

10 June 2026

## WORKSPACE GROUP PLC FULL YEAR RESULTS & STRATEGY UPDATE

### TRANSFORMING TO AN EARNINGS-FOCUSED BUSINESS

Workspace Group PLC (“Workspace”), London’s leading owner and operator of sustainable, high quality flexible work space today announces its results for the year to 31 March 2026. The comments in this announcement refer to the period from 1 April 2025 to 31 March 2026 unless otherwise stated.

#### **Commenting on the results, Charlie Green, Chief Executive Officer said:**

*“The past year has been one of transition, both operationally and in our leadership, and that process continues as we reshape the business. We have an extraordinary portfolio of buildings in strong London locations, operating in markets with continued long-term structural demand. This is reflected in the resilience of enquiry levels and lettings, despite a muted economic backdrop.*

*“We have an exciting opportunity ahead to reposition our business and elevate our offer, work that has already started, so that we fully address the changing needs of occupiers today. Owning the best value category in the market and being the first-choice provider for start-ups, SMEs and scale-ups requires investment in our buildings, our people and our systems, and it will take time. We will recycle proceeds into low-risk, high-return portfolio improvements including a new Managed offer, alongside a Space only offer, generating returns substantially in excess of our cost of capital.*

*“Our focus is on earnings through disciplined execution, driving higher occupancy with pricing growth while controlling costs. We believe this is the best strategy to maximise income and capital returns for shareholders and our ambition is to deliver, organically, trading profit before interest of over £125m per annum in the medium term. We will also explore further opportunities to better leverage our platform for growth and generate accretive value for shareholders. We have a focused plan, a scalable platform and a clear strategic direction. I am confident in our strategy and excited for the future of Workspace.”*

#### **Executing our Fix, Accelerate, Scale strategy at pace**

- Medium-term ambition to deliver over £125m trading profit before interest<sup>†</sup>
- Active capital recycling with £125.7m of disposals exchanged or completed in the year
- In June 26, we exchanged on the sale of two further properties for £6.0m with a further £60.4m in active discussions towards existing target of £200m
- £100m+ of additional disposals under consideration to accelerate our accretive investment in the portfolio and further increase balance sheet capacity
- Commencing major improvements at Salisbury House, Cargo Works, Edinburgh House and Centro Buildings as case studies, to enhance amenities and unit standards to improve operational earnings

#### **Resilient customer demand; some recovery in occupancy in the second half of the year**

- 1,310 lettings and 558 renewals completed with a total rental value of £50.4m (FY25: 1,266 lettings and 500 renewals completed with a total rental value of £46.4m)
- 77% of enquiries converted to viewings (FY25: 72%) and 17% of enquiries converted to lettings (FY25: 15%)
- Stabilised Portfolio occupancy at 81.6% at 31 March 26 (Sep 25: 80.5%<sup>3</sup>, Mar 25: 83.0%<sup>3</sup>)

- Stabilised Portfolio rent per sq. ft. down 2.1% to £46.31 at 31 March 26 (Sep 25: £47.37<sup>3</sup>, Mar 25: £47.30<sup>3</sup>)
- Stabilised Portfolio rent roll down 4.6% to £108.3m at 31 March 26 (Sep 25: £109.9m<sup>3</sup>, Mar 25: £113.5m<sup>3</sup>)

### **Reduction in income, reflecting disposals and lower occupancy and pricing**

- Net rental income down 7.1% (£8.7m) to £113.4m (Mar 25: £122.1m) following disposals, with underlying net rental income<sup>†1</sup> down 2.4%<sup>1</sup> to £109.9m (Mar 25: £112.6m)
- Trading profit after interest<sup>†</sup> down 9.4% (£6.3m) to £60.5m (Mar 25: £66.8m)
- Final dividend of 16.7p per share declared, giving total dividend of 26.1p per share in respect of FY26 (Mar 25: 28.4p), consistent with our revised dividend policy
- Loss before tax of £120.5m (Mar 25: £5.4m profit) primarily reflecting the reduction in the property valuation

### **Modest leverage and significant undrawn facilities**

- Stabilised Portfolio valuation down 5.6%, on an underlying<sup>2</sup> basis, over the financial year (an underlying<sup>2</sup> reduction of 2.9% from Sep 25) with ERV per sq. ft. down 3.8% to £48.94 and equivalent yield coming in 18bps to 6.7%
- EPRA net tangible assets per share<sup>†</sup> down 11.2% from March 25 to £6.87 (HY26: £7.21; FY25: £7.74)
- LTV of 35% (Mar 25: 34%) and £242m of undrawn facilities and cash
- In June 26, the £200m RCF maturity date was extended by one year to June 2030, taking the average debt facility maturity to 2.8 years on a proforma basis.
- Fitch has commenced coverage of Workspace with a credit rating of BBB-, stable outlook; notice given to S&P to terminate coverage

## Summary Results

	31 March 2026	31 March 2025	Change
<b>Financial performance</b>			
Net rental income <sup>†</sup>	<b>£113.4m</b>	£122.1m	-7.1%
Underlying net rental income <sup>†1</sup>	<b>£109.9m</b>	£112.6m	-2.4% <sup>1</sup>
Trading profit after interest <sup>†</sup>	<b>£60.5m</b>	£66.8m	-9.4%
(Loss)/Profit before tax	<b>(£120.5m)</b>	£5.4m	
Final dividend per share	<b>16.7p</b>	19.0p	-12.1%
Full year dividend per share	<b>26.1p</b>	28.4p	-8.1%
<b>Valuation</b>			
Property valuation <sup>†</sup>	<b>£2,133m</b>	£2,368m	-7.0% <sup>2</sup>
EPRA net tangible assets per share <sup>†</sup>	<b>£6.87</b>	£7.74	-11.2%
<b>Financing</b>			
Loan to value <sup>†</sup>	<b>35%</b>	34%	+1pp
Drawn debt	<b>£761m</b>	£845m	-9.9%
Undrawn bank facilities and cash	<b>£242m</b>	£260m	-6.9%

<sup>†</sup> Alternative performance measure (APM). The Group uses a number of financial measures to assess and explain its performance. Some of these which are not defined within IFRS are considered APMs.

<sup>1</sup> Underlying change adjusted for disposals.

<sup>2</sup> Underlying change excluding capital expenditure and disposals.

<sup>3</sup> Restated for the transfer in of Barley Mow, Chiswick; Pall Mall Deposit, Ladbroke Grove; Portsoken House, Aldgate; Swan Court, Wimbledon; Omnibus House, Camden; United House, Camden and the development part of The Light Bulb, Wandsworth, where occupancy is now stabilised post-refurbishment and the transfer out of Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn (sold) and 66 Wilson Street, Moorgate (exchanged). Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.

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### Details of results presentation

Workspace will host a strategy update alongside the FY results presentation and Q&A for analysts and investors on Wednesday, 10 June 2026 at 9:30am. The venue for the presentation is Eventspace, at Salisbury House, 114 London Wall, EC2M 5QD.

The presentation and Q&A can also be accessed live via webcast, available at the following link:

<https://secure.emincote.com/client/workspace/workspace029>

### Notes to Editors

#### About Workspace Group PLC

Workspace is London's leading owner and operator of flexible workspace, currently managing 3.8 million sq. ft. of sustainable space at 57 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).

Workspace® is a registered trademark of Workspace Group PLC, London, UK.

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For more information on Workspace, visit [www.workspace.co.uk](http://www.workspace.co.uk)

## CHAIR'S STATEMENT

It has been another year marked by macroeconomic uncertainty and a challenging operating backdrop. Inflationary pressures, higher interest rates and subdued levels of business confidence have continued to weigh on decision-making across our customer base. Against this backdrop, the Board has been clear that this was a year for focus and discipline, with FY26 centred on streamlining the business, managing operating costs, sharpening priorities and beginning to deliver on our strategy to Fix the portfolio positioning, Accelerate and rebuild lettings, thereby positioning the business to Scale in the future. I would like to thank shareholders for their continued support during what has been a demanding period of change. I would also like to thank colleagues across the Group: their professionalism and focus have been instrumental in the progress we have made to date.

The year also marked an important transition in the leadership of the business. Following rigorous processes, with assistance from independent external search agency Heidrick & Struggles, we welcomed Charlie Green as Chief Executive Officer and Tom Edwards-Moss as Chief Financial Officer.

The Board has been delighted with how quickly and effectively they have formed a strong working partnership and established momentum across the organisation. While we knew that Charlie brought valuable prior knowledge of Workspace and the wider sector, we have been struck by the speed with which he has been able to build a deep understanding of the business, its complex operating platform and the financials underlying the business model, enabling him to take important early action to accelerate the execution of the strategy. His experience and profound understanding of the sector have allowed us to achieve this quickly.

I would also like to place on record the Board's thanks to Lawrence Hutchings for his contribution to the development of the Group's strategy, and to Dave Benson, whose tireless efforts as CFO have ensured a smooth and orderly transition. Dave's knowledge of the business and his commitment to supporting the new leadership team have been invaluable and exemplify the strength of Workspace's culture and his integrity.

As the Company turns its focus to the next phase of execution, Workspace's portfolio remains one of our greatest strengths. We own a unique collection of historic and characterful buildings across London, the majority of which we have identified as high-conviction assets which will continue to benefit from our operating model. These properties sit in locations with enduring demand from our SME customers and many offer significant ongoing potential to be upgraded as part of proactive portfolio management, reflecting the evolution of what our customers value today.

Alongside this, we remain committed to a disciplined programme of disposals of lower-conviction assets. As always, the Board carefully assesses the use of proceeds from these sales with a clear focus on maximising long-term shareholder returns. At this point in the cycle, we see a clear benefit in prioritising balance sheet strength ahead of the Group's refinancing events, while also continuing to invest selectively in the existing portfolio where returns are most compelling.

In this context, our approach to the dividend is disciplined. The Board has reviewed the dividend policy and intends to return to earnings cover of 1.2x for FY26 onwards, reflecting a balanced approach between reinvesting in the portfolio and maintaining an appropriate level of return to shareholders.

Looking ahead, the external environment remains uncertain and the operating conditions in our market are likely to remain tough for some time. No one underestimates the challenge ahead. However, we are confident that Workspace has the right Board, Executive, wider team and portfolio to navigate this period and to create shareholder value over the long term. We have a high-quality London-focused portfolio, a differentiated operating platform and a leadership team with a clear plan and a common sense of purpose. Our priority is delivering sustainable shareholder returns and rebuilding long-term value. While the path will not be straightforward, we believe the actions now underway position Workspace to re-establish its market leadership.

I would especially like to thank my fellow Board members for their continued commitment and constructive approach throughout the year, and all our colleagues for their hard work and dedication. With the right focus and discipline, Workspace will emerge from this period stronger and even better placed for the future.

## **CHIEF EXECUTIVE'S STATEMENT**

The year ended 31 March 2026 has been one of transition for Workspace, both operationally and in leadership, and that process continues as we reposition the business. The business has strong underlying fundamentals with an exceptional portfolio and by driving the Fix, Accelerate, Scale strategy, we can deliver significant value creation over time.

Both Tom Edwards-Moss, our CFO, and I joined Workspace in February 2026. In the weeks and months since, our priority has been to understand every aspect of the business, from the portfolio, people and operating model to the financial performance and, importantly, the significant potential of Workspace.

The macroeconomic backdrop has undoubtedly created a challenging trading environment. Notwithstanding this, enquiry levels have remained resilient and improved conversion to lettings is an encouraging indicator of the strength and relevance of the business. Occupancy improved modestly towards the year end, driven in part by actions taken on pricing and asset management. As previously stated, alongside the impact of ongoing disposals, this reduced rent roll over the period. Net rental income was £113.4m, resulting in Trading Profit after interest of £60.5m for the year.

This reduction in trading profit clearly highlights the need to reposition the business. We must strengthen and modernise our offer to take full advantage of our exceptional portfolio of buildings. That requires elevating our offer to meet the evolving demands of occupiers today. We need to invest in our buildings and invest in the product. As we progress this strategy, alongside the impact of disposing of higher-yielding assets and increased interest costs, there will be a near-term impact on profitability, as stated in our Q4 Trading Update.

We have a significant opportunity to reposition the business in line with our strategy. We will recycle proceeds into low-risk, high-return refurbishments and deliver a new Managed offer, alongside a Space only offer, generating returns substantially in excess of our cost of capital. We have set a medium-term ambition to deliver, organically, annual trading profit before interest of over £125m. The emphasis now is on disciplined execution of that strategy. We will also assess opportunities to grow the portfolio in due course, where it is accretive to returns.

We have a focused plan to transform the business, with a clear emphasis on shareholder returns through sustainable earnings growth. We continue to make progress recycling capital through the disposal of non-core assets, with £125.7m exchanged or completed prior to year-end and £6.0m

exchanged since, with a further £60.4m in active discussions against our two-year £200m target. £100m+ of further disposals are under consideration to accelerate our accretive investment in the portfolio and further increase balance sheet capacity.

Our investment will create an offer and brand that positions Workspace as the market leader in our sub-sector of the flex market, delivering an elevated offer that is better suited to today's demand. Achieving this requires investment not only in our buildings, but also in our people and systems. Over time, our operating platform will allow us to benefit from additional revenue streams and better leverage our ability to grow.

We are starting major improvements across four key buildings (Salisbury House, EC2, Cargo Works, SE1, Edinburgh House, SE11 and Centro Buildings, NW1), as case studies, to enhance customer areas, amenities and deliver the Managed offer to improve operational earnings for each of the properties, establishing proof of concept. In the meantime, we will be reviewing and investing to improve other assets and offices across the portfolio.

Workspace has an outstanding portfolio of buildings and operates in markets supported by continued long-term structural demand. Our opportunity is to reposition and elevate our product and offer so that we better address the changing needs of our customers and, in doing so, leverage our scale advantage.

By improving the customer proposition in a disciplined and targeted way, we will drive higher occupancy and support pricing growth, delivering sustainable earnings growth and, ultimately, better returns for shareholders over the medium term.

Workspace has strong foundations: a characterful London-focused portfolio, a scalable operating platform and a clear strategic direction. The task now is to execute against that strategy, creating a new product and brand proposition that better reflects the changing working patterns and customer expectations evident across the market today.

I could not be more excited about the opportunity ahead and look forward to sharing our progress as we deliver on our medium-term ambition to generate, organically, over £125m of trading profit before interest.

Finally, I would like to thank the Workspace team for their hard work and continued commitment through this period of change, as well as our customers and shareholders for their ongoing support.

## BUSINESS REVIEW

### CUSTOMER ACTIVITY

We have seen resilient customer demand with 1,310 lettings and 558 renewals completed in the year with a total rental value of £50.4m (FY25: 1,266 lettings and 500 renewals completed with a total rental value of £46.4m).

	Average Monthly					
	FY 2025/26	FY 2024/25	Q4 2025/26	Q3 2025/26	Q2 2025/26	Q1 2025/26
Enquiries	649	703	727	568	666	634
Viewings	497	507	528	444	519	495
Conversion	77%	72%	73%	78%	78%	78%
Lettings	109	106	128	107	109	93
Conversion	17%	15%	18%	19%	16%	15%

Trading has been steady, with overall lettings for FY26 similar to prior year despite a modest decrease in enquiries due to increased conversion rates.

	Monthly			
	May 2026	April 2026	May 2025	April 2025
Enquiries	541	654	644	631
Viewings	457	456	547	465
Conversion	84%	70%	85%	74%
Lettings	91	73	92	65
Conversion	17%	11%	14%	10%

With Easter, the May bank holidays and half term usually falling within the first two months of the financial year, this period is traditionally quieter: lettings activity has been similar to the same period in the prior year.

### RENT ROLL

Total rent roll, representing the total annualised net rental income at a given date, was down 8.6% (£12.0m) in the year to £127.3m at 31 March 26, as set out in the table below.

Total Rent Roll	£m
At 31 March 25 <sup>1</sup>	139.3
Stabilised Portfolio	(5.3)
Completed projects	1.2
Projects underway and design stage	(0.1)
South East Office	(0.1)
Non-core	(0.2)
Disposals	(7.5)
<b>At 31 March 26</b>	<b>127.3</b>

<sup>1</sup> Restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting.

<b>Total Portfolio</b>	<b>Six Months Ended</b>		
	31 March 26	30 September 25 <sup>1</sup>	31 March 25 <sup>1</sup>
Floor space sq. ft.	3.8m	3.8m	3.8m
Floor space sq. ft. change	(0.5%)	1.2%	0.9%
Occupancy	79.4%	77.8%	80.7%
Occupancy change	1.6pp	(2.9pp)	(1.8pp)
Rent per sq. ft.	£41.96	£42.84	£42.99
Rent per sq. ft. change	(2.1%)	(0.3%)	3.2%
Rent roll	£127.3m	£128.1m	£131.8m
Rent roll change	(0.6%)	(2.8%)	2.0%

<sup>1</sup> Restated for disposals of Chocolate Factory (part); The Planets, Woking; Shaftesbury Centre, Ladbroke Grove; Q West, Brentford; The Mille, Brentford; Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn and Havelock Terrace, Battersea. Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.

The total Estimated Rental Value (ERV) of the portfolio, comprising the ERV of the Stabilised Portfolio and those properties currently undergoing refurbishment or redevelopment (but only including properties at the design stage and non-core properties at their current rent roll and occupancy), was £175.7m at 31 March 26.

If all properties were at 90% occupancy (or current occupancy if higher in the South East Offices) at the CBRE and Knight Frank estimated rental values at 31 March 26, the rent roll would be £158.5m, £31.2m higher than the actual rent roll at 31 March 26.

#### Stabilised Portfolio

Stabilised Portfolio is defined as properties within London which have been owned and consistently in operation and not affected by development or refurbishment activity during the current and prior reporting years or which have twelve months of stable occupancy – whichever is earlier.

The Stabilised Portfolio represents 85% of the total rent roll as at 31 March 26. It comprises 38 properties all within London, with stabilised occupancy, and excludes recent acquisitions and disposals, buildings impacted by significant refurbishment or redevelopment activity, or contracted for sale.

<b>Stabilised Portfolio</b>	<b>Six Months Ended</b>		
	31 March 26	30 September 25 <sup>1</sup>	31 March 25 <sup>1</sup>
Floor space sq. ft.	2.9m	2.9m	2.9m
Floor space sq. ft. change	(0.6%)	(0.3%)	0.2%
Occupancy	81.6%	80.5%	83.0%
Occupancy change	1.1pp	(2.5pp)	(1.1pp)
Rent per sq. ft.	£46.31	£47.37	£47.30
Rent per sq. ft. change	(2.2%)	0.1%	2.7%
Rent roll	£108.3m	£109.9m	£113.5m
Rent roll change	(1.5%)	(3.2%)	1.5%

<sup>1</sup> Restated for the transfer in of Barley Mow, Chiswick; Pall Mall Deposit, Ladbroke Grove; Portsoken House, Aldgate; Swan Court, Wimbledon; Omnibus House, Camden; United House, Camden and the development part of The Light Bulb, Wandsworth, where occupancy is now stabilised post-refurbishment and the transfer out of Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn (sold) and 66 Wilson Street, Moorgate (exchanged). Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.

The Stabilised Portfolio occupancy was down by 1.4pp to 81.6% in the financial year, with an overall decrease in the Stabilised Portfolio rent roll of 4.6% (£5.2m) to £108.3m. We saw some recovery in occupancy in H2 at the expense of some reduction in pricing.

We have seen ERV per sq. ft. decrease by 3.8% in the year. If all the properties in the Stabilised Portfolio were at 90% occupancy at the CBRE and Knight Frank estimated rental values at 31 March 26, the rent roll would be £128.1m, £19.8m higher than the actual rent roll at 31 March 26.

### Completed Projects

There are six projects in the completed projects category, comprising Evergreen Studios, Centro Workshops, Leroy House, Parkhall (excluding Blocks A&B), Chocolate Factory and Wenlock Studios. The combined rent roll increased overall by £1.2m in the year to £5.1m, with occupancy at 63.5% (Mar 25: 61.7%). The combined net lettable area increased by 58,000 sq. ft. to 277,000 sq. ft. with the main movements being new space at Chocolate Factory accounting for 40,000 sq. ft. and the completed Centro Workshops adding 21,000 sq. ft., offset by 3,000 sq. ft. being converted to communal space at Parkhall (excluding Blocks A&B) and 500 sq. ft. at Evergreen Studios.

If the buildings in this category were all at 90% occupancy at the ERVs at 31 March 26, the rent roll would be £9.2m, an uplift of £4.1m.

### Refurbishments

Our major refurbishment at The Biscuit Factory (J Block) with The Biscuit Factory (part and Cocoa Studios), is due to complete soon and will add 38,500 sq. ft. of new space and 231,000 sq. ft. of upgraded space (83,000 sq. ft. at J Block plus the entire Biscuit Factory site will benefit from the upgraded amenities).

The rolling refurbishments at Fleet Street and Corinthian House have been paused pending review.

As at 31 March 26, rent roll was £6.3m, down £0.1m in the year, with occupancy at 68.3% (Mar 25: 66.7%).

Assuming 90% occupancy at the ERVs at 31 March 26, the rent roll at these three buildings once they are completed would be £12.0m, an uplift of £5.7m.

### South East Office

As at 31 March 26, the rent roll of the South East office portfolio, comprising eight buildings, was £6.9m, down £0.1m in the year, with occupancy at 86.1% (Mar 25: 87.3%) and net lettable area steady at 333,000 sq. ft..

Assuming 90% occupancy (or current occupancy if higher) at the ERVs at 31 March 26, the rent roll would be £8.6m, an uplift of £1.7m.

### Non-core

As at 31 March 26, the rent roll of the non-core portfolio was £0.7m, down £0.2m from 31 March 2025, with occupancy down 18.7pp to 54.2% (March 25: 72.9%) as vacant possession is being obtained at Parkhall (Blocks A & B) prior to completion and net lettable area was steady at 35,000 sq. ft..

### Disposals

During the year, £125.7m of properties exchanged or completed as sales, a 7.2% discount to the most recent book value prior to sale. In aggregate, disposals have delivered £111m of proceeds (net of sales costs) in the year, at a combined net initial yield of 5.9%.

In June, we exchanged on the sale of Chiswick Studios, Chiswick for £3.0m and One Crown Square, Woking for £3.0m, for a combined yield of 11.5% and a 15.5% discount to the March 26 net book value. There are active discussions on a further eight assets for approximately £60.4m in value and are also a further £100m+ of disposals beyond the previously guided £200m disposal target.

## PROFIT PERFORMANCE

Trading profit after interest for the year was down 9.4% (£6.3m) on the prior year at £60.5m.

£m	2026	2025	YoY Movement	
Rental income	<b>134.3</b>	138.2	(3.9)	(2.8%)
Unrecovered service charge costs	<b>(4.8)</b>	(4.2)	(0.6)	13.5%
Empty rates and other non-recoverable costs	<b>(13.4)</b>	(11.5)	(1.9)	16.5%
Services, fees, commissions and sundry income	<b>(2.7)</b>	(0.4)	(2.3)	575%
<b>Net rental income<sup>1</sup></b>	<b>113.4</b>	122.1	(8.7)	(7.1%)
<i>Less net rental income from assets sold</i>	<b>3.5</b>	9.5	6.0	63.2%
<b>Underlying net rental income</b>	<b>109.9</b>	112.6	(2.7)	(2.4%)
Administrative expenses - underlying	<b>(20.0)</b>	(20.7)	0.7	3.4%
Administrative expenses - share based payment costs <sup>2</sup>	<b>(1.7)</b>	(2.6)	0.9	34.6%
Net finance costs	<b>(31.2)</b>	(32.0)	0.8	2.5%
<b>Trading profit after interest</b>	<b>60.5</b>	66.8	(6.3)	(9.4%)

<sup>1</sup> There is an analysis of net rental income and segmental breakdown of net rental income in note 1 in the financial statements.

<sup>2</sup> These relate to both cash and equity settled costs

Net rental income decreased by £8.7m (7.1%), of which £6.0m related to disposals. On an underlying basis, net rental income, excluding the impact of disposals, has decreased by £2.7m.

The underlying decrease in net rental income of £2.7m reflects:

- £2.1m increase in vacancy related costs comprising £0.9m higher unrecovered direct costs, reflecting lower occupancy and increased cleaning, security and maintenance costs; and £1.2m higher empty rates, driven by increased vacant space, particularly at Leroy House and The Chocolate Factory which are letting up
- £0.7m increase in marketing costs, reflecting higher promotional spend
- £1.9m increase in services costs, driven by enhanced amenity provision, including additional cafés and Wi-Fi upgrades, across 20 properties, and increased utilities costs
- Partially offset by £2.0m of one-off income, comprising £1.0m of higher cash settlements received in the year; and £1.0m of bad debt releases.

Underlying administrative expenses (excluding share based payment costs) decreased by £0.7m to £20.0m, with lower staff costs reflecting performance in the year and tight control of other costs offsetting inflation. Share-based costs decreased by £0.9m to £1.7m driven by lower vesting levels.

Net finance costs decreased by £0.8m to £31.2m in the year reflecting the reduction in average net debt following asset disposals. The average debt balance over the year was £31.8m lower than in the prior year.

Loss before tax was £120.5m compared to a profit of £5.4m in the prior year.

£m	<b>31 March 2026</b>	31 March 2025
Trading profit after interest	<b>60.5</b>	66.8
Change in fair value of investment properties	<b>(159.5)</b>	(56.3)
Loss on sale of investment properties	<b>(13.8)</b>	(1.5)
Loss on disposal of fixed assets	<b>(0.4)</b>	-
Other costs	<b>(7.3)</b>	(3.6)
<b>Profit/(loss) before tax</b>	<b>(120.5)</b>	5.4
Adjusted underlying earnings per share	<b>31.3p</b>	34.5p

The change in fair value of investment properties, including assets held for sale, was a decrease of £159.5m compared to a decrease of £56.3m in the prior year.

The loss on sale of investment properties of £13.8m was driven by disposals below book value and costs associated with disposals in the year.

Other costs are made up of exceptional costs and include one-off items relating to the replacement of the finance and property management system and CRM system at £3.1m in the year and organisational restructure costs of £4.2m. Full details can be found in Note 3(b) in the financial statements.

Adjusted underlying earnings per share, based on trading profit after interest and calculated on a diluted share basis, was down 9.3% to 31.3p. The calculation of adjusted, basic, diluted and EPRA earnings per share is shown in note 8 to the financial statements.

## **DIVIDEND**

The Board recently reviewed the dividend policy and decided to return to ensuring the total dividend per share in each financial year is covered at least 1.2 times by adjusted underlying earnings per share.

Consequently, the Board is recommending a final dividend of 16.7p per share, taking the full year dividend to 26.1p (2025: 28.4p), to be paid on 3 August 2026 to shareholders on the register at 3 July 2026. The dividend will be paid as a REIT Property Income Distribution (PID) net of withholding tax where appropriate.

## **PROPERTY VALUATION**

At 31 March 26, our property portfolio was independently valued by CBRE and Knight Frank at £2,133m, an underlying decrease of 7.0% (£160m) in the year. The main movements in the valuation are set out below:

	£m
Valuation at 31 March 25	2,368
Capital expenditure	48
Disposals	(123)
Underlying revaluation movement	(160)
<b>Valuation at 31 March 26</b>	<b>2,133</b>

A summary of the full year valuation and revaluation movement by property type is set out below:

Valuation £m	31 March 2026	Underlying revaluation decrease					
		Full Year		H2		H1	
Stabilised Portfolio	<b>1,780</b>	(105)	(6%)	(53)	(3%)	(52)	(3%)
Completed projects	<b>133</b>	(20)	(13%)	(7)	(5%)	(13)	(9%)
Refurbishments	<b>148</b>	-	-	5	3%	(5)	(4%)
South East office	<b>58</b>	(19)	(25%)	(9)	(13%)	(10)	(13%)
Non-core	<b>14</b>	-	-	-	-	-	-
Disposals	-	(16)	-	-	-	(16)	(14%)
<b>Total</b>	<b>2,133</b>	<b>(160)</b>	<b>(7%)</b>	<b>(64)</b>	<b>(3%)</b>	<b>(96)</b>	<b>(4%)</b>

### Stabilised Portfolio

There was a 5.6% (£105m) underlying decrease in the valuation of the Stabilised Portfolio to £1,780m. This was driven by lower occupancy with a 3.8% decrease in the ERV per sq. ft. offset by a 18bps inward shift in equivalent yield.

We saw a stronger performance in ERV for smaller space, which represents the majority of our lettings activity, with a decrease of 2.8% in the year for units under 1,000 sq. ft., compared to larger spaces, where ERVs decreased by 4.7%. Larger units will continue to be divided into smaller units where we believe this will enhance returns. With the elevated product strategy we intend to drive increases in ERVs across all unit sizes.

	31 March 2026	31 March 2025 <sup>1</sup>	Change
ERV per sq. ft.	<b>£48.94</b>	£50.87	(3.8%)
Rent per sq. ft.	<b>£46.31</b>	£47.30	(2.1%)
Equivalent yield	<b>6.7%</b>	6.8%	18bps
Net initial yield	<b>5.5%</b>	5.6%	5bps
Capital value per sq. ft.	<b>£612</b>	£640	(4.3%)

<sup>1</sup> Restated for the transfer in of Barley Mow, Chiswick; Pall Mall Deposit, Ladbroke Grove; Portsoken House, Aldgate; Swan Court, Wimbledon; Omnibus House, Camden; United House, Camden and the development part of The Light Bulb, Wandsworth, where occupancy is now stabilised post-refurbishment and the transfer out of Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn (sold) and 66 Wilson Street, Moorgate (exchanged). Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.

A 2.5% increase in ERV per sq. ft. would increase the valuation of the Stabilised Portfolio by approximately £46m while a 25bps increase in equivalent yield would reduce the valuation by approximately £62m.

### Completed Projects

There was an underlying decrease of 13.1% (£20m) in the value of the six completed projects to £133m. This was driven by a 8.1% decrease in the ERV per sq. ft. The overall valuation metrics for completed projects are set out below:

	31 March 2026	31 March 2025	Change
ERV per sq. ft.	<b>£36.36</b>	£39.57	(8.1%)
Rent per sq. ft.	<b>£28.86</b>	£29.00	(0.5%)
Equivalent yield	<b>6.6%</b>	6.4%	19bps
Net initial yield	<b>3.7%</b>	2.5%	122bps
Capital value per sq. ft.	<b>£473</b>	£490	(3.4%)

### Current Refurbishments

The value of our current refurbishments was held steady at £148m, with the capital value per sq. ft. at £419 (including new space at Biscuit Factory not currently lettable) and capital expenditure of £16.4m during the year.

The decrease in like-for-like value of our refurbishments reflected the combination of an outward movement in yields, increase in build costs and offset by an increase in ERVs.

### South East Office

There was a 24.7% (£19m) underlying decrease in the valuation of the South East office portfolio to £58m with 24bps outward shift in equivalent yield, and a 4.1% decrease in ERV per sq. ft., the overall valuation metrics are set out below:

	<b>31 March 2026</b>	31 March 2025	Change
ERV per sq. ft.	<b>£27.40</b>	£28.58	(4.1%)
Rent per sq. ft.	<b>£24.13</b>	£24.13	-
Equivalent Yield	<b>10.5%</b>	10.2%	24bps
Net Initial Yield	<b>9.5%</b>	8.9%	57bps
Capital Value per sq. ft.	<b>£177</b>	£227	(22.3%)

### **REFURBISHMENT ACTIVITY**

A summary of the status of the refurbishment pipeline at March 26 is set out below:

Projects	Number	Capex spent	Capex to spend	Upgraded and new space (sq. ft.)
Underway	3	£39m	£4m	334,500

Activity is nearing completion at our major refurbishment project with £32m of capital expenditure spent to date and an estimated £1m outstanding; The Biscuit Factory in Bermondsey, which will deliver 38,500 sq. ft. of new space and 231,000 sq. ft. of upgraded space within the first half of 2026/27 (83,000 sq. ft. at J Block plus the entire Biscuit Factory site will benefit from the upgraded amenities).

Further rolling refurbishments at Fleet Street and Corinthian House have been paused pending review.

### **CASE STUDIES**

We are starting refurbishments across four key buildings to improve customer areas, amenities and unit standards to improve the rental return on these spaces.

Works will begin shortly at Salisbury House, Cargo Works, Edinburgh House and Centro Buildings. The current performance indicators are detailed below with the expected capital expenditure and target metrics.

<b>31 March 26</b>	<b>Salisbury House</b>	<b>Cargo Works</b>	<b>Edinburgh House</b>	<b>Centro Buildings<sup>1</sup></b>
Current floor size	220,000 sq. ft.	71,000 sq. ft.	65,000 sq. ft.	205,000 sq. ft.
Occupancy	87.4%	74.6%	83.0%	65.2%
Average rent £psf	£68.15	£67.69	£48.15	£35.60
<b>Case Study</b>				
Case study floor size	27,000 sq. ft.	12,000 sq. ft.	15,000 sq. ft.	48,500 sq. ft.
Planned capex	£5m-£6m	£1.5m-£2m	£1.5m-£2m	£8m-£10m
Incremental yield on cost	25-30%	15-20%	15-20%	12.5-17.5%
Target unlevered IRR	15-20%	10-15%	10-15%	10-15%

<sup>1</sup> Includes Centro Workshops and floor area in Centro 1,3 & 4 currently not available to let

## CASH FLOW

A summary of cash flows is set out below:

£m	31 March 2026	31 March 2025
Net cash from operations after interest	63	77
Dividends paid	(55)	(56)
Capital expenditure	(52)	(60)
Property disposals and cash receipts	111	77
Other <sup>1</sup>	(5) <sup>2</sup>	(3)
Net movement	62	35
Opening debt (net of cash)	(820)	(855)
<b>Closing debt (net of cash)</b>	<b>(758)</b>	<b>(820)</b>

<sup>1</sup> Comprises exceptional costs, finance costs, share scheme settlements, proceeds and interest from other investments

<sup>2</sup> 2026 includes £3.2m investment in Qube (2025: £nil)

There is a reconciliation of net debt in note 16(b) in the financial statements.

The overall decrease of £62m in net debt largely reflects the disposals made in the period net of capital expenditure.

## NET ASSETS

Net assets decreased in the year by £174.0m to £1,328m. EPRA net tangible assets (NTA) per share at 31 March 26 was down 11.2% (£0.87) to £6.87.

EPRA NTA per share	£
At 31 March 25	7.74
Adjusted trading profit after interest	0.31
Property valuation deficit	(0.82)
Dividends paid	(0.28)
Other	(0.08)
<b>At 31 March 26</b>	<b>6.87</b>

The calculation of EPRA NTA per share is set out in note 9 of the financial statements.

## TOTAL ACCOUNTING RETURN

The total accounting return for the year was (7.6%) compared to 0.3% in the prior year ended 31 March 2025. The total accounting return comprises the change in absolute EPRA net tangible assets per share plus dividends paid in the year as a percentage of the opening EPRA net tangible assets per share. The calculation of total accounting return is set out in note 9 of the financial statements.

## FINANCING

As at 31 March 26, the Group had £3m of available cash and £239m of undrawn facilities:

31 March 2026	Drawn	Facility	Interest Rate	Facility Maturity
<b>Unsecured Debt</b>				
Term Loan Facility	£80.0m	£80m	SONIA+1.77%	November 2027+
Revolver Loan	£51.8m	£200m*	SONIA+1.77%	June 2029++
Revolver Loan	£44.2m	£135m*	SONIA+1.82%	November 2029+
Private Placement Notes				
(i) 10-year notes (2017)	£120.0m	£120m	3.19%	August 2027
(ii) 10-year notes (2019)	£100.0m	£100m	3.60%	January 2029
Green Bond	£300.0m	£300m	2.25%	March 2028
<b>Unsecured Debt Total</b>	<b>£696.0m</b>	<b>£935m</b>		
<b>Secured Debt</b>				
Aviva <sup>1</sup>	£65.0m	£65m	4.02%	May 2030
<b>Secured Debt Total</b>	<b>£65.0m</b>	<b>£65m</b>		
<b>Total Debt</b>	<b>£761.0m</b>	<b>£1,000m</b>	<b>3.60%<sup>2</sup></b>	<b>2.6 years</b>

<sup>1</sup> Aviva loan is secured on Kennington Park asset

<sup>2</sup> Based on SONIA at 3.73% (March 26)

\* Includes accordion option, subject to bank consent

+ Includes option to extend to by one year, subject to bank consent

++ Includes option to extend twice by one year each, subject to bank consent

The majority of the Group's debt comprises fixed-rate committed facilities including a £300m green bond, £220m of private placement notes, and a £65m secured loan facility.

Liquidity and flexibility is provided by floating-rate sustainability-linked Revolving Credit Facilities (RCFs) totalling £335m which were £96m drawn as at March 26. In May 2025 the terms of the £200m RCF were amended to extend the maturity to 30 June 2029, with options to extend by up to a further two years and an option to increase the facility amount to £300m, subject to lender consent. In November 2025, the maturity of the £135m RCF (including an option to increase the facility amount to £255m, subject to lender consent) and £80m term loan were extended by one year to 30 November 2029 and 30 November 2027 respectively. Both facilities have options to extend by a further year, subject to lender consent. The average debt facility maturity is 2.6 years (Mar 25: 3.1 years). In June 26, the lenders approved the one year extension of the maturity of the £200m RCF to 30 June 2030, which takes the average debt facility maturity to 2.8 years on a proforma basis.

At 31 March 26, the Group's effective interest rate on drawn debt was 3.6% (average cost of debt over the year was 3.8%), based on SONIA at 3.73%, with 77% (£585m) of drawn debt at fixed rates. The average interest cost of our fixed-rate borrowings was 2.9% and our floating-rate bank borrowings had an average margin of 1.8% over SONIA. A 1% change in SONIA would change the effective interest rate by 0.3pp (at current debt levels).

At 31 March 26, loan to value (LTV) was 35% (Mar 25: 34%) and interest cover, based on net rental income and interest paid over the last 12-month period, was 3.6 times (Mar 25: 3.8 times), providing good headroom on all facility covenants.

## CREDIT RATING

We have decided to transition our credit rating to Fitch. Fitch provides credit ratings to more of the UK real estate sector and we believe its methodology is more appropriate for a company of Workspace's scale. Fitch has commenced coverage of Workspace today with a credit rating of BBB- and stable outlook. We have given notice to S&P to terminate its coverage.

## **SUSTAINABILITY**

We believe our portfolio is inherently sustainable, underpinned by our refurbishment-led ethos resulting in 40-70% lower embodied emissions, compared to industry best practice, from our development and refurbishment activities and our energy efficient operations. The average energy intensity of our portfolio is 17% lower than industry best practice for net zero carbon offices, set at 90kWh/m<sup>2</sup><sup>1</sup>. Further improving the energy efficiency of our buildings is key in helping us to achieve our target of being a net zero carbon business.

The Workspace portfolio is currently 64.4% EPC A and B rated, an increase of 4.4pp (in year target: 6%) in the year, ensuring our portfolio is future-proofed against the proposed regulated trajectory for all commercial buildings to be EPC A/B rated by 2030. We also continue to procure 100% renewable electricity, with two-thirds of this demand being met via our power purchase agreement with a solar plant in Devon. In the year we achieved a 2.5% (in year target: 5%) reduction in operational energy intensity across all properties owned for the last 24 months (excluding disposals). To ensure we build long-term climate resilience, we have updated our net zero carbon commitment - being the first UK REIT to adopt the latest building sector guidance from The Science Based Targets Initiative - committing us to a target of 90% emissions reduction by 2040 against our 2020 baseline. We are pleased to report that we have already reduced our emissions by 36% and have strong foundations in place to continue to drive climate action at pace.

<sup>1</sup><https://ukgbc.org/wp-content/uploads/2020/01/UKGBC-Net-Zero-Carbon-Energy-Performance-Targets-for-Offices.pdf>

## **OUTLOOK STATEMENT**

Enquiries and lettings remain resilient, despite the noted economic backdrop.

As outlined in the Q4 Trading Update released in April 2026, we expect a substantial step down in trading profit after interest for the financial year ending 31 March 2027 on account of a number of factors, including lower opening rent roll versus FY26, disposals, higher borrowing costs, less capitalised interest, higher expenses and a reduced contribution from other non-recurring items.

Along with disposing of the remaining £75m properties identified to reach the £200m target, we are considering a further £100m+ of property disposals by the end of FY27. This will increase our capacity for accretive investment within the portfolio.

While we can cover all of our debt maturities until March 2028 using existing undrawn facilities, we are actively reviewing our refinancing options.

We are confident in the structural demand for our space and excited by the opportunity to deliver sustainable earnings growth by elevating our product through investment in our portfolio. We have set ourselves a medium-term ambition to generate, organically, over £125m of annual trading profit before interest.

## PROPERTY STATISTICS

	Half Year ended			
	31 Mar 2026	30 Sep 2025	31 Mar 2025	30 Sep 2024
<b>Workspace Portfolio</b>				
Property valuation	<b>£2,133m</b>	£2,276m	£2,368m	£2,423m
Number of locations	<b>57</b>	64	67	73
Lettable floorspace (million sq. ft.)	<b>3.8</b>	4.2	4.3	4.3
Number of lettable units	<b>4,503</b>	4,707	4,744	4,650
Rent roll of occupied units	<b>£127.3m</b>	£134.0m	£139.4m	£140.1m
Average rent per sq. ft.	<b>£41.96</b>	£41.91	£41.50	£40.27
Overall occupancy	<b>79.4%</b>	75.4%	78.5%	81.5%
Stabilised Portfolio number of properties	<b>38</b>	38	39	39
Stabilised Portfolio lettable floor space (million sq. ft.)	<b>2.9</b>	2.9	2.7	2.7
Stabilised Portfolio rent roll growth	<b>(1.5%)</b>	(3.2%)	0.7%	(1.6%)
Stabilised Portfolio rent per sq. ft. growth	<b>(2.2%)</b>	0.1%	2.0%	2.7%
Stabilised Portfolio occupancy movement	<b>1.1pp</b>	(2.5pp)	(1.2pp)	(3.8pp)

- 1) The overall portfolio has been restated in the current financial year for the disposals of Chocolate Factory (part); The Planets, Woking; Shaftesbury Centre, Ladbroke Grove; Q West, Brentford; The Mille, Brentford; Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn and Havelock Terrace, Battersea. Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.
- 2) The Stabilised Portfolio category has been restated in the current financial year for the transfer in of Barley Mow, Chiswick; Pall Mall Deposit, Ladbroke Grove; Portsoken House, Aldgate; Swan Court, Wimbledon; Omnibus House, Camden; United House, Camden and the development part of The Light Bulb, Wandsworth, where occupancy is now stabilised post-refurbishment and the transfer out of Morie Street, Wandsworth; Castle Lane, Victoria; Cannon Wharf, Surrey Quays; 338 Goswell Road, Angel; Peer House, Holborn (sold) and 66 Wilson Street, Moorgate (exchanged). Also, restated for Workspace and third-party cafés being removed from floor area and rent roll to standardise reporting and the removal of floor space at Kennington Park, Oval which is being converted to self-storage space.
- 3) Stabilised Portfolio statistics for prior years are not restated for the changes made to the Stabilised property portfolio in the current financial year.
- 4) Occupancy is the area of space let divided by the total net lettable area (excluding land used for open storage) expressed as a percentage. Net lettable area is the internal area of a building that is available to let.
- 5) Overall rent per sq. ft. and occupancy statistics includes the lettable area at the properties in the Stabilised Portfolio and all refurbishment and redevelopment projects, including those projects recently completed and also properties where we are in the process of obtaining vacant possession.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Board assesses and monitors the principal risks of the business and considers how these risks could best be mitigated, where possible, through a combination of internal controls and risk management.

The financial year has seen a fragile UK economic backdrop, with inflation persistently above the Bank of England's 2% target, weak consumer and business confidence, and heightened uncertainty driven by global geopolitical tensions, including the recent escalation of conflict in the Middle East. This conflict has also intensified pressure on global supply chains, contributing to rising construction costs and longer lead times for materials, which affects Workspace's refurbishment activity. These conditions have contributed to softer demand across the economy as business sentiment continues to weaken. At the same time, London's flex office market remains competitive, with ongoing recalibration of occupier requirements placing further pressures on occupancy and pricing for Workspace's portfolio.

Overall, key risks that could affect the Group's medium-term performance and the factors that mitigate these risks have not materially changed from those set out in the Group's Annual Report and Accounts 2025. However, Workspace has undertaken a detailed review of its principal risks to ensure they remain appropriately aligned to the environment in which we operate. As part of this, several risks have been refined and updated, including expanding Customer Demand to incorporate retention, broadening Technology and Systems to reflect AI-related risks, adding a new Operational Delivery risk, and introducing Capital Allocation as a standalone risk. These amendments ensure the risk register better reflects current market conditions and the operational and financial pressures the business faces today.

These risks have been assessed in line with the 2024 UK Corporate Governance Code requirements and are shown below. The Board is satisfied that we continue to operate within our risk profile.

Risk Area	Mitigating Activities
<p><b>Customer Demand and Retention</b></p> <p>Workspace's ability to attract and retain customers depends on delivering a relevant and competitive product offering, including the quality and location of our buildings, the flexibility of our leasing model, and the amenities and services we provide. Failure to adapt and invest in our product to meet or exceed evolving customer expectations, combined with wider economic pressures affecting demand, could lead to reduced occupancy, lower pricing power and weaker income performance.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Fall in occupancy and/or rental levels at our properties</li> <li>• Reduction in rent roll</li> <li>• Reduction in property valuation</li> </ul>	<ul style="list-style-type: none"> <li>• Broad mix of buildings across London with different space offerings, at various price points to match customer requirements.</li> <li>• Enhance market insight, segmentation, data and reporting to track customer trends, optimise sales performance and develop new propositions.</li> <li>• Improvements to product offer, including building design, more flexible terms and additional services and benefits to enhance the proposition for both new and existing customers.</li> <li>• A Case Study programme has been created as an enhanced approach to the pilot programme, to test our managed offer proposition and communal space enhancements in a live environment, based on customer feedback and market demand.</li> <li>• Increased accountability for centre staff to maintain ongoing relationships with our customers, understand their requirements and implement change to meet their needs.</li> <li>• Business plans are stress tested to assess the sensitivity of forecasts to reduced levels of demand and implement contingency measures.</li> <li>• Targeted marketing creates demand for Workspace and drives conversion to viewings, with advertising content and messaging regularly reviewed and updated.</li> </ul>
<p><b>Financing</b></p> <p>Macroeconomic uncertainty, a reduction in the availability of long-term financing and an increase in bond yields could impact asset valuations, credit rating and our ability to fund the business. As existing low-cost debt matures, funding costs are likely to rise, reducing returns and having a negative impact on covenant headroom.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Inability to fund business plans and invest in new opportunities</li> <li>• Cost of refinancing increases, reducing trading profits more than expected.</li> <li>• Impact on share price and credit rating</li> <li>• Financing covenants linked to loan to value ('LTV') ratio and or interest cover</li> </ul>	<ul style="list-style-type: none"> <li>• We regularly review funding requirements for business plans, and we have a wide range of options to fund our forthcoming plans. We prepare a five-year business plan which is reviewed and updated annually.</li> <li>• We have a broad range of funding relationships in place and regularly review our refinancing strategy.</li> <li>• Market-related valuation risk is largely dependent on independent, external factors.</li> <li>• We maintain a conservative LTV ratio which can withstand a severe decline in property values without covenant breaches.</li> <li>• We maintain a specific interest rate profile via the use of fixed rates on the majority of our debt facilities so that our interest payment profile is broadly stable. Where appropriate, we may also use interest rate hedges to further fix our interest costs.</li> <li>• Loan covenants are monitored and reported to the Board on a monthly basis, and we undertake detailed cash flow monitoring and forecasting.</li> <li>• In May 2025 the £200m Revolving Credit Facility ('RCF') was refinanced with an extended maturity to June 2029, and in June 2026, was extended by a further year.</li> <li>• In November 2025, we extended the maturity of the £135m RCF to November 2029 and extended the maturity of the £80m term loan by a further 12 months to November 2027, providing further certainty over our funding position going forwards.</li> </ul>

Risk Area	Mitigating Activities
<p><b>Capital Allocation</b></p> <p>Workspace's ability to execute its strategy depends on achieving appropriate pricing on asset disposals and redeploying the proceeds effectively. Market volatility, reduced buyer demand, or misaligned pricing expectations may result in sales below valuation or delay transactions, limiting capital available for reinvestment and reducing financial flexibility. In turn, allocating funds to projects that fail to deliver anticipated returns or operational benefits may hinder income growth and slow portfolio progress. Together, these factors increase the risk of constrained reinvestment capacity, weaker financial performance, and reduced shareholder value.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Inability to fund business plans and invest in existing portfolio or new opportunities</li> <li>• Impact on share price and earnings</li> <li>• Impact on overall shareholder returns</li> </ul>	<ul style="list-style-type: none"> <li>• We maintain a disciplined and forward-looking capital plan, supported by detailed business planning and a five-year portfolio strategy to identify priorities, reinvestment needs and long-term value drivers.</li> <li>• We apply a disciplined investment process, using established criteria, reinforced by detailed financial appraisals reviewed by the Executive Committee and approved by the Board for both disposals and acquisitions.</li> <li>• Invest in the ongoing optimisation of our portfolio, including regulatory compliance upgrades (such as MEES) and targeted refurbishment, while exploring alternative use and mixed use opportunities to preserve and enhance long-term value.</li> <li>• Optimise portfolio investment, ensuring capital is directed towards income and value accretive assets or initiatives and/or lower long-term operating cost exposure.</li> </ul>
<p><b>Customer Payment Default</b></p> <p>Uncertainty remains around the macroeconomic environment. Although inflation and interest rates have reduced during the period, given the broader geopolitical climate and recent increases to living wage and national insurance costs, there remains a risk of an economic downturn, which could put pressure on rent collection figures.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Negative cash flow and increasing interest costs</li> <li>• Breach of financial covenants</li> </ul>	<ul style="list-style-type: none"> <li>• Rent collection and customer payment levels have remained strong throughout the year, however the economic environment remains challenging.</li> <li>• The risk continues to be mitigated by strong credit control processes and an experienced team of credit controllers, able to make quick decisions and negotiate with customers for payment. In addition, we hold a three-month deposit for the majority of customers.</li> <li>• Centre staff maintain relationships with customers and can identify early signs of potential issues whilst receiving early sign of default from credit control team.</li> <li>• As a consequence, a near 40% reduction in trade receivables has been achieved.</li> </ul>
<p><b>Technology, Cyber and Systems</b></p> <p>Workspace depends on reliable technology platforms, integrated data systems, Artificial Intelligence ('AI') and strong cyber-security to operate effectively and support customers. As these technologies evolve, risks arising from the accuracy and reliability of AI generated outputs, failures in system performance, data quality, platform integration or cyber-security could disrupt operations, impact business continuity, impair customer service and reduce the quality of financial and strategic decision-making. As technology remains central to how the business runs and how decisions are made, any weaknesses in our systems or data pose a material operational and reputational risk.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Inability to process new leases and invoice customers</li> <li>• Reputational damage</li> <li>• Increased operational costs</li> </ul>	<ul style="list-style-type: none"> <li>• Technology risk is managed using a mitigation framework comprising network security, IT security policies and third-party risk assessments. Controls are regularly reviewed and updated and include technology such as next generation firewalls, multi layered access control through to people solutions such as user awareness training, mock-phishing emails and cyber-attack simulations.</li> <li>• Assurance over the framework's performance is gained through an independent maturity assessment, penetration testing and network vulnerability testing, all performed annually.</li> <li>• We are committed to continue the adoption of the NIST Cybersecurity Framework to enhance our cyber security maturity. This adoption will strengthen risk management, improve controls, fortify incident response, and ensure consistent protection and recovery, validated through external independent assessments.</li> <li>• Tested business continuity and disaster recovery processes, ensuring critical systems and data can be restored rapidly following outages or cyber incidents.</li> </ul>

Risk Area	Mitigating Activities
<p><b>Culture</b></p> <p>Organisational culture and behaviours, and policies that fail to reflect core values, motivate teams or support strategic goals, could lead to lower employee engagement and a risk to execution of strategy.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Increased costs from high staff turnover</li> <li>• Delay in growth plans</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• We are establishing a more empowered culture, with greater accountability across the business, in particular for our customer-facing teams, enabling them to act more quickly and drive performance. This means new ways of working across the business and greater inter-departmental collaboration.</li> <li>• Incentive schemes align employee objectives with the strategic objectives of the Group to motivate employees to work in the best interests of the Group and its stakeholders. This is supported by a formal appraisal and review process for all employees.</li> <li>• Our HR and People teams run a broad training and development programme designed to ensure employees are supported and encouraged to progress with learning and study opportunities.</li> <li>• We have revised our internal application process for existing employees with 37 individuals being internally promoted and nine employees acting up in role during this period.</li> <li>• We continue to enhance internal communications and engagement with employees through CEO updates and regular ‘town hall’ meetings including open Q&amp;A.</li> </ul>
<p><b>Supply Chain and Third-Party Relationships</b></p> <p>Workspace relies on a wide network of suppliers, contractors and service partners to operate buildings, deliver refurbishment and redevelopment projects, and support day-to-day services to customers. Disruptions within the supply chain, including rising energy and construction costs, materials shortages, changes in supplier capability, or contractor insolvencies may impact project delivery, operational performance and cost efficiency. Failure by key suppliers or partners to meet required standards could impact customer experience, delay developments, and limit effective portfolio management.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Decline in customer confidence</li> <li>• Increased project or operational costs</li> <li>• Fall in customer demand</li> <li>• Weaker cash flow</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a robust tendering and supplier selection process, including the onboarding of suppliers onto the supplier portal to ensure suppliers and service partners meet required standards on financial stability, compliance and performance.</li> <li>• Monitor supplier performance through service level agreements, with clear escalation processes and corrective actions where underperformance is identified.</li> <li>• Manage exposure to refurbishment, construction and materials cost volatility through active project oversight, competitive procurement and strong contractor relationships.</li> <li>• Request compliance with London Living Wage commitments through the onboarding process, supporting consistency and stability across core service providers.</li> <li>• Maintain strong oversight of development and refurbishment partners, enabling early identification of risks that could impact project timelines or service delivery.</li> <li>• Request new and existing suppliers are operating in line with our sustainability strategy.</li> </ul>

Risk Area	Mitigating Activities
<p><b>Regulatory</b></p> <p>A failure to keep up to date and plan for changing regulations in key areas such as health and safety, the employment landscape and sustainability, could lead to fines or reputational damage.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Increased costs</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety is one of our primary concerns, and strong leadership promotes a culture of awareness throughout the business. We have well-developed policies and procedures in place to help ensure that any workers, employees, or visitors on site comply with strict safety guidelines, and we work with well-respected suppliers who share our high-quality standards in health and safety.</li> <li>• We have a Health and Safety Consultant to support our commitment to Health and safety throughout the business. Health and safety management systems are updated in line with changing regulations and regular audits are undertaken to identify any potential improvements.</li> <li>• We closely monitor developments in the employment landscape, including changes in employment law, workplace expectations and regulatory requirements. Our dedicated HR team maintains robust policies and procedures to support compliance and best practice, which are regularly reviewed and updated to reflect legislative changes and emerging risks.</li> <li>• Sustainability requirements remain a key focus for the Group, and are taken seriously across the business. We have committed to becoming a net zero carbon business and being climate resilient. We undertake an annual review of all ESG regulations and our policies and procedures to ensure compliance. We also closely monitor and manage physical risk arising from climate change along with a mitigation strategy.</li> <li>• Workspace has a robust legal framework in place, managed by the Company Secretary and external legal advisers, to ensure full compliance with applicable laws, regulations, and corporate governance.</li> </ul>
<p><b>Climate Change</b></p> <p>Failure to recognise that climate change presents a financial risk to our business, alongside our customers' increasing expectations for the sustainable operation of our properties, could have a significant impact on the business.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Loss of rent roll</li> <li>• Negative impact on value</li> <li>• Reduced occupancy levels</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• The inherent risk from climate change is universal, with a high likelihood of risk materialising in the near future resulting in a potentially material impact on businesses in general. For Workspace, our risk is lower when compared to many other real estate businesses, in particular our exposure to physical risk. However, transition risk is an industry-wide risk and is impacting all real estate businesses due to the environmental impact associated with the sector. As a result, the regulatory requirements continue to address the high impact associated construction and operations of buildings. In response to this, Workspace has been proactively managing its risk exposure. Our mitigation strategy includes:</li> <li>• Periodic assessment of our climate risk exposure, using climate modelling every time the portfolio changes.</li> <li>• Active management of acute physical risks such as floods and storms across the portfolio through emergency preparedness, site maintenance surveys and business continuity planning.</li> <li>• Delivery of net zero carbon and EPC upgrades across the portfolio to manage transition risk.</li> <li>• Embedding of climate-related objectives linked with remuneration, to incentivise focused action.</li> <li>• Active management of our energy and raw materials costs via efficiency measures and design optimisation.</li> </ul>

Risk Area	Mitigating Activities
<p><b>Operational Delivery</b></p> <p>Workspace's ability to maintain an efficient cost base and protect income is critical to shareholder returns. Rising operating costs, inflationary pressure on energy, utilities and services, and higher construction and refurbishment costs can all reduce operating margins. Inefficiencies in processes, systems or supplier arrangements may also impact financial performance, particularly in a competitive market with softer customer demand. Any sustained imbalance between income and costs could affect profitability, dividend capacity and the ability to reinvest in the portfolio.</p> <p><b>RISK IMPACT</b></p> <ul style="list-style-type: none"> <li>• Increased operational costs</li> <li>• Weaker cash flow</li> <li>• Negative impact on overall shareholder return</li> <li>• Delay in growth plans</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain disciplined cost control, with regular review of operating expenditure, supplier arrangements and service delivery models to ensure value for money.</li> <li>• Strengthen procurement processes, leveraging competitive tendering and long-term supplier relationships to manage cost inflation across energy, services and construction activities.</li> <li>• Enhance operational systems and processes, improving efficiency, reducing manual work and helping maintain accurate, timely reporting on income and cost performance.</li> <li>• Monitor income and margin performance regularly, with Board oversight of operating ratios, cost trends and efficiency initiatives.</li> </ul>

## CONSOLIDATED INCOME STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
Revenue	1	<b>181.4</b>	185.2
Direct costs <sup>1</sup>	1	<b>(68.0)</b>	(63.1)
<b>Net rental income</b>	1	<b>113.4</b>	122.1
Administrative expenses	2	<b>(21.7)</b>	(23.3)
<b>Trading profit</b>		<b>91.7</b>	98.8
Loss on disposal of investment properties and assets held for sale	3(a)	<b>(13.8)</b>	(1.5)
Loss on disposal of fixed assets	11	<b>(0.4)</b>	–
Other expenses	3(b)	<b>(7.3)</b>	(3.6)
Change in fair value of investment properties	10	<b>(159.2)</b>	(55.9)
Impairment of assets held for sale	10	<b>(0.3)</b>	(0.4)
<b>Operating (loss)/profit</b>		<b>(89.3)</b>	37.4
Finance costs	4	<b>(33.4)</b>	(32.6)
Finance income		<b>2.2</b>	0.6
<b>(Loss)/profit before tax</b>		<b>(120.5)</b>	5.4
Taxation	6	<b>0.2</b>	–
<b>(Loss)/profit for the financial year after tax</b>		<b>(120.3)</b>	5.4
Basic (loss)/earnings per share	8	<b>(62.6)p</b>	2.8p
Diluted (loss)/earnings per share	8	<b>(62.6)p</b>	2.8p

1. Direct costs in 2026 includes impairment of receivables of £0.3m (2025: £1.0m). See note 1 for additional information.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
(Loss)/profit for the financial year		<b>(120.3)</b>	5.4
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Change in fair value of other investments	12	<b>(0.8)</b>	0.1
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of derivatives	16(e)	<b>0.1</b>	(0.3)
Other comprehensive loss in the year		<b>(0.7)</b>	(0.2)
<b>Total comprehensive (loss)/income for the year</b>		<b>(121.0)</b>	5.2

# CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Investment properties	10	2,107.6	2,351.7
Intangible assets		–	1.1
Property, plant and equipment	11	2.2	3.4
Other investments	12	6.2	3.3
Deferred tax		0.5	0.3
		<b>2,116.5</b>	<b>2,359.8</b>
<b>Current assets</b>			
Trade and other receivables	13	26.8	32.8
Assets held for sale	10	56.3	45.2
Cash and cash equivalents	14	10.5	32.7
		<b>93.6</b>	<b>110.7</b>
<b>Total assets</b>		<b>2,210.1</b>	<b>2,470.5</b>
<b>Current liabilities</b>			
Trade and other payables	15	(88.8)	(92.2)
Borrowings	16(a)	–	(79.9)
Derivative financial instruments	16(e)	–	(0.1)
		<b>(88.8)</b>	<b>(172.2)</b>
<b>Non-current liabilities</b>			
Borrowings	16(a)	(757.0)	(761.4)
Lease obligations	17	(36.1)	(34.7)
		<b>(793.1)</b>	<b>(796.1)</b>
<b>Total liabilities</b>		<b>(881.9)</b>	<b>(968.3)</b>
<b>Net assets</b>		<b>1,328.2</b>	<b>1,502.2</b>
<b>Shareholders' equity</b>			
Share capital	19	192.3	192.1
Share premium	19	295.6	295.6
Investment in own shares		(0.2)	(0.3)
Other reserves	20	69.9	71.2
Retained earnings		770.6	943.6
<b>Total shareholders' equity</b>		<b>1,328.2</b>	<b>1,502.2</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH 2026

	Attributable to owners of the Parent						
	Notes	Share capital £m	Share premium £m	Investment in own shares £m	Other reserves £m	Retained earnings £m	Total shareholders' equity £m
<b>Balance at 31 March 2024</b>		191.9	296.6	(9.9)	93.0	977.3	1,548.9
Profit for the financial year		–	–	–	–	5.4	5.4
Other comprehensive loss for the year		–	–	–	(0.2)	–	(0.2)
<b>Total comprehensive (loss)/income</b>		–	–	–	(0.2)	5.4	5.2
Transactions with owners:							
Dividends paid	7	–	–	–	–	(54.5)	(54.5)
Own shares transferred in prior years <sup>2</sup>		–	–	9.3	–	(9.3)	–
Cost of shares awarded to employees		–	–	0.3	–	–	0.3
Share-based payments		0.2	(1.0) <sup>1</sup>	–	(0.4)	3.5	2.3
Share options lapsed in prior years <sup>3</sup>		–	–	–	(21.2)	21.2	–
<b>Balance at 31 March 2025</b>		192.1	295.6	(0.3)	71.2	943.6	1,502.2
Loss for the financial year		–	–	–	–	(120.3)	(120.3)
Other comprehensive loss for the year		–	–	–	(0.7)	–	(0.7)
<b>Total comprehensive loss</b>		–	–	–	(0.7)	(120.3)	(121.0)
Transactions with owners:							
Dividends paid	7	–	–	–	–	(54.6)	(54.6)
Share-based payments		0.2	–	0.1	(0.6)	1.9	1.6
<b>Balance at 31 March 2026</b>		192.3	295.6	(0.2)	69.9	770.6	1,328.2

1. The movement in the year ended 31 March 2025 on share premium relates to the excess between the nominal value and the vested share price on awarded shares to employees in the previous year, which was reclassified to retained earnings.
2. In the year ended 31 March 2025, the Group transferred the excess amounts held in the investment in own shares reserve to retained earnings in accordance with the carrying value of the remaining shares held. The transfer should have been made prior to the date of the opening comparative period, but was omitted. The error is not considered material and hence it was corrected in the prior year.
3. In the year ended 31 March 2025, the Group transferred amounts held in the share-based payment reserve to retained earnings in relation to share options that had lapsed in prior years. The transfer should have been made prior to the date of the opening comparative period, but was omitted. The error is not considered material and hence it was corrected in the prior year.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	92.0	105.1
Interest paid		(30.3)	(29.1)
Interest received		0.9	0.6
<b>Net cash inflow from operating activities</b>		<b>62.6</b>	<b>76.6</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(51.5)	(58.9)
Proceeds from government grant		1.3	0.7
Proceeds from disposal of investment properties (net of sale costs)		80.2	36.5
Proceeds from disposal of assets held for sale (net of sale costs)		31.0	40.4
Purchase of intangible assets		–	(0.4)
Purchase of property, plant and equipment		(0.6)	(1.8)
Proceeds from other investments		0.6	–
Interest from other investments		0.3	–
Purchase of other investments		(3.2)	–
<b>Net cash inflow from investing activities</b>		<b>58.1</b>	<b>16.5</b>
<b>Cash flows from financing activities</b>			
Finance costs for new/amended borrowing facilities	16(h)	(1.8)	(1.3)
Repayment of Private Placement Notes	16(h)	(80.0)	–
Repayment of bank borrowings	16(h)	(168.8)	(355.5)
Draw down of bank borrowings	16(h)	164.8	341.5
Payment of lease obligations		(2.2)	–
Settlement of share schemes		(0.3)	(0.4)
Dividends paid	7	(54.6)	(56.3)
<b>Net cash outflow from financing activities</b>		<b>(142.9)</b>	<b>(72.0)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(22.2)</b>	<b>21.1</b>
Cash and cash equivalents at start of year	14	32.7	11.6
<b>Cash and cash equivalents at end of year</b>	<b>14</b>	<b>10.5</b>	<b>32.7</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2026

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2026 or 2025 but is derived from those accounts. Statutory accounts for 2025 have been delivered to the Registrar of Companies, and those for 2026 will be delivered in due course. The auditor has reported on those accounts; their reports were i) unqualified and i i) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The accounting policies are consistent with those contained in the Group's last annual report and accounts for the year ended 31 March 2025, with exception of the following:

### **BASIS OF PREPARATION**

These consolidated financial statements have been prepared and approved by the Directors on a going concern basis, in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Group's consolidated financial statements have been prepared on a historical cost basis, other than as explained in the accounting policies below. The consolidated financial statements are presented in Sterling, the Group's presentation currency which is also the Company's functional currency, to the nearest million. The comparative information disclosed relates to the year ended 31 March 2025.

The Board is required to assess the appropriateness of applying the going concern basis in the preparation of the financial statements. Macroeconomic and geopolitical issues, including the impact of instability in the Middle East on UK businesses and their supply chains, have heightened wider concerns around the UK economy and mean there is a continuing risk of an economic downturn. In this context, the Directors have fully considered the business activities and principal risks of the Company.

In preparing the assessment of going concern, the Board has reviewed a number of different scenarios over the 12-month period from the date of signing of these financial statements. These scenarios include a severe, but realistically possible, scenario which includes the following key assumptions:

A reduction in occupancy, reflecting weaker customer demand for office space.

A reduction in the pricing of new lettings, resulting in a reduction in average rent per sq. ft.

Continued elevated levels of cost inflation.

Refinancing of fixed-rate debt at UK five-year gilt plus margin of 2.75%.

Increased outward movement in investment yields resulting in a lower property valuation.

The appropriateness of the going concern basis is reliant on the continued availability of borrowings, sufficient liquidity and compliance with loan covenants. All borrowings require compliance with Loan to Value ("LTV") and Interest Cover covenants. As at the tightest test date in the going concern period, the Group could withstand a reduction in Net Rental Income of 48% compared to the March 2026 Net Rental Income and a fall in the property portfolio valuation of 43% compared to 31 March 2026 before these covenants are breached, assuming no mitigating actions are taken.

As at 31 March 2026, the Group had significant headroom with £242m of cash and undrawn facilities. The Group's fixed debt comprises of a £300m green bond, £220m of private placement notes, and a £65m secured loan facility. Shorter-term liquidity and flexibility is provided by floating-rate bank facilities which comprise £335m of sustainability-linked revolving credit facilities ("RCFs") made up of £200m maturing in June 2030 (following the exercise of an extension option in June 2026 as detailed in Note 22) and £135m maturing in November 2029. Both facilities include the potential to be extended by a further one year subject to lender consent. The £200m RCF has the option to increase the facility amount by up to £100m and the £135m RCF has the option to increase the facility amount by up to £120m, both subject to lender consent.

For the full period of the going concern assessment, the Group maintains sufficient headroom in its cash and loan facilities. The Group also has sufficient liquidity to cover all maturities falling due for the remainder of 2027.

Consequently, the Directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the period to 30 June 2027 and therefore the financial statements have been prepared on a going concern basis.

### **CONSIDERATION OF CLIMATE CHANGE**

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

the potential impact on the valuation of our investment properties due to transition risks;

going concern and viability of the Group over the next three years; and

the capital expenditure required to upgrade our assets' EPC ratings and deliver our net zero targets.

Whilst there is currently minimal medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in the preparation of the Group's financial statements.

## NEW ACCOUNTING STANDARDS, AMENDMENTS AND GUIDANCE

a) During the year to 31 March 2026 the Group adopted the following accounting standard and guidance:

IAS 21 (amended)	Lack of Exchangeability
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There was no material impact from the adoption of this accounting standard and amendment on the financial statements.

b) The following accounting standards and guidance are not yet effective but are not expected to have a significant impact on the Group's financial statements or result in changes to presentation and disclosure only. They have not been adopted early by the Group:

IFRS 9 and IFRS 7 (amended)	Amendments to the Classification and Measurement of Financial Instruments
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

IFRS 18 will replace IAS 1 Presentation of financial statements and is effective for annual periods beginning on or after 1 January 2027. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but its impacts on presentation and disclosure is expected to be material. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The other standards and amendments that are not yet effective are not expected to have a material impact on the Group in the current or future reporting periods and on the foreseeable future transactions.

## 1. ANALYSIS OF NET RENTAL INCOME AND SEGMENTAL INFORMATION

	2026			2025		
	Revenue £m	Direct costs <sup>1</sup> £m	Net rental income £m	Revenue £m	Direct costs <sup>1</sup> £m	Net rental income £m
Rental income	142.7	(8.4)	134.3	144.9	(6.7)	138.2
Service charges	32.8	(37.6)	(4.8)	33.2	(37.4)	(4.2)
Empty rates and other non-recoverable costs	–	(13.4)	(13.4)	–	(11.5)	(11.5)
Services, fees, commissions and sundry income	5.9	(8.6)	(2.7)	7.1	(7.5)	(0.4)
	181.4	(68.0)	113.4	185.2	(63.1)	122.1

1. There was one property within the current period (2025: one) that was non-rent producing. Direct costs relating to investment properties that did not generate any rental income were £nil (2025: £nil).

Included within direct costs for rental income is a charge of £0.3m (2025: £1.0m) for expected credit losses in respect of receivables from customers in the period.

All of the properties within the portfolio are geographically close to each other and have similar economic features and risks. Management information utilised by the Executive Committee to monitor and review performance is presented as one portfolio. As a result, for the year ended 31 March 2026, management has determined that the Group operates a single operating segment providing business accommodation for rent in and around London.

## 2. OPERATING (LOSS)/PROFIT

The following items have been charged in arriving at operating (loss)/profit:

	2026 £m	2025 £m
Depreciation <sup>1</sup> (note 11)	1.4	1.4
Staff costs (including share-based payment costs) <sup>1</sup> (note 5)	30.2	31.9
Repairs and maintenance expenditure on investment properties	4.9	5.3
Trade receivables impairment (note 13)	0.3	1.0
Amortisation of intangibles <sup>2</sup>	1.1	1.5
Audit fees payable to the Company's Auditor	0.6	0.6

1. Charged to direct costs and administrative expenses based on the underlying nature of the expenses.

2. The amortisation charge was expensed to administrative costs and other expenses following a change in the expected useful life of the assets.

Auditor's remuneration: services provided by the Company's Auditor and its associates	2026 £000	2025 £000
<b>Audit fees:</b>		
Audit of Parent Company and consolidated financial statements	454	457
Audit of subsidiary financial statements	50	46
	<b>504</b>	<b>503</b>
<b>Fees for other services:</b>		
Audit-related assurance services <sup>1</sup>	75	67
Total fees payable to Auditor	<b>579</b>	<b>570</b>

1. Audit-related assurance services consist of £75k for half-year review (2025: £67k).

	2026 £m	2025 £m
<b>Total administrative expenses are analysed below:</b>		
Staff costs	12.2	13.8
Equity-settled share-based payments	1.6	2.4
Cash-settled share-based payments	0.1	0.2
Other	7.8	6.9
Total administrative expenses	<b>21.7</b>	<b>23.3</b>

### 3(a). LOSS ON DISPOSAL OF INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE

	2026 £m	2025 £m
Proceeds from sale of investment properties (net of sale costs)	79.4	38.4
Proceeds from sale of assets held for sale (net of sale costs)	30.7	40.4
Book value at time of sale	(123.9)	(80.3)
Loss on disposal	<b>(13.8)</b>	<b>(1.5)</b>

### 3(b). OTHER EXPENSES

	2026 £m	2025 £m
Other expenses	(7.3)	(3.6)
	<b>(7.3)</b>	<b>(3.6)</b>

Other expenses include exceptional costs relating to the replacement of our finance and property management system and CRM system of £3.1m (2025: £2.7m), which brings the cumulative spend to date to £8.8m with a forecast spend in the next financial year of £1.8m in relation to the CRM system. Phase 1 went live during FY26 and Phases 2 and 3 are expected to go live during FY27. There were also other expenses in the year relating to organisation restructuring totalling £4.2m (2025: £nil), and one-off costs relating to the CEO appointed in the prior year of £0.9m. These costs are outside the Group's normal trading activities.

## 4. FINANCE COSTS

	2026 £m	2025 £m
Interest payable on bank loans and overdrafts	(13.8)	(12.8)
Interest payable on other borrowings	(17.7)	(19.3)
Amortisation of issue costs of borrowings	(1.5)	(1.8)
Interest payable on leases	(2.2)	(2.1)
Interest capitalised on property refurbishments (note 10)	1.8	3.4
Total finance costs	<b>(33.4)</b>	<b>(32.6)</b>

All finance costs have been calculated in accordance with IFRS 9, re-estimating the cash flows based on the original effective interest rate with any adjustment being taken through the consolidated income statement, with the exception of interest payable on leases which is calculated in accordance with IFRS 16.

## 5. EMPLOYEES AND DIRECTORS

Staff costs for the Group during the year were:	2026 £m	2025 £m
Wages and salaries	22.9	27.5
Social security costs	3.3	3.2
Other pension costs	1.2	1.4
Redundancy costs	2.6	–
Share-based costs	1.7	2.6
	<b>31.7</b>	<b>34.7</b>
Less costs capitalised to investment property	(1.5)	(2.8)
	<b>30.2</b>	<b>31.9</b>

The monthly average number of people employed during the year was:	2026 Number	2025 Number
Head office staff (including Directors)	142	173
Estates and property management staff	159	162
	<b>301</b>	<b>335</b>

The emoluments and pension benefits of the Directors are determined by the Remuneration Committee of the Board and are set out in detail in the Directors' Remuneration Report.

Total Directors' emoluments for the financial year were £2.1m (2025: £2.4m), comprising of £1.9m (2025: £2.1m) of Directors' remuneration, £0.1m (2025: £0.3m) gain on exercise of share options and £0.1m (2025: £0.1m) of cash contributions in lieu of pension in respect of four Directors (2025: three).

## 6. TAXATION

	2026 £m	2025 £m
<b>Current tax:</b>		
UK corporation tax	–	–
Adjustments to tax in respect of previous periods	–	–
	–	–
<b>Deferred tax:</b>		
On origination and reversal of temporary differences	(0.2)	–
	–	–
Total taxation credit	<b>(0.2)</b>	–

The tax on the Group's (loss)/profit for the year differs from the standard applicable corporation tax rate in the UK of 25% (2025: 25%). The differences are explained below:

	2026 £m	2025 £m
(Loss)/profit before taxation	(120.5)	5.4
Tax at standard rate of corporation tax in the UK of 25% (2025: 25%)	(30.1)	1.4
Effects of:		
REIT exempt income	(12.1)	(17.2)
Changes in fair value not subject to tax as a REIT	39.9	14.3
Share-based payment adjustments	–	0.2
Unrecognised losses carried forward	1.7	1.0
Other non-taxable expenses	0.4	0.3
Total taxation credit	<b>(0.2)</b>	–

The Group is a Real Estate Investment Trust ('REIT'). The Group's UK property rental business (both income and capital gains) is exempt from UK corporation tax. The Group estimates that as the majority of its future profits will be exempt from tax, future tax charges are likely to be low.

Profits arising from any residual business activities (e.g. trading activities and interest income), after the utilisation of tax losses, are subject to corporation tax at the main rate of 25% for the period.

The Group currently has an unrecognised asset in relation to tax losses from the non-REIT business carried forward of £9.3m (2025: £8.6m) calculated at a corporation tax rate of 25% (2025: 25%).

## 7. DIVIDENDS

	Payment date	Per share	2026 £m	2025 £m
For the year ended 31 March 2024:				
Final dividend	August 2024	19.0p	–	36.5
For the year ended 31 March 2025:				
Interim dividend	February 2025	9.4p	–	18.0
Final dividend	August 2025	19.0p	36.5	–
For the year ended 31 March 2026:				
Interim dividend	February 2026	9.4p	18.1	–
Dividends for the year			54.6	54.5
Timing difference on payment of withholding tax			–	1.8
Dividends cash paid			54.6	56.3

The Directors are proposing a final dividend in respect of the financial year ended 31 March 2026 of 16.7 pence per ordinary share, which will absorb an estimated £32.1m of retained earnings and cash. If approved by the shareholders at the AGM, it will be paid on 3 August 2026 to shareholders who are on the register of members on 3 July 2026. The dividend will be paid as a REIT Property Income Distribution ('PID') net of withholding tax where appropriate.

## 8. EARNINGS PER SHARE

Earnings used for calculating earnings per share:	2026 £m	2025 £m
Basic and diluted earnings	(120.3)	5.4
Decrease in fair value of investment properties	159.2	55.9
Impairment of assets held for sale	0.3	0.4
Loss on disposal of investment properties and assets held for sale	13.8	1.5
Loss on disposal of fixed assets	0.4	–
Tax credit	(0.2)	–
Other expenses (note 3(b))	7.3	3.6
EPRA earnings	60.5	66.8

Earnings have been adjusted to derive an earnings per share measure as defined by the European Public Real Estate Association ('EPRA') and an adjusted underlying earnings per share measure.

Number of shares used for calculating earnings per share:	2026 Number	2025 Number
Weighted average number of shares (excluding own shares held in trust)	192,223,942	191,997,294
Dilution due to share option schemes	966,472	1,770,841
Weighted average number of shares for diluted earnings per share	193,190,414	193,768,135
In pence:	2026	2025
Basic (loss)/earnings per share	(62.6)p	2.8p
Diluted (loss)/earnings per share	(62.6)p	2.8p
EPRA earnings per share	31.5p	34.8p
Diluted EPRA earnings per share	31.3p	34.5p
Adjusted underlying earnings per share <sup>1</sup>	31.3p	34.5p
Adjusted underlying earnings per share (basic)	31.5p	34.8p

1. Adjusted underlying earnings per share is calculated by dividing trading profit after interest by the diluted weighted average number of shares of 193,190,414 (2025: 193,768,135).

The diluted loss per share for the period to 31 March 2026 has been restricted to a loss of 62.6p per share, as the loss per share cannot be reduced by dilution in accordance with IAS 33 Earnings per Share.

## 9. NET ASSETS PER SHARE AND TOTAL ACCOUNTING RETURN

Number of shares used for calculating net assets per share:	2026 Number	2025 Number
Shares in issue at year end	192,313,264	192,143,004
Less own shares held in trust at year end	(24,612)	(57,524)
Dilution due to share option schemes	1,014,372	1,871,843
Number of shares for calculating diluted adjusted net assets per share	193,303,024	193,957,323

### EPRA Net Asset Value Metrics

The Group measures financial position with reference to EPRA Net Tangible Assets ('NTA'), Net Reinvestment Value ('NRV') and Net Disposal Value ('NDV').

	March 2026			March 2025		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
<b>IFRS Equity attributable to shareholders</b>	<b>1,328.2</b>	<b>1,328.2</b>	<b>1,328.2</b>	1,502.2	1,502.2	1,502.2
Fair value of derivative financial instruments	–	–	–	0.1	0.1	–
Intangibles per IFRS balance sheet	–	–	–	–	(1.1)	–
Excess of book value of debt over fair value	–	–	28.3	–	–	39.9
Purchasers' costs	145.0	–	–	161.0	–	–
EPRA measure	1,473.2	1,328.2	1,356.5	1,663.3	1,501.2	1,542.1
EPRA measure per share	£7.62	£6.87	£7.02	£8.58	£7.74	£7.95

### Total accounting return

Total Accounting Return	2026 £	2025 £
Opening EPRA net tangible assets per share (A)	7.74	8.00
Closing EPRA net tangible assets per share	6.87	7.74
Decrease in EPRA net tangible assets per share	(0.87)	(0.26)
Ordinary dividends paid in the year	0.28	0.28
Total return (B)	(0.59)	0.02
Total accounting return (B/A)	(7.6%)	0.3%

The total accounting return for the year comprises the movement in absolute EPRA net tangible assets per share plus dividends paid in the year as a percentage of the opening EPRA net tangible assets per share. The total return for the year ended 31 March 2026 was - 7.6% (31 March 2025: 0.3%).

## 10. INVESTMENT PROPERTIES

	2026 £m	2025 £m
Balance at 1 April	2,351.7	2,408.5
Capital expenditure	46.4	54.3
Movement in head lease	1.4	–
Capitalised interest on refurbishments (note 4)	1.8	3.4
Disposals during the year	(85.3)	(38.5)
Change in fair value of investment properties	(159.2)	(55.9)
Disposed properties tenant incentives recognised in advance under IFRS 16	0.1	0.2
Less: Classified as assets held for sale	(49.3)	(20.3)
<b>Balance at 31 March</b>	<b>2,107.6</b>	<b>2,351.7</b>

Investment properties represent a single class of property, being business accommodation for rent in and around London.

Investment properties include buildings with a carrying amount of £297.7m (2025: £291.9m) for which there are lease obligations of £36.1m (2025: £34.7m). Investment property lease commitment details are shown in note 17.

Disposed properties tenant incentives relate to disposed properties during the year, where there were tenant lease incentives accounted for under IFRS 16.

Capitalised interest is included at a rate of capitalisation of 5.8% (2025: 6.7%). The total amount of capitalised interest included in investment properties is £23.1m (2025: £21.5m).

The change in fair value of investment properties is recognised in the consolidated income statement.

### Investment property held for sale

	2026 £m	2025 £m
Balance at 1 April	45.2	65.7
Capital expenditure	0.7	1.4
Reclassified from investment properties in the period	49.3	20.3
Disposals during the year	(38.6)	(41.8)
Impairment of assets held for sale	(0.3)	(0.4)
<b>Balance at 31 March</b>	<b>56.3</b>	<b>45.2</b>

One of the properties classified as held for sale at the end of the prior year was not sold during the year. This property is retained within current assets as it is still expected to sell within the next 12 months to 31 March 2027. This property exchanged during the year.

Eight (2025: four) additional properties were reclassified as held for sale at year end. One of these properties exchanged for sale prior to year end and one post year end. All eight assets are highly probable to complete within the next 12 months. The transfer value is their year end valuation per CBRE and Knight Frank.

### Valuation

The Group's investment properties are held at fair value and were valued at 31 March 2026 by the external valuers, CBRE Limited and Knight Frank Limited, firms of independent qualified valuers, in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards. All the properties are revalued at period end regardless of the date of acquisition. In line with IFRS 13, all investment properties are valued on the basis of their highest and best use. For stabilised portfolio properties, their current use equates to the highest and best use. For properties undergoing refurbishment or redevelopment, most of these are still being used for business accommodation in their current state. However, the valuation at the balance sheet date includes the impact of the potential refurbishment and redevelopment as this represents the highest and best use.

The Executive Committee and the Board both conduct a detailed review of the property valuation to assess whether appropriate assumptions have been applied and that valuations are appropriate. Meetings are held with the valuers to discuss and challenge the valuations, to confirm that they have considered all relevant information.

The valuation of stabilised portfolio properties (which are not undergoing significant refurbishment or redevelopment) is based on the income capitalisation method which applies market-based yields to the Estimated Rental Values ('ERVs') of each of the properties. Yields are based on current market expectations depending on the location and use of the property. ERVs are based on estimated rental potential considering current rental streams and market comparatives whilst also considering the occupancy and timing of rent reviews at each property. Although occupancy and rent review timings are known, and there is market evidence for transaction prices

for similar properties, there is still a significant element of estimation and judgement in ERVs. The ERVs include assumptions about future occupancy levels, these are primarily derived from current occupancy levels adjusted as considered necessary by the valuer. As a result of adjustments made to market observable data, the significant inputs are deemed unobservable under IFRS 13.

When valuing properties where Workspace is carrying out a major refurbishment, the residual value method is used. The completed value of the refurbishment is determined as for stabilised portfolio properties above. This is then adjusted for costs to complete and developers' profit margin. A discount factor is applied to reflect the time period to complete construction and make allowance for construction and market risk to arrive at the residual value of the property.

The discount factor used is the property yield that is also applied to the estimated rental value to determine the value of the completed building. Other risks such as unexpected time delays relating to planned capital expenditure are assessed on a project-by-project basis, looking at market comparable data where possible and the complexity of the proposed scheme.

Redevelopment properties are also valued using the residual value method. The proposed redevelopment which would be undertaken by a residential developer is valued based on the market value for similar sites and then adjusted for costs to complete, developers' profit margin and a time discount factor. Allowance is also made for planning and construction risk depending on the stage of the redevelopment. If a contract is agreed for the sale/redevelopment of the site, the property is valued based on agreed consideration.

For all methods, the valuer is provided with information on tenure, letting, town planning and the repair of the buildings and sites.

The reconciliation of the valuation report total to the amount shown in the consolidated balance sheet as non-current assets, investment properties, is as follows:

	2026 £m	2025 £m
Total per CBRE and Knight Frank valuation reports	<b>2,132.8</b>	2,367.8
Deferred consideration on sale of property	<b>(0.6)</b>	(0.6)
Head leases treated as leases under IFRS 16	<b>36.1</b>	34.7
Tenant incentives recognised under IFRS 16	<b>(4.4)</b>	(5.0)
Less: Reclassified as assets held for sale	<b>(56.3)</b>	(45.2)
<b>Total investment properties per balance sheet</b>	<b>2,107.6</b>	2,351.7

The Group's investment properties are carried at fair value and under IFRS 13 are required to be analysed by level depending on the valuation method adopted. The different valuation methods are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data.

Level 3 – Use of a model with inputs that are not based on observable market data.

As noted in the significant judgements and critical estimates section, property valuations are complex and involve data which is not publicly available and involve a degree of judgement. All the investment properties are classified as Level 3, due to the fact that one or more significant inputs to the valuation are not based on observable market data.

CBRE and Knight Frank have made enquiries to ascertain any sustainability factors which are likely to impact on value, consistent with the scope of their terms of engagement. Sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect the value of an asset, even if not explicitly recognised. This includes key environmental risks; such as flooding, energy efficiency, climate, design, legislation and management considerations – as well as current and historic land use. Where CBRE and Knight Frank recognise the value impacts of sustainability, they reflect their understanding of how market participants include sustainability factors in their decisions and the consequential impact on market valuations.

The following table summarises the valuation techniques and inputs used in the determination of the property valuation at 31 March 2026.

**Key unobservable inputs:**

Property category	Valuation £m	Valuation technique	ERVs – per sq. ft.		Equivalent yields	
			Range	Weighted average	Range	Weighted average
Stabilised portfolio	1,780.5	A	£22-£83	£49	6.0%-8.5%	6.7%
Completed projects	132.3	A	£25-£55	£36	6.2%-7.8%	6.7%
Refurbishments	147.5	A	£28-£60	£35	6.3%-10.6%	6.8%
South East Office	15.6	A	£31-£31	£31	8.9%-8.9%	8.9%
Tenant incentives	(4.4)	n/a	–	–	–	–
Head leases	36.1	n/a	–	–	–	–
<b>Total</b>	<b>2,107.6</b>					

A = Income capitalisation method.

All investment properties have been valued using the income capitalisation method at the reporting date. Property categories are used for internal reporting purposes and may reflect the nature of ongoing asset management activity; the external valuer has nevertheless applied an income approach where appropriate.

Costs to complete are not considered to be a significant unobservable input for refurbishments due to the high percentage of costs that are fixed.

**Sensitivity analysis:**

A +/- 10% movement in ERVs or a +/- 25 basis points movement in yields would result in the following increase/decrease in the valuation.

£m	+/- 10% in ERVs	+/- 25 bps in yields
Stabilised portfolio	+178/-178	-64/+69
Completed projects	+13/-13	-5/+5
Refurbishments	+15/-15	-5/+6
South East Office	+2/-2	-0/+0

The following table summarises the valuation techniques and inputs used in the determination of the property valuation at 31 March 2025.

**Key unobservable inputs:**

Property category	Valuation £m	Valuation technique	ERVs – per sq. ft.		Equivalent yields	
			Range	Weighted average	Range	Weighted average
Like-for-like	1,755.8	A	£24-£84	£51	5.9%-8.6%	6.8%
Completed projects	167.8	A	£25-£55	£37	4.9%-7.6%	6.9%
Refurbishments	322.6	A/B	£23-£75	£36	5.3%-10.2%	7.2%
South East Office	75.8	A	£25-£35	£29	8.4%-12.5%	10.3%
Tenant incentives	(5.0)	n/a	–	–	–	–
Head leases	34.7	n/a	–	–	–	–
<b>Total</b>	<b>2,351.7</b>					

A = Income capitalisation method.

B = Residual value method.

A key unobservable input for redevelopments at planning stage and refurbishments is developer's profit. The range is 10%–19% with a weighted average of 15%.

Costs to complete is a key unobservable input for redevelopments at planning stage with a range of £273-£416 per sq. ft. and a weighted average of £325 per sq. ft.

Costs to complete are not considered to be a significant unobservable input for refurbishments due to the high percentage of costs that are fixed.

**Sensitivity analysis:**

A +/- 10% movement in ERVs or a +/- 25 basis points movement in yields would result in the following increase/decrease in the valuation.

£m	+/- 10% in ERVs	+/- 25 bps in yields
Like-for-like	+176/-176	-62/+67
Completed projects	+17/-17	-6/+6
Refurbishments	+37/-37	-13/+14
South East Office	+8/-8	-2/+2

**11. PROPERTY, PLANT AND EQUIPMENT**

Cost or valuation	Equipment and fixtures £m
1 April 2024	8.2
Additions during the year	1.9
Disposals during the year	(0.2)
Balance at 31 March 2025	9.9
Additions during the year	0.6
Disposals during the year	(0.6)
<b>Balance at 31 March 2026</b>	<b>9.9</b>
<hr/>	
Accumulated depreciation	
1 April 2024	5.2
Charge for the year	1.4
Disposals during the year	(0.1)
Balance at 31 March 2025	6.5
Charge for the year	1.4
Disposals during the year	(0.2)
<b>Balance at 31 March 2026</b>	<b>7.7</b>
<hr/>	
<b>Net book amount at 31 March 2026</b>	<b>2.2</b>
Net book amount at 31 March 2025	3.4

**12. OTHER INVESTMENTS**

The Group holds the following investments:

	2026 £m	2025 £m
Balance at 1 April	3.3	3.2
Additions	4.3	–
Disposals	(0.6)	–
Fair value movement in other comprehensive income	(0.8)	0.1
Balance at 31 March	6.2	3.3

At the year end, the Group held 1.9% (2025: 2.0%) of the issued ordinary share capital and £1.9m of preference shares (2025: £2.5m) in Wavenet Limited. In accordance with IFRS 9, the share capital has been valued at fair value, recognised in the consolidated statement of comprehensive income, resulting in £0.8m movement in the financial year (2025: £0.1m). The preference shares are measured at amortised cost, with the 10% coupon rate recognised in the statement of profit and loss. £1.1m of additions in the year relates to accrued interest on Wavenet preference shares.

During the year, the Group invested £3.2m to acquire 12% of liquidity preference shares in Qube. In accordance with IFRS 9, the preference shares have been measured at fair value through profit and loss.

### 13. TRADE AND OTHER RECEIVABLES

	2026 £m	2025 £m
Current trade and other receivables		
Trade receivables	11.6	19.2
Less provision for impairment of receivables	(1.3)	(3.5)
Trade receivables – net	10.3	15.7
Prepayments, other receivables and accrued income	13.9	14.0
Deferred consideration on sale of investment properties	2.6	3.1
	26.8	32.8

#### Receivables at fair value

Included within deferred consideration on sale of investment properties is £0.6m (2025: £0.6m) of overage which is held at fair value through profit and loss.

The deferred consideration arising on the sale of investment properties relates to cash and overage. The overage has been fair valued by Knight Frank Limited using appropriate discount rates, and will be revalued on a regular basis. This is a Level 3 valuation of a financial asset, as defined by IFRS 13. The change in fair value recorded in the consolidated income statement was £nil (31 March 2025: £nil).

	2026 £m	2025 £m
Deferred consideration on sale of investment properties		
Balance at 1 April	3.1	1.1
Cash received	(2.0)	–
Additions	1.5	2.0
Balance at 31 March	2.6	3.1

#### Receivables at amortised cost

The remaining receivables are held at amortised cost. There is no material difference between the above amounts and their fair values due to the short-term nature of the receivables. Trade receivables are impaired when there is evidence that the amounts may not be collectable under the original terms of the receivable. All the Group's trade and other receivables are denominated in Sterling.

Movements on the provision for impairment of trade receivables are shown below:

	2026 £m	2025 £m
Balance at 1 April	3.5	3.9
Increase in provision for impairment of trade receivables	0.3	1.0
Receivables written off during the year	(2.5)	(1.4)
Balance at 31 March	1.3	3.5

### 14. CASH AND CASH EQUIVALENTS

	2026 £m	2025 £m
Cash at bank and in hand	2.7	25.3
Restricted cash	7.8	7.4
	10.5	32.7

£6.3m (2025: £7.2m) of the restricted cash relates to tenants' deposit deeds which represent returnable cash security deposits received from tenants which are held in ring-fenced bank accounts in accordance with the terms of the individual lease contracts. The remaining balance relates to restricted cash under terms of development projects' funding.

### 15. TRADE AND OTHER PAYABLES

	2026 £m	2025 £m
Trade payables	4.2	6.8
Other tax and social security payable	5.0	3.2
Tenants' deposit deeds	6.4	7.3
Tenants' deposits	31.3	32.1
Accrued expenses	32.7	31.7
Deferred income – rent and service charges	9.2	11.1
	88.8	92.2

There is no material difference between the above amounts and their fair values due to the short-term nature of the payables.

## 16. BORROWINGS

### (a) Balances

	2026 £m	2025 £m
<b>Current</b>		
3.07% Senior Notes (unsecured)	–	79.9
<b>Non-current</b>		
Bank loans (unsecured)	173.4	178.2
Other loans (secured)	64.4	64.3
3.19% Senior Notes (unsecured)	119.9	119.9
3.6% Senior Notes (unsecured)	99.9	99.9
2.25% Green Bond (unsecured)	299.4	299.1
	<b>757.0</b>	761.4
<b>Total borrowings</b>	<b>757.0</b>	<b>841.3</b>

### (b) Net debt

	2026 £m	2025 £m
Borrowings per (a) above	757.0	841.3
Adjust for:		
Cost of raising finance unamortised	4.0	3.7
	<b>761.0</b>	845.0
Cash at bank and in hand (note 14)	(2.7)	(25.3)
<b>Net debt</b>	<b>758.3</b>	<b>819.7</b>

At 31 March 2026, the Group had £239.0m (2025: £235.0m) of undrawn bank facilities, a £2.0m overdraft facility (2025: £2.0m) and £2.7m of unrestricted cash (2025: £25.3m).

The Group has a loan to value covenant applicable to the Bank Loans and Senior Debt Borrowings of 60%, Green Bond of 65% and Other Loan (Secured) of 55%. Loan to value at 31 March 2026 was 35% (31 March 2025: 34%).

The Group also has an interest cover covenant of 2.0x applicable to the Bank Loan and Senior Debt Borrowings, 1.75x applicable for the Green Bond and 2.25x applicable for the Other Loan (secured). This is calculated as net rental income divided by interest payable on loans and other borrowings. At 31 March 2026 interest cover was 3.6x (31 March 2025: 3.8x).

### (c) Maturity

	2026 £m	2025 £m
Repayable within one year	–	80.0
Repayable between one and two years	500.0	80.0
Repayable between two and three years	100.0	420.0
Repayable between three years and four years	96.0	200.0
Repayable between four years and five years	65.0	–
Repayable in five years or more	–	65.0
	<b>761.0</b>	845.0
Cost of raising finance	(4.0)	(3.7)
<b>Total</b>	<b>757.0</b>	<b>841.3</b>

**(d) Interest rate and repayment profile**

	Principal at period end £m	Interest rate	Interest payable	Repayable
<b>Current</b>				
Bank overdraft due within one year or on demand	–	Base + 2.25%	Variable	On demand
<b>Non-current</b>				
Private Placement Notes:				
3.19% Senior Notes	120.0	3.19%	Half yearly	August 2027
3.6% Senior Notes	100.0	3.60%	Half yearly	January 2029
Bank Loan	51.8	SONIA + 1.77% <sup>1</sup>	Variable	June 2029
Bank Loan	44.2	SONIA + 1.82% <sup>1</sup>	Variable	November 2029
Bank Loan	80.0	SONIA + 1.77% <sup>1</sup>	Half yearly	November 2027
Other Loan (Secured)	65.0	4.02%	Quarterly	May 2030
Green Bond	300.0	2.25%	Yearly	March 2028
	761.0			

1. The base margin is dependent upon the LTV as reported in the client certificate, which is submitted twice a year. The base margin can be adjusted further by up to 4.5bps dependent upon achievement of three ESG-linked metrics.

**(e) Derivative financial instruments**

The Group uses a mixture of fixed rate and variable rate facilities to manage its interest rate exposure appropriately to provide operational and budget certainty. At 31 March 2026, the Group had no interest rate hedging in place on its variable rate debt.

Hedge effectiveness is assessed on critical terms (amount, interest rate, interest settlement dates, currency and maturity date). The critical terms of this hedging relationship perfectly matched at origination, so for the prospective assessment of effectiveness a qualitative assessment was performed. The interest rate swap creates an equal and opposite interest receipt and a fixed interest payment, therefore creating an exact offset for this transaction resulting in a net fixed interest payable. Potential sources of hedge ineffectiveness include significant change in the credit risk of either party or a reduction in the hedged item as such will impact the economic relationship between the fair value changes of the hedged item and the swap.

The effects of the interest rate swap hedging relationship is as follows:

	2026	2025
Carrying amount of derivative	–	(0.1)
Change in fair value of designated hedging instrument	0.1	(0.3)
Notional amount £m	–	100
Rate payable (%)	–	4.285
Maturity	–	31 January 2026
Hedge ratio	–	1:1

**(f) Financial instruments and fair values**

	2026 Book value £m	2026 Fair value £m	2025 Book value £m	2025 Fair value £m
<b>Financial liabilities held at amortised cost</b>				
Bank loans	173.4	173.4	178.2	178.2
Other loans	64.4	61.9	64.3	61.5
Private Placement Notes	219.8	212.6	299.7	290.5
Lease obligations	36.1	36.1	34.7	34.7
Green Bond	299.4	280.8	299.1	271.2
	<b>793.1</b>	<b>764.8</b>	876.0	836.1
<b>Financial assets/(liabilities) at fair value through other comprehensive income</b>				
Financial derivative	–	–	(0.1)	(0.1)
Other investments	3.0	3.0	3.3	3.3
	<b>3.0</b>	<b>3.0</b>	3.2	3.2
<b>Financial assets at fair value through profit or loss</b>				
Deferred consideration (including overage)	2.6	2.6	3.1	3.1
Other investments	3.2	3.2	–	–
	<b>5.8</b>	<b>5.8</b>	3.1	3.1

In accordance with IFRS 13, disclosure is required for financial instruments that are carried or disclosed in the financial statements at fair value. The fair values of all the Group's bank loans and Private Placement Notes have been determined by reference to market prices and discounted expected cash flows at prevailing interest rates and are Level 2 valuations. The Green bond is listed on the Irish stock exchange and is measured at the quoted price using Level 1 valuations. There have been no transfers between levels in the year.

The different levels of valuation hierarchy as defined by IFRS 13 are set out in note 10.

**(g) Financial instruments by category**

Assets	2026 £m	2025 £m
<b>a) Assets at fair value through profit or loss</b>		
Deferred consideration (overage)	0.6	0.6
Other investments	3.2	–
	<b>3.8</b>	0.6
<b>b) Loans and receivables</b>		
Cash and cash equivalents	10.5	32.7
Trade and other receivables excluding prepayments <sup>1</sup>	16.9	23.5
	<b>27.4</b>	56.2
<b>c) Assets/(liabilities) at fair value through other comprehensive income</b>		
Financial derivative	–	(0.1)
Other investments	3.0	3.3
	<b>3.0</b>	3.2
<b>Total</b>	<b>34.2</b>	60.0

Liabilities	2026 £m	2025 £m
<b>Other financial liabilities at amortised cost</b>		
Borrowings	<b>757.0</b>	841.3
Lease liabilities	<b>36.1</b>	34.7
Trade and other payables excluding non-financial liabilities <sup>2</sup>	<b>74.6</b>	77.9
	<b>867.7</b>	953.9

1. Trade and other receivables exclude prepayments of £7.0m (2025: £5.9m), accrued income of £2.3m (2025: £2.8m) and non-cash deferred consideration of £0.6m (2025: £0.6m).

2. Trade and other payables exclude other tax and social security of £5.0m (2025: £3.2m) and deferred income of £9.2m (2025: £11.1m).

#### (h) Changes in liabilities from financing activities

	Bank loans and borrowings £m	Lease liabilities £m
Balance at 1 April 2025	841.3	34.7
Changes from financing cash flows:		
Proceeds from bank borrowings	164.8	–
Repayment of bank borrowings	(168.8)	–
Finance costs for new/amended borrowing facilities	(1.8)	–
Repayment of Private Placement Notes	(80.0)	–
Payment of lease obligations	–	(2.2)
Total changes from cash flows	(85.8)	(2.2)
Amortisation of issue costs of borrowing	1.5	–
Changes in finance leases	–	1.4
Interest on finance leases	–	2.2
Total other changes	1.5	3.6
<b>Balance at 31 March 2026</b>	<b>757.0</b>	<b>36.1</b>

	Bank loans and borrowings £m	Lease liabilities £m
Balance at 1 April 2024	854.8	34.7
Changes from financing cash flows:		
Proceeds from bank borrowings	341.5	–
Repayment of bank borrowings	(355.5)	–
Finance costs for new/amended borrowing facilities	(1.3)	–
Total changes from cash flows	(15.3)	–
Amortisation of issue costs of borrowing	1.8	–
Total other changes	1.8	–
<b>Balance at 31 March 2025</b>	<b>841.3</b>	<b>34.7</b>

#### 17. LEASE OBLIGATIONS

Lease liabilities are in respect of leased investment property.

Minimum lease payments under leases fall due as follows:

	2026 £m	2025 £m
Within one year	<b>2.2</b>	2.1
Between one and five years	<b>8.7</b>	8.4
Between five and fifteen years	<b>21.8</b>	20.9
Beyond fifteen years	<b>179.2</b>	174.8
	<b>211.9</b>	206.2
Future finance charges on leases	<b>(175.8)</b>	(171.5)
Present value of lease liabilities	<b>36.1</b>	34.7

Following the adoption of IFRS 16, lease obligations are shown separately on the face of the balance sheet. The balance represents a non-current liability as the payment shown within one year of £2.2m (2025: £2.1m) is offset by future finance charges on leases of £2.2m (2025: £2.1m). All lease obligations are long leaseholds, therefore, the majority of the obligations fall beyond fifteen years.

## 18. NOTES TO CASH FLOW STATEMENT

Reconciliation of (loss)/profit for the year to cash generated from operations:

	2026 £m	2025 £m
(Loss)/profit before tax	<b>(120.5)</b>	5.4
Depreciation	<b>1.4</b>	1.4
Amortisation of intangibles	<b>0.4</b>	0.9
Letting fees amortisation	<b>0.1</b>	0.6
Loss on disposal of investment properties and assets held for sale	<b>13.8</b>	1.5
Loss on disposal of fixed assets	<b>0.4</b>	–
Other expenses	<b>0.7</b>	0.7
Net loss from change in fair value of investment property	<b>159.2</b>	55.9
Impairment of assets held for sale	<b>0.3</b>	0.4
Equity-settled share-based payments	<b>1.7</b>	2.7
Finance costs	<b>33.4</b>	32.6
Finance income	<b>(2.2)</b>	(0.6)
Changes in working capital:		
Decrease in trade and other receivables	<b>5.6</b>	5.7
Decrease in trade and other payables	<b>(2.2)</b>	(2.1)
Cash generated from operations	<b>92.0</b>	105.1

For the purposes of the cash flow statement, cash and cash equivalents include restricted cash – tenants' deposit deeds (note 14).

## 19. SHARE CAPITAL AND SHARE PREMIUM

	2026 £m	2025 £m
Issued: Fully paid ordinary shares of £1 each	<b>192.3</b>	192.1

  

	2026 Number	2025 Number
Movements in share capital were as follows:		
Number of shares at 1 April	<b>192,143,004</b>	191,910,392
Issue of shares	<b>170,260</b>	232,612
Number of shares at 31 March	<b>192,313,264</b>	192,143,004

In the year, the Group issued and authorised 170,260 shares in relation to share schemes with net proceeds totalling £2,498 (31 March 2025: 232,612 share scheme options issued with £nil net proceeds).

	Share capital		Share premium	
	2026 £m	2025 £m	2026 £m	2025 £m
Balance at 1 April	<b>192.1</b>	191.9	<b>295.6</b>	296.6
Issue of shares	<b>0.2</b>	0.2	–	–
Reduction of shares	–	–	–	(1.0)
Balance at 31 March	<b>192.3</b>	192.1	<b>295.6</b>	295.6

The movement in the prior year on share premium relates to the excess between the nominal value and the vested share price on awarded shares to employees in the previous year. This was recycled to retained earnings in the prior year.

## 20. OTHER RESERVES

	Other investment reserve £m	Hedging Reserve £m	Equity-settled share-based payments £m	Merger reserve £m	Total £m
Balance at 1 April 2024	1.5	0.2	26.0	65.3	93.0
Share-based payments	–	–	(0.4)	–	(0.4)
Share options lapsed in prior years <sup>1</sup>	–	–	(21.2)	–	(21.2)
Change in fair value of other investment (note 12)	0.1	–	–	–	0.1
Change in fair value of derivative financial instruments (cash flow hedge)	–	(0.3)	–	–	(0.3)
<b>Balance at 31 March 2025</b>	<b>1.6</b>	<b>(0.1)</b>	<b>4.4</b>	<b>65.3</b>	<b>71.2</b>
Share-based payments	–	–	(0.6)	–	(0.6)
Change in fair value of other investment (note 12)	(0.8)	–	–	–	(0.8)
Change in fair value of derivative financial instruments (cash flow hedge)	–	0.1	–	–	0.1
<b>Balance at 31 March 2026</b>	<b>0.8</b>	<b>–</b>	<b>3.8</b>	<b>65.3</b>	<b>69.9</b>

1. In the year ended 31 March 2025, the Group transferred amounts held in the share-based payment reserve to retained earnings in relation to share options that had lapsed in prior years. The transfer should have been made prior to 1 April 2024, but was omitted. The error is not considered material and hence it was corrected in the prior year.

## 21. CAPITAL COMMITMENTS

At the year end the estimated amounts of contractual commitments for future capital expenditure not provided for were:

	2026 £m	2025 £m
Investment property construction	<b>6.2</b>	24.1

For both current and prior periods, there were no material obligations for the repair or maintenance of investment properties. All material contracts for enhancement are included in the capital commitments.

## 22. POST-BALANCE SHEET EVENTS

One Crown Square and Chiswick Studios have exchanged for sale in June 2026, with completion set for June and July 2026 respectively. In June 2026, the Group's £200m RCF bank facility was extended with maturity now June 2030.

## 23. RESPONSIBILITY STATEMENT

The 2026 Annual Report, which will be issued on 19 June 2026, contains a responsibility statement which states that on 9 June 2026, the date of approval of the Annual Report, the Directors confirm that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group.
- The Business Review contained within the Annual Report, includes a fair review of the developments and performance of the business, and the position of the Group, with a description of the principle risks and uncertainties that the Group faces included in a separate section.
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy