caused to operations as a result of the Company's remote working arrangements could have an adverse effect on the operating and financial performance of the Company.

**(e) Competition**

Victory Offices is subject to competition from well-established organisations including but not limited to Servcorp, Regus and WeWork. Some of the competitors have a long track record of sustained growth. As well as competing for customers Victory Offices will also be competing for office space from landlords.

Certain market conditions may cause an increase in competition. For instance, an increase in demand may present the opportunity for competitors to expand their operations and markets. The industry is also subject to new entrants from overseas markets. Increased competition may reduce the volume and price of the services that the Company provides, which may have a material and adverse effect on Victory Offices revenue and profitability and, in particular, its growth.

**(f) Unanticipated changes and adverse shifts in industry drivers**

Structural changes to the flexible workspace industry or a slower than expected uptake in the demand for serviced offices or other industry drivers could lead to reduced demand for Victory Offices' services and negatively impact the financial performance of the Company.

**(g) Equity raising and underwriting risk**

Victory Offices has entered into an Underwriting Agreement under which the Underwriter, Ord Minnett Limited has agreed to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the Underwriting Agreement, the Underwriter may terminate the Underwriting Agreement. If this occurs the Entitlement Offer will not proceed and Victory Offices' financial position may be negatively impacted. Please refer to section 7.6 for a full summary of the Underwriting Agreement including termination events.

**(h) Failure to retain existing clients, loss of a key client and failure to attract new clients**

While client turnover is expected in the industry a failure to retain a proportion of current clients and a failure to attract new clients will adversely impact financial performance.

**(i) Inability to secure new locations**

Victory Offices ability to achieve future growth will depend on the ability to secure new site locations. There can be various reasons as to why it may become difficult to secure new locations such as: increased competition; reputational damage; onerous lease agreements due to market conditions; and financial position of Victory Offices.

If the Company is unsuccessful in securing new locations, the Company's operating and financial performance could be adversely affected.

**(j) Failure of information technology systems**

As a key service offering of Victory Offices business, a key risk to the Company is a failure of the Company's information technology systems, such as a failure of an internet or telephone connection, video and/ or teleconferencing services, whether by way of a security breach, virus, cyber-attack (such as deliberate or malicious hacking of the Company's systems), power outage or otherwise.

A failure of this kind could cause business interruptions, breaches of customer privacy and loss or corruption of and to customer data. An occurrence of this kind may involve costs to the Company to investigate, recover or repair customer data or the Company's information technology infrastructure and poses a risk that the Company loses customers, damages the Company's reputation and may negatively affect its operating and financial performance.

**(k) Significant Control by Major Shareholder**

As at the date of this Prospectus, Victory Group Holdings Pty Ltd, a company associated with Mr Dan Baxter, the Company's Managing Director, currently holds 25,967,042 Existing Shares (approximately 63% of the Company's issued capital). VGH has committed to invest a further \$5.0 million to partially take up its entitlement under the Entitlement Offer.

Following completion of the Offer, VGH will hold 39,300,376 Shares (approximately 48% of the Company's issued capital) and will continue to be able to exert considerable control over the decisions made by the Company, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters requiring Shareholder approval. There is a risk that the interests of VGH may diverge from the interests of other Shareholders.

**(l) Legislative change**

Victory Offices must comply with a range of legislative requirements including (but not limited to) the Corporations Act, ASIC policy, ASX Listing Rules, and the Occupational Health and Safety Act. Changes to any of these may impact negatively on operations or performance.

**(m) Negative public damage to brand and reputation**

Any negative publicity or announcement relating to any of Victory Offices substantial shareholders, key personnel or the Company may adversely affect the brand and reputation of Victory Offices and the Share price performance, whether or not this is justifiable.

## 5.2. General risks

### (a) Price of Shares

Victory Offices is subject to general market risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of Victory Offices.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to Victory Offices' performance or prospects. These factors may cause the Shares to trade at prices below the Offer Price.

There is no assurance that the price of the Shares will increase in the future, even if Victory Offices' earnings increase.

Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international markets for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government;
- fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which Victory Offices operates;
- general operational and business risks;
- variations in sector performance, which can lead to investors exiting one sector to prefer another; and
- initiatives by other sector participants which may lead to investors switching from one stock to another.

### (b) General economic and financial market conditions

The operating and financial performance of Victory Offices is influenced by a variety of general domestic and global economic and business conditions that are outside the control of Victory Offices. There is a risk that prolonged deterioration in general economic conditions (including as a result of COVID-19) may negatively impact the demand for Victory Offices services and negatively impact Victory Offices financial performance, financial position, cash flows, dividends, growth prospects and Share price.,

### (c) Financial information and forecasts

The forward looking statements, opinion and estimates provided in this Prospectus rely on contingencies and assumptions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, meaning that the actual results, performance and achievements of Victory Offices may be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these unknown risks, uncertainties and other factors, prospective Shareholders should not place undue reliance on such forward-looking statements. In addition, under no circumstances should forward-looking statements be regarded as a representation or warranty by Victory Offices or its advisors, that a particular outcome or future event is guaranteed.

### (d) Significant shareholdings

The Shares issued under the Entitlement Offer will only be quoted on the ASX and will not be quoted for trading on any other securities market. As a result, there can be no guarantee that there will be an active market in the Shares or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of a relatively low volume of trading in the Shares. When trading volume is low, significant price movement can be caused by the trading in a relatively small number of shares.

Sales of a substantial number of Shares following the Entitlement Offer, or the perception that these sales may occur, could also cause the market price of the Shares to decline. Sales by the Company's Shareholders of a substantial number of Shares after the Entitlement Offer or the expectation that such sales may occur, could significantly reduce the market price of the Shares. The Company may also offer additional Shares in subsequent offerings, which may adversely affect the market price of its Shares.

As summarised in Section 6.3, approximately 25.9 million Shares held by VGH, the Company's major shareholder, are subject to voluntary escrow restrictions entered into at the time of the Company's initial public offering in June 2019 for a maximum period of two years. VGH has also committed to invest a further \$5.0 million for another 13,333,334 Shares to partially take up its entitlement under the Entitlement Offer which will not be subject to escrow restrictions.

A significant sale of Shares by the Victory Offices Group Holdings Pty Ltd, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. Victory Offices Group Holdings shareholdings may also allow it to collectively exert significant influence over the outcome of matters relating to the Company, including the election of Directors and the approval of transactions. The interests of Victory Offices Group Holdings Pty Ltd may be different from the interests of investors who acquire Shares under the Entitlement Offer.

**(e) Disputes and litigation**

Victory Offices may be subject to litigation, complaints and other claims and disputes, regulatory inquiries or investigations and other enforcement action initiated by customers, employees, suppliers, regulators or other third parties in the course of its business. Such matters may adversely affect Victory Offices financial performance and position. Even if such matters are successfully defended or settled without financial consequences, they may have an adverse effect on Victory Offices reputation.

**(f) Equity raising dilution risk**

If Shareholders do not participate in the Entitlement Offer then their percentage shareholding in Victory Offices will be diluted. Please refer to section 6.4 for further details as to the potential effect on control the Entitlement Offer may have on shareholdings in Victory Offices.

## 6. Key people - interests and benefits

### 6.1. Directors' interests

#### Holding of Shares

Relevant interests in Shares held by Directors the date of this Prospectus are set out in the table below:

Director	Number of Shares held (as at the date of this Prospectus)	Voting power in Shares (as at the date of this Prospectus)	Interest in Performance Rights
Steve Bracks	-	-	-
Dan Baxter	25,967,042	63.4%	-
Alan Jones	50,000	0.1%	-
Ted Chwasta	-	-	-
Shane Tanner	-	-	-

#### Remuneration

The table below sets out the annual fees paid to each current Director in FY19.

Director	Fees (\$)	Bonus (\$)	Superannuation fees (\$)	Total (\$)
Steve Bracks	76,104	-	7,230	83,334
Dan Baxter	530,462	-	25,000	555,462
Alan Jones	-	-	-	-
Ted Chwasta	-	-	-	-
Shane Tanner*	10,274	-	976	11,250
<b>Total</b>	<b>616,840</b>	<b>-</b>	<b>33,206</b>	<b>650,046</b>

\*Represents remuneration from 1 April 2019

#### Intentions of Directors

Each Director will be entitled to participate in the Entitlement Offer to the extent that the Director holds Existing Shares at the Record Date. Each Director that is an Eligible Shareholder intends to participate in the Entitlement Offer (which may or may not be to the full extent of their Entitlements).

### 6.2. Executives

#### Holding of Shares

As at the date of this Prospectus, relevant interests in Shares held by Victory Offices executives to the date of this Prospectus are set out in the table below:

Executive	Number of Shares held (as at the date of this Prospectus)	Voting power in Victory Offices Shares (as at the date of this Prospectus)	Interest in Performance Rights
Manisha Angirish	-	-	-
Geoff Hollis	-	-	-
George Paolucci	9,146	0.02%	-

As at the date of this Prospectus, the executives do not hold any performance rights or options to apply for Shares.

### Remuneration

The table below sets out the annual remuneration paid to each executive in FY19.

Director	Remuneration (\$)	Bonus (\$)	Superannuation fees (\$)	Share based payment	Total (\$)
Manisha Angirish	220,647	-	19,135	-	239,782
Geoff Hollis*	55,960	-	6,084	-	62,044
George Paolucci	155,572	-	14,712	-	170,284

\*Represents remuneration from 14 February 2019

## 6.3. Escrow arrangements

### Voluntary Restriction Deeds

At the time of the Company's initial public offering and admission to the ASX on 12 June 2019, VGH and Dan Baxter as a controller of VGH (**Escrowed Persons**) entered into voluntary restriction deeds in respect of 25,967,042 Shares for a maximum period of two years. (**Voluntary Restriction Deeds**). The Voluntary Restriction Deeds prevent the Escrowed Persons from dealing with their escrowed Shares for the applicable escrow periods. 25.9 million Shares are escrowed until Victory Offices lodges with the ASX its Appendix 4E for FY2020 and 19.4 million Shares are escrowed until Victory Offices lodges with the ASX its Appendix 4E for FY2021.

VGH has also committed to invest a further \$5.0 million for another 13,333,334 Shares to partially take up its entitlement under the Entitlement Offer. Those Shares will not be subject to escrow restrictions.

The restriction on "dealing" is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of (or offering to sell, assign, transfer or otherwise dispose of) any interest in the escrowed Shares, encumbering or granting a security interest over the escrowed Shares, granting or exercising an option over the escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or any interest in or economic benefit or, any of the escrowed Shares, or agreeing to do any of those things.

The Escrowed Persons may be released early from the escrow obligations to enable:

- the Escrowed Persons to accept an offer under a takeover bid in relation to their escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Escrowed Persons have accepted the takeover bid; or
- the escrowed Shares held by the Escrowed Persons to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

During the escrow period, the Escrowed Persons whose Shares are subject to escrow may also:

- transfer their Shares in the event of death, serious disability or incapacity;
- dispose of their Shares to immediate family members and certain other related entities;
- deal in any of their Share to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction); and
- deal with related entities.

### **Takeover exemptions**

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of relevant interests in issued voting shares in listed companies if, as a result of the acquisition, the acquirer's (or another party's) voting power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or together with their associates.

VGH currently controls the Company (with voting power of 63.3%) and each will therefore be an associate of the other (with aggregate voting power of 63.3%). In consequence, neither VGH nor the Company may acquire a relevant interest in additional Shares if, because of that transaction, their aggregate voting power increases above 63.3% (unless these are within an exemption from the takeover prohibitions).

In addition, by virtue of the Voluntary Restriction Deeds, the Company will itself have a relevant interest (under the Corporations Act) in the escrowed Shares (from time to time) for the term of the voluntary restriction deed. In consequence, for that period a person who has voting power in the Company of at least 19% may not be permitted to "creep" 3% in 6 months (Item 9 of Section 611, Corporations Act) because when that person acquires voting power of more than 20% it would be deemed (Section 608(3), Corporations Act) to also have a relevant interest in the escrowed Shares. Given the substantial shareholding of VGH, the control implications of this are not considered material

The Company does not consider that these factors (alone or in combination) materially affect the Company's capacity to undertake appropriate corporate activities in relation to its Shares, including those activities which are expressly permitted under exemption from the takeover prohibitions (such as rights issues, dividend reinvestment or share buy-backs). For completeness, these factors may affect some forms of activity which are not expressly permitted under exemption from the takeover prohibitions. For example, during the term of the Voluntary Restriction Deeds, the Company may not be able to enter into further voluntary escrow agreements in respect of additional Shares or adopt certain forms of employee share plan. However, no such activities are currently within contemplation.

## **6.4. Potential effect on control of the Company**

The Entitlement Offer is fully underwritten by the Underwriter, which has entered into sub-underwriting arrangements. The effect of these underwriting arrangements is that, following completion of the Offer, none of the Underwriter or any sub-underwriter will have a substantial holding in the Company.

As at the date of this Prospectus, Victory Group Holdings Pty Ltd, a company associated with Mr Dan Baxter, the Company's Managing Director, currently holds 25,967,042 Existing Shares (approximately 63% of the Company's issued capital). VGH has committed to invest a further \$5.0 million for 13,333,334 New Shares to partially take up its entitlement under the Entitlement Offer. Following completion of the Offer, VGH will hold 39,300,376 Shares (approximately 48% of the Company's issued capital).

## **6.5. Interests of experts and advisers**

Except as disclosed in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;
- promoter of Victory Offices; or
- broker or underwriter to the Entitlement Offer,

(each a **relevant person**) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- (d) the formation or promotion of Victory Offices;
- (e) any property acquired or proposed to be acquired by Victory Offices in connection with its formation or promotion of Victory Offices or the Entitlement Offer; and
- (f) the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of Victory Offices or the Entitlement Offer. The amounts below are exclusive of GST.

Ord Minnett Limited is acting as Underwriter and Lead Manager to Victory Offices in connection with the Entitlement Offer. The Underwriter is entitled to receive the fees and commissions described in the summary of the Underwriting Agreement in section 7.6.

Hall & Wilcox has acted as Australian legal adviser to Victory Offices in connection with the Entitlement Offer. Victory Offices has agreed to pay \$40,000 (excluding GST and disbursements) for legal services in connection with the Entitlement Offer to the date of this Prospectus. Further amounts may be paid to Hall & Wilcox in accordance with its usual time-based charges.

## 7. Additional information

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### 7.1. Tax status

The Company is taxed as an Australian tax resident public company for the purpose of Australian income tax law.

### 7.2. Nature of this Prospectus

Having been admitted to Official Quotation in 2019, Shares in Victory Offices have been continuously quoted for more than three months prior to the date of this Prospectus.

As a result of this, this Prospectus is a “transaction-specific prospectus” for continuously quoted securities to which the special content rules under section 713 of the Corporations Act apply.

In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

As an ASX-listed company, Victory Offices has provided the ASX with a substantial amount of information regarding its activity and that information is publicly available on the ASX market announcements platform. The Prospectus is intended to be read in conjunction with that publicly available information. You should therefore review and have regard to all other publicly available information before making a decision of whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

### 7.3. Reporting and disclosure obligations

Victory Offices is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act. As such, Victory Offices is subject to the regime of continuous disclosure and periodic reporting requirements.

As a listed company, Victory Offices is subject to the ASX Listing Rules, which (in addition to the Corporations Act) require continuous disclosure to the market of any information possessed by Victory Offices which a reasonable person would expect to have a material effect on the price or value of its Shares (subject to certain exceptions).



In accordance with the Corporations Act and the ASX Listing Rules, Victory Offices is required to prepare and lodge with ASIC and the ASX yearly and half-yearly financial reports.

#### 7.4. Availability of other documents

The ASX maintains files containing publicly disclosed information about all listed companies. Victory Offices' file is available for inspection at the ASX during normal working hours, and Victory Offices' announcements may be viewed on the ASX website ([www.asx.com.au](http://www.asx.com.au)). In addition, documents lodged by, or in relation to Victory Offices, with ASIC may be obtained from, or inspected at, an ASIC office.

Victory Offices will provide a copy of any of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the annual financial report for the year ended 30 June 2019;
- (b) the half year financial report for the half-year ended 31 December 2019; and
- (c) any other document used to notify the ASX of information relating to Victory Offices under the continuous disclosure provisions of the Listing Rules and the Corporations Act before lodgement of this Prospectus with ASIC.

Details of documents lodged by Victory Offices with ASX since the date of lodgement of Victory Offices' latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
4 June 2020	Victory Offices announces \$15.3 million equity raising
21 May 2020	Suspension update
23 April 2020	Voluntary Suspension
17 April 2020	Trading Halt
17 April 2020	Pause in Trading
26 March 2020	Change of Director's Interest Notice
24 March 2020	Change of Director's Interest Notice
28 February 2020	Half-Year Results Presentation
28 February 2020	Appendix 4D and Half-Year Financial Report
16 January 2020	Response to Appendix 3Y Query
29 November 2019	Change of Director's Interest Notice
29 November 2019	Results of Meeting

Date	Description of announcement
29 November 2019	AGM Presentation
18 November 2019	Change in substantial holding
28 October 2019	Notice of Annual General meeting/Proxy Form
15 October 2019	Becoming a substantial holder
11 October 2019	Cease to be a substantial holder from IFL
2 October 2019	Hong Kong Licensing Arrangement
26 September 2019	Company Secretary Appointment/Resignation
18 September 2019	Victory Offices announces two new locations
12 September 2019	Change in substantial holding from IFL

All documents are available on Victory Offices' website ([www.victoryofficeslimited.com](http://www.victoryofficeslimited.com)) and on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

All requests for copies of the above documents should be addressed to:

Attn: Mr Geoff Hollis  
Company Secretary  
Victory Offices Limited  
Level 2, Victory Tower  
420 Collins Street  
Melbourne VIC 3000

## 7.5. Description of the Underwriter

The Underwriter to the Entitlement Offer is Ord Minnett Limited.

## 7.6. Underwriting Agreement

Settlement of the Entitlement Offer is underwritten by Ord Minnett Limited (**Underwriter**) pursuant to an underwriting agreement between the Company and the Underwriter entered into on or about the date of this Prospectus (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter has agreed to underwrite the Entitlement Offer.

### Fees and expenses

Subject to the Lead Manager performing its obligations under the Underwriting Agreement, on the settlement date of the Entitlement Offer the Company must pay:

- a management and selling fee equal to 2.0% of the Entitlement Offer net proceeds (being the Offer proceeds less the VGH Proceeds);
- a selling fee equal to 3.0% Entitlement Offer net proceeds (being the Offer proceeds less the VGH Proceeds; and
- a management and arranging fee equal to 2.5% of the VGH Proceeds.

The Entitlement Offer Proceeds is calculated as the gross proceeds raised from the Entitlement Offer.

In addition, if the Underwriting Agreement is terminated the Company must, whether or not completion of the Entitlement Offer occurs, pay the Lead Manager the costs, charges and expenses which are to be paid by the Company under the Underwriting Agreement, within two business day after the date of termination. The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

### **Termination events**

The Underwriter's obligations under the Underwriting Agreement, including to underwrite the Entitlement Offer and manage the Entitlement Offers, are conditional on certain matters including timely delivery of the due diligence process materials and lodgement of certain notices and forms with ASX.

If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by the Underwriter would have an adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the Company ceases to be admitted to the official list of ASX or the shares of the Company are suspended from trading on, or cease to be quoted on ASX, or it is announced by ASX or the Company that such an event will occur;
- the Company or a subsidiary of the Company is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a subsidiary of the Company becoming insolvent;
- the Company notifies the Lead Manager in writing that it does not wish to proceed with all or any part of the Entitlement Offer;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency, which makes it illegal for the Lead Manager to satisfy a material obligation of this agreement, or to market, promote or settle the Entitlement Offer;
- any circumstance arises that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their applications for shares under the entitlement offer and be repaid their application moneys;
- there is a change in chairman, managing director or chief financial officer of the Company, or a prospective change is announced, other than one which has already been disclosed to ASX or in any public information or disclosed to the Lead Manager before the date of the Underwriting Agreement;
- any person (other than the Underwriter) whose consent to the issue of the Prospectus is required does not provide that consent or withdraws that consent;
- a director or the chief executive officer or chief financial officer of the Company is charged with an indictable offence or fraudulent conduct;
- any person (other than the Lead Manager)
  - whose consent to the issue of the Prospectus is required under section 716 or 720 of the Corporations Act, does not provide that consent (in a form acceptable to the Lead Manager, acting reasonably); or
  - who has previously consented to the inclusion of their name or any statement in the Prospectus or any supplementary prospectus withdraws that consent.
- any director of the Company is disqualified under the Corporations Act from managing a corporation;
- any regulatory body commences any public action against the Company, or any director or the chief executive officer or chief financial officer of the Company, or publicly announces that it intends to take any such action;
- the Company or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Entitlement Offer;
- the Company is unable to issue or prevented from issuing shares under the Entitlement Offer as contemplated by the Underwriting Agreement by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- the Company is unable to issue or prevented from issuing New Shares as contemplated by this agreement by virtue of the ASX Listing Rules, applicable laws, a Governmental Agency or an order of a court of competent jurisdiction.
- the Company lodges a supplementary prospectus without the prior written consent of the Lead Manager (not to be unreasonably withheld or delayed); or

- the Lead Manager forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC under section 719.
- there is an alteration to the Company's capital structure without the prior consent of the Lead Manager (which must not be unreasonably withheld or delayed) or as otherwise provided in the Underwriting Agreement;
- the S&P/ASX 300 Index closes on:
  - any two or more consecutive business days after the date of this agreement and before the settlement date of the Entitlement Offer; or
  - the business day prior to the settlement date of the Entitlement Offer,
- at a level that is 15.0% or more below its level as at the close of trading on the business day before the Underwriting Agreement.
- ASIC:
  - applies for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer, the issue of the shares under the Entitlement Offer or any information document;
  - holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Entitlement Offer, the issue of the shares under the Entitlement Offer or any information document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth);
  - prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Entitlement Offer, the issue of shares under the Entitlement Offer or any information document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth);
  - except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become public and it has been withdrawn by the date that is the earlier of:
    - the business day immediately preceding the settlement date of the Entitlement Offer; or
    - the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- there is an application to a governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Entitlement Offer (or any part of it), except in circumstances where the existence of the application has not become public and it has been withdrawn by the date that is the earlier of:
  - the business day immediately preceding the settlement date of the Entitlement Offer; or
  - the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- ASIC makes a determination under section 713(6);
- a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Entitlement Offer) by ASX for official quotation of the shares under the Entitlement Offer is refused or is not granted by the time required to conduct the Entitlement Offer in accordance with the Entitlement Offer timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Entitlement Offer) or withdrawn;
- a person other than the Lead Manager gives a notice to the Company under section 730 that is in the reasonable opinion of the Lead Manager materially adverse from the point of view of an investor.
- any event specified in the Entitlement Offer timetable is delayed by more than 3 business days (other than in accordance with the Underwriting Agreement);
- any:
  - statement in an information document under the Entitlement Offer is or becomes false, misleading or deceptive or likely to mislead or deceive;

- an information document under the Entitlement Offer does not contain all information required to comply with all applicable laws; or
  - an information document under the Entitlement Offer is withdrawn.
- any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an information document under the Entitlement Offer or public information released by the Company is or becomes incapable of being met in the projected timeframe;
- the VGH Commitment is terminated, rescinded, avoided or repudiated at any time prior to 11.00am on the Settlement Date; or
- the Lead Manager does not receive all of the VGH Proceeds by VGH in cleared funds in respect of its obligation to subscribe for 13,333,334 New Shares by 5:00pm on the business day immediately prior to the Settlement Date, in accordance with the terms of the Baxter Commitment Agreement.
- the Company commits a breach of the Corporations Act, Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution;
- the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- any of the documents required to be provided under the due diligence planning memorandum, including the due diligence report, having been withdrawn, or varied without the prior written consent of the Underwriter (which must not be unreasonably withheld or delayed);
- the due diligence report or the information provided by or on behalf of the Company to the Underwriter in relation to the due diligence program, the information documents under the Entitlement Offer or the Entitlement Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- a representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- legal proceedings against the Company, any other Group Member or against any director of the Company or any other Company group member (including related bodies corporate) in that capacity is commenced or any regulatory body commences any enquiry or public action against a member of the group;
- a new circumstance arises which is a matter adverse to investors in shares under the Entitlement Offer and which would have been required by the Corporations Act to be included in the information documents under the Entitlement Offer had the new circumstance arisen before the information documents under the Entitlement Offer were given to ASX;
- there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the related bodies corporate of the Company (in so far as the position in relation to any entity in the Company's group affects the overall position of the Company);
- the Company:
  - issues an information document under the Entitlement Offer without the prior approval of the Underwriter (such approval not to be unreasonably withheld); or
  - varies an existing information document under the Entitlement Offer without the prior approval of the Underwriter (such approval not to be unreasonably withheld);
- there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a governmental agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of this agreement);
- any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Canada, the United Kingdom, China, Hong Kong, Singapore, Japan or a member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the New York Stock Exchange, the Toronto Stock Exchange, the Hong Kong Stock Exchange, the SGX, the Tokyo Stock Exchange, Euronext, the London Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange is suspended or limited in a material respect.

- major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Canada, the United Kingdom, China, Hong Kong, Singapore, Japan or a member state of the European Union or a national emergency is declared by any of those countries; or
- an event occurs during the Entitlement Offer Period that is specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act, other than:
  - as contemplated by the Underwriting Agreement;
  - the Company issuing securities pursuant to:
    - the exercise or conversion of any security on issue as at the date of the Underwriting Agreement;
    - any employee incentive scheme in operation as at the date of the Underwriting Agreement; or
    - any distribution reinvestment plan; or
    - as permitted in writing by the Lead Manager.
- The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter, the event:
  - has or is likely to have a material adverse effect on:
    - financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospectus of the Company or its related bodies corporate; or
    - the success or outcome of the Entitlement Offer; or
    - the ability of the Lead Manager to market, promote or effect settlement of, the Entitlement Offer (irrespective of whether or not the Entitlement Offer has opened); or
    - the market price of Shares on ASX; or
    - a decision of an investor to invest in Shares; or
  - has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Lead Manager under any applicable law or regulation.

#### **Conditions, warranties, undertakings and other terms**

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company to the Underwriter.

### **7.7. Rights and liabilities attaching to Shares**

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law. A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

#### **Voting at a general meeting**

At a general meeting of Victory Offices, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share held by that Shareholder.

#### **Meetings of members**

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of Victory Offices and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

#### **Dividends**

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

### **Transfer of Shares**

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

### **Issue of further shares**

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, Victory Offices may issue, or grant options in respect of, or otherwise dispose of further shares on such terms and conditions as the Directors resolve.

### **Winding up**

If Victory Offices is wound up, then subject to the Constitution and any special resolution or preferential rights or restrictions attached to a class of shares, any surplus must be divided among Victory Offices' members in the proportions which the amount paid and payable (including amounts credited) on the shares of a member is of the total amount paid and payable (including amounts credited) on the shares of all members of the Company.

### **Unmarketable parcels**

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares (unless the Shareholder has notified the Company in writing that they wish to retain their Shares).

### **Share buy-backs**

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, Victory Offices may buy back shares in itself on terms and at times determined by the Board.

### **Variation of class rights**

At present, Victory Offices' only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- (b) by a special resolution passed at a separate meeting of the holders of the issued shares included in that class.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

### **Directors – appointment**

Under the Constitution, the minimum number of Directors that may comprise the Board is 3 and the maximum is 9. The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of Victory Offices.

### **Directors – voting**

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote.

## **Directors – remuneration**

The Directors are to be paid out of the funds of Victory Offices as remuneration for their services as Directors, as determined by the Victory Offices in general meeting.

The remuneration of the Directors for the 2019 financial year is set out in section 6.1.

The Constitution also makes provision for:

- (a) any director who devotes special attention to the business of Victory Offices, or who otherwise performs services which in the opinion of the Board of Directors are out of scope of the ordinary duties of a Director, or who at the request of the Board engages in any journey on the business of the Company. may be paid extra remuneration as determined by the Board of Directors; and
- (b) Directors may also be reimbursed for expenses reasonably incurred in attending to Victory Offices affairs, including expenses associated with reasonable travel, accommodation and other expenses incurred by the Directors in attending meetings of Victory Offices or the Board of Directors or while engaged on the business of Victory Offices.

## **Indemnities**

Victory Offices, to the extent permitted by law, indemnifies each Director, company secretary and executive officer against any liability incurred by that person as an officer of Victory Offices, and reasonable legal costs incurred by that person in defending an action for a liability of that person. Victory Offices, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person.

Victory Offices, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director against any liability incurred by that person as an officer of Victory Offices and legal costs incurred by that person in defending an action for a liability of that person.

## **Amendment**

The Constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of Victory Offices. Victory Offices must give at least 28 days written notice of a general meeting.

## **7.8. ASX and ASIC**

Victory Offices has not obtained any ASIC relief from compliance with the Corporations Act or waivers from ASX from the application of the Listing Rules in connection with this Entitlement Offer.

## **7.9. Representations by acceptance**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® as outlined in section 2, you will be deemed to have represented to Victory Offices that you are an Eligible Retail Shareholder and:

- (a) acknowledge that you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus, and Victory Offices' Constitution;
- (c) authorise Victory Offices to register you as the holder(s) of New Shares allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once Victory Offices receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;



- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (h) authorise Victory Offices, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
  - a. determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Victory Offices and/or the Underwriter; and
  - b. Victory Offices and the Underwriter, each of their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim any duty or liability (including negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) if you are participating in the Entitlement Offer, declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (k) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) acknowledge the statement of risks included in section 5 of this Prospectus, and that investments in Victory Offices are subject to risk;
- (m) acknowledge that none of Victory Offices, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Victory Offices, nor do they guarantee the repayment of capital;
- (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer including, in the case of participation in the Entitlement Offer, of your holding of Shares on the Record Date;
- (o) authorise Victory Offices to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) represent and warrant (for the benefit of Victory Offices, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Entitlement Offer either directly or through a nominee, are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (q) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (r) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States);
- (s) you understand and acknowledge that the Entitlements and the New Shares under the Entitlement Offer have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Entitlements under the

Entitlement Offer may not be issued to, taken up, or exercised by, and the New Shares to be offered or sold in the Entitlement Offer may not be offered or sold to persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Entitlements under the Entitlement Offer and the New Shares under the Entitlement Offer may only be offered, sold and resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;

- (t) represent and warrant that you are subscribing for or purchasing New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (u) declare that if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act, including in a standard (regular way) brokered transaction on the ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States, in accordance with Regulation S under the US Securities Act;
- (v) represent and warrant that you have not and will not send this Prospectus, the Entitlement and Acceptance Form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia; and
- (w) declare that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia (or in the case of a beneficial holder who is an Eligible Shareholder, Australia or New Zealand) and is not in the United States and is not acting for the benefit of a person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States), and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

#### **7.10. Consents**

Each party referred to as a consenting party (who are named below):

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Ord Minnett Limited as Underwriter and Lead Manager in relation to the Entitlement Offer;
- (b) Hall & Wilcox as legal adviser to Victory Offices in relation to the Entitlement Offer; and
- (c) Link Market Services Limited as the Share Registry.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons.

These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

### **7.11. Withdrawal of Entitlement Offer**

Victory Offices and the Directors reserve the right to withdraw or vary all or part of the Entitlement Offer and this Prospectus at any time prior to the issue of New Shares, in which case Victory Offices will refund the Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

### **7.12. Privacy**

As a Shareholder, Victory Offices and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Victory Offices and the Share Registry may update that personal information or collect, hold and use additional personal information about you. Such information may be used to assess your acceptance of New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Victory Offices and the Share Registry may disclose your personal information, for purposes related to your shareholding, to their agents, contractors or third party service providers to whom they outsource services in order to assess your acceptance of New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation and distribution of Shareholder information and for handling of mail, or as otherwise authorised under the *Privacy Act 1988* (Cth).

Company and tax laws require some personal information to be collected. If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Victory Offices or the Share Registry. Victory Offices aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Share Registry if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information Victory Offices or the Share Registry have about you, they will take steps to correct it. You can request access to your personal information by telephoning or writing to Victory Offices through the Share Registry as follows:

Link Market Services Limited  
Level 12  
680 George Street  
Sydney, NSW 2000  
1300 795 998

### **7.13. Governing law**

This Prospectus and the contracts that arise from the acceptance of Entitlements for New Shares are governed by the law applicable in Victoria and each applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

### **7.14. Statement of Directors**

The issue of this Prospectus has been authorised by each Director. Each Director has consented to lodgement of this Prospectus and issue of this Prospectus and has not withdrawn that consent prior to its lodgement with ASIC.

### **7.15. Foreign selling restrictions**

This Prospectus does not constitute an offer of New Shares of Victory Offices in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

This Entitlement Offer is not open to Foreign Holders on the basis that the Directors have formed the view that it is unreasonable to make an offer to those persons having regard to the number of Foreign Holders, the Shares held by Foreign Holders, and the costs of complying with the legal and regulatory requirements in the place of residence of the Foreign Holders.

#### **New Zealand**

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Entitlement Offers) Exemption Notice 2016 (New Zealand).

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities and has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **United States**

This Prospectus, the investor presentation, any accompanying ASX announcement relating to the Entitlement Offer, the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds ordinary shares in Victory Offices and is acting for the account or benefit of the person in the United States).

The New Shares and the Entitlements have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and the Entitlements may not be offered, sold, resold or otherwise transferred, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in Victory Offices and are acting for the account or benefit of a person in the United States).

### **Hong Kong**

**WARNING:** This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (the "CO"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other "professional investors" (as defined in the SFO and any rules made under the SFO) or in other circumstances which do not result in this document being a "prospectus" as defined in the CO or which do not constitute an offer to the public within the meaning of the CO or the Companies Ordinance (Cap. 622) of the Laws of Hong Kong. No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted so under the laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the SFO and any rules made under the SFO). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you doubt about any contents of this Prospectus, you should obtain independent professional advice.

### **Singapore**

This Prospectus and any other offering materials relating to the New Shares has not been and will not be registered as a prospectus with the Monetary Authority Singapore ("MAS"). Accordingly, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription of shares to purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act (Cap. 289) of Singapore (the "SFA"), (2) to an accredited investor, and in accordance with the conditions specified in Section 275 of the SFA, (3) pursuant to the exemptions set out in section 273(1)(ce) of the SFA; or (4) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions SFA.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, Section 257 and Section 276 of the SFA) applicable to investors who acquire the New Shares pursuant to the exemptions in Sections 273(1)(ce), 274 and/or 275 of the SFA (as may be applicable). As such, investors are advised to acquaint themselves with the SFA provisions relating to or restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly.

The contents of this Prospectus have not been reviewed by any regulatory authority in Singapore. This Prospectus may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this Prospectus or as to your legal rights and obligations in connection with the offer, please obtain appropriate professional advice.

## 8. Glossary

TERM	MEANING
<b>\$ or A\$</b>	Australian dollars.
<b>Allotment Date</b>	8 July 2020
<b>Applicable Law</b>	All laws of jurisdictions applicable to the Entitlement Offer and/or Victory Offices within or outside Australia, including the Listing Rules and applicable policies, guidelines, official directives, class orders or requests of or by any Government Agency, whether or not having the force of law, except to the extent compliance is duly modified, waived or exempted in favour of a person in the relevant circumstances.
<b>Applicant(s)</b>	An Eligible Shareholder a valid Application pursuant to this Prospectus.
<b>Application(s)</b>	An application made to subscribe for New Shares offered under this Prospectus.
<b>Application Monies</b>	Monies received from Applicants in respect of their Application for New Shares.
<b>ASIC</b>	Australian Securities and Investment Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).
<b>ASX Settlement Operating Rules</b>	The rules of ASX Settlement Pty Ltd (ACN 008 504 532).
<b>ATO</b>	Australian Taxation Office.
<b>Australian Accounting Standards</b>	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.
<b>Board or Board of Directors</b>	The board of directors of Victory Offices.
<b>Chairman</b>	Chairman of the Board of Directors.
<b>CHESS</b>	Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act.
<b>Closing Date</b>	The date by which Applications must be lodged for the Entitlement Offer, being Thursday 2 July 2020. This date may be varied by Victory Offices and the Lead Manager, without prior notice.
<b>Company</b>	Victory Offices Limited (ACN 616 150 022).
<b>Constitution</b>	The constitution of Victory Offices as amended, varied or replaced from time to time.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Corporate Directory</b>	The Corporate Directory at the back of this Prospectus.
<b>Director</b>	A member of the Board of Victory Offices.
<b>EBIT</b>	Earnings before interest and tax.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation.
<b>Eligible Shareholder</b>	A Shareholder who, as at the Record Date: <ul style="list-style-type: none"> <li>(a) has a registered address in Australia or New Zealand; and</li> <li>(b) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such a person holds ordinary shares in Victory Offices and is acting for the account or benefit of a person in the United States).</li> </ul>

<b>Entitlement</b>	The number of New Shares for which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer, being 1 New Share for every 1 Existing Share held as at the Record Date, subject to rounding up fractional entitlements and to the terms of the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form either attached to or accompanying this Prospectus.
<b>Entitlement Offer</b>	The offer of New Shares to Eligible Shareholders.
<b>Existing Shares</b>	A Share on issue at the Record Date.
<b>Expiry Date</b>	The date that is 13 months after the Prospectus Date.
<b>FY</b>	Financial year or year ended 30 June. For example FY19 would be the financial year ended 30 June 2019.
<b>Government Agency</b>	Any government or any government department of governmental agency including without limitation any semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission (including ASIC, ATO, ACCC), authority, tribunal, agency, stock exchange (including the ASX) or entity in any jurisdiction relevant to the Entitlement Offer or Victory Offices.
<b>GST</b>	Goods and services or similar tax imposed in Australia
<b>Ineligible Shareholder</b>	A Shareholder on the Record Date who does not satisfy the criteria to be an Eligible Shareholder.
<b>Lead Manager</b>	Ord Minnett Limited (ACN 002 733 048)
<b>Listing Rules</b>	The listing rules of ASX as amended or varied from time to time.
<b>Material Adverse Effect</b>	A material adverse effect on: <ul style="list-style-type: none"> <li>(a) the outcome of the Entitlement Offer or on the subsequent market for the New Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in New Shares); or</li> <li>(b) the condition, trading or financial position and performance, profits and losses, results, business or operations of the Company or its subsidiaries taken as a whole.</li> </ul>
<b>New Shares</b>	The Shares offered under the Entitlement Offer.
<b>Offer Price</b>	\$0.375 per New Share.
<b>Official Quotation</b>	The quotation of securities on the ASX.
<b>Permitted Jurisdiction</b>	Hong Kong, Singapore and New Zealand
<b>Prospectus</b>	This document (including the electronic form of this Prospectus) and any supplementary or replacement Prospectus in relation to this document.
<b>Prospectus Date</b>	The date on which a copy of this Prospectus is lodged with ASIC, being 4 June 2020
<b>Record Date</b>	The time and date for determining which Shareholders are entitled to the Entitlement, being 7:00 pm (Sydney time) on Wednesday 10 June 2020.
<b>Share</b>	A fully paid ordinary share in the capital of Victory Offices.
<b>Share Registry</b>	Link Market Services Limited (ACN 083 214 537).
<b>Shareholder</b>	A holder of Shares.
<b>Underwriter</b>	Ord Minnett Limited (ACN 002 733 048)
<b>Underwriting Agreement</b>	The Agreement entered into between Victory Offices and the Underwriter dated on or around 4 June 2020

<b>VGH</b>	Victory Group Holdings Pty Ltd (ACN 169 888 359)
<b>VGH Commitment</b>	The irrevocable commitment given by VGH to the Underwriter to subscribe \$5.0 million to partially take up its entitlement under the Entitlement Offer.
<b>VGH Proceeds</b>	\$5.0 million which VGH has committed to subscribe to partially take up its entitlement under the Offer
<b>Victory Offices</b>	Victory Offices Limited (ACN 616 150 022).
<b>Victory Offices Entitlement Offer Information Line</b>	1300 795 998



# Corporate directory

## **VICTORY OFFICES REGISTERED OFFICE**

**Victory Offices Limited  
Level 2, Victory Tower  
420 Collins Street  
Melbourne, VIC 3000**

## **SHARE REGISTRY**

**Link Market Services Limited  
Level 12  
680 George Street  
Sydney, NSW 2000**

## **LEAD MANAGER & UNDERWRITER OF THE OFFER**

**Ord Minnett Limited  
Level 8 NAB House  
255 George Street  
Sydney NSW 2000**

## **LEGAL ADVISER TO THE OFFER**

**Hall & Wilcox  
Level 11, 525 Collins Street  
Melbourne VIC 3000**

## **VICTORY OFFICES OFFER INFORMATION LINE**

**Number:** 1300 795 998  
**Hours of operation:** 9:0am to 5:30pm AEST  
Monday to Friday

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