



Workspace Taxation Strategy

Summary

- As a Real Estate Investment Trust ('REIT'), Workspace Group PLC ("WSG") is exempt from corporation tax on lease rental profits and chargeable gains arising from its UK commercial property rental business.
- WSG accounts for, and pays, various taxes outside of the REIT regime including Corporation Tax, Value Added Tax (VAT), Stamp Duty Land Tax, Pay As You Earn (PAYE) and National Insurance Contributions.
- The Board of Directors has ultimate responsibility for the governance and risk management of the Group, including tax. The CFO reports to the Board on relevant tax risks and compliance.
- The Workspace Group has a low-risk approach to tax planning and aim to meet all our tax compliance obligations on a timely basis, comply with the REIT requirements and retain a low-risk rating from HMRC.
- Additionally, WSG takes proportionate steps to deter, detect, report and investigate any form of financial crime including the corporate offence of failing to prevent the act of tax evasion.
- We maintain regular communication with HMRC, aiming to have a productive and open dialogue with regard to all tax matters.

Introduction

Workspace Group PLC ("Workspace") is London's leading owner and operator of sustainable, flexible work space. It has been a Real Estate Investment Trust ("REIT") since the UK introduced the status in 2007.

As a REIT, the Group is exempt from corporation tax on both rental profits and chargeable gains arising from our UK property rental business. In order to retain REIT status, the Group is required to satisfy various criteria, including the distribution of at least 90% of its rental business profits to shareholders which is treated as taxable income in their hands. This regime moves the point of taxation from the Company to the Investors. Maintaining our REIT status is one of our main tax objectives.

The REIT regime does not remove all of our tax obligations as a large business and employer and we therefore account for, and pay, various taxes including VAT, PAYE, National Insurance Contributions and Stamp Duty Land Tax. We are also subject to Corporation Tax on our non-property rental business income and gains.

Governance and risk management

The governance and risk management of the Group is led by the Board of Directors, supported by the Executive Directors, Senior Management and other key team members.

The CFO, also the Group's Senior Accounting Officer (SAO), oversees and ensures the proper execution of the tax strategy and reports to the Board on the tax implications of significant transactions and any evolving tax risks identified. Regular risk reviews identify any new tax risks and enable the team to mitigate any such risks. The Audit Committee monitors and reviews the effectiveness of our internal control and risk management structure, including our approach to tax risks.

The tax reporting processes are either completed by trained individuals, reviewed in-house and, where necessary, reviewed by external tax advisors or prepared by external tax advisors and reviewed in-house. We maintain robust internal controls and review procedures over tax processes which contribute to the assurance that our tax accounting arrangements are appropriate.

We consult with external advisors on a regular basis to ensure that we adapt our processes to comply with any legislative and regulatory changes and we encourage team members responsible for the Group's tax affairs to attend training courses to refresh their knowledge.

Approach to tax risk and planning

Our main tax objectives include fulfilling all of our UK tax compliance obligations, complying with the REIT requirements and maintaining our 'low risk' HMRC rating. The Group has a low-risk appetite with regards to tax planning and all transactions are based on commercial considerations as opposed to gaining tax advantages.

Corporate Criminal Offence

Workspace operates in a way that deters, detects, investigates and reports financial crime and to ensure that we do not do business with individuals or entities which are subject to sanctions regimes by ensuring that reasonable and appropriate fraud prevention procedures are in place.

Relationship with HMRC

We communicate regularly with our HMRC Customer Compliance Manager (CCM) and update them with any internal developments that could have tax implications. Pre-clearance is sought from HMRC for transactions where there is any doubt regarding the appropriate tax treatment. We routinely meet or have Teams calls with HMRC to ensure they understand and are comfortable with our business model; this helps to achieve our objective of maintaining our 'low risk' status.

Note: This document is produced by Workspace Group PLC on behalf of all qualifying group entities pursuant to Schedule 19, Finance Act 2016 for the financial year ending 31 March 2027.