

OUR STRATEGY

Creating value for our customers, our shareholders and our communities.

Our purpose

Our purpose is to give businesses the freedom to grow because we believe that in the right space, teams can achieve more. Now more than ever we are able to offer the right space and support for customers by creating the communities and environments their teams need to thrive.

We have rearticulated our strategy

The fundamental objective of our strategy remains consistent: to nurture employment-led regeneration of London through inspiring, flexible work space. Our strategy to achieve this has evolved to focus on our unparalleled customer offer, strong operational leadership and driving forward our ESG agenda.

Driving customer-led growth...

Cement our position as home to London's brightest businesses

- Reinforcing our differentiated customer proposition to capture demand and grow market share
- Raising our profile amongst target customers and stakeholders

Continually enhance customer experience

- Ongoing improvement of our flexible offer and service to retain customers and drive occupancy
- Focus on customer service, with centre teams creating vibrant communities

Leading in London's flexible office market

- Growing our portfolio of historic and character properties in the right locations

RELEVANT PRINCIPAL RISKS AND UNCERTAINTIES

1, 7, 5

RELEVANT KPIS

Financial: 1, 5, 6
Operational: 1, 2, 3, 4, 5



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...on a foundation of operational excellence...

Active portfolio management

- Rolling pipeline of refurbishment and redevelopment projects driving value
- Deep knowledge of the London market underpins strategic acquisitions and disposals

Efficient, scalable operating platform

- In-house capability and expertise drives income growth
- Focus on innovation and technology
- Ability to scale without significant cost growth

Prudent financing and strict investment criteria

- Strong balance sheet
- Focus on returns

RELEVANT PRINCIPAL RISKS AND UNCERTAINTIES

2, 3, 4, 7

RELEVANT KPIS

Financial: 2, 3, 4, 7, 8, 9
Operational: 1, 2, 3, 4, 5



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...whilst always Doing the Right Thing

Driving employment-led regeneration

- Historic buildings repositioned to bring employment and trade to up-and-coming areas
- Supporting local communities and young people through inspiring events and work experience

Creating sustainable environments

- Sustainability at the heart of development planning
- Committed to becoming a net zero carbon business by 2030

Maintaining an empowered, diverse workforce connected to their communities

- Values-driven behaviour - 'Show we care' is an integral part of our culture
- Focus on employee wellbeing and talent development

RELEVANT PRINCIPAL RISKS AND UNCERTAINTIES

3, 7, 8

RELEVANT KPIS

Financial: 7, 8
Operational: 6



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OUR STRATEGIC PROGRESS

Driving customer-led growth...

CEMENT OUR POSITION
AS HOME TO LONDON'S
BRIGHTEST BUSINESSES

20/21 achievements

- Launched a new, more intuitive consumer website to grow direct web enquiries and drive organic search
- Delivered an enhanced broker engagement strategy to drive additional enquiries and lettings
- Prepared a brand campaign to raise awareness of our differentiated brand proposition with digital and out of home advertising planned to coincide with the lifting of Government restrictions

21/22 aims

- Launch brand campaign to capture demand and drive brand awareness
- Make significant progress in recovering occupancy

CONTINUALLY ENHANCE
CUSTOMER EXPERIENCE

20/21 achievements

- Supported our customers as they faced the effects of the pandemic by offering a 50% discount in Q1
- Implemented significant hygiene and social distancing measures to allow us to safely welcome customers back to our centres
- Rolled out tone of voice workshops across the business in line with new brand positioning

21/22 aims

- Improve capture of feedback to respond more quickly and increase level of customer service
- Launch trial of MyWorkspace mobile app at Kennington Park
- Continue tone of voice training to ensure consistency of communication with customers

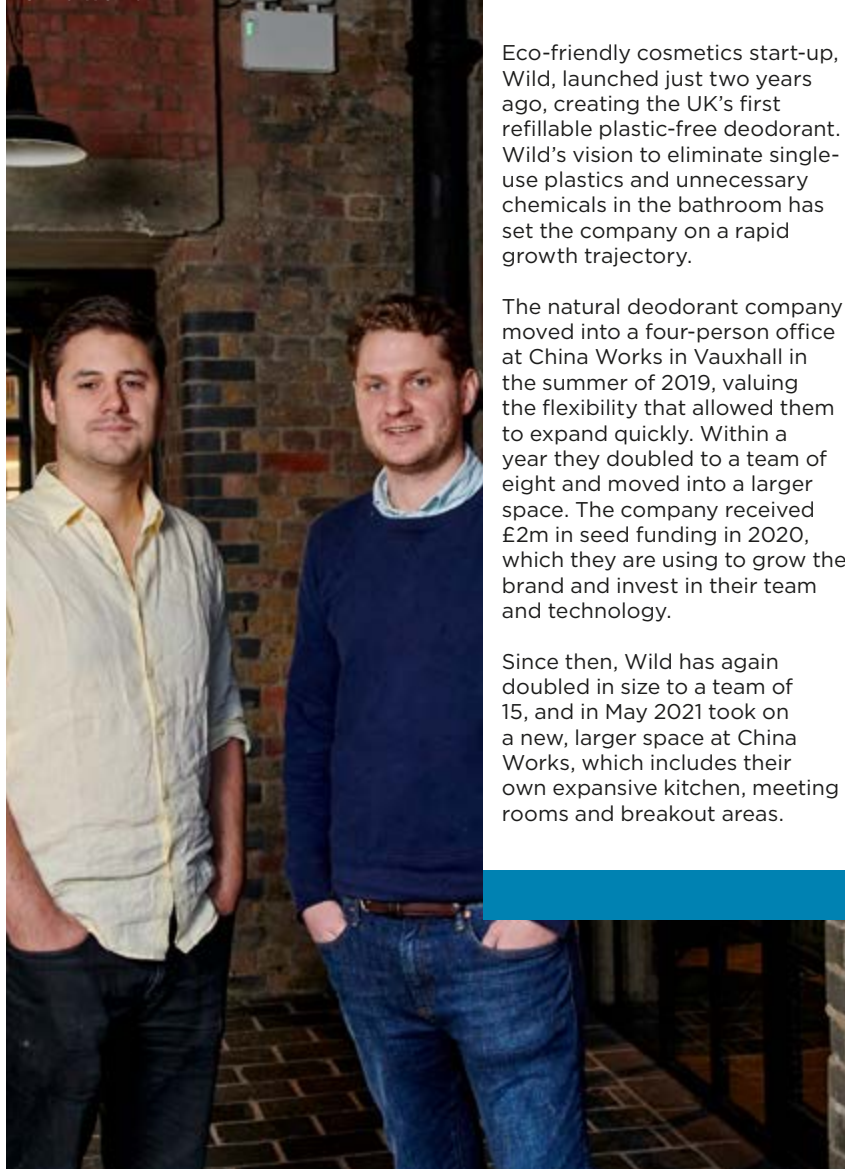
LEADING IN LONDON'S
FLEXIBLE OFFICE MARKET

20/21 achievements

- Launched two new business centres: Mare Street Studios in Hackney and Lock Studios in Bow
- Used the lockdown periods with fewer customers in centres to upgrade front of house areas, creating more collaboration space which will be increasingly in demand when customers return

21/22 aims

- Let up space at newly launched centres and launch new space at Pall Mall Deposit and new centre, Mirror Works
- Take advantage of acquisition opportunities to grow the portfolio and deliver shareholder value

Wild Cosmetics, based at
China Works

CASE STUDY

Wild

Eco-friendly cosmetics start-up, Wild, launched just two years ago, creating the UK's first refillable plastic-free deodorant. Wild's vision to eliminate single-use plastics and unnecessary chemicals in the bathroom has set the company on a rapid growth trajectory.

The natural deodorant company moved into a four-person office at China Works in Vauxhall in the summer of 2019, valuing the flexibility that allowed them to expand quickly. Within a year they doubled to a team of eight and moved into a larger space. The company received £2m in seed funding in 2020, which they are using to grow the brand and invest in their team and technology.

Since then, Wild has again doubled in size to a team of 15, and in May 2021 took on a new, larger space at China Works, which includes their own expansive kitchen, meeting rooms and breakout areas.

OUR STRATEGIC PROGRESS CONTINUED

...on a foundation
of operational
excellence...ACTIVE PORTFOLIO
MANAGEMENT

20/21 achievements

- Continued to execute our project pipeline, with ongoing refurbishments at Parkhall Business Centre, Pall Mall Deposit, Westbourne Studios and Barley Mow Centre
- Obtained planning consent for Riverside, a major mixed-use redevelopment in Wandsworth to deliver a new 104,000 sq. ft. business centre and 65,000 sq. ft. of new light industrial space, as well as 402 residential apartments

21/22 aims

- Obtain planning consents for Morie Street and Havelock Terrace
- Progress refurbishments of Leroy House and The Biscuit Factory
- Sale of residential components at Riverside and Highway Business Park

EFFICIENT, SCALABLE
OPERATING PLATFORM

20/21 achievements

- Ensured customers have the right space, enabling them to expand or contract in line with their business needs
- Continued to generate enquiries and manage viewings and lettings despite very challenging operating environment

21/22 aims

- Complete trial and launch customer app to improve engagement and enhance customer experience

PRUDENT FINANCING AND
STRICT INVESTMENT CRITERIA

20/21 achievements

- Strengthened the balance sheet with the issuance of Workspace's first green bond, raising £300m of debt, extending our maturities and reducing cost of debt
- Maintained low LTV of 24%

21/22 aims

- Deploy green bond proceeds
- Increased liquidity gives us significant firepower to progress our refurbishment and redevelopment pipeline and pursue acquisition opportunities



CASE STUDY

£300m green
bond issuance

Sustainability has long been at the heart of what we do at Workspace, with our focus on employment-led regeneration of parts of London. As we considered our refinancing plans this year, it was therefore a natural step to look at green finance.

We issued our first green bond, and indeed our first public bond, in March 2021, raising £300m to finance and refinance eligible green projects. We had significant interest from fixed income investors and the bond was oversubscribed.

The successful issuance has further strengthened the balance sheet, extending our maturities and reducing cost of debt, while also aligning our financing strategy with our broader sustainability goals.

£300m

green bond

Green Finance Framework,
page 42

OUR STRATEGIC PROGRESS CONTINUED

...whilst always Doing
the Right ThingDRIVING EMPLOYMENT-LED
REGENERATION

20/21 achievements

- Letting up Brickfields and Lock Studios, which are fantastic destinations for small businesses in the emerging areas of Hoxton and Bow
- 38 Workspace volunteers took part in virtual CV workshops and interview practice sessions for disadvantaged young Londoners
- Conducted a review of our social impact work

21/22 aims

- Scale up InspiresMe programme to provide inspiration, knowledge, support and experience to those in our communities at the greatest risk of NEET (Not in Education, Employment or Training)
- Deliver development projects in line with our net zero carbon ambitions

CREATING SUSTAINABLE
ENVIRONMENTS

20/21 achievements

- Committed to becoming a net zero carbon business by 2030 and published our pathway to achieve that goal in line with our Science-Based Targets
- Reduced absolute Scope 1 & Scope 2 GHG emissions by 28% from our baseline year of 2012/13, ahead of our target reduction of 16%
- Installed 97 new cycle storage spaces and 14 showering facilities, as well as launching a trial of Electric Vehicle charging points to encourage use of green transport

21/22 aims

- Install solar PV systems at additional properties
- Develop comprehensive climate change resilience strategy for the portfolio

MAINTAINING AN
EMPOWERED, DIVERSE
WORKFORCE CONNECTED
TO THEIR COMMUNITIES

20/21 achievements

- Formed an ESG Committee to oversee management of the risks and opportunities associated with climate change and provide strategic direction for our social and governance activities
- Conducted an employee survey and held regular town hall events to keep employees connected during lockdowns
- In partnership with Workspace customers, hosted a series of virtual wellbeing events and festivals for customers and employees, with over 1,000 attendees across 26 sessions

21/22 aims

- Launch new employee benefit, Health Shield, with a range of health and wellbeing solutions
- Offer employee volunteering opportunities with new charity partner, Single Homeless Project

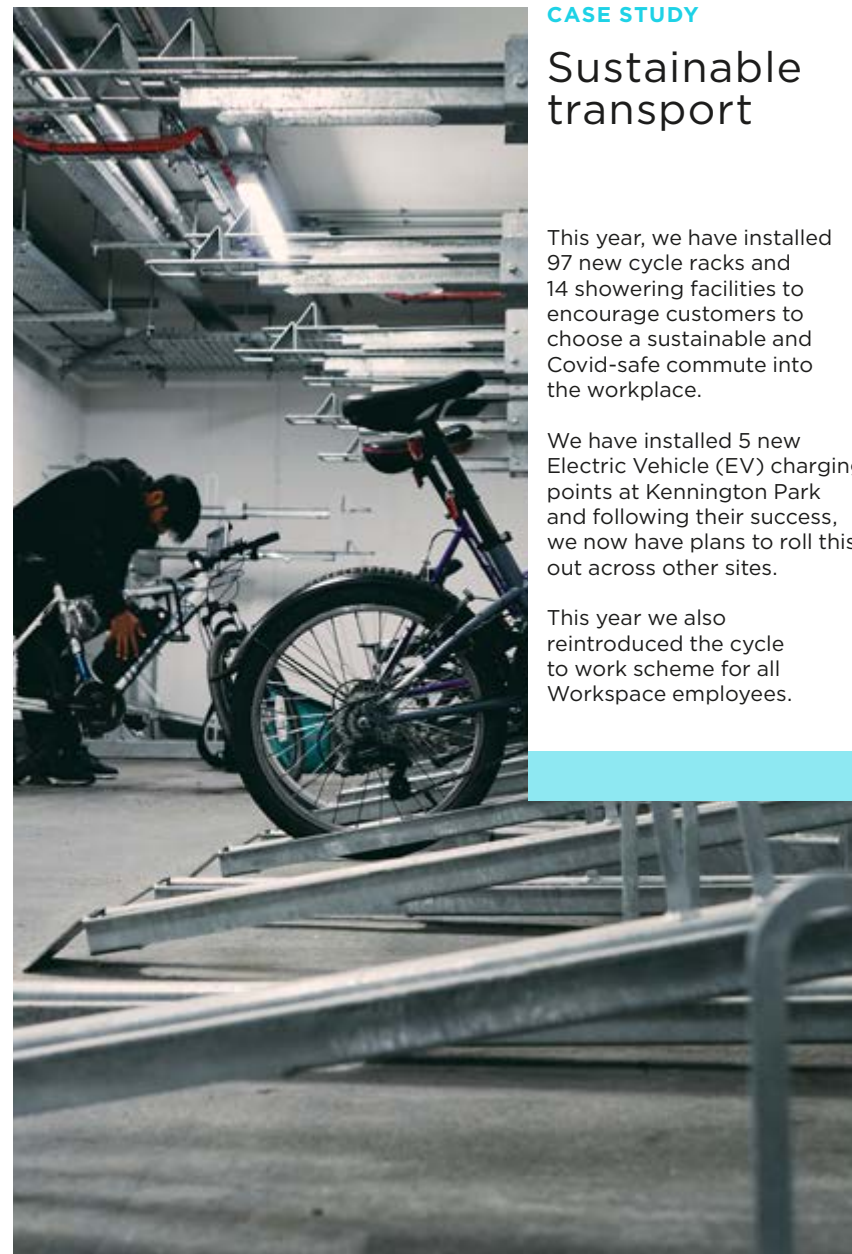
CASE STUDY

Sustainable
transport

This year, we have installed 97 new cycle racks and 14 showering facilities to encourage customers to choose a sustainable and Covid-safe commute into the workplace.

We have installed 5 new Electric Vehicle (EV) charging points at Kennington Park and following their success, we now have plans to roll this out across other sites.

This year we also reintroduced the cycle to work scheme for all Workspace employees.

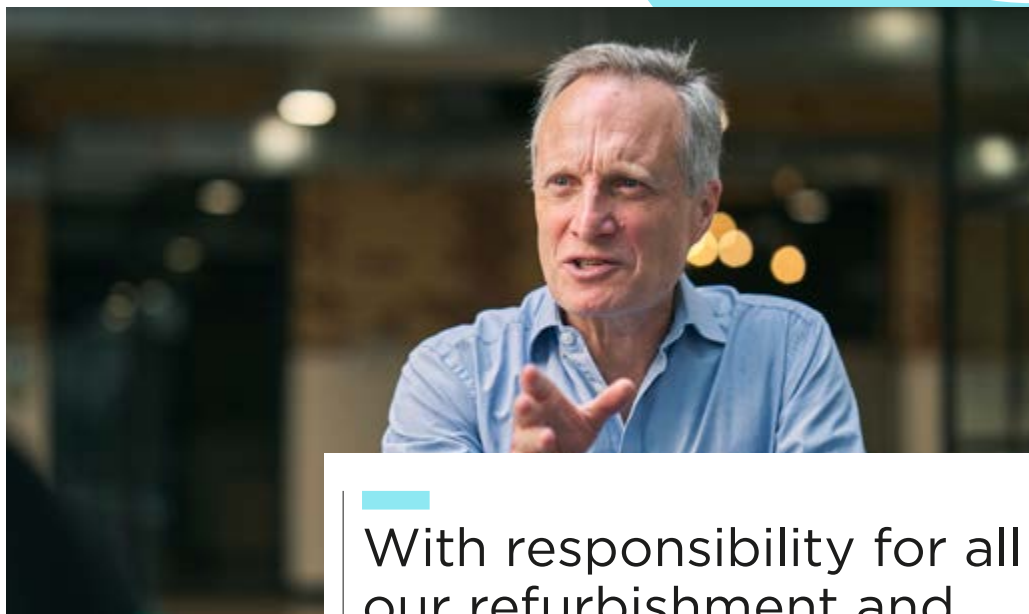


OUR STRATEGIC PROGRESS CONTINUED

Q&A with the Executive Team

ANGUS BOAG

DEVELOPMENT DIRECTOR



With responsibility for all our refurbishment and redevelopment projects, Angus is focused on creating sustainable environments for our customers.

Q What happened to the refurbishment and redevelopment projects during the pandemic?

A In line with Government guidelines, we were able to carry on with all the projects we had on site, albeit with strict social distancing and increased hygiene measures in place.

We had just completed two major new projects at the start of the pandemic and were fortunate that we did not have any major projects due to begin during the year so it was a relatively capex-light year in terms of our pipeline.

We are now full steam ahead with several projects underway currently and I am particularly excited about the imminent opening of Pall Mall Deposit in West London, which is a beautiful old furniture depository that we've refurbished, creating 59,000 sq. ft. of new and upgraded space, and the launch later in the year of Mirror Works in Stratford, a brand new building in an exciting part of London.



All new buildings are being designed as BREEAM Excellent.



Q How are you ensuring your buildings meet the ever increasing ESG requirements?

A We were already one step ahead with our target that all new buildings be designed as BREEAM excellent.

Our energy usage is already lower than many other fully air conditioned buildings. We have a rolling programme of replacing gas boilers with ground or air source heat pumps and we source 100% renewable electricity.

As well as working with customers to reduce operational carbon emissions, we also aim to drive down embodied carbon, in line with our strategy to repurpose and recycle old, character buildings rather than always build new properties.