



Victory Offices  
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Victory Offices Limited (ASX:VOL)

ASX Release  
23 November 2020

### **Copy of Chief Executive Officer speech from Annual General Meeting**

Dear Shareholders, Ladies and Gentlemen,

I am speaking to you today in very unusual circumstances. I sincerely regret that we are unable to meet in person this year because of the pandemic that is affecting us all. The COVID-19 crisis continues to impact all our lives in powerful ways. We are working hard to support our frontline team members and honour their additional efforts. Let me take this opportunity to express my deep gratitude to our team members nationwide, as we continue to be a vital support service to our Members. We are dedicated to safeguarding the health of all our team and Members with enhanced safety measures at all our locations.

I am humbled to say that during the lockdown periods most of our team members joined to take a collective pay cut. This enabled Victory to retain most of our permanent staff with minimum redundancies and allowed us to keep providing our 6-star service to our Members. Thank you team Victory for your commitment and willingness to do whatever it takes for our Members and for the company.

Looking at the overview for FY2020,

We were proactive in managing the impacts of COVID-19,

We proactively worked on cost reductions such as:

- We negotiated our leases with landlords;
- Working on lean management; and
- Worked on capital raising.

We raised \$14.6 million net of costs in July to strengthen the balance sheet and provide working capital for FY2021.

The business is very optimistic of recovery during the year, though FY2021 is expected to be challenging.



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We currently have 24 operative locations across the country which makes us number two in Australia in terms of locations.

Four locations were opened since December 2019. Six more locations that were expected to be open by June 2020 are on hold, which helps the business to defer the rental obligations, until the market improves.

Moving forward, I am pleased to inform you that coming out of hibernation in Victoria, the company has seen significant improvement in occupancy at suburban locations in Victoria. We have seen a shift in the way people want to work and working closer to home is now a preference and requirement for some. The company is well positioned and equipped to help and meet demands of such businesses with our reach in Melbourne suburbs.

I'm pleased to inform you that our Nov revenues are up by 30% with majority of the growth from non-Victorian locations. We are also seeing increase in activity in Victorian suburban locations.

Our revenue number from July to November 2020 from suite services are at \$5.7 million.

We have resolved favourably lease negotiations with 90% of our landlords.

Our liquidity position as of end of October 2020 is at \$9.7 million and current forecast available liquidity of \$10.0 million as at June 2021. The liquidity forecasts are based on the assumption that there will no further lockdowns and occupancy growing to 70 to 75% by June 2021.

The outlook looks positive, we are optimistic of continued recovery for non-Victorian locations.

Our Victorian locations which are returning back from hibernation recently have seen earlier than expected increase in occupancy from suburban locations in Nov 2020.

The flexible workspace will become strategically important the way the world does business.

I would now like to welcome Claire Newstead-Sinclair as our interim CFO / Company Secretary . She has over 18 years' experience in senior financial roles within public and private entities, including 9+ years as CFO/Company secretary at Cogstate Ltd (ASX code: CGS). Claire will be replacing Mr Geoff Hollis, we will release this to the ASX shortly. Thank you Mr Hollis for your valuable contribution to Victory over the last two years, we wish you all the best for your next venture.



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Finally, I would like to thank our Chairman, Board and senior leadership team for their continuous support and guidance.

I thank you all for your commitment and trust. Please stay healthy and safe and we look forward to meeting you in person in 2021.

ENDS

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**About Victory Offices Limited**

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