

**13 July 2018**

**WORKSPACE® GROUP PLC**  
**FIRST QUARTER BUSINESS UPDATE**  
**WELL POSITIONED FOR CONTINUED GROWTH**

**HIGHLIGHTS**

- Good customer demand in the first quarter with enquiries averaging 1,021 per month (2017/18: 1,016) and lettings averaging 88 per month (2017/18: 93).
- Acquisition of Centro 1 & 2, Camden, for £77m completed in April 2018.
- Three refurbishment and redevelopment projects completed in June 2018, with a further six projects expected to complete during this financial year.
- Three planning consents for new refurbishment projects obtained in the quarter and contracts exchanged for the redevelopment at Marshgate, Stratford.
- 9.96% equity placing completed in June 2018, raising gross proceeds of £179m.
- LTV of 18% at 30 June 2018, based on March 2018 valuation, with cash and undrawn facilities of £235m.
- Contracts exchanged for the disposal of three small office properties for £52m in July 2018. This disposal would reduce the LTV at 30 June 2018 to 16% on a proforma basis.

Jamie Hopkins, Chief Executive Officer, Workspace Group PLC, commented:

*“In a year in which we are launching a significant amount of new and upgraded space from our project activity, it is pleasing to see continued strong customer demand driven by our in-house marketing platform. With a strong balance sheet, we are excited about the opportunities for further investment in our extensive project pipeline and are actively exploring acquisition opportunities where we believe we can create superior value for shareholders.”*

## Enquiries and Lettings

We have seen good levels of customer demand for space through the quarter with enquiries averaging 1,021 per month and lettings averaging 88 per month.

Average number per month	Quarter Ended				
	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017
Enquiries	1,021	1,111	858	1,039	1,055
Lettings	88	92	86	97	95

## Acquisitions

Centro 1 & 2, Camden, was acquired for a cash consideration of £77m in April 2018. This acquisition completed our purchase of all seven buildings that comprise the Centro estate in Camden, providing 216,000 sq. ft. of net lettable space for a total purchase price, excluding costs, of £186m.

## Disposals

In July 2018, we exchanged contracts for the disposal of three small office properties, comprising 106,000 sq. ft. of net lettable space, for a total of £52m. The portfolio was sold at a premium of 23% (£10m) to the 31 March 2018 valuation, at a net initial yield of 4.0% and capital value per sq. ft. of £488.

## Refurbishment and Redevelopment Activity

In June 2018, we completed the refurbishment of China Works, Vauxhall (formerly Southbank House), a 67,000 sq. ft. historic building with state-of-the-art facilities and customer amenities.

In June 2018, we launched two new buildings from our redevelopment activity. Cocoa Studios at The Biscuit Factory, Bermondsey, and The Fuel Tank, Deptford, provide in total 80,000 sq. ft. of new commercial space.

We expect to complete another six refurbishment projects over the nine months to 31 March 2019, providing a further 310,000 sq. ft. of new and upgraded space.

During the quarter, we received three planning consents for a total of 91,000 sq. ft. of new commercial space at The Shaftesbury Centre in Ladbrooke Grove, Greville Street in Farringdon and The Biscuit Factory in Bermondsey, replacing 28,000 sq. ft. of existing lower quality space.

In July 2018, we exchanged contracts for the redevelopment of Marshgate, adjacent to the Olympic Park in Stratford. The redevelopment, comprising 200 residential units, has been sold for £15m in cash and the return of a new 33,000 sq. ft. business centre.

## Equity Placing

In June 2018, we successfully completed the placing of new ordinary shares representing approximately 9.96 per cent of our issued ordinary share capital prior to the placing. A total of approximately 16.3m new ordinary shares of 100 pence each were placed at a price of £11.00 per placing share, a 6% premium to EPRA NAV, raising gross proceeds of £179m.

## Financing

Net debt at 30 June 2018 was £430m with LTV (based on the 31 March 2018 valuation) at 18% and undrawn facilities of £235m. Following the property disposals in July 2018 for £52m, the LTV at 30 June 2018 reduces to 16% on a proforma basis.

– ENDS –

### For further information, please contact:

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### Notes to Editors

About Workspace Group PLC:

Workspace is geared towards helping businesses perform at their very best. The Workspace Advantage is our unique customer offer and is open to all - we provide inspiring, flexible work spaces with super-fast technology in dynamic London locations.

Established in 1987, and listed on the London Stock Exchange since 1993, Workspace owns and manages 3.6 million sq. ft. of business space across 63 London properties. We are home to thousands of businesses including some of London's fastest growing and established brands across a wide range of sectors.

The way businesses work is changing. That's why we continually invest in providing the technology infrastructure that enables our customers to think and move fast, and alongside their working environment, is tailored to each individual business.

Workspace (WKP) is a FTSE 250 listed Real Estate Investment Trust and a member of the European Public Real Estate Association.

Workspace® is a registered trade mark of Workspace Group Plc, London, UK.

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