

86,984
Website visits per month

167,074
Website page views
per month

1,047
Customer enquiries
per month

88%
Customer advocacy score

583
Customer viewings
per month

316
Offer letters per month

139
New lettings & renewals
per month

THE WORKSPACE ADVANTAGE

Investor and Analyst Presentation
8 November 2017

AGENDA



WORKSPACE

Jamie Hopkins
Chief Executive Officer

PERFORMANCE

Graham Clemett
Chief Financial Officer

DIRECTION

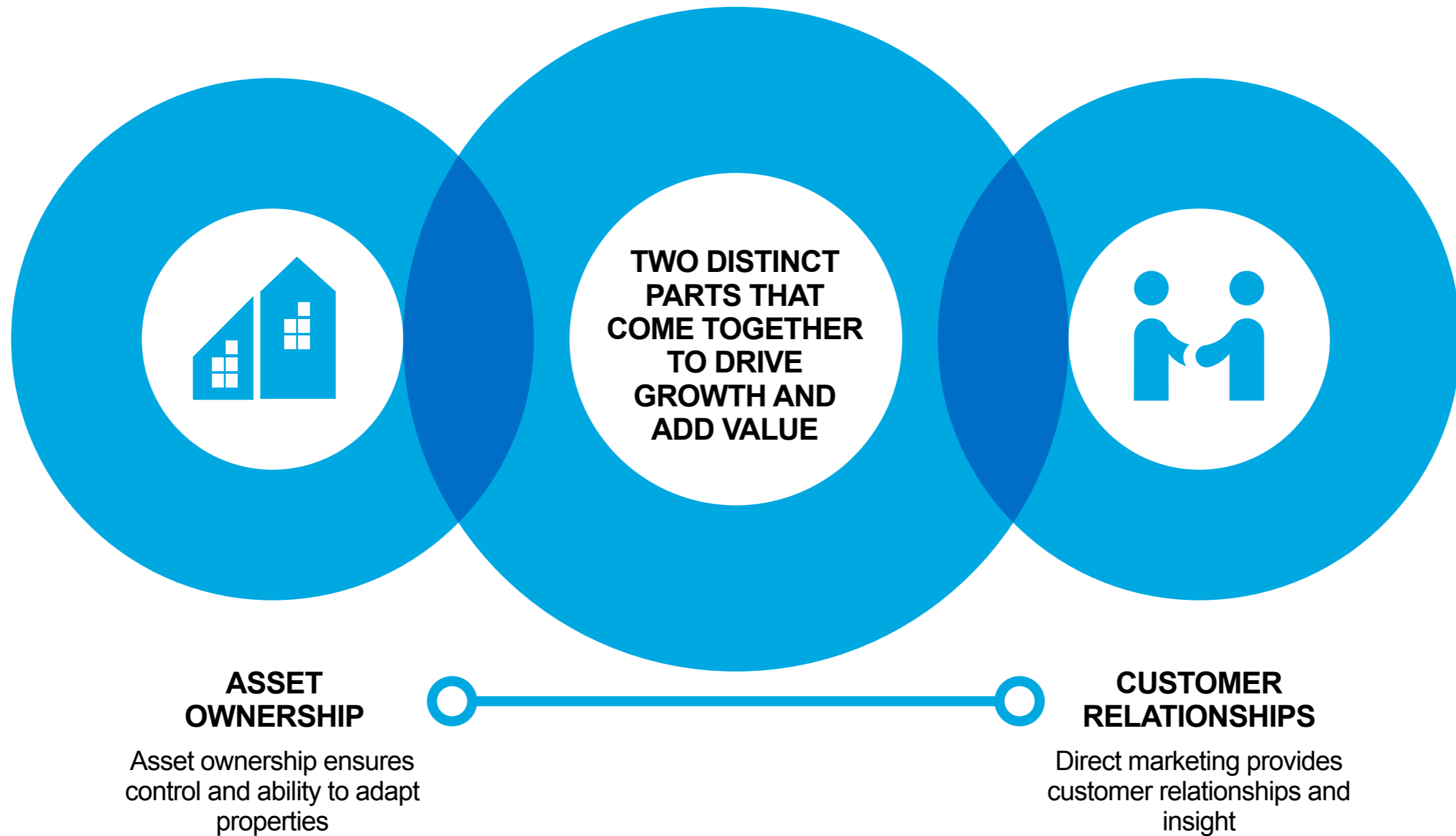
Jamie Hopkins
Chief Executive Officer

QUESTIONS

SUPPLEMENTARY INFORMATION

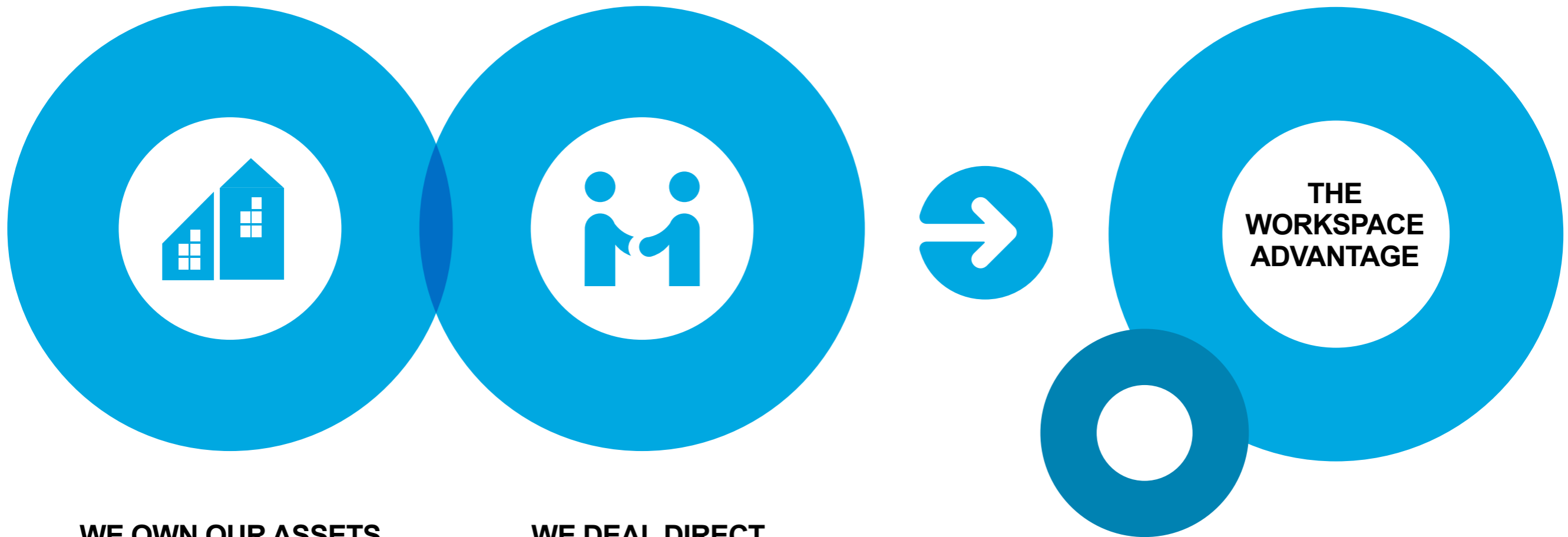
WORKSPACE





WORKSPACE

Our Differentiated Position



WE OWN OUR ASSETS

- The right locations across London
- The best in digital connectivity
- Creative and inspiring spaces
- Realising the full potential of existing buildings
- Refurbishing and redeveloping
- Capturing value

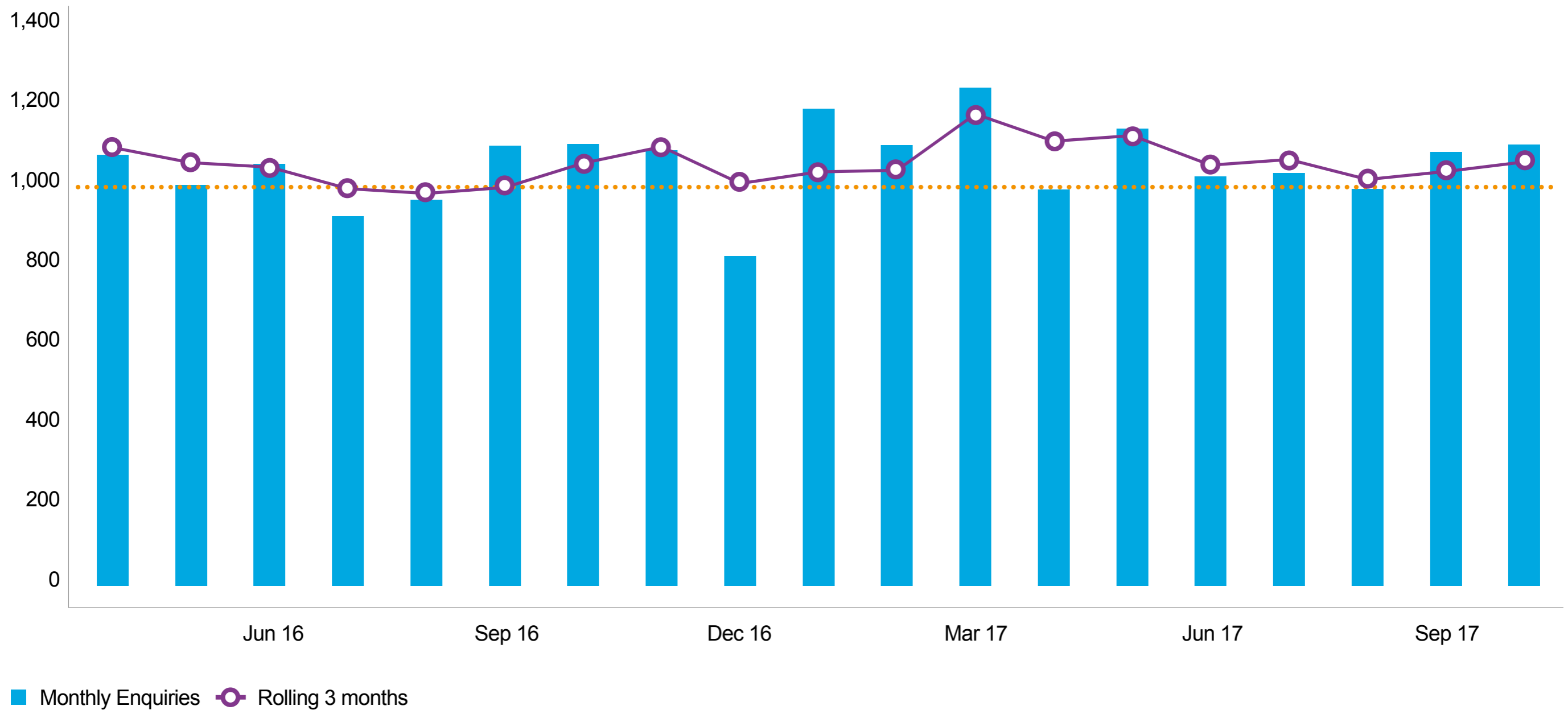
WE DEAL DIRECT

- Managing all of our marketing, lettings and operations
- Building direct relationships with our customers
- Customer-led insight and data inform our decisions
- Designing and building what occupiers need and want
- Being flexible

THE WORKSPACE ADVANTAGE

- Established provider with a proven track record
- Customer-first brand and culture
- Ability to respond and adapt
- Providing stable base for growth
- Delivering long-term value for shareholders

WORKSPACE Demand



WORKSPACE

Results



	September 2017	March 2017	Change
Active Management			
Rent Roll (lfl)	£63.5m	£61.0m	↑ 4.1%
Rent per sq. ft. (lfl)	£33.56	£32.69	↑ 2.7%
Enquiries (per month)	1,047	1,060	↓ 1.2%
Occupancy (lfl)	92.4%	90.9%	↑ 1.5%
Property Valuation	£2,139m	£1,844m	↑ 3.5%*
Capital Value per sq. ft. (lfl)	£534	£501	↑ 6.6%
EPRA NAV (per share)	£10.14	£9.53	↑ 6.4%
Strong Operating Growth			
Trading Profit after interest	£29.4m	£23.6m	↑ 25%
Interim Dividend (per share)	8.84p	6.80p	↑ 30%

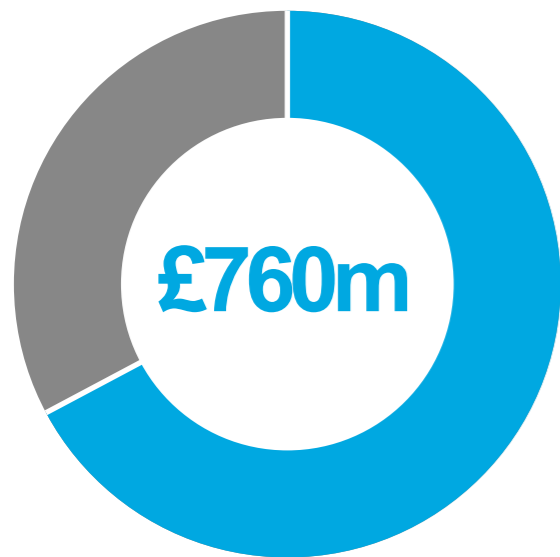
* Underlying

WORKSPACE

Portfolio Evolution



Mar 2012



- Core portfolio
- Industrial/non-core



RENTAL GROWTH



PROJECTS



ACQUISITIONS AND
DISPOSALS



Sep 2017



- Core portfolio

KEY STATISTICS

Number of sites	92
Trading Profit	£16m
Loan to Value	41%

KEY STATISTICS

Number of sites	68
Trading Profit*	£51m
Loan to Value	20%

* Year to 31 March 2017

WORKSPACE

Portfolio Recycling



ZENNOR ROAD INDUSTRIAL ESTATE BALHAM

- Sold in September 2017
- 67,000 sq. ft.
- £30m
- 2.9% net initial yield
- 84% premium



WORKSPACE

Portfolio Recycling



STRATFORD OFFICE VILLAGE STRATFORD

- Exchanged September 2017
- 52,000 sq. ft.
- Planning consent obtained for 101 residential units and 13,000 sq. ft. new commercial space
- £14m

WORKSPACE

Portfolio Recycling





THE SALISBURY FINSBURY CIRCUS

- Acquired June 2017
- 235,000 sq. ft.
- Multi-let with 105 customers
- 90% occupancy
- Average passing rent of £41.50 per sq. ft.
- £158.7 million
- 5% net initial yield

WORKSPACE

Portfolio Categories



LIKE-FOR-LIKE

£63.5m

Rent roll

£33.56

Rent per sq. ft.



PROJECTS
(COMPLETED)

£13.2m

Rent roll

£43.07

Rent per sq. ft.



ACQUISITIONS

£16.6m

Rent roll

£45.84

Rent per sq. ft.

PERFORMANCE



PERFORMANCE

Income Statement



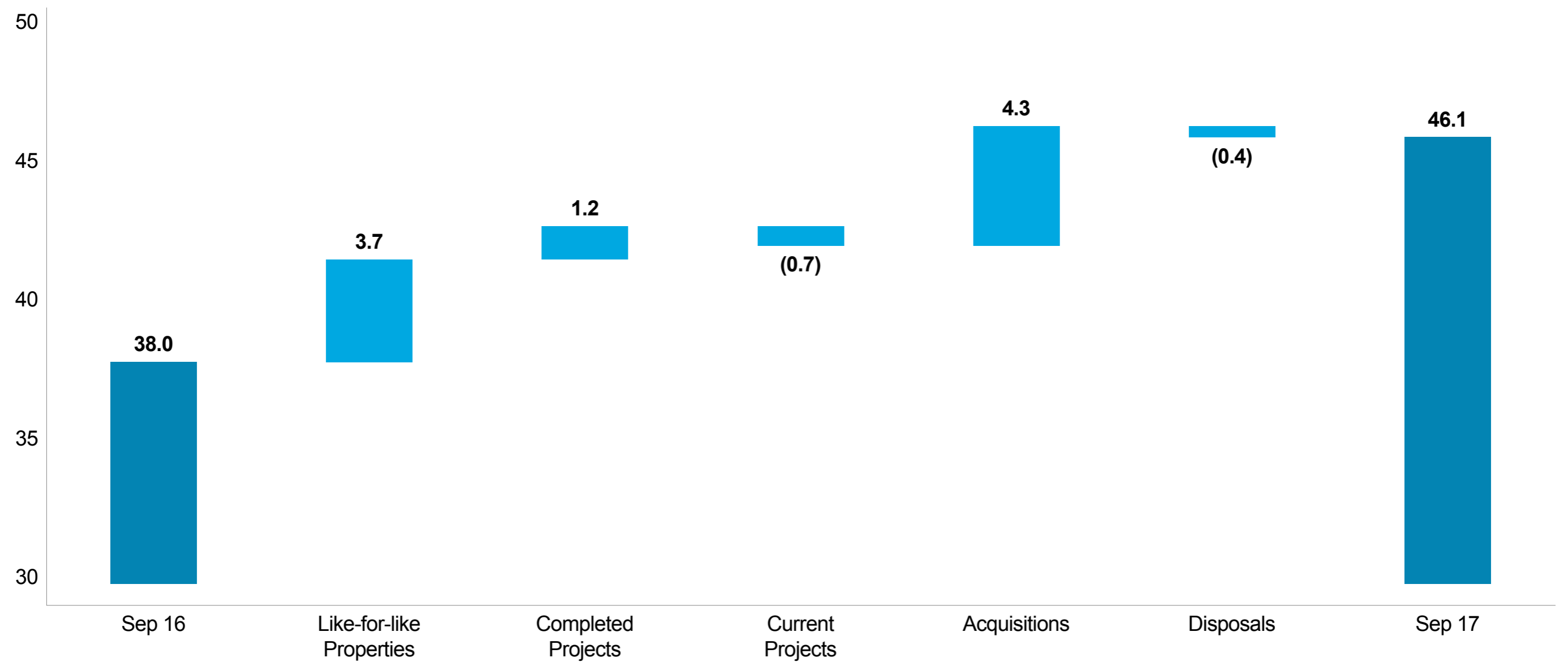
£m	September 2017	September 2016	Change
Net Rental Income	46.1	38.0	+21%
Joint Venture Income	–	0.3	
Administrative Expenses	(8.0)	(7.4)	+8%
Net Finance Costs	(8.7)	(7.3)	+19%
Trading Profit after Interest	29.4	23.6	+25%
Investment Property Surplus	71.2	(14.6)	
Profit on Sale of Investment Properties	22.9	(0.1)	
Exceptional Finance Costs	–	(1.4)	
Other items	0.2	(0.4)	
Profit Before Tax	123.7	7.1	
Underlying Earnings Per Share	17.9p	14.4p	+24%
Interim Dividend Per Share	8.84p	6.80p	+30%

PERFORMANCE

Net Rental Income



Net rental income (£m)

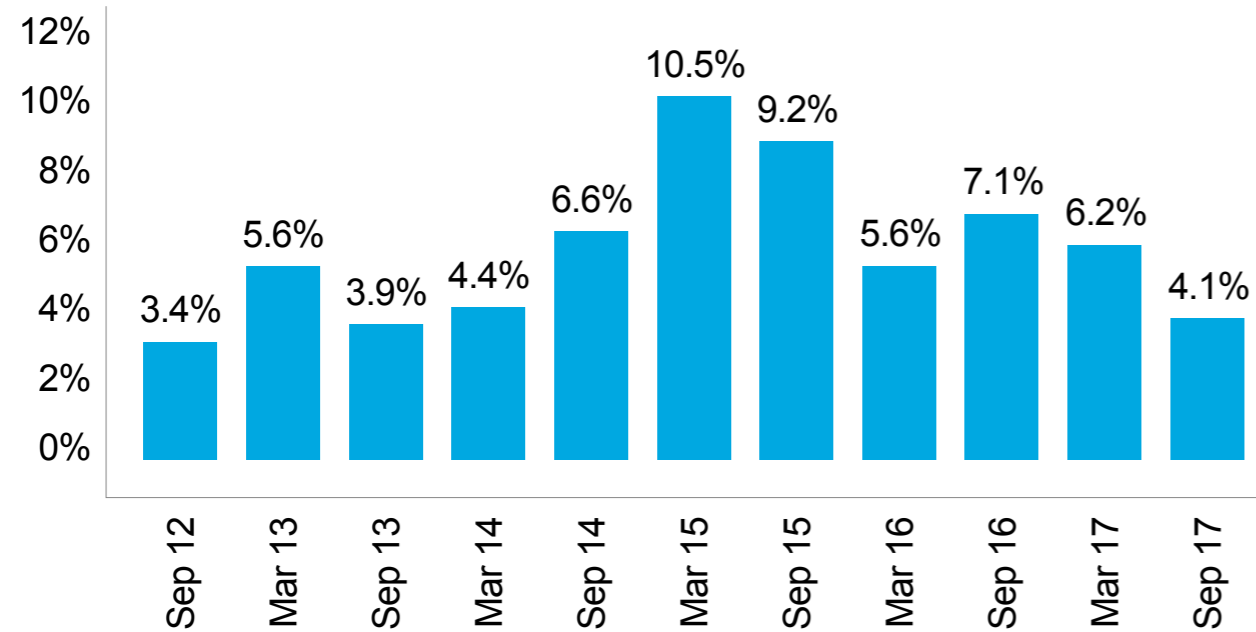


PERFORMANCE

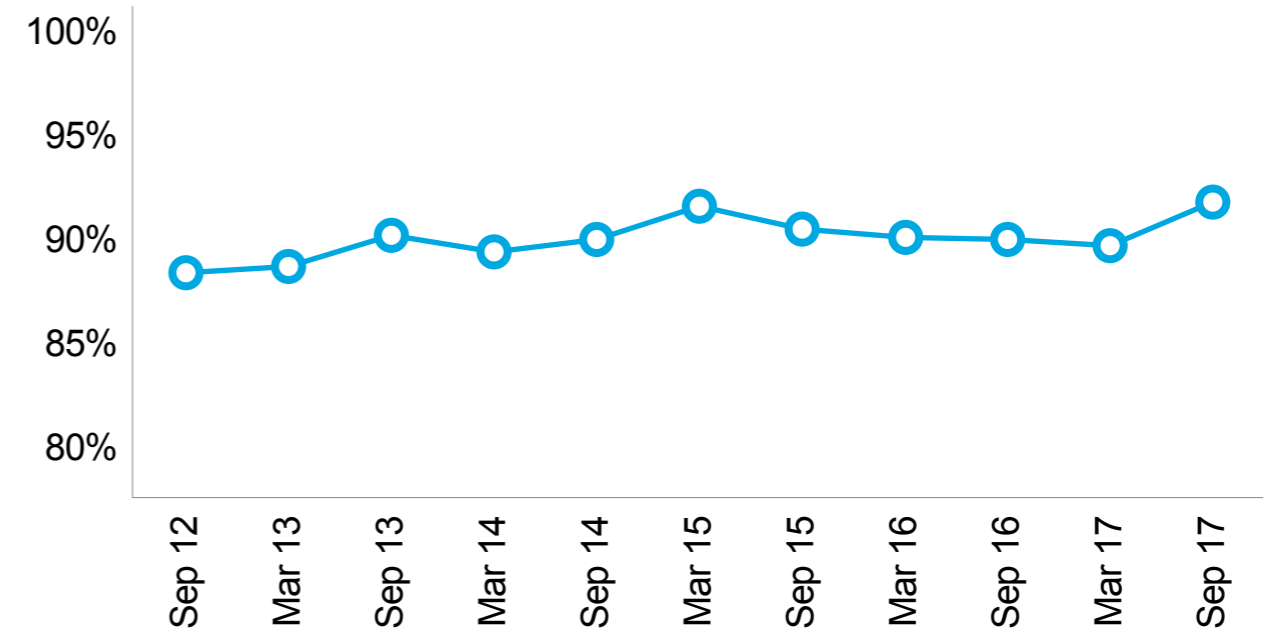
Like-for-like Properties



Rent Roll Growth

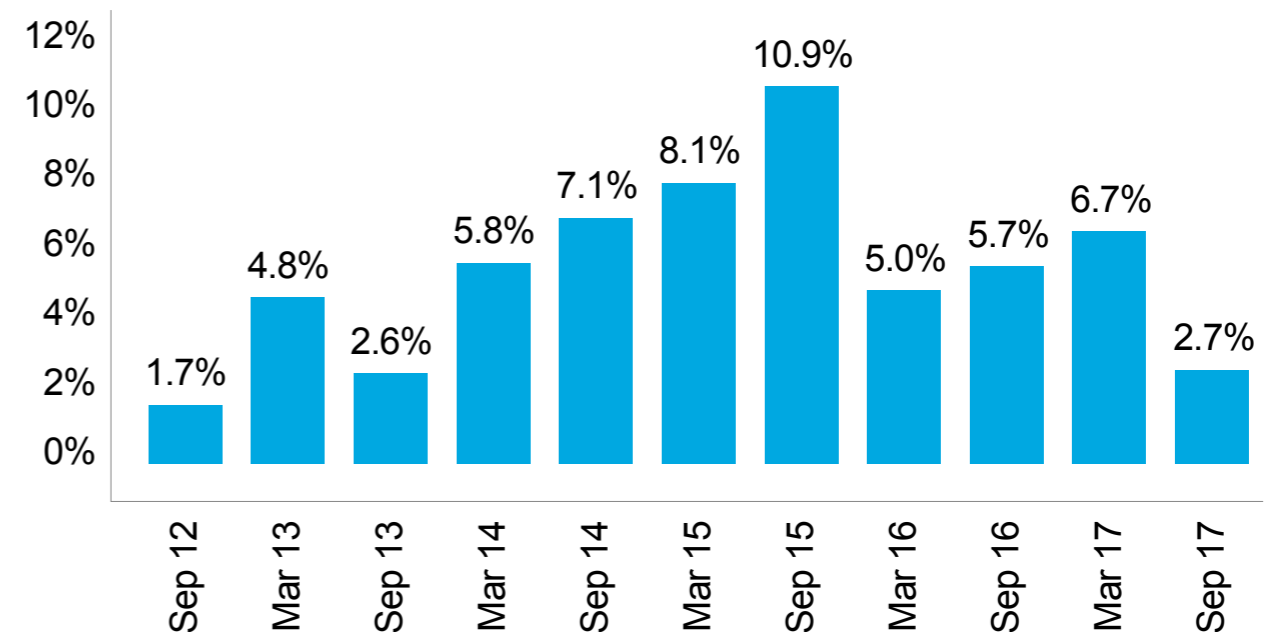


Occupancy



- Represents 61% of total rent roll
- Occupancy up 1.5% to 92.4%
- Rent per sq. ft. up 2.7% to £33.56
- CBRE ERV per sq. ft. £38.92

Rent per sq. ft. Growth

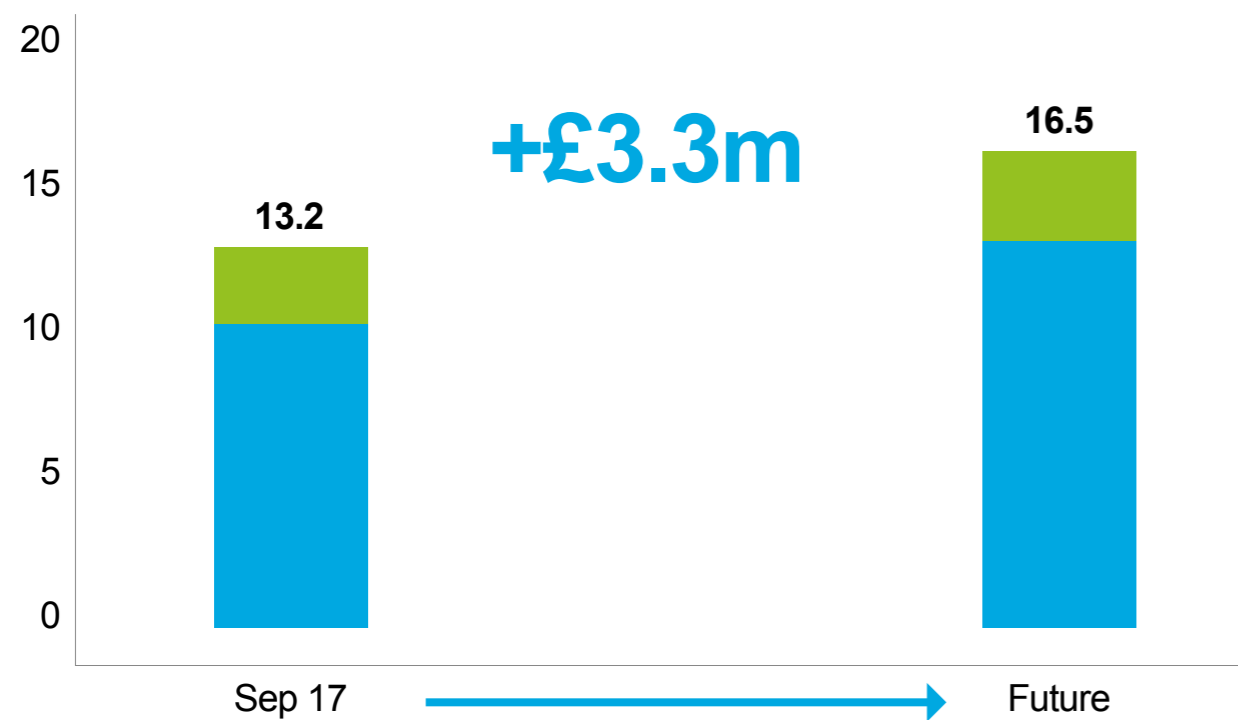


PERFORMANCE

Completed Projects



Rent Roll (£m)



- Represents 13% of total rent roll
- 3 refurbishments and 3 new buildings
- 385,000 sq. ft. of new and upgraded space

■ Refurbishments ■ Redevelopments

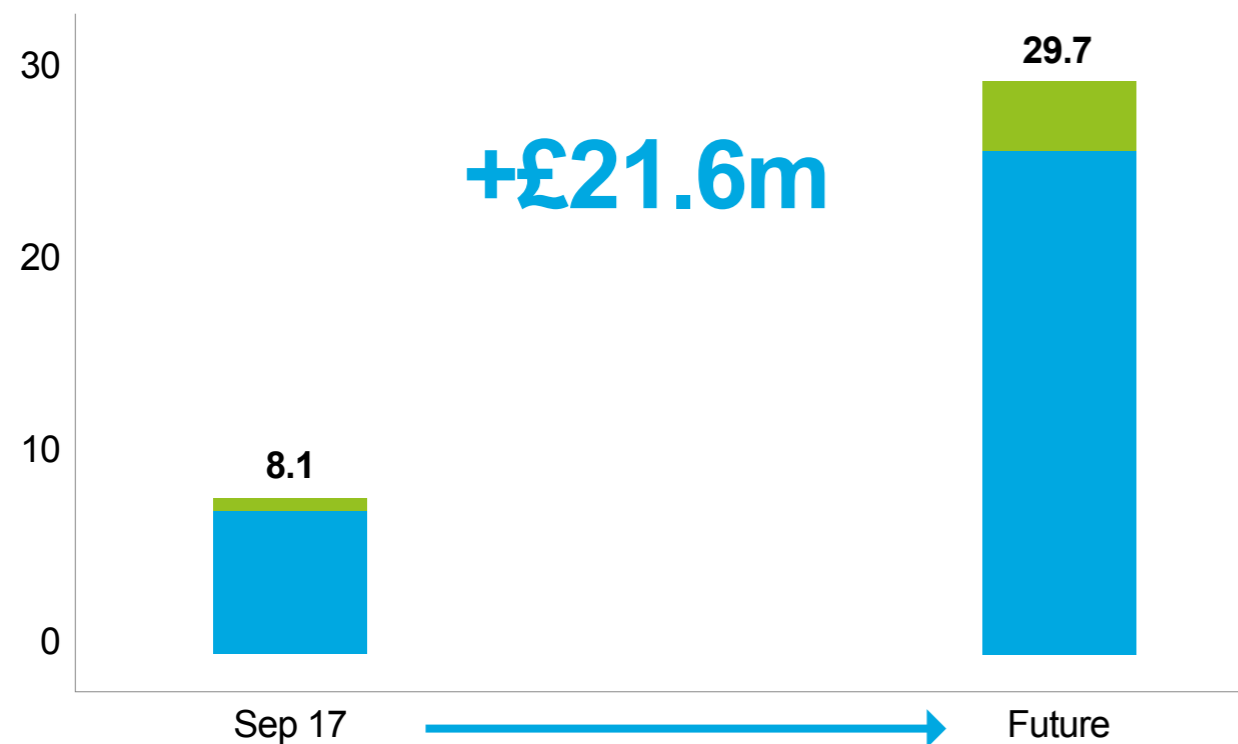
Future rents based on the assumptions set out in Appendices 6 & 7.

PERFORMANCE

Projects Underway



Rent Roll (£m)



■ Refurbishments ■ Redevelopments

- Represents 8% of total rent roll
- 12 refurbishments underway at a total cost of £149m (£115m to come)
- 4 new buildings to be delivered from contracted redevelopments
- 776,000 sq. ft. of new and upgraded space
- Excludes projects at the design stage

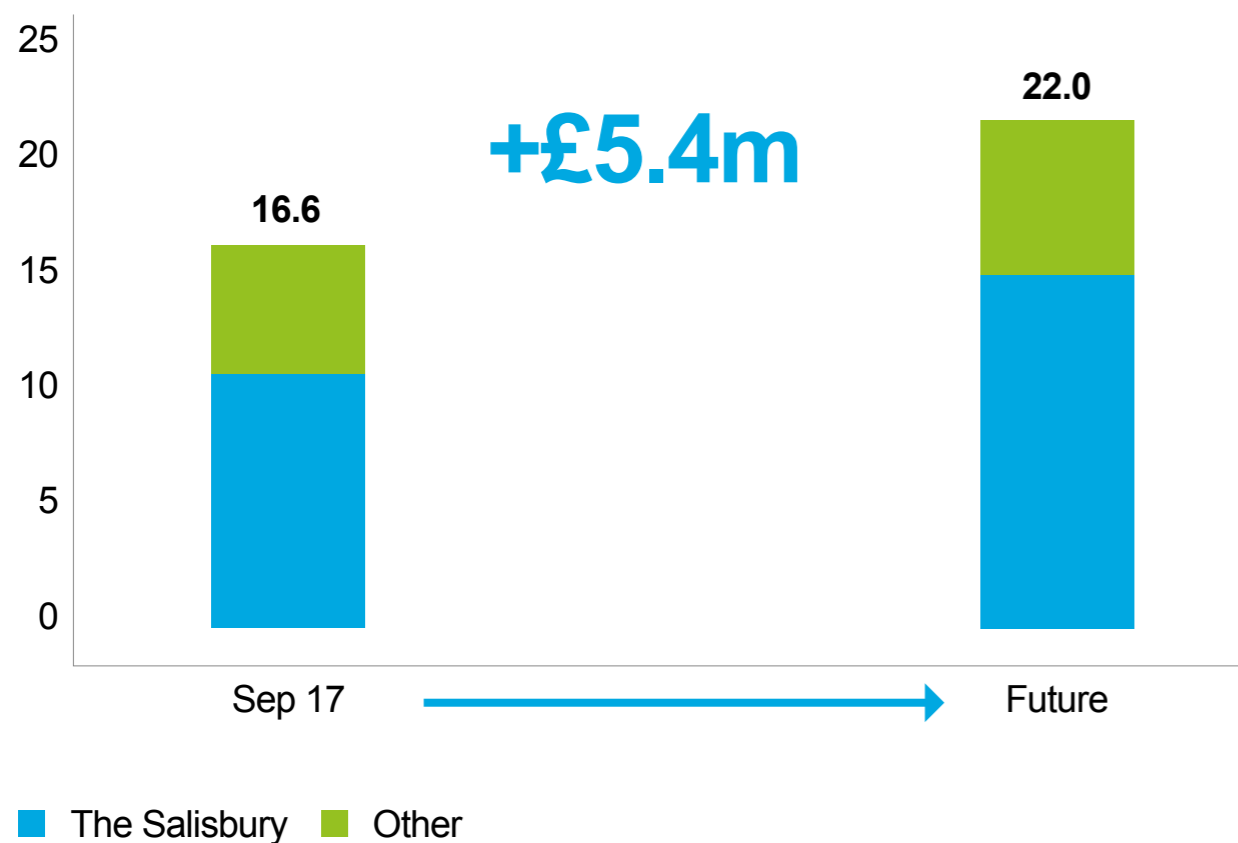
Future rents based on the assumptions set out in Appendices 6 & 7.

PERFORMANCE

Acquisitions



Rent Roll (£m)



- Represents 16% of total rent roll
- 383,000 sq. ft. of lettable space
- Fitzroy Street and Alexandra House let to single occupiers until 2020 and 2021 respectively

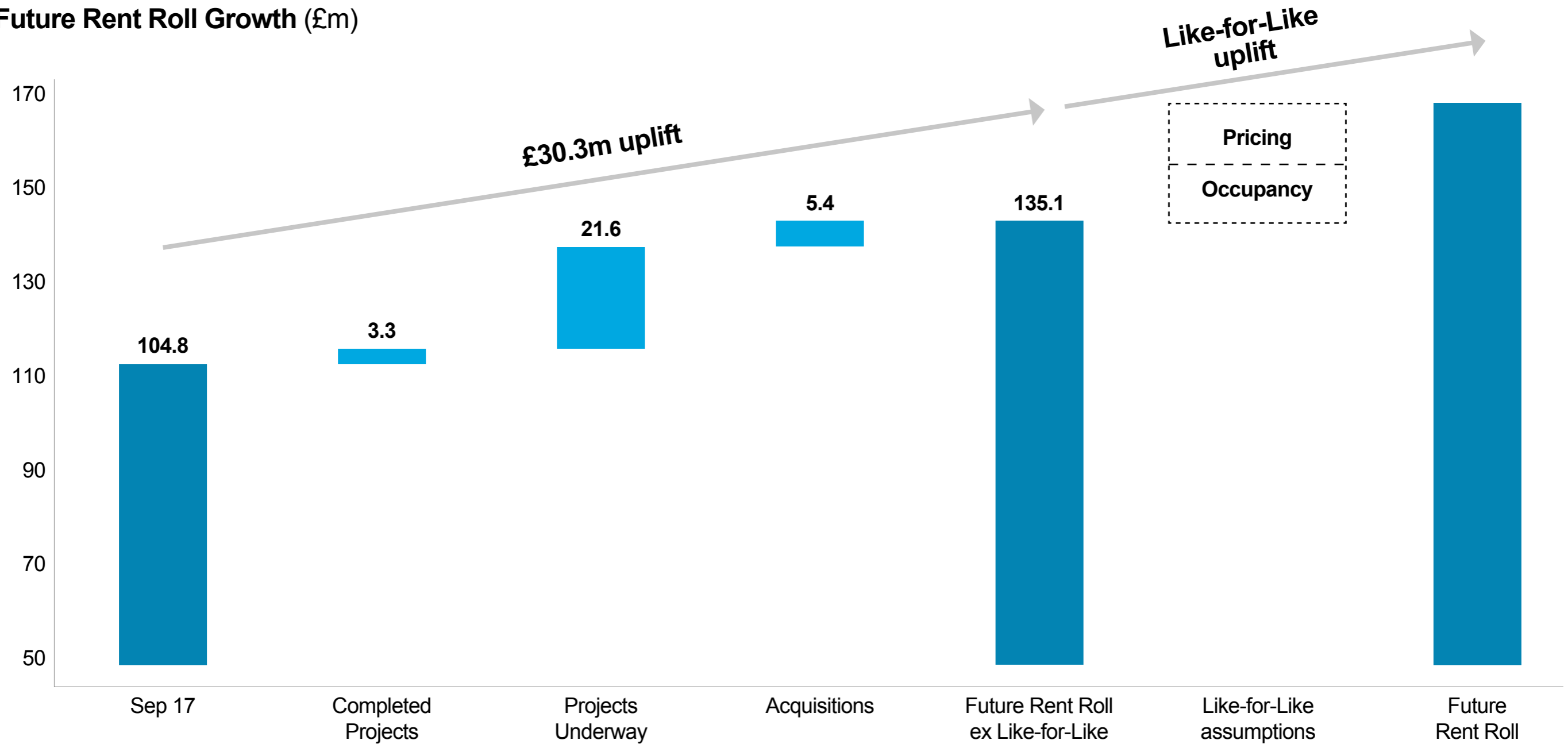
Future rents are based on CBRE estimated rental values at 30 September 2017 at 90% occupancy.

PERFORMANCE

Future Rent Roll Growth



Future Rent Roll Growth (£m)



Notes

- Not a profit forecast, for illustrative purposes only
- Future rents for projects based on the assumptions set out in Appendices 6 & 7
- Excludes projects at the design stage

PERFORMANCE

Cash Flow



£m		Total
Trading		
Net Cash from Operations after Interest	33	
Dividends Paid	(22)	11
Investment		
Capital Expenditure	(35)	
Purchase of Investment Properties	(256)	
Property Disposals	80	(191)
Capital Receipts	23	
Other	(3)	
Net Movement		(180)
Net Debt at March 2017		(242)
Net Debt at September 2017		(422)

PERFORMANCE

Balance Sheet



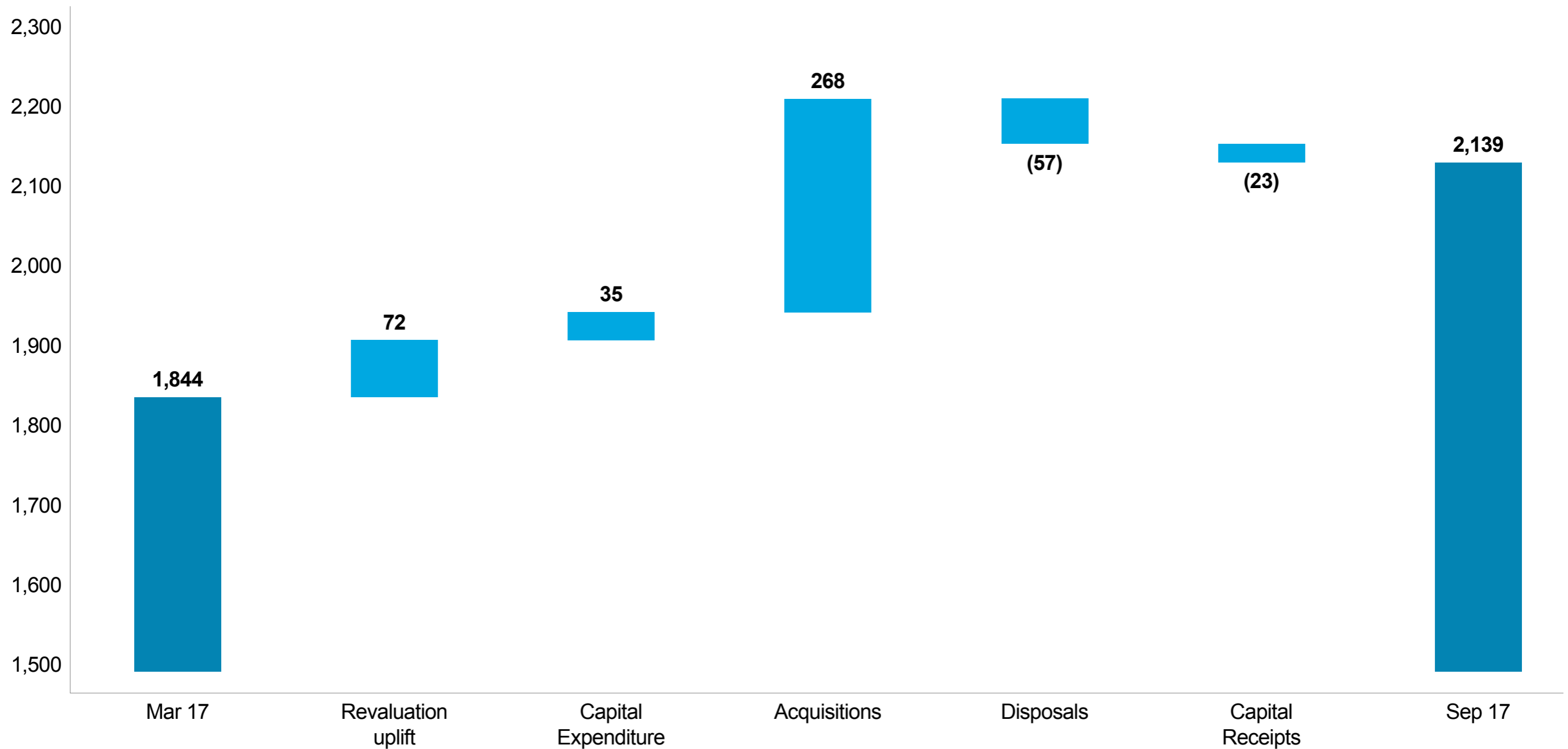
£m	September 2017	March 2017
Investment Property Valuation	2,139	1,844
Net Debt	(422)	(242)
Other	(37)	(23)
Net Assets	1,680	1,579
EPRA NAV per Share	£10.14	£9.53
Loan to Value	20%	13%

PERFORMANCE

Property Valuation



Property Valuation (£m)



PERFORMANCE

Revaluation



	Valuation	Uplift/(Deficit)		Main drivers
Like-for-like	£1,094m	£58m	<ul style="list-style-type: none"> ERV per sq. ft. up 4.5% Equivalent Yield in 0.1% 	<ul style="list-style-type: none"> £47m £11m
Completed Projects	£283m	£20m	<ul style="list-style-type: none"> The Record Hall The Leather Market 	<ul style="list-style-type: none"> £8m £6m
Refurbishments	£282m	£7m	<ul style="list-style-type: none"> The Light Box The Chocolate Factory 	<ul style="list-style-type: none"> £5m £2m
Redevelopments	£206m	£(5)m	<ul style="list-style-type: none"> Rainbow Industrial Estate 	<ul style="list-style-type: none"> £(7)m
Acquisitions	£274m	£(8)m	<ul style="list-style-type: none"> Acquisition costs 	<ul style="list-style-type: none"> £(8)m
Total	£2,139m	£72m		

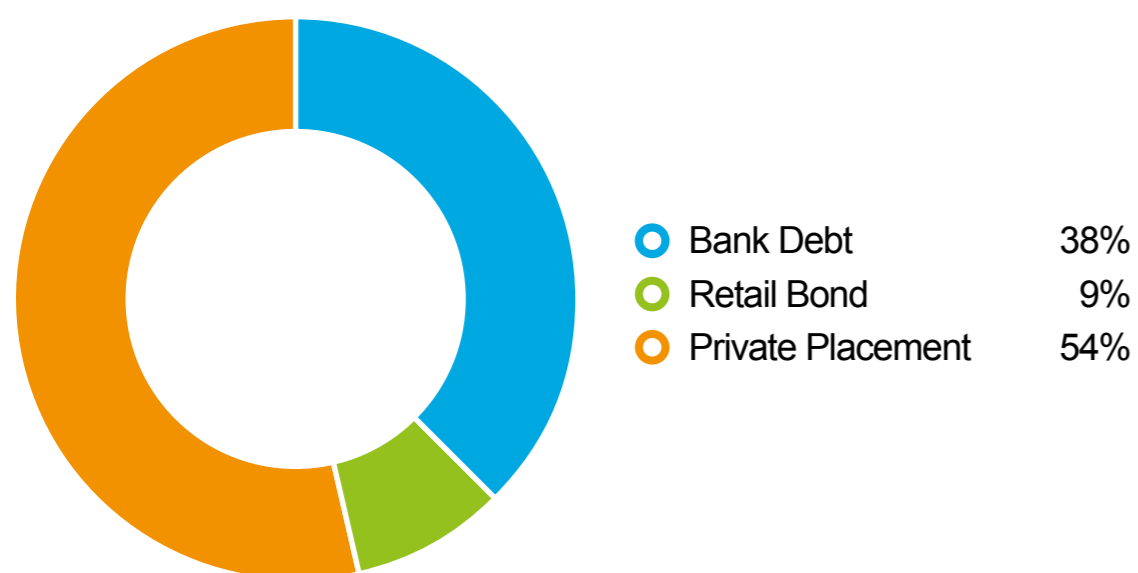
PERFORMANCE

Debt

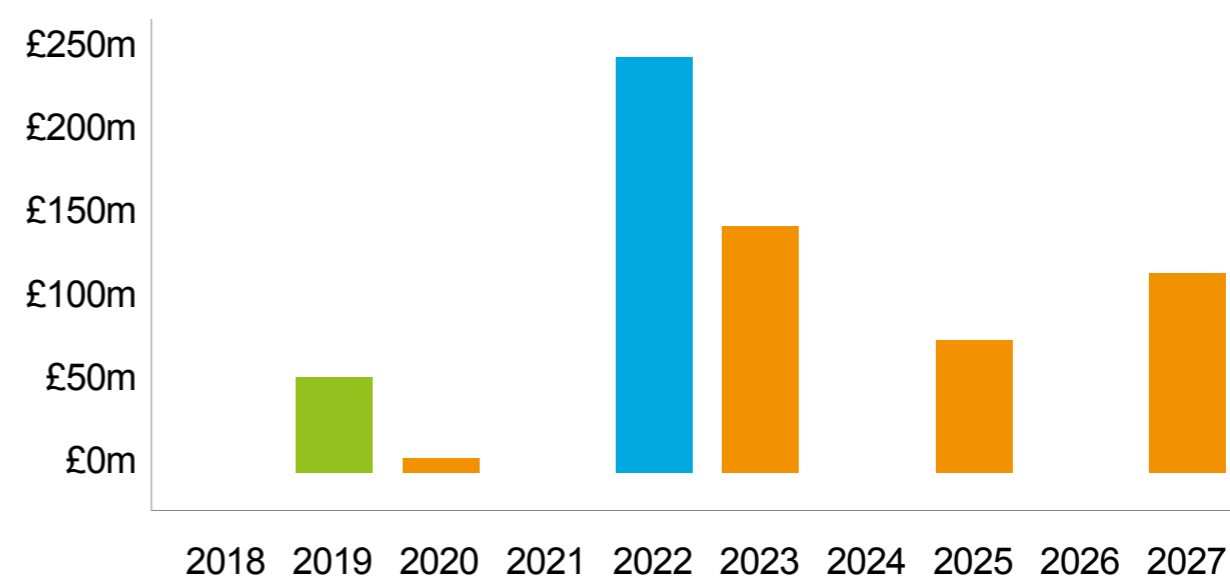


	September 2017	March 2017
Net Debt	£422m	£242m
Average Interest Cost	4.8%	5.2%
Undrawn Facilities	£243m	£123m
Marginal Cost (undrawn facilities) over LIBOR	1.4%	1.4%
Average Period to Maturity	6.0 years	5.2 years

Facilities By Type (%)



Maturity Profile (£m)



DIRECTION

A blurred, low-angle shot of a busy city street. The image is dominated by a dark, gradient overlay that transitions from black on the left to a lighter, hazy blue on the right. In the background, several multi-story buildings with windows are visible, some appearing to be modern glass-fronted structures. The foreground shows the lower legs and feet of many people walking, their forms blurred to convey a sense of motion and a crowded environment. The overall mood is one of a fast-paced, urban setting.

DIRECTION

Future Growth



Strong demand



Extensive pipeline



Well positioned



LIKE-FOR-LIKE



PROJECTS



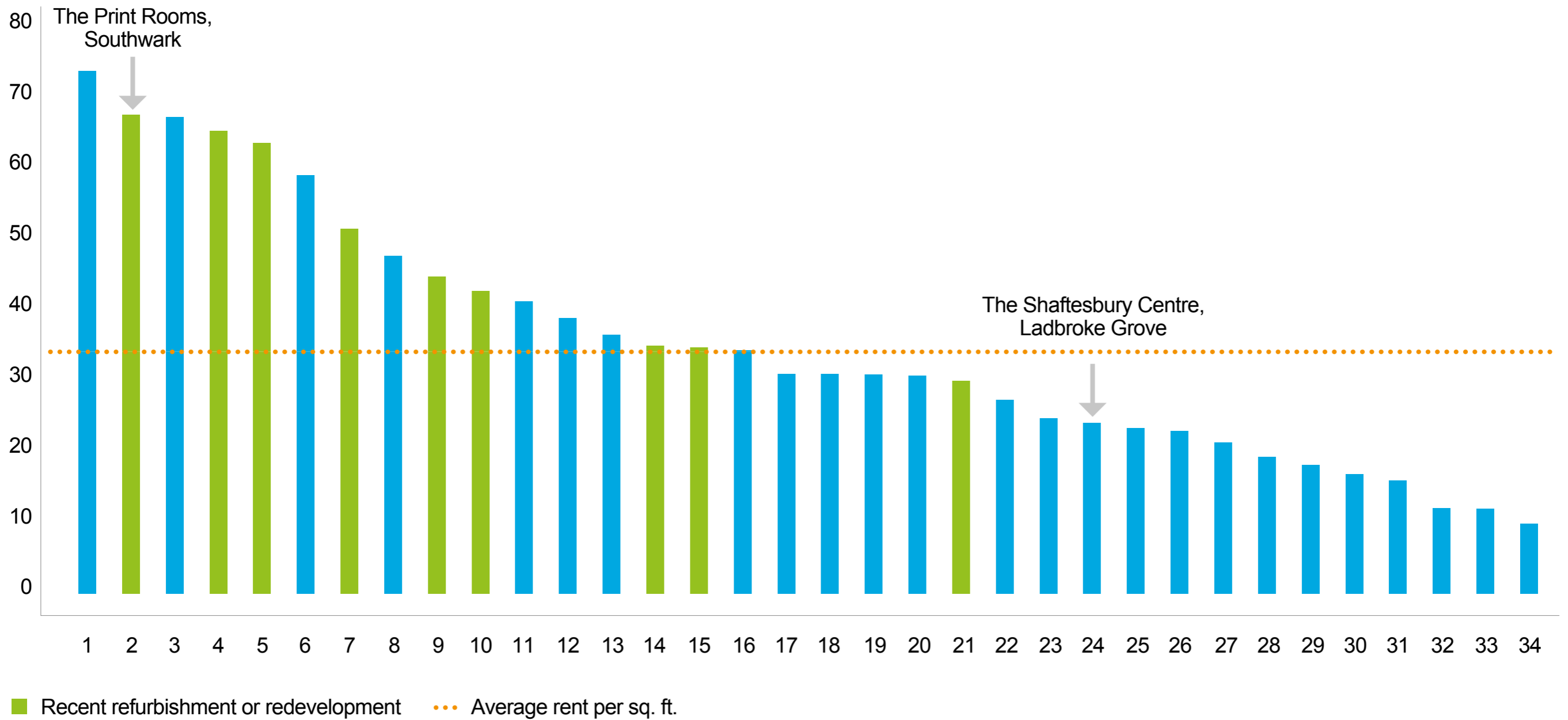
ACQUISITIONS

DIRECTION

Like-for-like



Rent per sq. ft. (£)

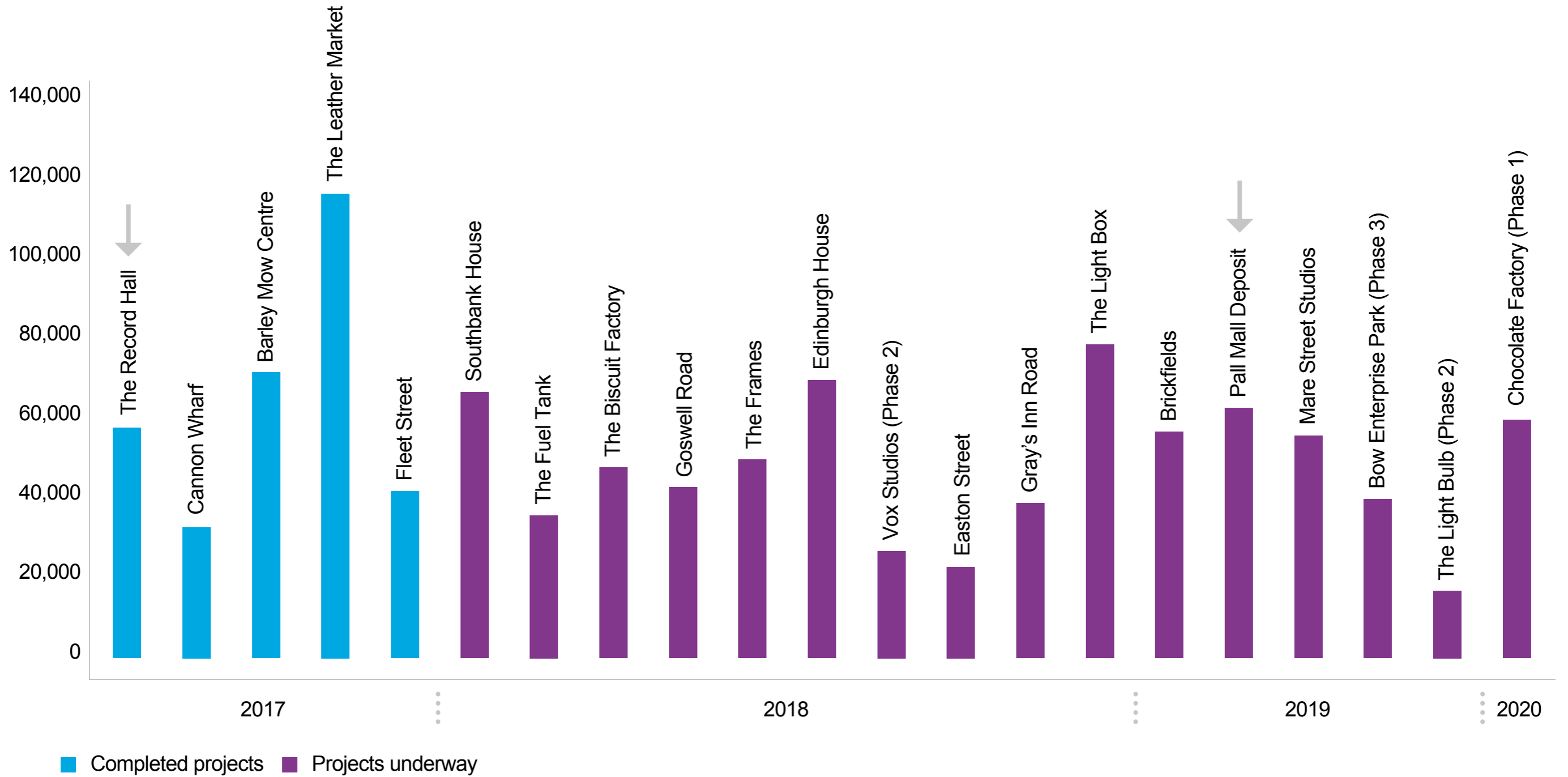


DIRECTION

Projects Underway and Completed



Projects Underway and Completed (sq. ft.)



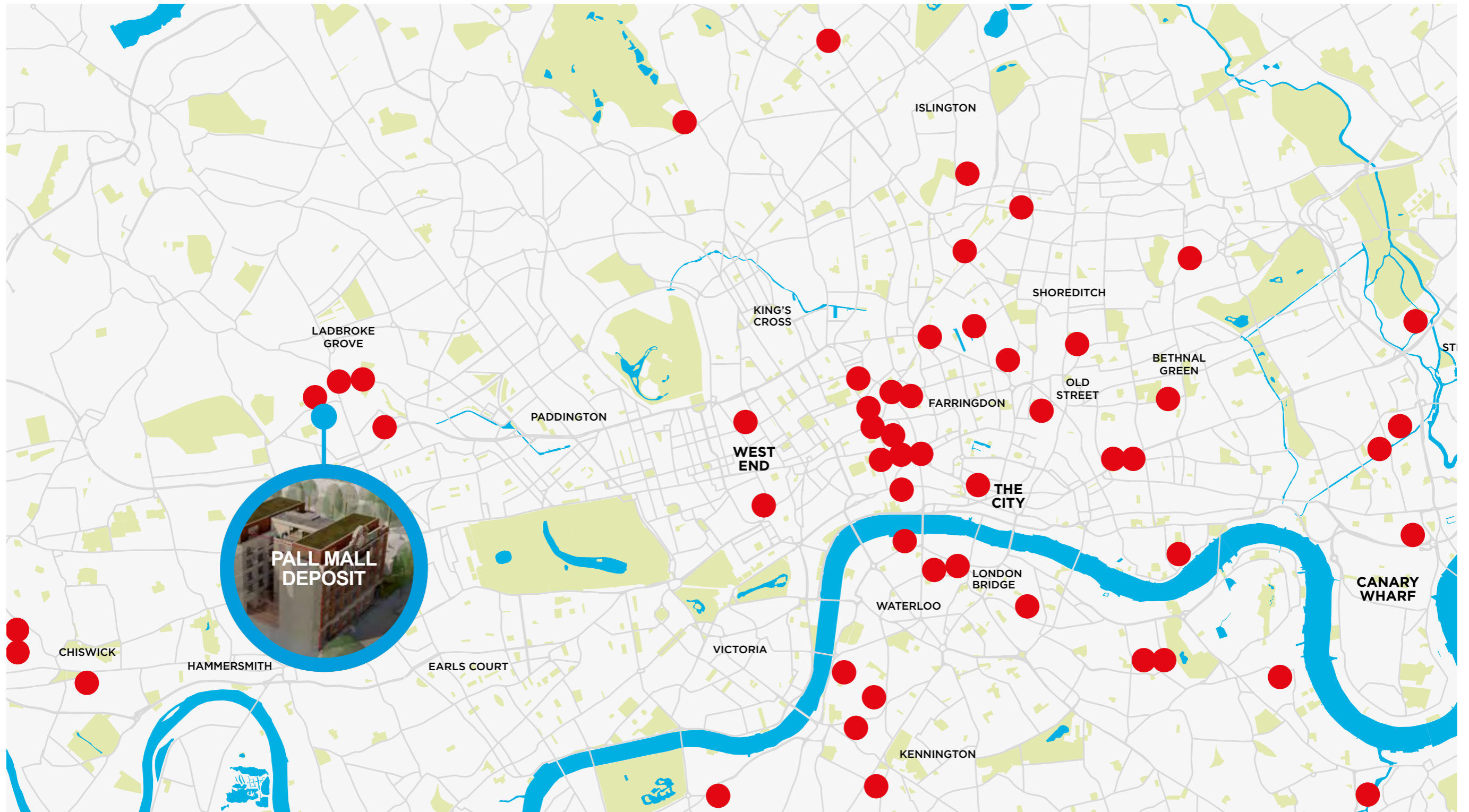




PALL MALL DEPOSIT

- Full refurbishment including new reception, café and gym
- 63,000 sq. ft. total
- £34 per sq. ft. ERV
- Part of Ladbroke Grove cluster

DIRECTION Projects



DIRECTION Projects



CANALOT STUDIOS

- 50,000 sq. ft.
- £5m project completed in 2012
- Full refurbishment plus 17,000 sq. ft. roof extension

WESTBOURNE STUDIOS

- 59,000 sq. ft.
- Repositioning completed in 2015
- £1m upgrade with new cafe, meeting rooms and Club Workspace

DIRECTION Projects



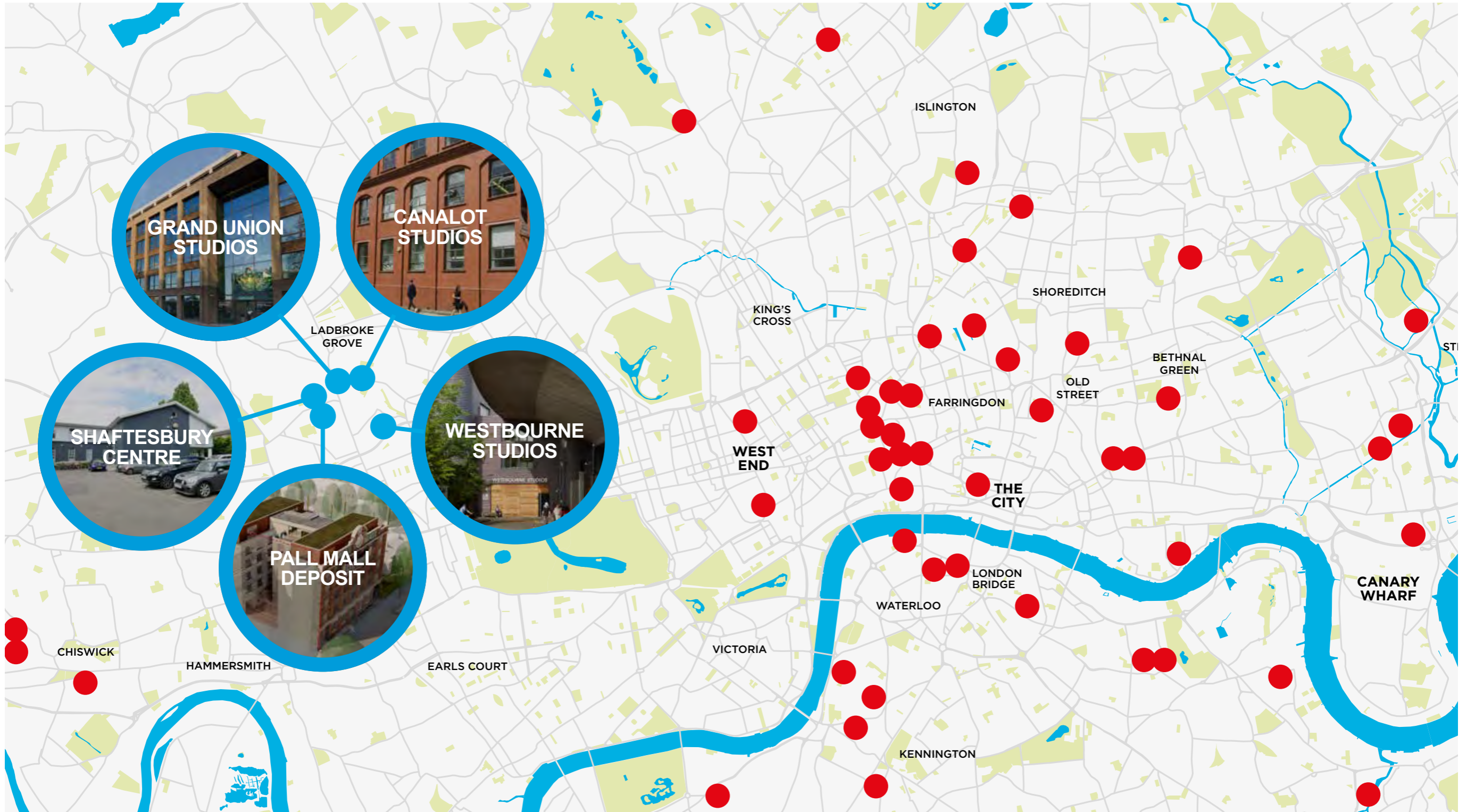
GRAND UNION STUDIOS

- Mixed-use redevelopment
- 65,000 sq. ft. new business centre and 145 residential units
- Business centre opened March 2016

THE SHAFTESBURY CENTRE

- 13,000 sq. ft.
- Fully occupied
- £24 rent per sq. ft.
- Potential to create new 45,000 sq. ft. business centre

DIRECTION Projects

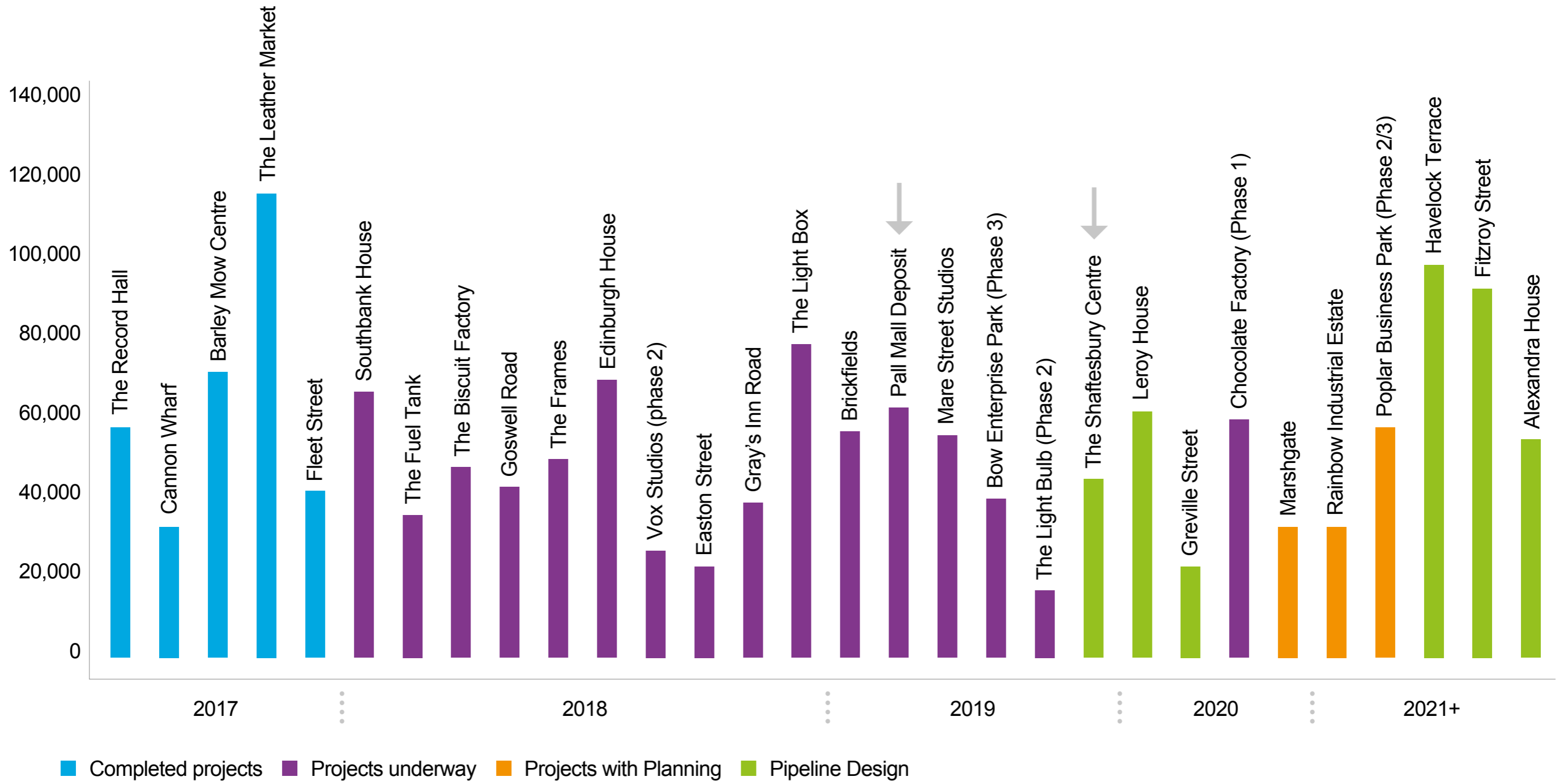


DIRECTION

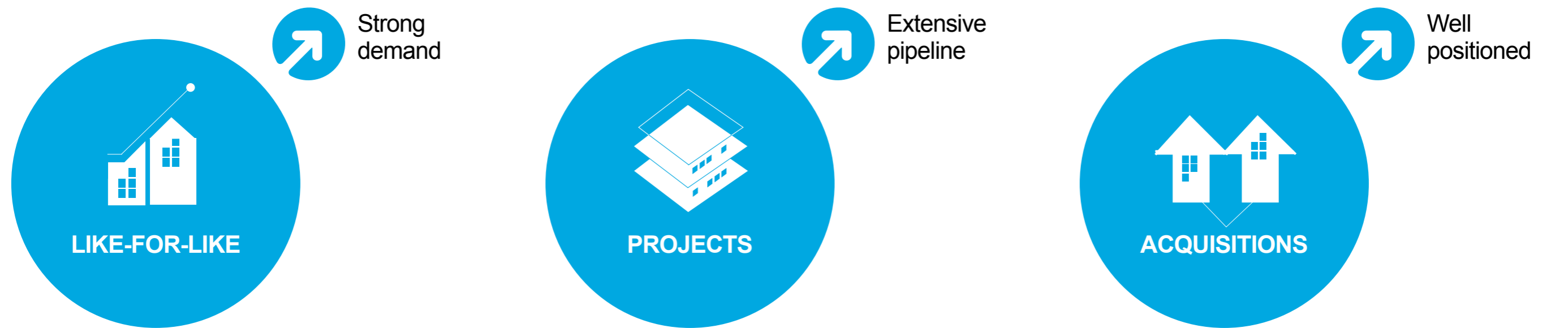
Project Pipeline



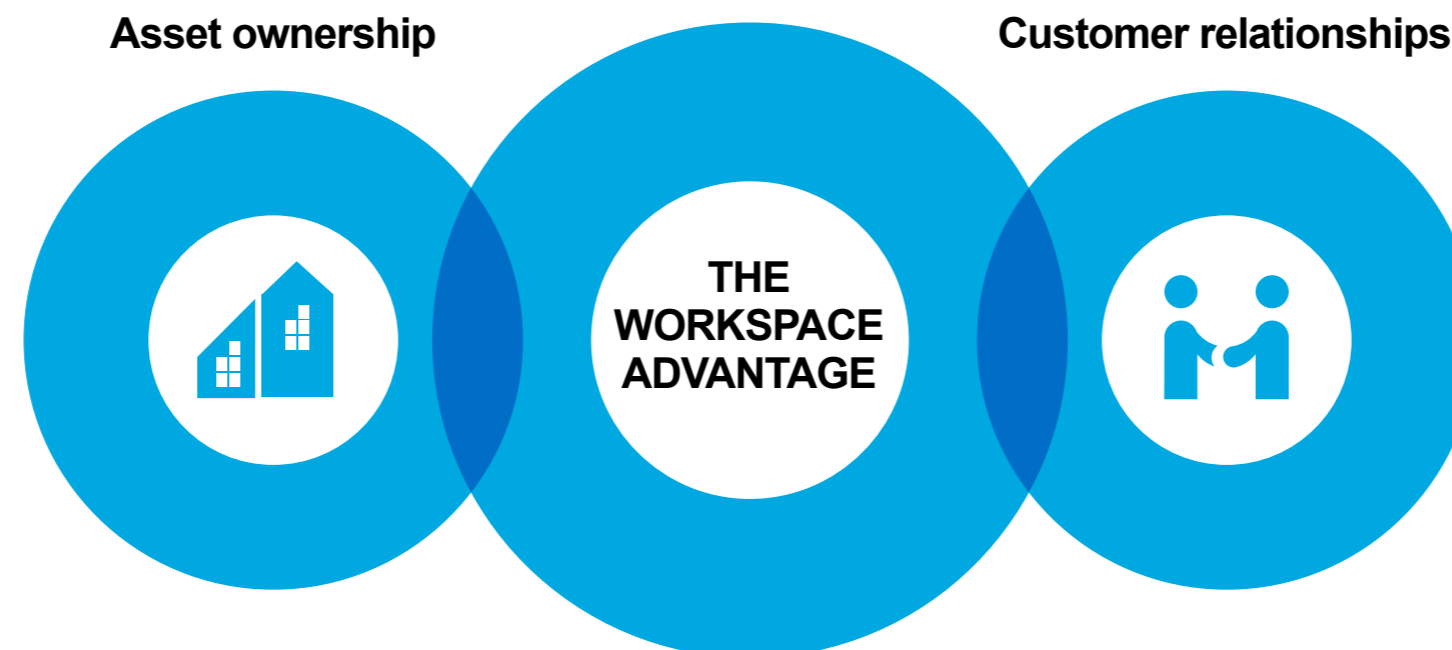
Project Pipeline (sq. ft.)



DIRECTION Outlook



Underpinned by



QUESTIONS





**SUPPLEMENTARY
INFORMATION**

Appendix 1

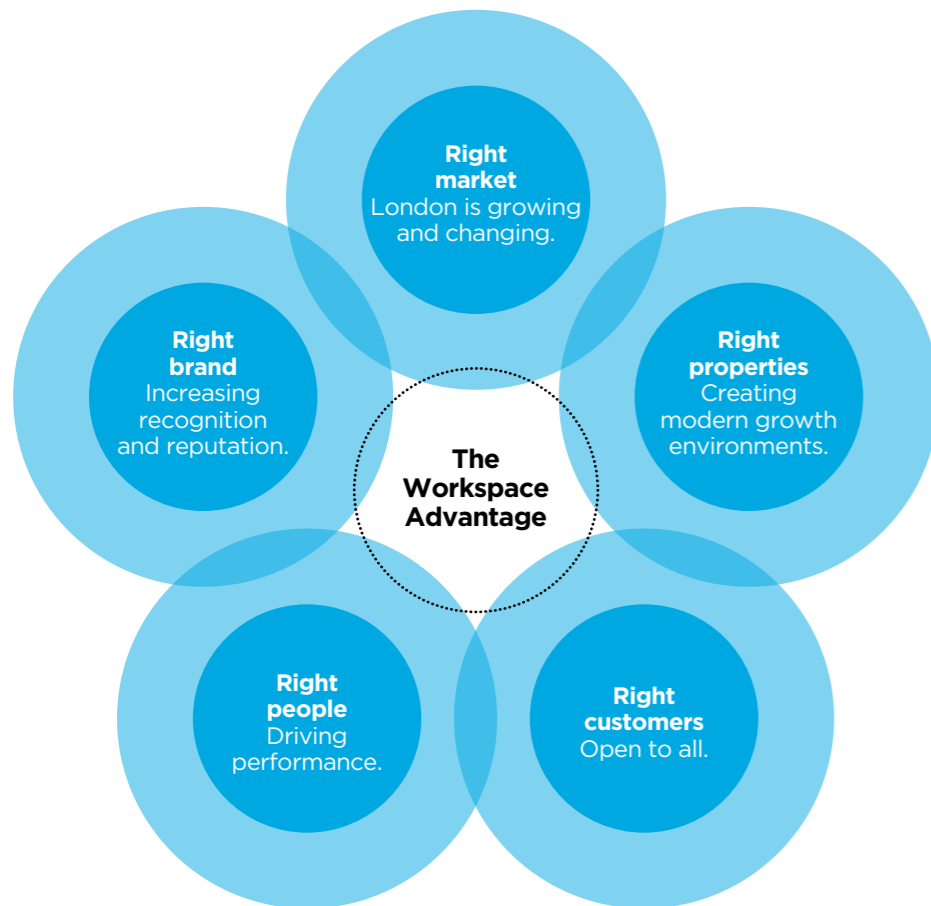
Business Overview



- FTSE 250 Real Estate Investment Trust (REIT)
- Established in 1987 with 18 multi-tenanted industrial estates and listed on the London Stock Exchange since 1993
- 68 London properties across 3.6m sq. ft.
- All fully owned and managed directly
- £2.1bn property portfolio valuation
- Provide inspiring, flexible work spaces with super-fast technology in dynamic locations
- Home to some 4,000 businesses, from early stage start-ups to fast growing and established brands, across a wide range of sectors
- Standard customer offer is a two-year lease, with a six month rolling break
- Marketing and all operational activity, including lettings, managed in-house

Appendix 2

The Workspace Advantage



Our Strategy

Right Market: We continue to believe that London is the right market with growing demand from all types of businesses.

Right Properties: We remain focused on creating and opportunistically acquiring the right properties that will attract our customers.

Right Customers: Our customer market has evolved to include all businesses, from freelancers and start-ups to well-known brands and more established companies.

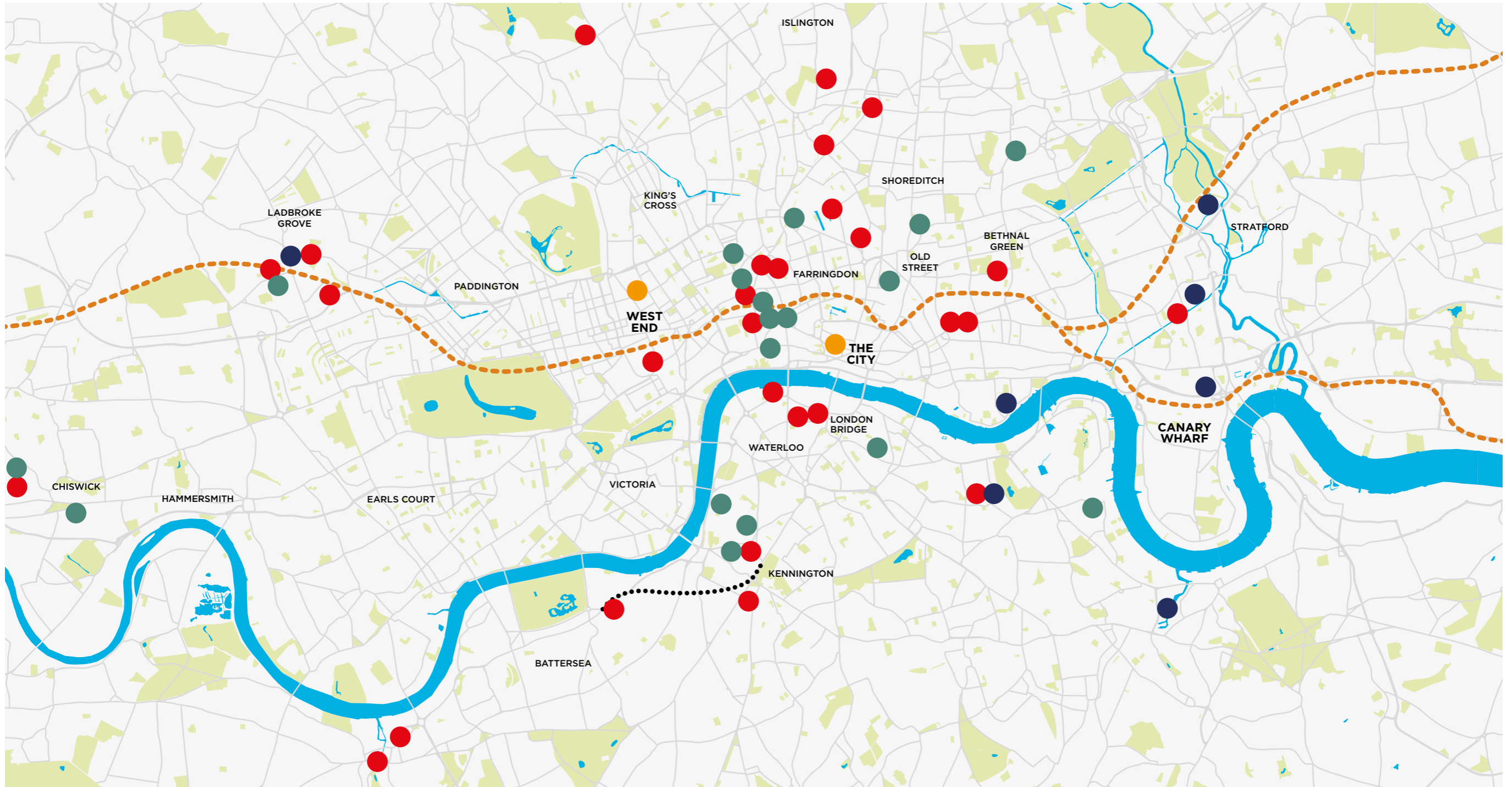
Right People: Employing the right people continues to be critical for the success of the business. Workspace's operational nature means our teams are tirelessly focused on servicing our customers.

Right Brand: Workspace has a strong brand and we work hard to ensure that our offer is highly visible to prospective customers as they embark on their search for office space.

Our Investment Case

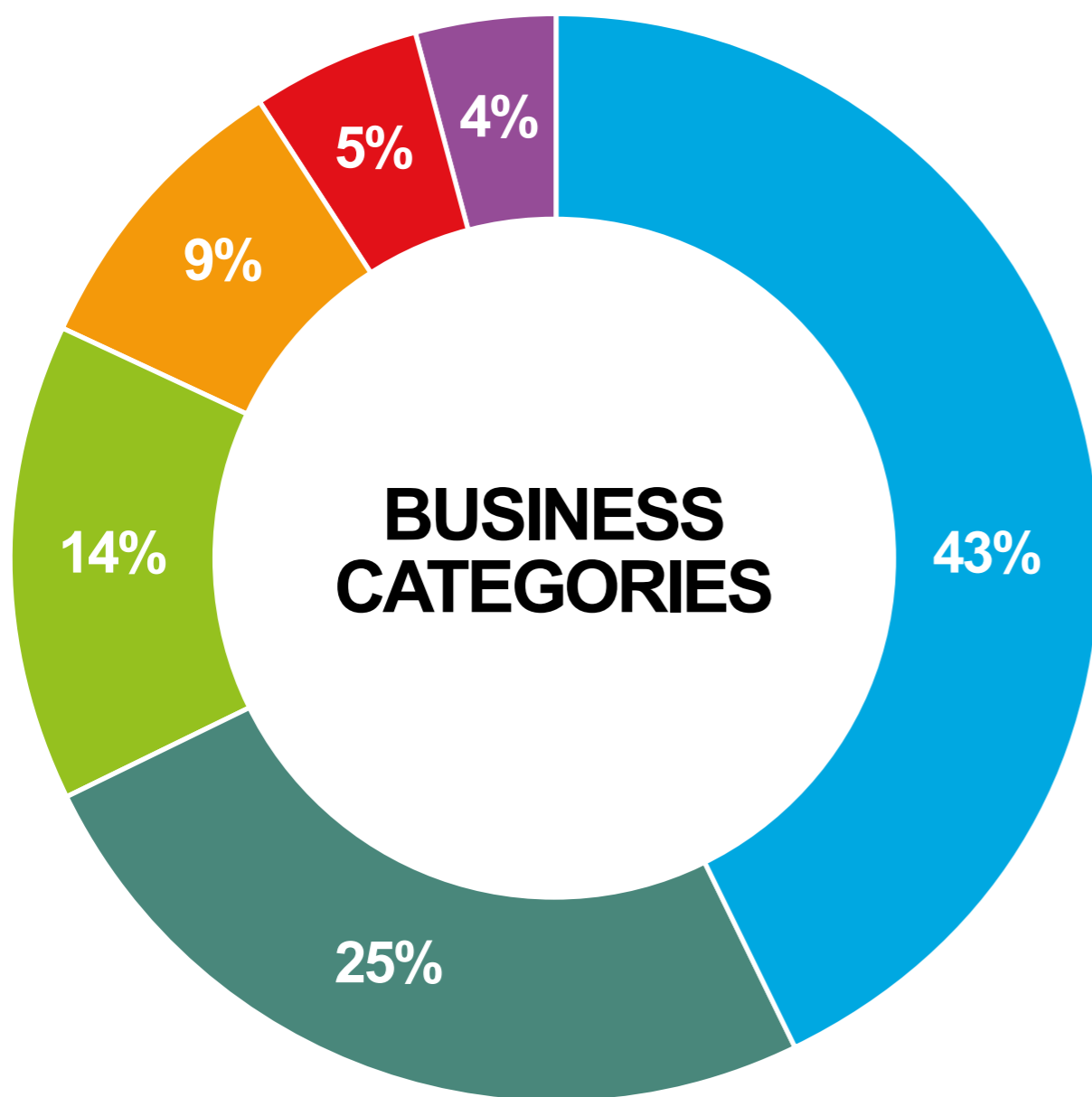
- **Strong and consistent property and financial returns.**
- **Completed projects driving rental growth and strong pipeline of projects to come.**
- **Diversified customer base ensuring consistent demand.**
- **Strong brand and unique customer offer that blends inspiring spaces and the right facilities.**
- **Deep understanding of the London market – poised to take advantage of opportunities.**

Appendix 3 Property Portfolio



- Like-for-like
- Redevelopments
- Crossrail
- Acquisitions
- Refurbishments
- ... Northern Line Extension

Appendix 4 Customer Mix



		% Net rent			% Net rent
1	Marketing	6.14	31	Leisure	1.16
2	Fashion	5.28	32	Talent Management	1.00
3	Finance	5.26	33	Web Design	0.95
4	Business Consultancy	4.54	34	Technology Design	0.93
5	Not For Profit	4.34	35	Events	0.92
6	Architect	3.95	36	Energy	0.83
7	Software Design	3.69	37	Photography	0.82
8	Brand Design	3.33	38	Theatre	0.81
9	IT	3.31	39	Professional Development	0.81
10	Film	3.12	40	Technology	0.72
11	Food/Drink	3.15	41	M-Commerce	0.65
12	Retail	2.92	42	Cleaning	0.64
13	Property	2.84	43	Broadcasting	0.62
14	Construction	2.56	44	Quantity Surveyors	0.59
15	Graphic Design	2.44	45	Art	0.57
16	Recruitment	2.31	46	Associations/Societies	0.57
17	Furniture Design	2.23	47	Legal Services	0.51
18	E-Commerce	2.18	48	Telecoms	0.49
19	Publishing	2.15	49	Environmental	0.42
20	Interior Design	1.89	50	Landscape Architect	0.38
21	Healthcare & Beauty	1.78		Other, including:	3.69
22	Product Design	1.56		Lifestyle	
23	Education	1.55		Translation	
24	Music	1.52		Training	
25	Travel	1.49		Social Network	
26	Event Organiser	1.39		Security	
27	Civil Service	1.32		Mapping	
28	Engineering	1.21		Dance	
29	Construction Consultancy	1.20		Visual Licensing	
30	Market Research	1.16			

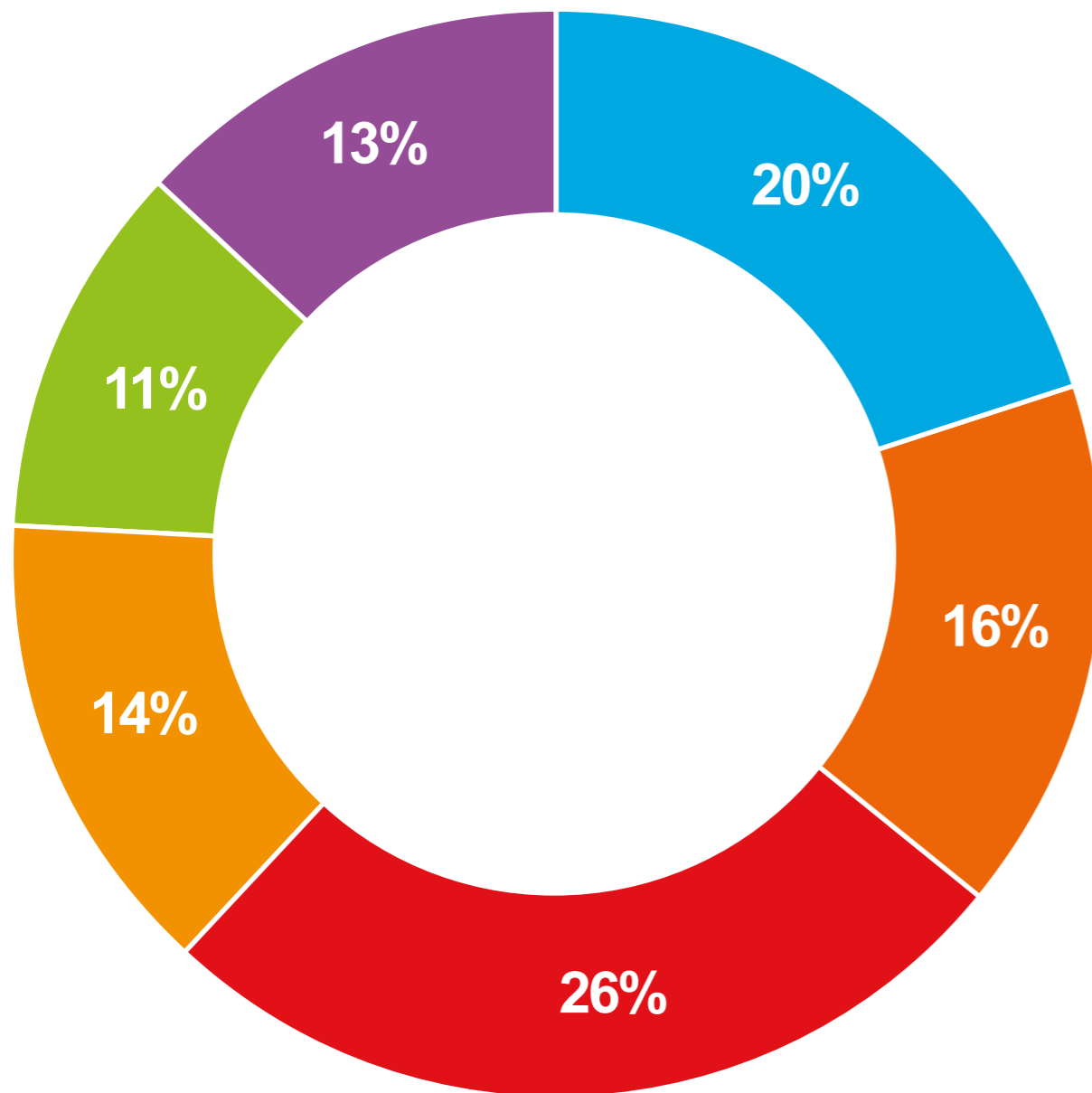
* Data as at March 2016

Appendix 5

Diversified Customer Base



Rent Roll By Customer Size (no. of customers)



- <£5,000
- £5,000 – £9,999
- £10,000 – £19,999
- £20,000 – £29,999
- £30,000 – £49,999
- >£50,000

- Top 10 customers: 11% of total rent roll

Appendix 6

Refurbishment Projects



At September 2017	Valuation	Actual/ Estimated cost	Cost to Complete	Estimated Completion	Unaffected area	Upgraded area	New space	Estimated ERV (Average)	Estimated Rent at 90% occupancy**	September 2017 Rent Roll
Completed										
The Record Hall	£59m	£24m	–	May 2017	–	–	57,500	£60	£3.1m	£1.6m
Cannon Wharf	£11m	£1m	–	July 2017	–	32,619	–	£27	£0.8m	£0.7m
Barley Mow Centre	£46m	£11m	–	Aug 2017	–	50,519	21,364	£44	£2.7m	£1.7m
The Leather Market	£95m	£5m	–	Aug 2017	5,943	116,676	–	£51	£5.4m	£5.3m
Fleet Street	£32m	£2m	–	Aug 2017	–	41,566	–	£58	£2.2m	£1.8m
	£243m	£43m			5,943	241,380	78,864		£14.2m	£11.1m
Underway										
Southbank House	£45m	£6m	£4m	H1 2018	–	66,712	–	£51	£3.0m	£1.8m
Goswell Road	£32m	£3m	£2m	H1 2018	–	43,230	–	£48	£1.9m	£0.6m
The Frames	£20m	£25m	£14m	H2 2018	–	–	49,972	£54	£2.4m	£0.0m
Edinburgh House	£18m	£20m	£13m	H2 2018	–	–	69,976	£48	£3.0m	£0.0m
Vox Studios (phase 2)	£10m	£8m	£7m	H2 2018	–	–	26,992	£53	£1.3m	£0.0m
Easton Street	£16m	£8m	£8m	H2 2018	–	–	23,144	£75	£1.6m	£0.0m
Gray's Inn Road	£32m	£5m	£3m	H2 2018	–	39,440	–	£52	£1.8m	£1.4m
The Light Box	£34m	£6m	£5m	H2 2018	–	60,481	18,844	£38	£2.7m	£1.5m
Brickfields	£13m	£27m	£23m	H1 2019	–	–	57,250	£49	£2.5m	£0.0m
Pall Mall Deposit	£21m	£10m	£9m	H2 2019	–	49,445	13,363	£34	£1.9m	£1.1m
Mare Street Studios	£10m	£20m	£19m	H2 2019	–	–	55,929	£41	£2.1m	£0.0m
Chocolate Factory (phase 1)	£24m	£11m	£8m	H2 2020	50,884	59,880	–	£25*	£1.9m	£1.0m
	£275m	£149m	£115m		50,884	319,188	315,470		£26.1m	£7.4m
Design Stage (without planning)										
Leroy House#		£15m	£15m	2020	–	46,000	16,000			
Greville Street		£9m	£9m	2020	–	–	23,000			
The Shaftesbury Centre#		£20m	£20m	2020	–	–	45,000			
Havelock Terrace#		£20m	£20m	2021	–	59,000	40,000			
		£64m	£64m			105,000	124,000			

Currently in like-for-like category

* Excludes ERV of unaffected area

** Includes rent for unaffected areas at September 2017 rental levels

Appendix 7

Redevelopment Projects



At September 2017	Development partner	Valuation	September 2017 Rent Roll	Commercial Space estimated completion	Residential units no.	Commercial space returned			Other proceeds		
						New Space	Estimated ERV	Estimated Rent*	Cash received	Cash to come	Overage to come
Completed											
Grand Union Studios	Taylor Wimpey	£36m	£1.7m	Mar 2016	145	64,725	£39	£2.3m	£9m	–	–
Bow Enterprise Park (phase 1)	Peabody	£4m	–	–	267	–	–	–	£18m	£4m	–
		£40m	£1.7m		412	64,725		£2.3m	£27m	£4m	–
Underway/Contracted											
Stratford Office Village	Disposal	£14m	£0.7m	–	101	–	–	–	–	£14m	n/a
Arches Business Centre	Disposal	£12m	–	–	110	–	–	–	£1m	£12m	–
Poplar Business Park (phase 1)	Telford Homes	£5m	–	–	170	–	–	–	£16m	£2m	£3m
Bow Enterprise Park (phase 2)	Peabody	–	–	–	160	–	–	–	£11m	–	n/a
The Fuel Tank (formerly Faircharm)	L&Q	£10m	–	2018	148	36,000	£21	£0.7m	£10m	–	n/a
The Biscuit Factory	Grosvenor	£24m	–	2018	800	48,000	£35	£1.5m	£48m	£3m	–
Bow Enterprise Park (phase 3)	Galliford Try	£11m	–	2019	130	40,000	£24	£0.9m	£6m	–	–
The Light Bulb (phase 2)	Strawberry Star	£8m	–	2019	77	17,000	£33	£0.5m	£8m	–	–
		£84m	£0.7m		1,696	141,000		£3.6m	£100m	£31m	£3m
Design Stage (with planning)											
Marshgate			£0.3m	2020	200	33,000	£20	£0.6m			
Rainbow Industrial Estate			£0.5m	TBD	224	33,000	£17	£0.5m			
Poplar Business Park (phase 2/3)			£0.7m	2023	222	58,000	£21	£1.1m			
		£74m	£1.5m		646	124,000		£2.2m			
Design Stage (without planning)											
Highway Business Park				2020	113						
Chocolate Factory (phase 2)				2021	220						
Riverside# / Garratt Lane				2022	350						
					683						

* Expected rent at 90% occupancy

Currently in like-for-like category

Appendix 8

13-17 Fitzroy Street, Fitzrovia



Appendix 9

13-17 Fitzroy Street, Fitzrovia

Existing Ground Floor Layout



Indicative Ground Floor Layout for Workspace



13-17 FITZROY STREET FITZROVIA

- Acquired April 2017
- 92,700 sq. ft.
- 3 year lease to break
- £52.50 per sq. ft.
- £98.5 million
- 4.6% net initial yield

Disclaimer



The information in this document may include forward-looking statements, which are based on current expectations and projections about future events. These forward-looking statements reflect the directors' beliefs and expectations and are subject to risks, uncertainties and assumptions about the Company, including, amongst other things, the development of its business, trends in its operating industry, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document.

As a result, you are cautioned not to place reliance on such forward looking statements as a prediction of actual results or otherwise. The information and opinions contained in this document are provided as at the date of this document and are subject to change without notice. No one undertakes to publicly update or revise any such forward-looking statements.

This presentation should also be read in the light of the Company's interim results statement for the six months ended 30 September 2017 and the annual report & accounts for the year ended 31 March 2017, including the principal risks and uncertainties identified therein. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.