16 July 2025

WORKSPACE GROUP PLC

FIRST QUARTER BUSINESS UPDATE FOR THE PERIOD ENDING 30 JUNE 2025

Workspace Group PLC ("Workspace"), London's leading owner and operator of sustainable, flexible work space, provides a business update for the first quarter ending 30 June 2025.

Lawrence Hutchings, Chief Executive Officer, Workspace Group PLC, commented:

"Last month we set out a clear strategy to deliver an income-led business, with a focus on dividend growth. While our new strategy will take some time to fully implement, we are moving forward at pace to fix our backyard and accelerate our transformation, whilst identifying opportunities to scale the business.

As expected, occupancy declined slightly in the quarter and we have more large vacations to come in Q2. Our immediate focus remains on stabilising and, over time, rebuilding occupancy. We have made good progress implementing the pilot projects at two of our high conviction sites, Vox Studios and The Leather Market, to test capital-light, high impact upgrades to our product. We have also seen success in leasing up some of the larger spaces thanks to more targeted marketing initiatives. We are confident that these strategic actions, once rolled out more widely across the portfolio, will help us retain and attract more customers.

"We know that our assets with the best strategic fit outperform on occupancy and income growth measures, so we are also pushing ahead with our new, more clinical conviction approach to portfolio management. We continue to dispose of low conviction assets, most recently with the sales of Q West in Brentford and The Shaftesbury Centre in Ladbroke Grove for a combined total of £15m.

Having validated through extensive third-party research that we are in the right market, serving London's thriving SMEs, I am excited to see us moving in the right direction – from legacy player to market leader – towards the delivery of income-led shareholder value."

Highlights

- Good progress against strategy, with immediate focus on stabilising and rebuilding occupancy
- 278 new lettings completed in the quarter, with a total rental value of £7.1m per annum
- Like-for-like[1] rent per sq. ft. at £47.42, no change to March 25
- Like-for-like[1] occupancy down 0.3% in the quarter to 82.2%
- Like-for-like[1] rent roll down 0.3% in the quarter to £111.6m
- Further progress on disposal of non-core assets, with £15.0m completed since 31 March 2025 and a further £15.4m exchanged and due to complete in the next 12 months.
- Robust balance sheet with £267m of cash and undrawn facilities and proforma LTV flat at 34% (based on 31 March 2025 valuation)

[1] *Restated for the transfer in of Barley Mow, Chiswick, Pall Mall Deposit, Ladbroke Grove and the development part of The Light Bulb, Wandsworth, where occupancy is now stabilised post refurbishment.*

Customer activity

With Easter falling into Q1 this year, enquiry levels were lower in the quarter but our more targeted marketing efforts, in line with the new strategy, have improved conversion to viewings.

We completed 278 new lettings in the quarter for a total rental value of £7.1m.

	Monthly Average		**Monthly Activity**		
	Q1 2025/26	Q1 2024/25	30 Jun 2025	31 May 2025	30 Apr 2025
Enquiries	**634**	688	628	644	631
Viewings	**495**	499	474	547	465
Lettings	**93**	102	121	92	65

As expected, we have continued to see larger customers vacating in the quarter and occupancy has also been impacted as the recent completion of large unit subdivisions, which are now available to let, has increased the total available floor area. This has resulted in a reduction in like-for-like occupancy of 0.3% in the quarter to 82.2%. As stated previously, we expect to see a further decline in like-for-like occupancy in the second quarter due to the impact of a large customer vacating at The Centro Buildings in Camden.

We are rolling out a number of initiatives to support retention and attract new customers, including targeted local marketing for lower occupancy centres, using customer feedback to determine our events strategy and scaling our value-add services to help customers deliver business growth. In addition, we are taking a pragmatic approach to pricing. Like-for-like rent per sq. ft. was stable in the quarter at £47.42.

	Quarter Ended			
	30 Jun 25	31 Mar 25[1]	31 Dec 24[1]	30 Sep 24[1]
Like-for-like occupancy	82.2%	82.5%	82.3%	83.7%
Like-for-like occupancy change[2]	(0.3%)	0.2%	(1.4%)	(3.1%)
Like-for-like rent per sq. ft.	£47.42	£47.42	£47.04	£46.50
Like-for-like rent per sq. ft. change	0.0%	0.8%	1.2%	1.5%
Like-for-like rent roll	£111.6m	£111.9m	£110.2m	£110.9m
Like-for-like rent roll change	(0.3%)	1.5%	(0.6%)	(2.5%)

[1] Restated for the transfer in of Barley Mow Centre in Chiswick, Pall Mall Deposit in Ladbroke Grove and the development part of The Light Bulb in Wandsworth, where occupancy is now stabilised post-refurbishment.
[2] Absolute change.

Total rent roll decreased by 0.6% (£0.8m) since March 2025 to £138.6m, as detailed below:

Total Rent Roll	£m
At 31 March 2025	139.4
Like-for-like portfolio	(0.3)
Completed projects	0.1
Disposals	(0.6)
At 30 June 2025	**138.6**

Portfolio activity

In line with our conviction approach to capital recycling, in April, we exchanged and completed on the sale of Q West in Brentford for £10.3m and in July, we exchanged and completed on the sale of The Shaftesbury Centre, Ladbroke Grove for £4.7m. Both sales were in line with the March 2025 valuations and at an average net initial yield of 6%.

There is a further £15.4m of exchanged disposals which are expected to complete within the next 12 months and we will continue to dispose of low conviction assets throughout the year.

In May, we achieved practical completion at Chocolate Factory in Wood Green, where we delivered 40,000 sq. ft. of new and upgraded space across 80 units (an average unit size of 500 sq. ft.) of which 13 units are already let (14% occupancy of the new and upgraded space).

Activity is ongoing at our major refurbishment projects; The Biscuit Factory in Bermondsey, which will deliver 31,000 sq. ft. of additional space towards the end of 2025, and The Centro Buildings in Camden, where we are transforming a traditional office building, Atelier House, into a Workspace business centre with 41 units, a café and meeting rooms.

The capital-light refurbishment works carried out at high conviction sites, Vox Studios in Vauxhall and The Leather Market in Bermondsey, have received positive feedback from both customers, supporting our retention efforts, and prospects on viewings.

We have continued to make progress with our ongoing programme of refurbishment and subdivision of larger units, with c.28,000 sq. ft. completed in the quarter and marketing commencing shortly on a further c.9,000 sq. ft. largely completed in the quarter. In tandem, we have made good progress on letting some of our larger spaces in their current form, with eight units totalling 47,000 sq. ft. let in the quarter.

Financing

With long-term interest rates expected to remain high and some debt maturing this year, we maintain a disciplined approach to gearing. Net debt reduced by £7m in the quarter to £813m, with cash and undrawn facilities of £267m as at 30 June 2025 and LTV flat at 34% on a proforma basis, based on the 31 March 2025 valuation.

– ENDS –

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Notes to Editors

About Workspace Group PLC:

Workspace is London's leading owner and operator of flexible workspace, currently managing 4.3 million sq. ft. of sustainable space at 65 locations in London and the South East.

We are home to some 4,000 of London's fastest growing and established brands from a diverse range of sectors. Our purpose, to give businesses the freedom to grow, is based on the belief that in the right space, teams can achieve more. That in environments they tailor themselves, free from constraint and compromise, teams are best able to collaborate, build their culture and realise their potential.

We have a unique combination of a highly effective and scalable operating platform, a portfolio of distinctive properties, and an ownership model that allows us to offer true flexibility. We provide customers with blank canvas space to create a home for their business, alongside leases that give them the freedom to easily scale up and down within our well-connected, extensive portfolio.

We are inherently sustainable – we invest across the capital, breathing new life into old buildings and creating hubs of economic activity that help flatten London's working map. We work closely with our local communities to ensure we make a positive and lasting environmental and social impact, creating value over the long term.

Workspace was established in 1987, has been listed on the London Stock Exchange since 1993, is a FTSE 250 listed Real Estate Investment Trust (REIT) and a member of the European Public Real Estate Association (EPRA).

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For more information on Workspace, visit www.workspace.co.uk