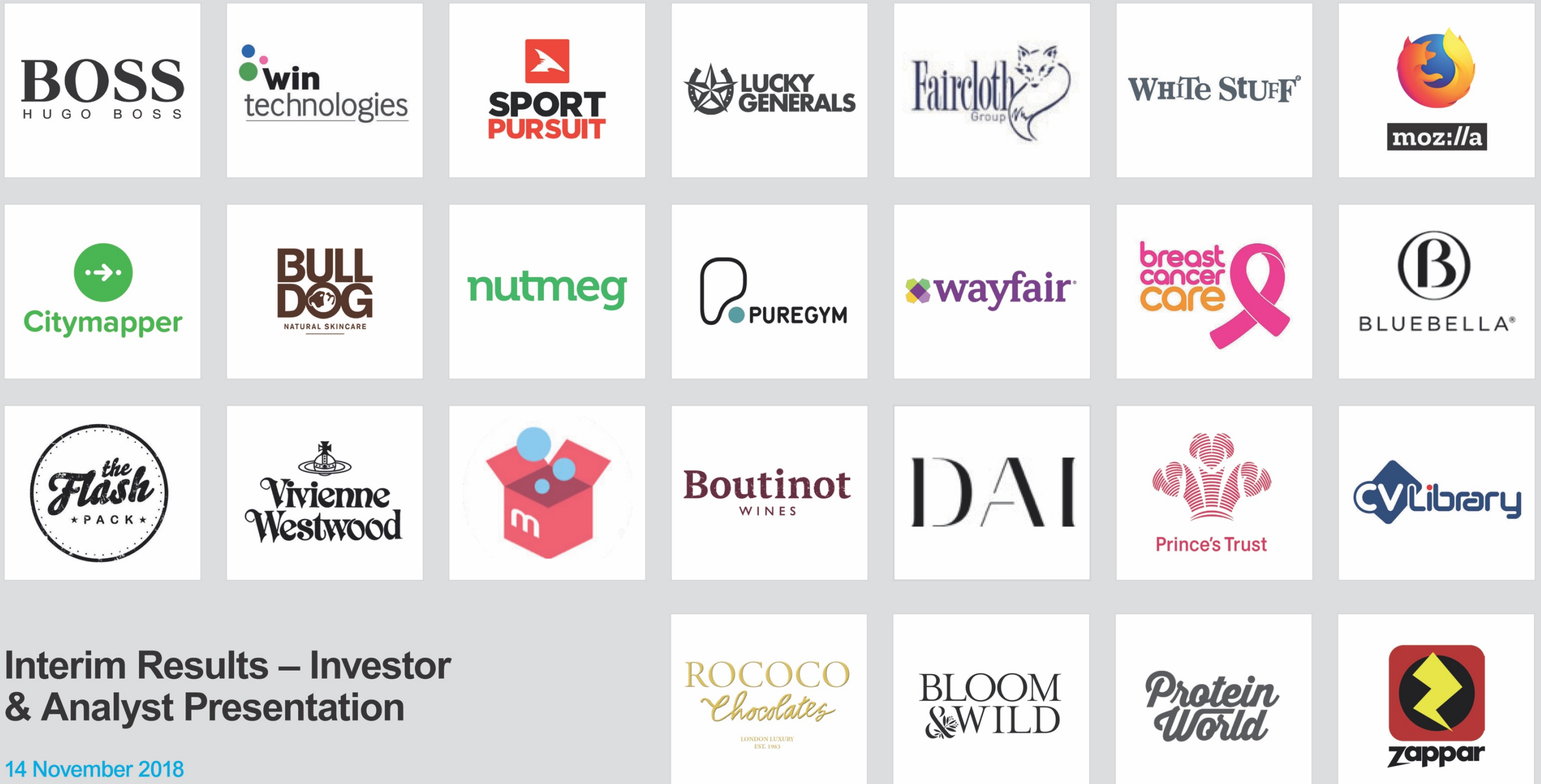


The Workspace Advantage



Interim Results – Investor & Analyst Presentation

14 November 2018

AGENDA



WORKSPACE

Jamie Hopkins
Chief Executive Officer

PERFORMANCE

Graham Clemett
Chief Financial Officer

DIRECTION

Jamie Hopkins
Chief Executive Officer

QUESTIONS

SUPPLEMENTARY INFORMATION



WORKSPACE

Happy Socks®
Est. 2008 Sweden



LIKE-FOR-LIKE



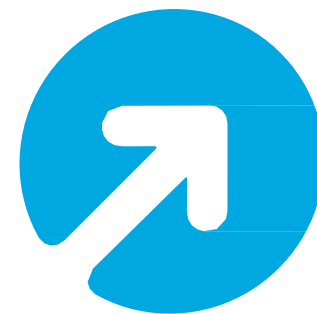
PROJECTS



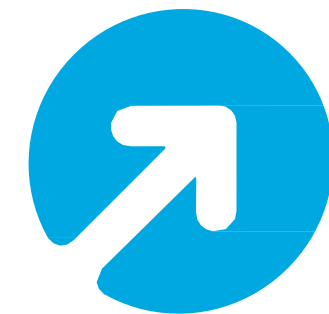
ACQUISITIONS



Strong demand



Extensive pipeline



Well positioned

Active Management	September 2018	March 2018		Change
Rent Roll (lfl)	£76.8m	£74.8m	↑	2.7%
Rent per sq. ft. (lfl)	£38.88	£37.82	↑	2.8%
Enquiries (per month)	1,020	1,016	↑	0.4%
Occupancy (lfl)	91.8%	92.0%	↓	0.2%
Property Valuation	£2,435m	£2,280m	↑	2.6%*
Capital Value per sq. ft. (lfl)	£592	£573	↑	3.3%
EPRA NAV (per share)	£10.75	£10.37	↑	3.7%

Strong Operating Growth	September 2018	September 2017		Change
Adjusted Trading Profit after interest	£35.4m	£29.4m	↑	20%
Interim Dividend (per share)	10.61p	8.84p	↑	20%

* Underlying



**WORKSPACE CRM
SYSTEM CAPTURES DATA**



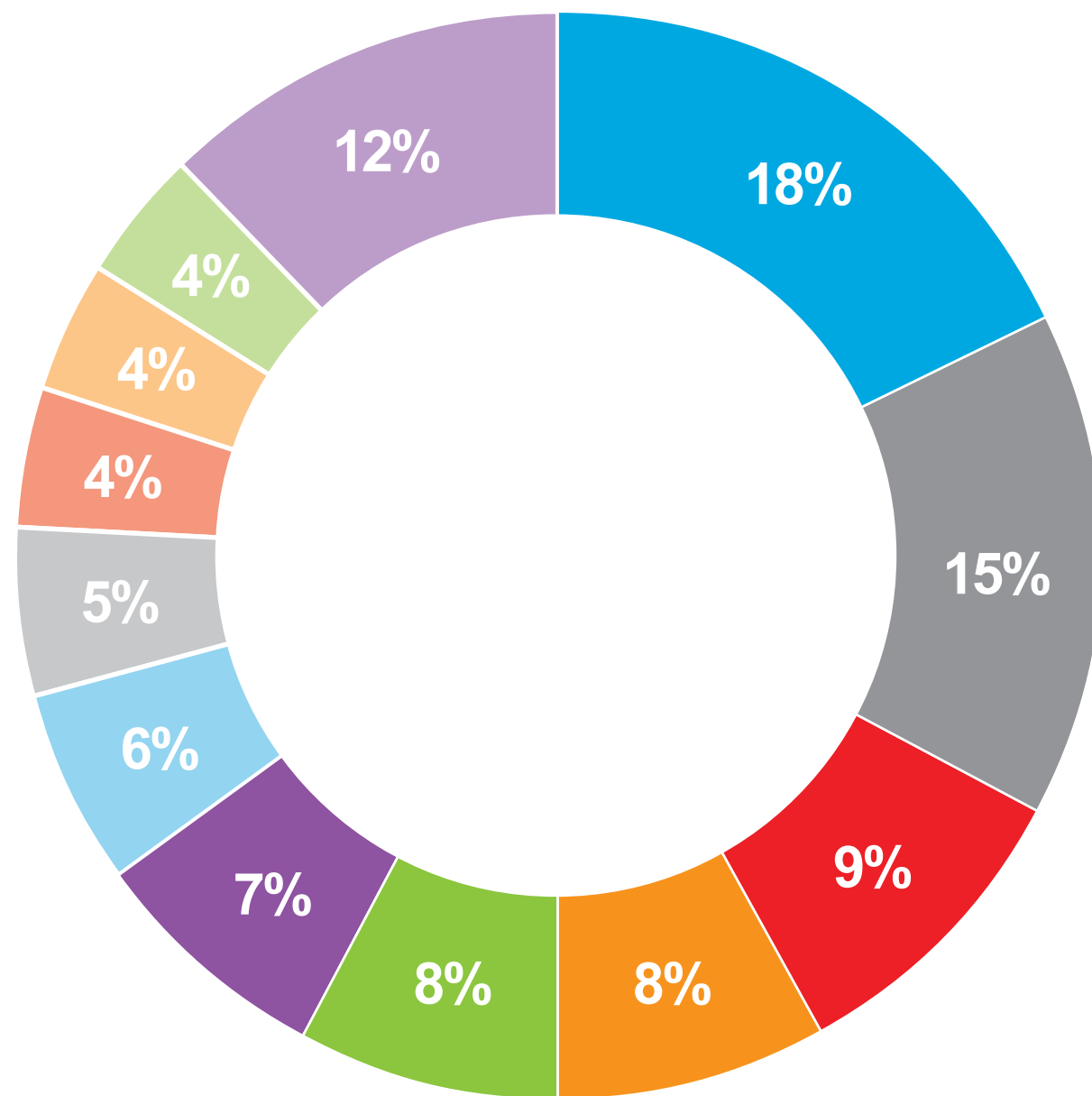
**WORKSPACE STORES
AND CONTROLS THE DATA**



**DATA ALLOWS
WORKSPACE TO
ANALYSE TRENDS AND
ACT WITH INSIGHT**

WORKSPACE

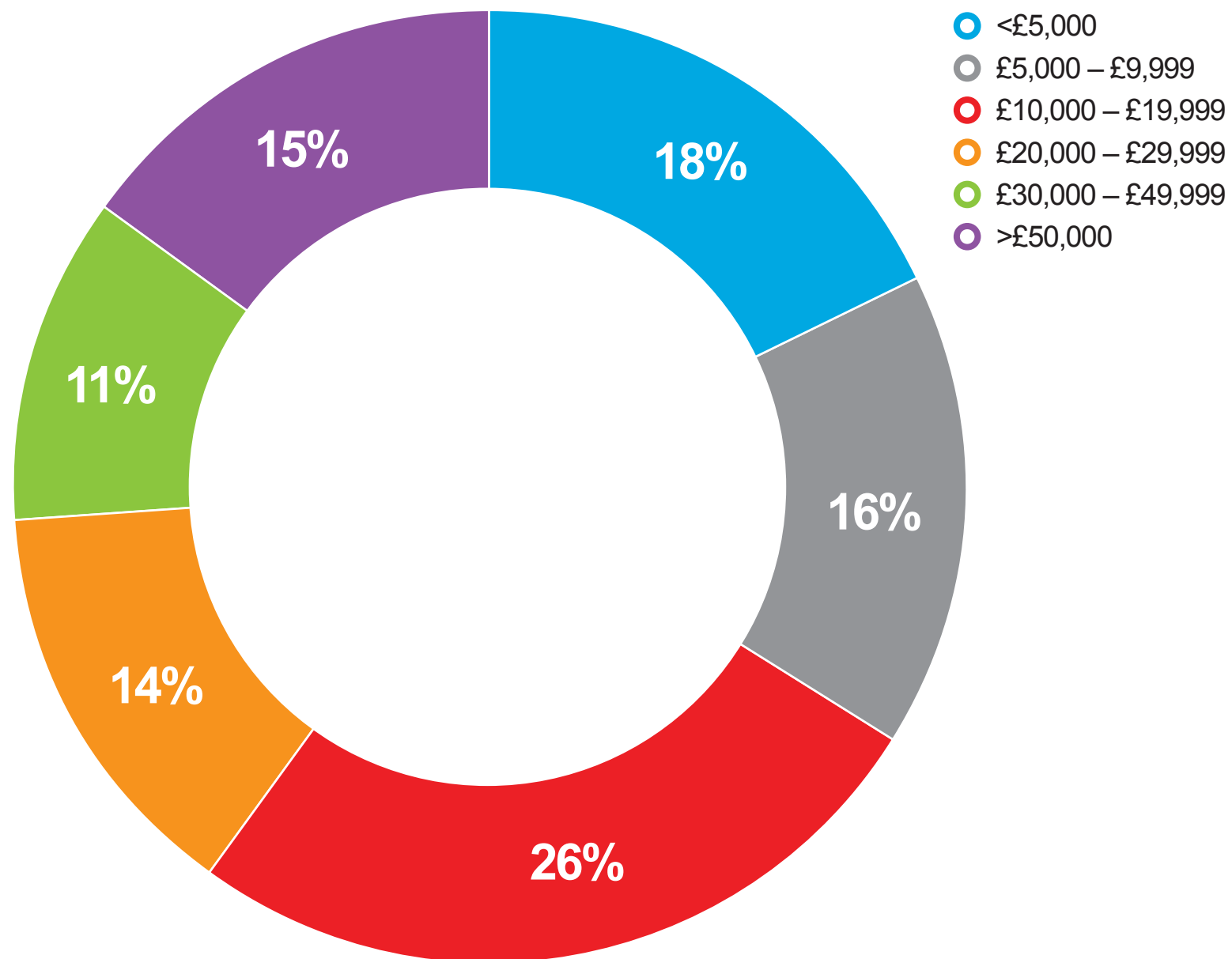
Sector Diversity



- **Professional, Technical and Consultancy Services**
 Engineering
 Business Consultancy
 Architecture
 Public Relations & Communications
- **Arts, Entertainment & Recreation**
 Film/Video Production
 Photography
 Television Programme Production
 Music
- **Information, Communication & Technology**
 Software & Software Design
 Technology
 IT Services
 Data & Information Services
- **Not For Profit**
 Charity
 Not For Profit
 Social Enterprise
 Membership Organisations
- **Marketing**
 Digital Marketing
 Marketing
 Branding
 Advertising
- **Design**
 Fashion Design
 Interior Design
 Graphic Design
 Product Design
- **Wholesale & Retail**
 Retail Sale of Household Goods
 E-Commerce
 Wholesale of Household Goods
 Fashion E-Commerce
- **Construction & Property**
 Specialised Construction Activities
 Construction Consultancy & Surveying
 Construction
 Property Management
- **Financial Services**
 Financial Services
 FinTech
 Insurance Services
 InsurTech
- **Manufacturing**
 Manufacture of Textiles & Clothes
 Manufacture of Electronic Products/Equipment
 Printing
 Manufacture of Food & Beverages
- **Administrative & Support Services**
 Recruitment
 Events
 Food & Drink Services (Catering)
 Cleaning & Hygiene Services
- **Other**

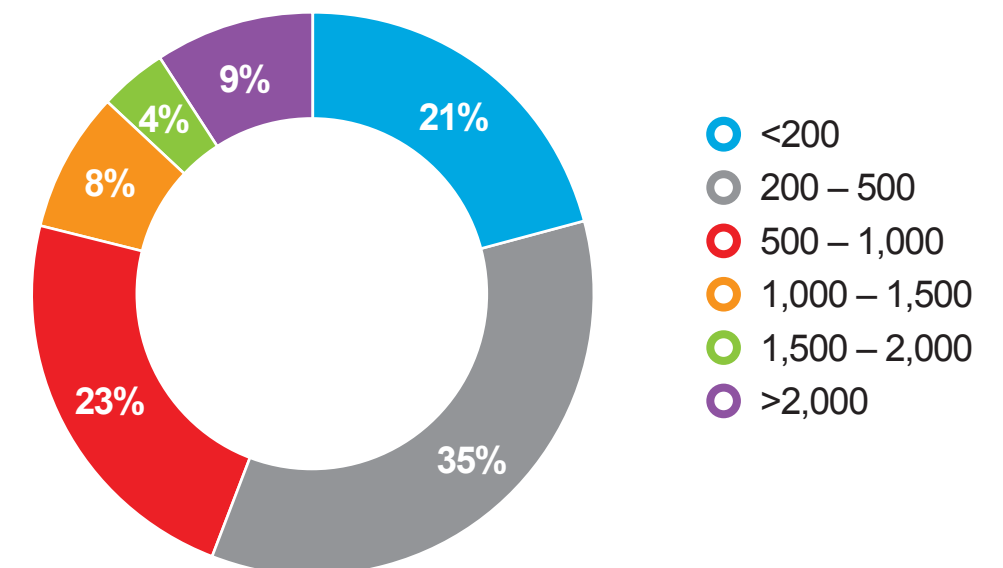
Rent Roll as at July 2018

Banding of leases by rent (number)



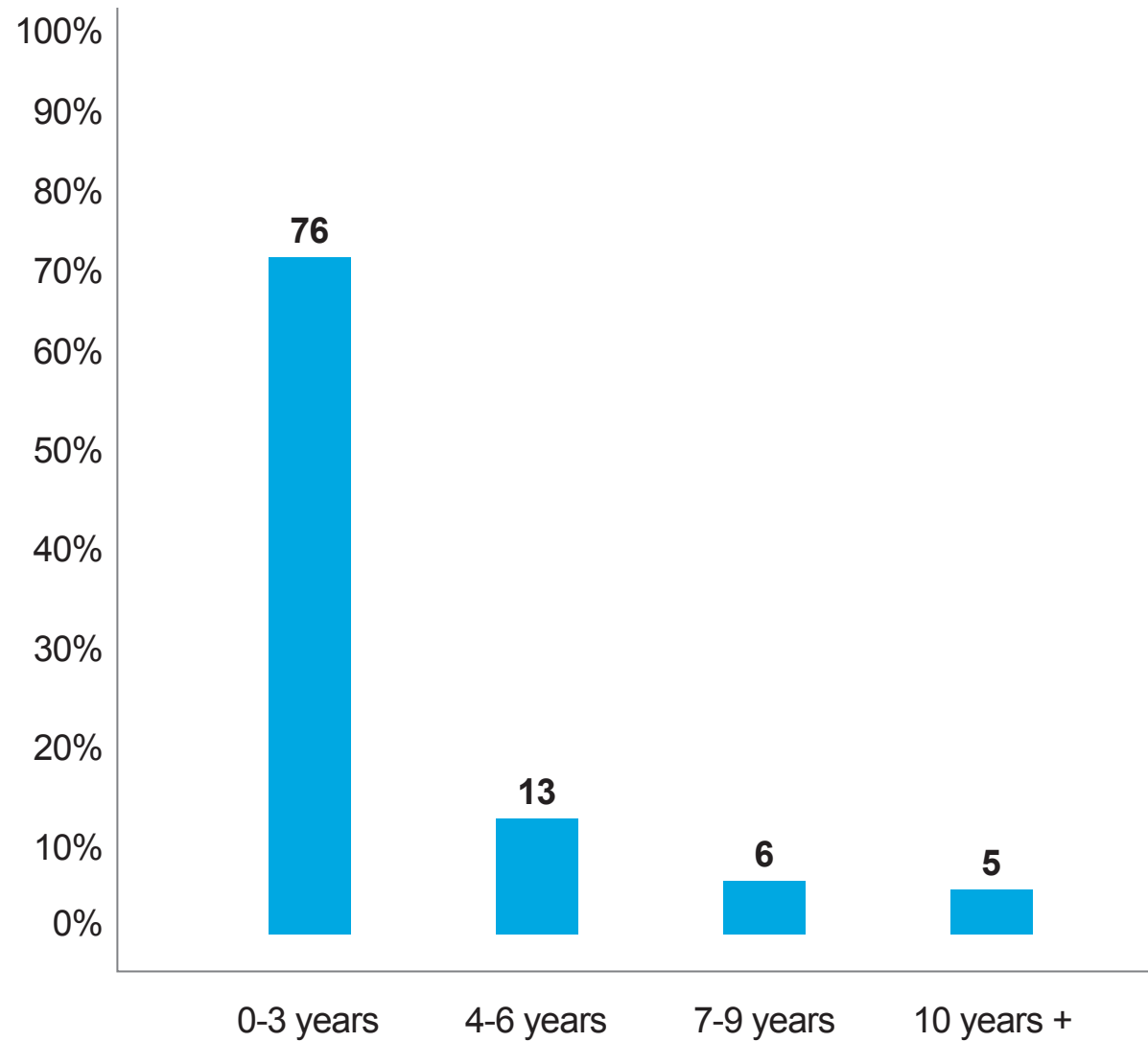
- Average rent: £33,000 p.a.
- Average space: 900 sq. ft.
- Top 10 customers: 13% of total rent roll

Banding of leases by sq. ft. (number)



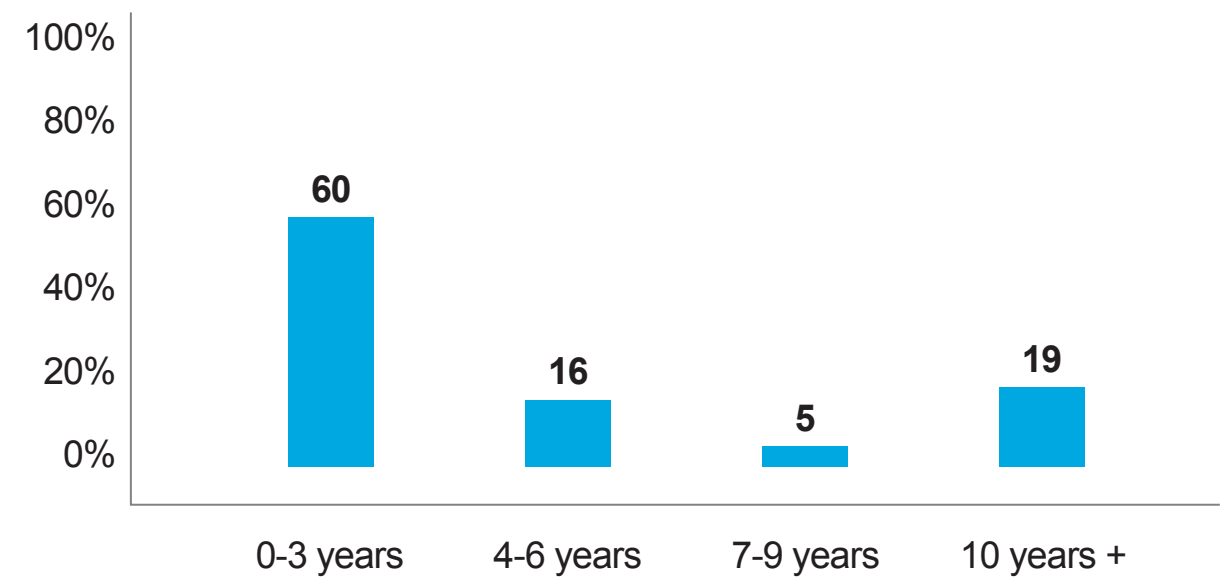
Data as at 30 September 2018

Lease maturity by Rent (%)



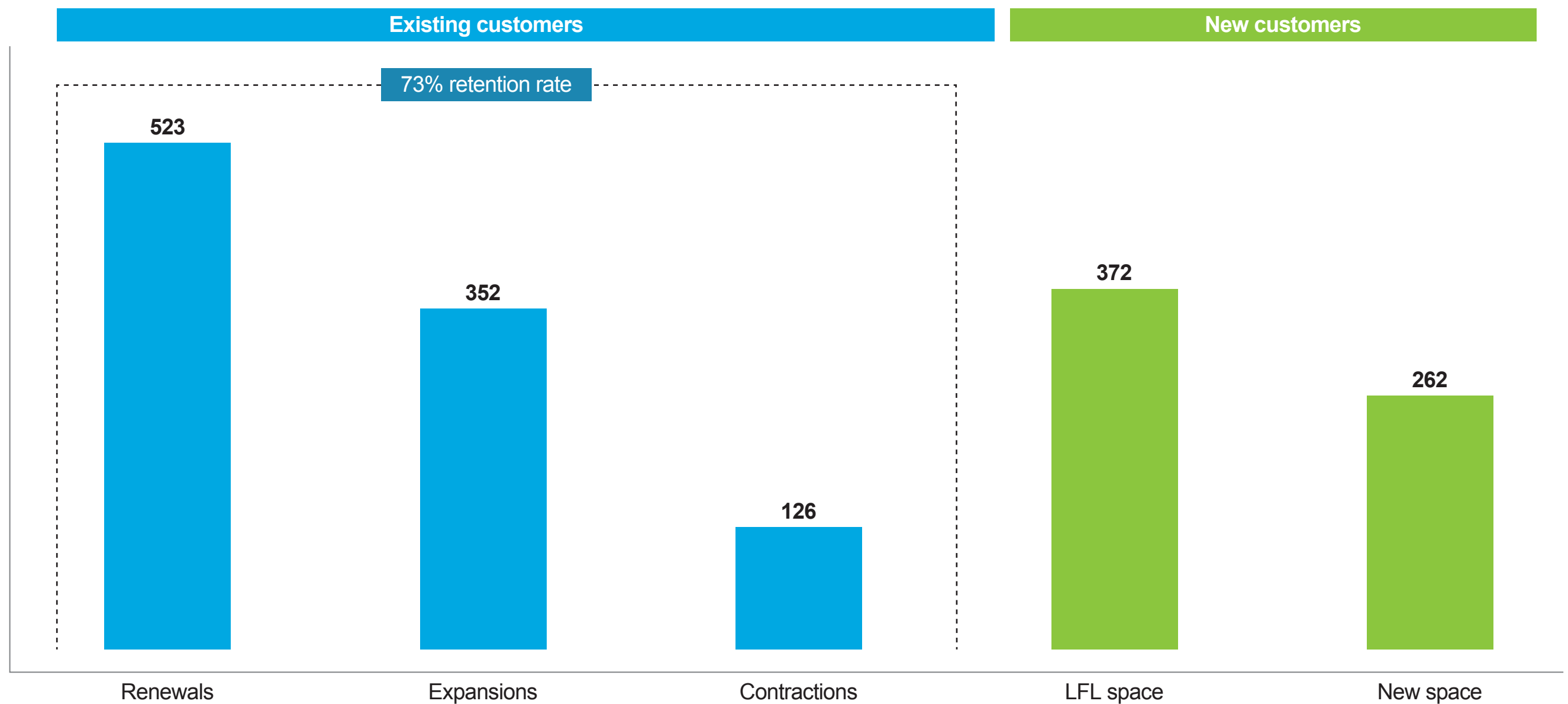
- As at 30 September 2018
- Majority of customers on 2 and 3 year leases
- Flexible approach

All leases from commencement by Rent (%)



WORKSPACE

Customer Retention



- Total leasing activity for year ended 31 March 2018
- 1,635 deals in total
- c.70% average retention rate over last three years

A woman with blonde hair in a ponytail, wearing a black top, is seen from behind, sitting at a white desk. She is looking at a laptop screen. The desk is cluttered with various items: a black Polycom office phone, a white mouse, a white keyboard, a white cup, a small white bowl containing pens, a silver water bottle, and a stack of papers. To her left, there is a white file holder filled with papers. The desk is separated from the rest of the office by a thick, rustic wooden partition. On top of the partition, there is a potted plant in a white pot and a yellow jacket hanging on a rack. In the background, another person is visible working at a desk, and a large window lets in bright light. The overall atmosphere is professional and modern.

PERFORMANCE

PERFORMANCE

Income Statement



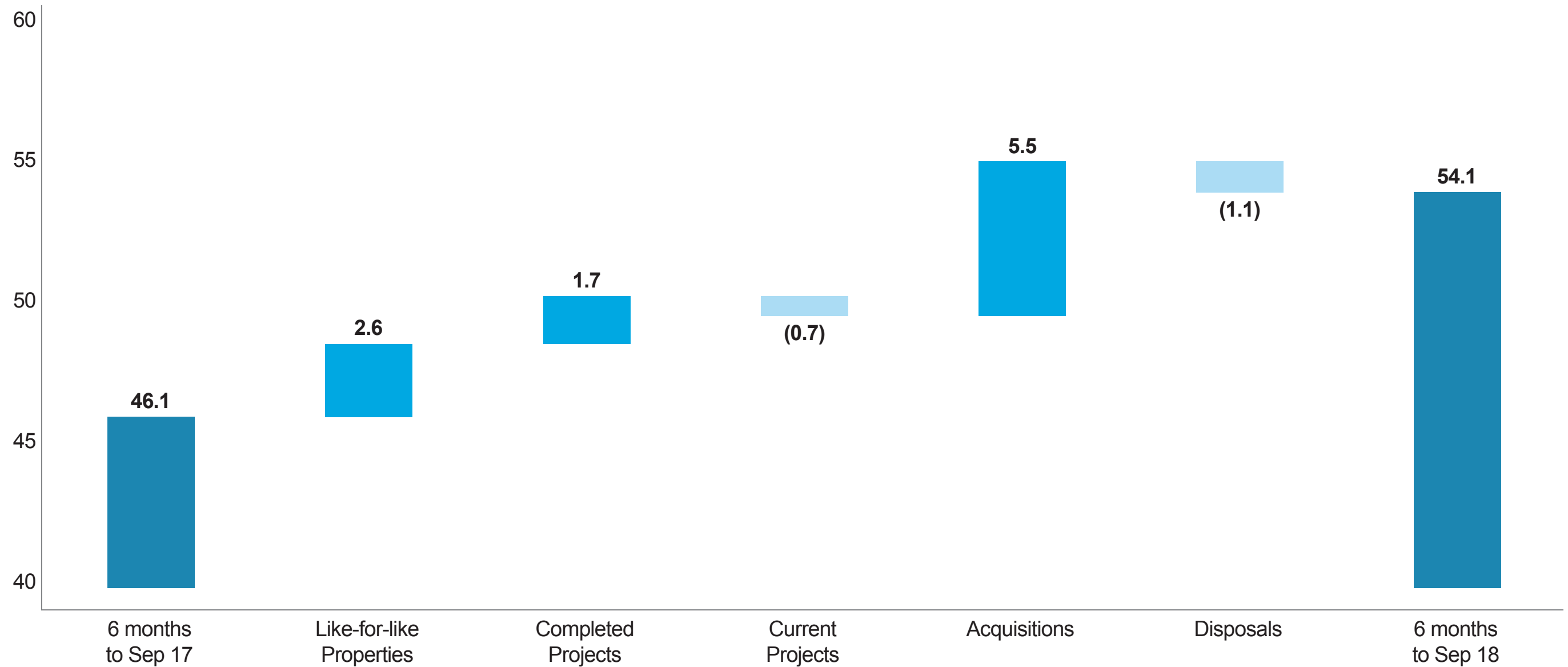
£m	September 2018	September 2017	Change
Net Rental Income	54.1	46.1	+17%
Administrative Expenses	(8.4)	(8.0)	+5%
Net Finance Costs	(10.3)	(8.7)	+18%
Adjusted Trading Profit after Interest	35.4	29.4	+20%
Investment Property Surplus	60.6	71.2	
Profit on Sale of Investment Properties	8.5	22.9	
Exceptional Finance Costs	(3.1)	–	
Other Items	(0.2)	0.2	
Profit Before Tax	101.6	123.7	
Adjusted Underlying Earnings Per Share	20.2p	17.9p	+13%
Interim Dividend Per Share	10.61p	8.84p	+20%

PERFORMANCE

Net Rental Income



Net rental income (£m)

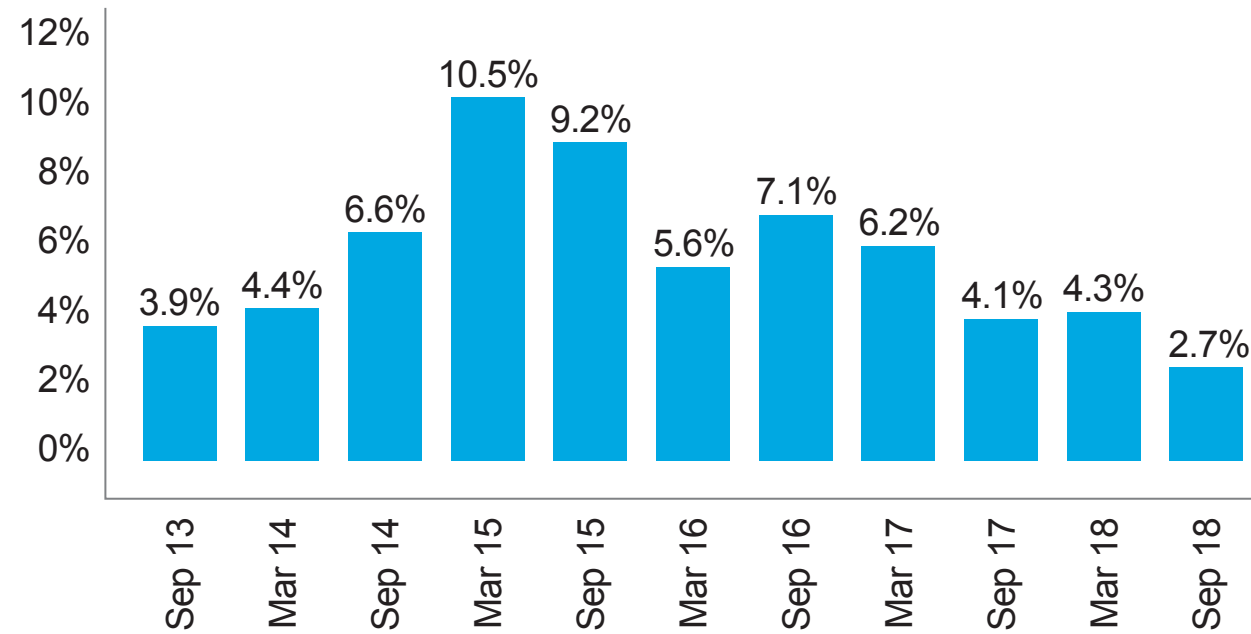


PERFORMANCE

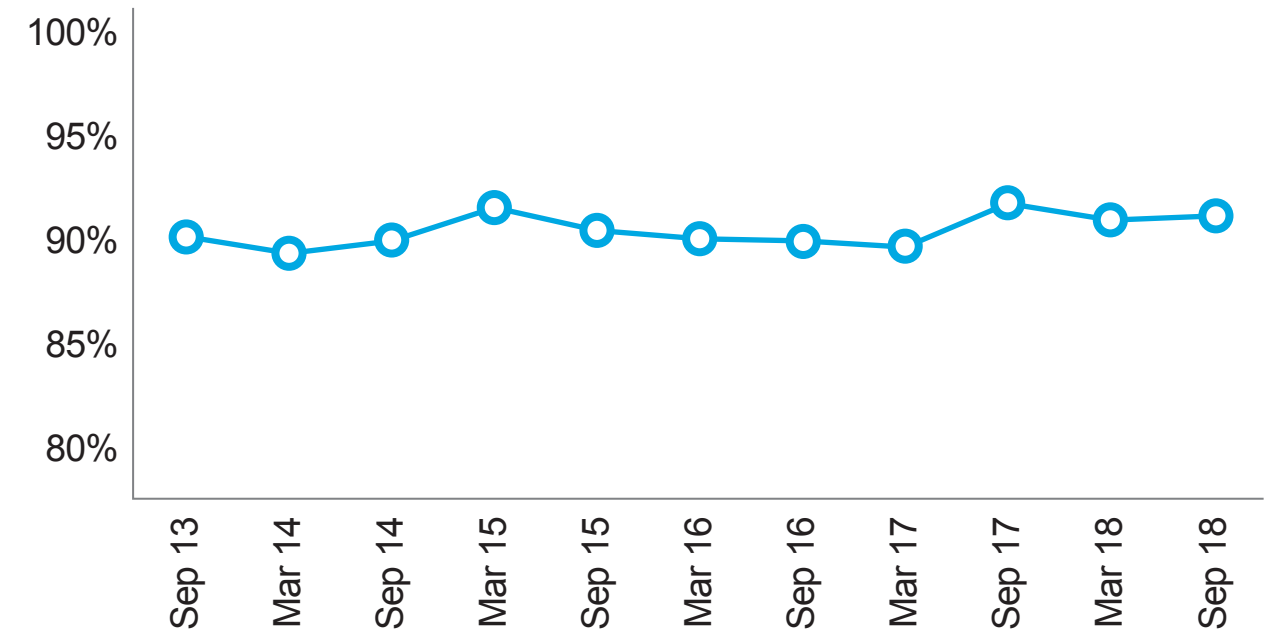
Like-for-like Properties



Rent Roll Growth

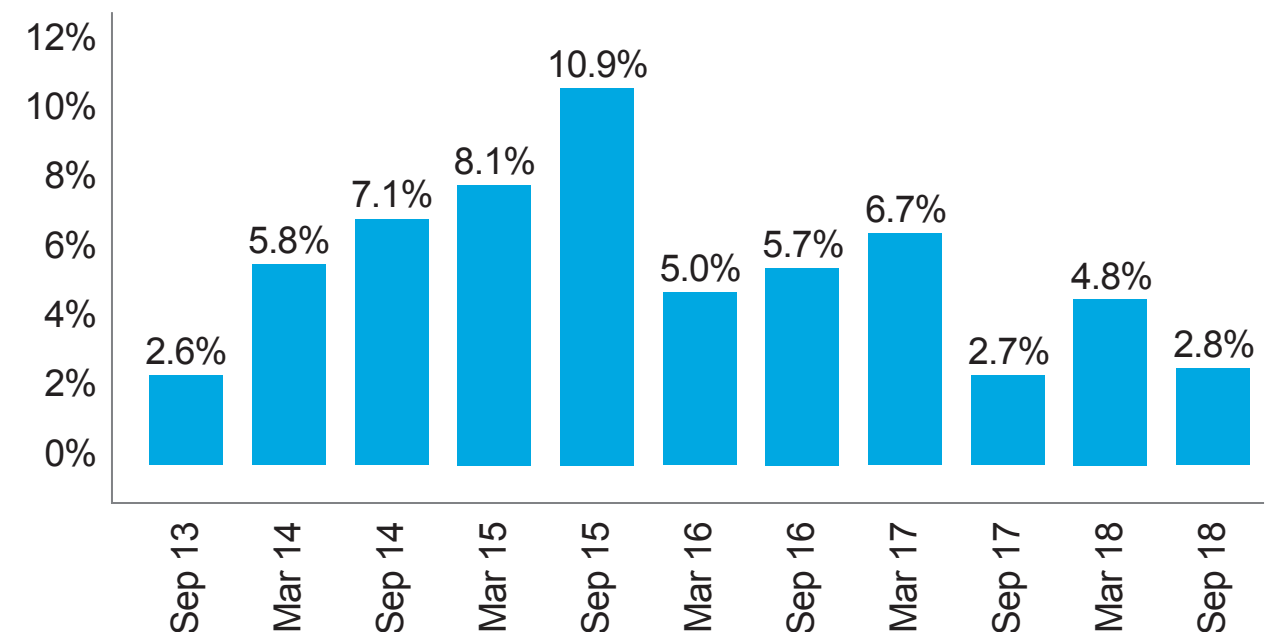


Occupancy



- Represents 67% of total rentroll
- Occupancy at 91.8%
- Rent per sq. ft. up 2.8% to £38.88
- CBRE ERV per sq. ft. up 0.3% to £43.91

Rent per sq. ft. Growth



Note:

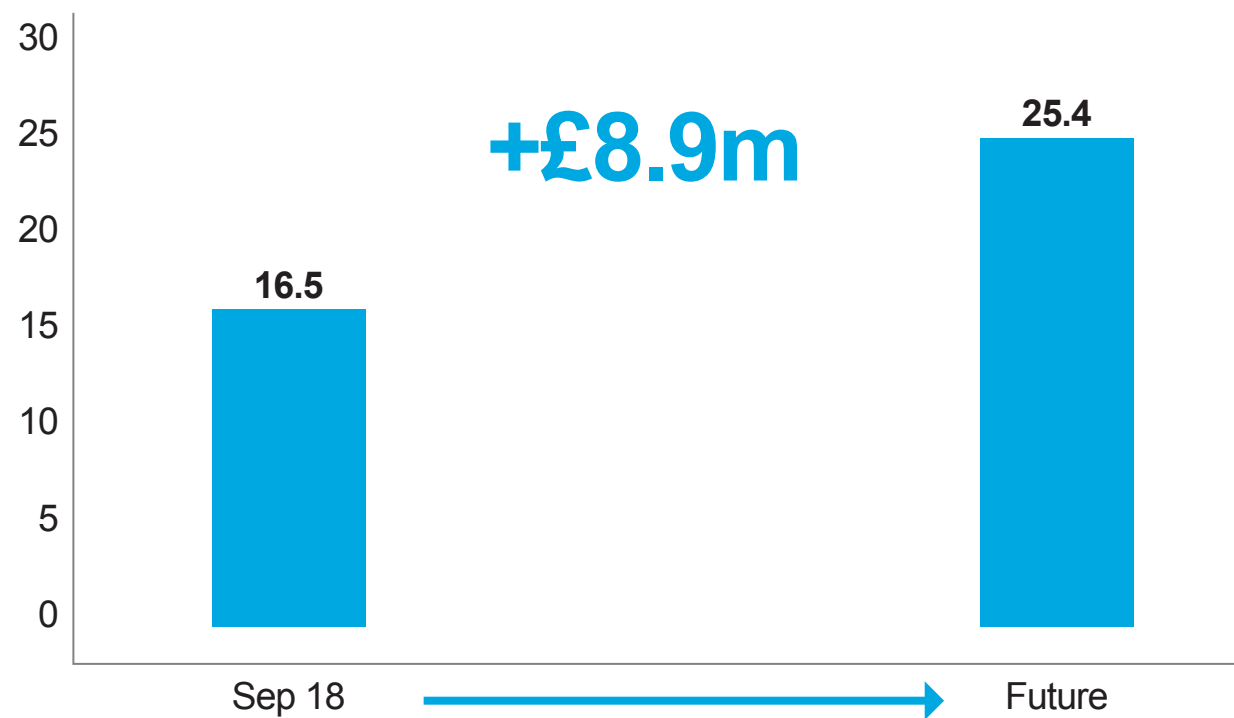
- Prior year LFL data is not restated

PERFORMANCE

Completed Projects



Rent Roll (£m)



- Represents 14% of total rentroll
- 5 projects completed in H1
- 18% increase in rent roll over the six months

China Works – refurbishment completed June 2018



Notes:

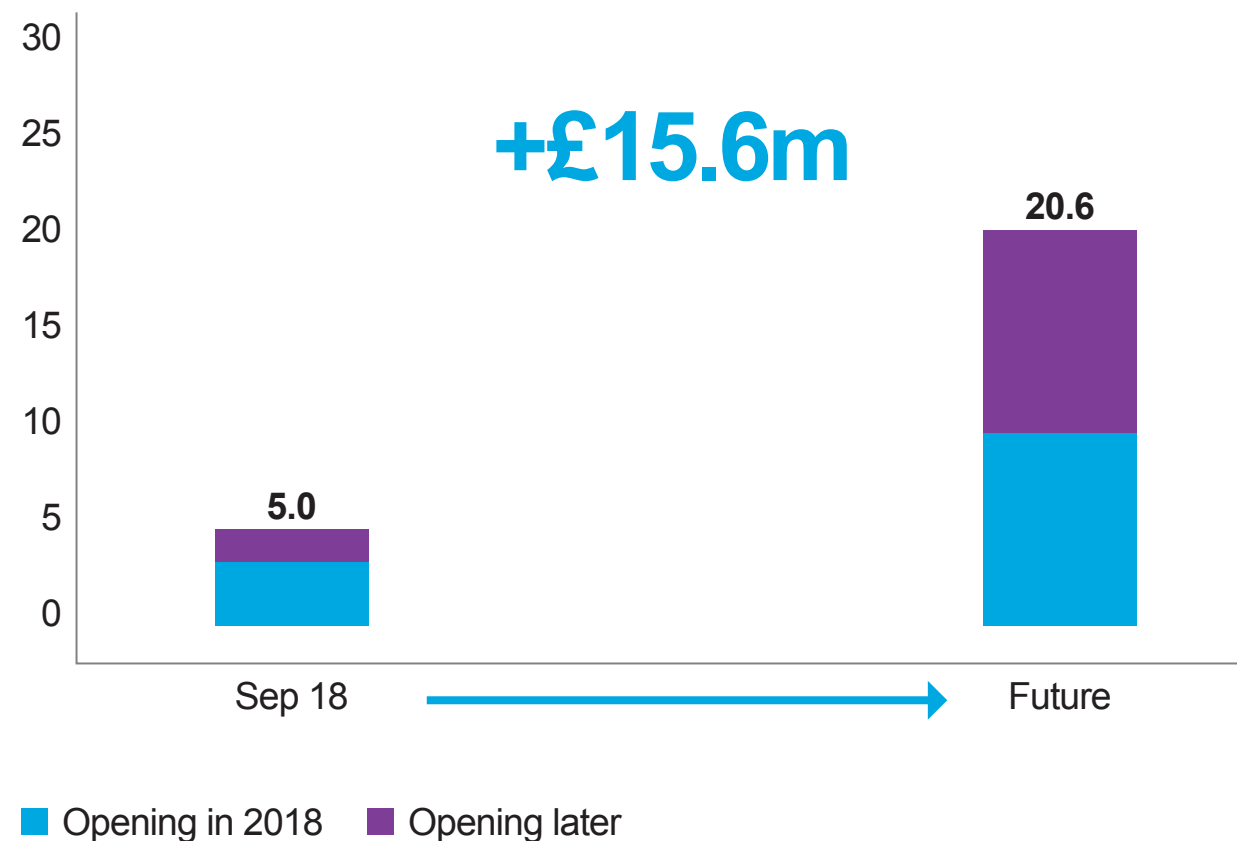
- Future rents based on the assumptions set out in Appendices 1 & 2
- Net rental income at low occupancy levels impacted by unrecovered service charge and empty rates

PERFORMANCE

Projects Underway



Rent Roll (£m)



- Represents 4% of total rent roll
- 13 projects underway delivering 560,000 sq. ft. of new and upgraded space
- 5 projects completing during H2

The Light Box – completing December 2018



Notes:

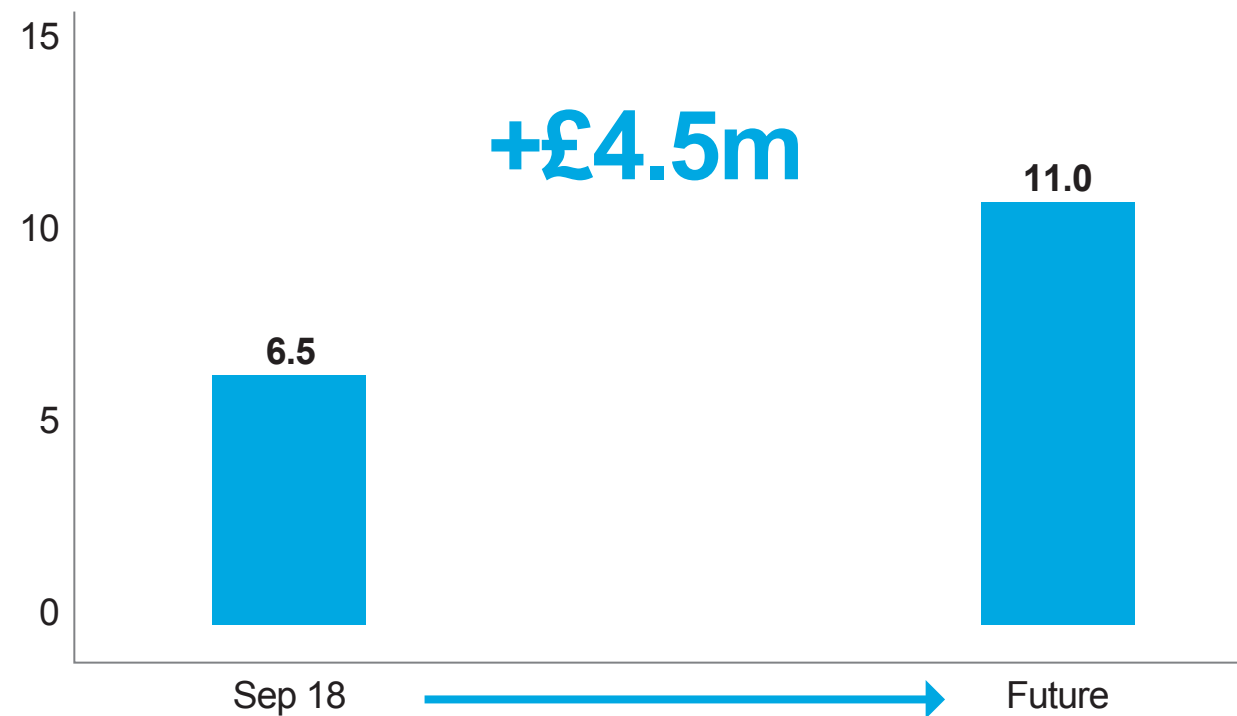
- Future rents based on the assumptions set out in Appendices 1 & 2
- Excludes projects at design stage, representing 9% of total rent roll

PERFORMANCE

Recent Acquisitions



Rent Roll (£m)



- Represents 6% of total rent roll
- Centro Buildings to be progressively repositioned as a business centre location
- Long Lane acquisition opening in H2

Centro Buildings – acquired Feb and April 2018



Note:

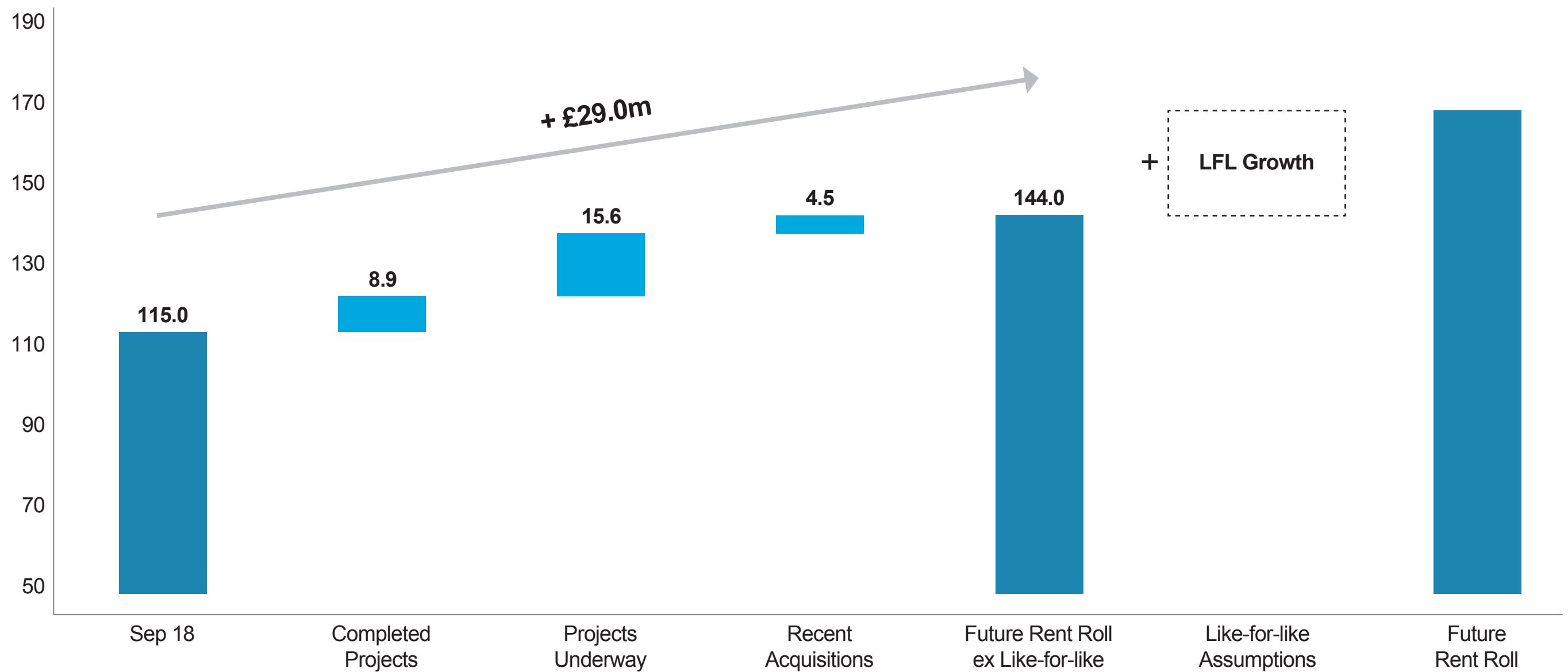
- Future rents are based on CBRE estimated rental values at 30 September 2018 at 90% occupancy

PERFORMANCE

Future Rent Roll Growth



Rent Roll (£m)



Notes:

- Not a profit forecast, for illustrative purposes only
- Future rents for projects based on the assumptions set out in Appendices 1 & 2
- Excludes projects at the design stage

PERFORMANCE

Cash Flow



£m	September 2018		September 2017	
Trading				
Net Cash from Operations after Interest	24		33	11
Dividends Paid	(32)	(8)	(22)	
Investment				
Capital Expenditure	(49)		(35)	
Purchase of Investment Properties	(100)		(256)	
Property Disposals	52		80	(191)
Capital Receipts	4	75	23	
Share Placement	176			
Other	(8)		(3)	
Net Movement		67		(180)
Opening Net Debt		(517)		(242)
Closing Net Debt		(450)		(422)

PERFORMANCE

Balance Sheet



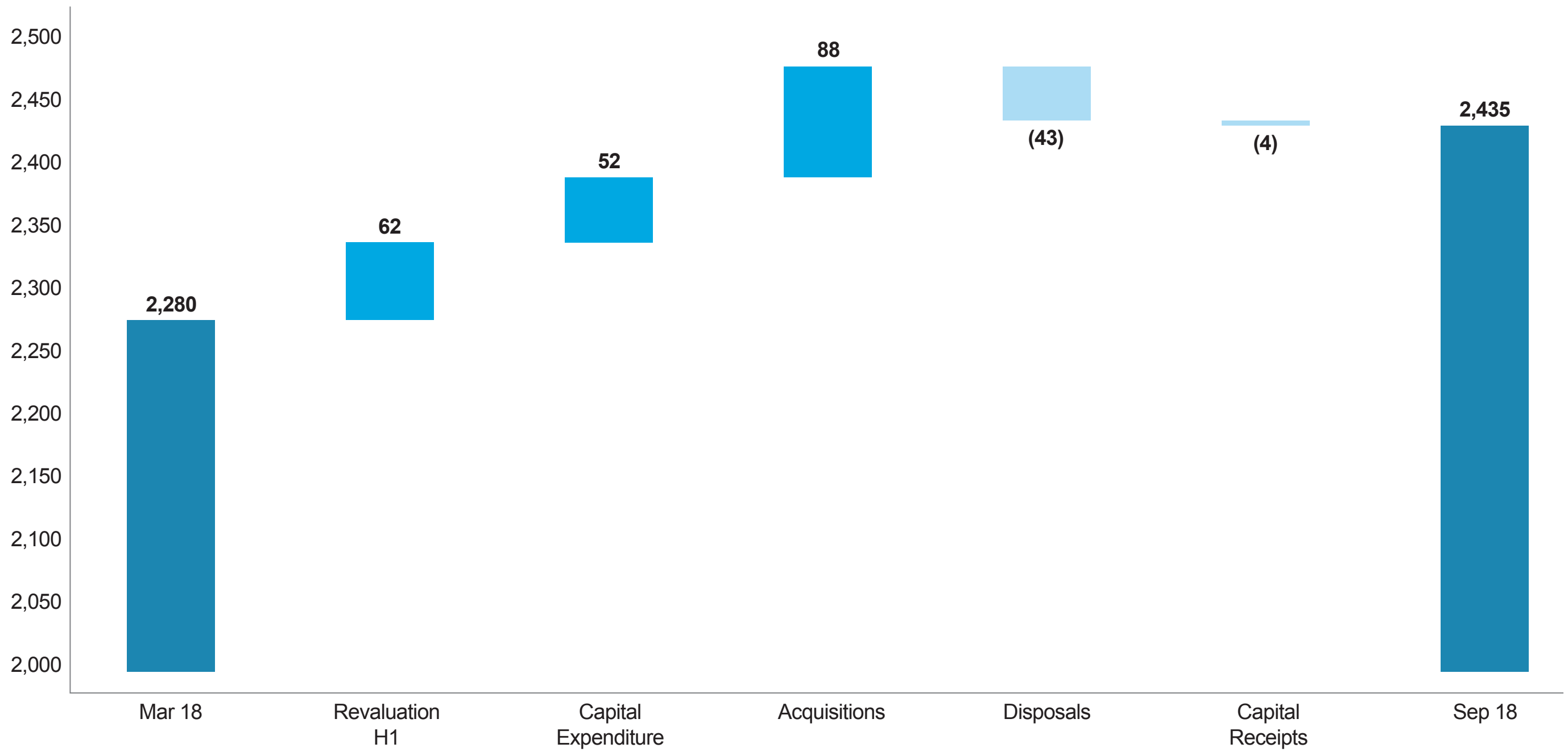
£m	September 2018	March 2018
Investment Property Valuation	2,435	2,280
Net Debt	(450)	(517)
Other	(26)	(50)
Net Assets	1,959	1,713
Equivalent Yield (LFL)	6.3%	6.5%
Net Initial Yield (LFL)	5.3%	5.4%
EPRA NAV per Share	£10.75	£10.37
Loan to Value	18%	23%

PERFORMANCE

Property Valuation



Property Valuation (£m)



PERFORMANCE

Revaluation



	Valuation	Uplift/(Deficit)	Main components	
Like-for-like	£1,274m	£35m	ERV per sq. ft. up 0.3% Equivalent Yield in 0.2%	£4m £31m
Completed Projects	£420m	£18m	The Frames, Shoreditch China Works, Vauxhall	£14m £3m
Current Refurbishments	£378m	£4m	Vox Studios (phase 2), Vauxhall	£3m
Current Redevelopments	£158m	£(2)m	Poplar Business Park (phases 2 & 3)	£(3)m
Acquisitions	£205m	£7m	Long Lane, London Bridge	£5m
Total	£2,435m	£62m		

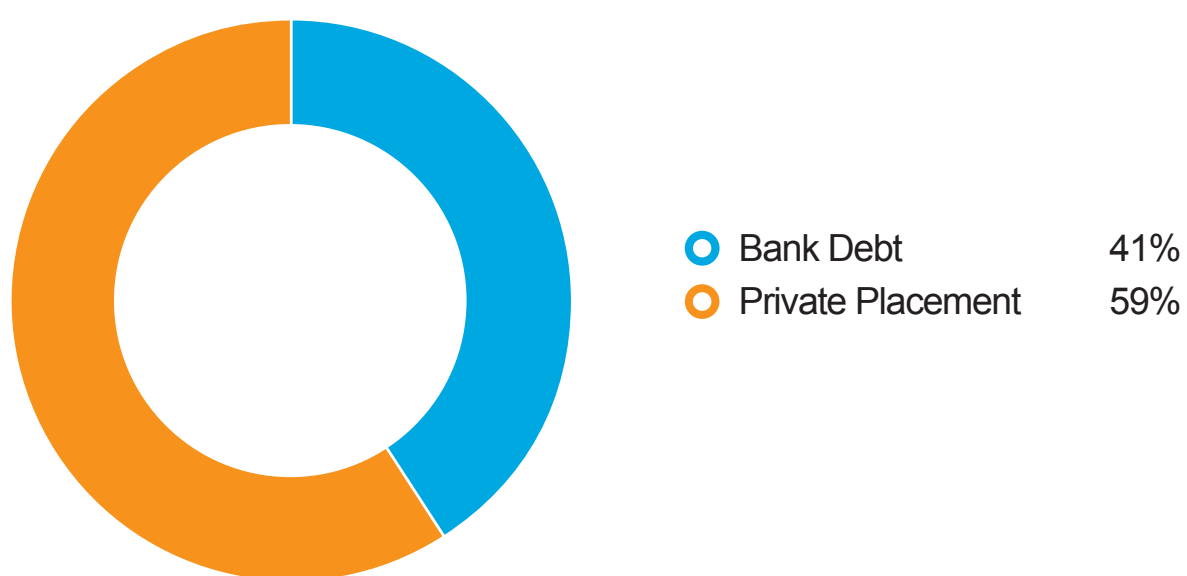
PERFORMANCE

Debt

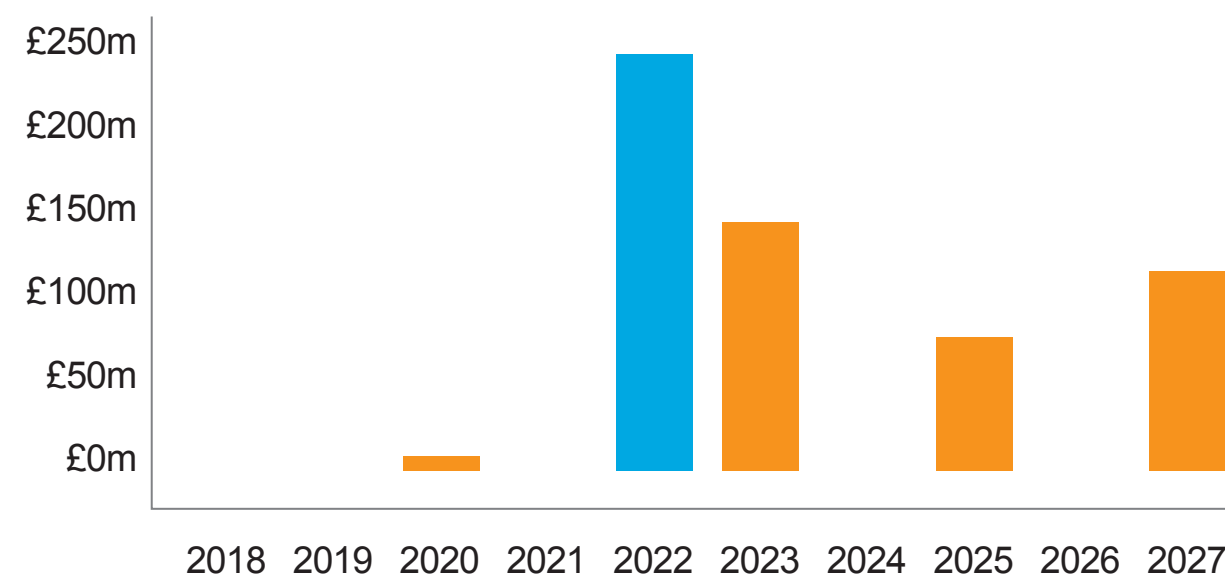


	September 2018	March 2018
Net Debt	£450m	£517m
Average Interest Cost	3.8%	4.3%
Undrawn Revolver Facilities and Cash	£158m	£148m
Marginal Cost (Undrawn Facilities) over LIBOR	1.5%	1.5%
Average Period to Maturity	5.4 years	5.5 years

Facilities By Type (%)



Maturity Profile (£m)



PERFORMANCE

Debt update



- The Shepherds Building acquired for £125m (plus costs) in October 2018
- Additional £100m 364-day revolver facility put in place
- Workspace has been assigned a BBB (stable) rating by S&P

Proforma Impact	September 2018	Proforma
Net Debt	£450m	£570m
Total Facilities and Cash	£608m	£708m
Undrawn Facilities and Cash	£158m	£138m
LTV	18%	22%



DIRECTION

Smartology
Metal Box Factory, Southwark

DIRECTION

Future Growth



LIKE-FOR-LIKE



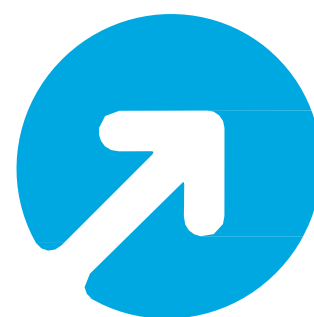
PROJECTS



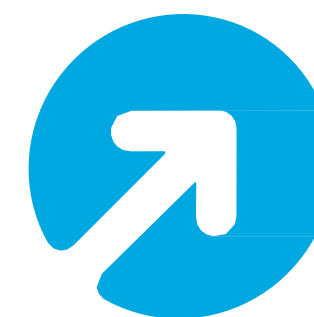
ACQUISITIONS



Strong demand



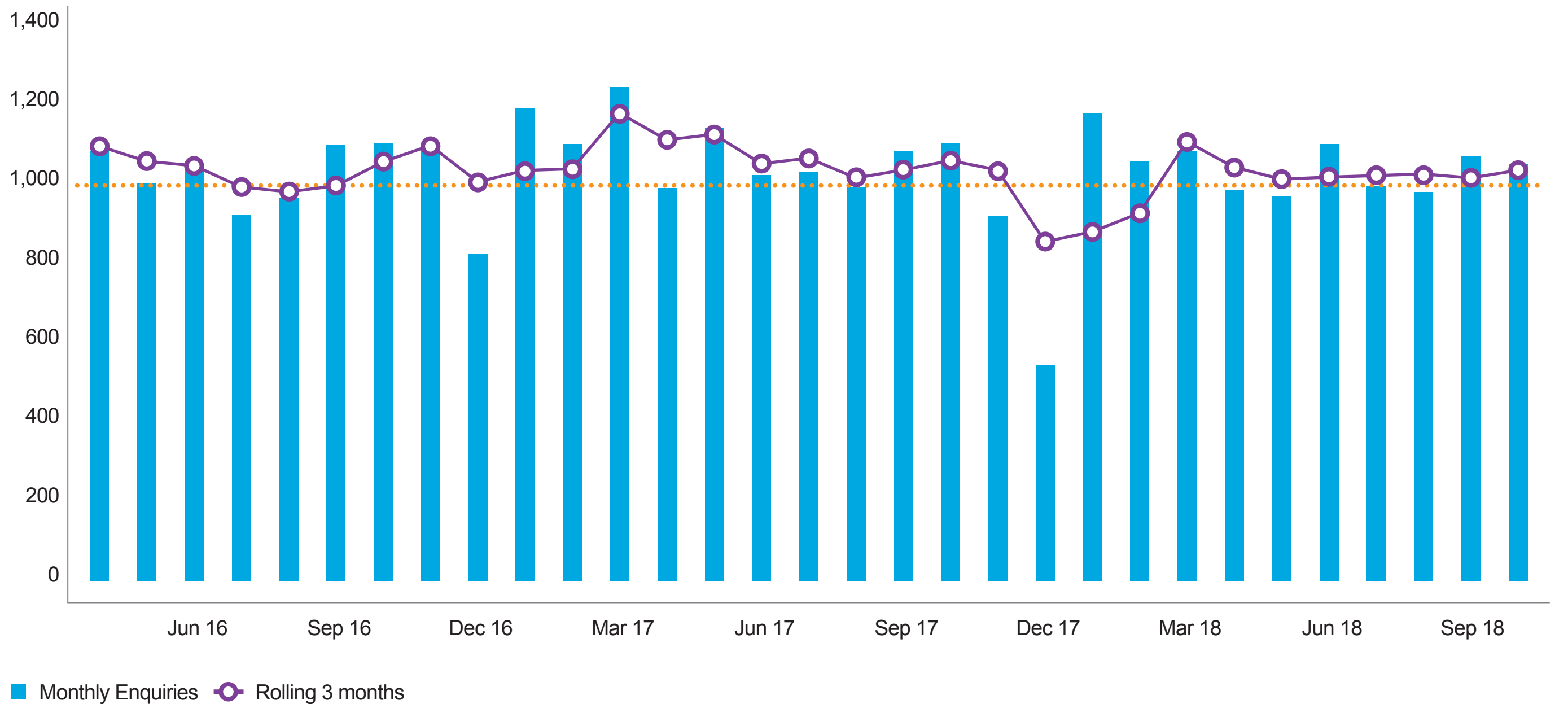
Extensive pipeline



Well positioned

DIRECTION

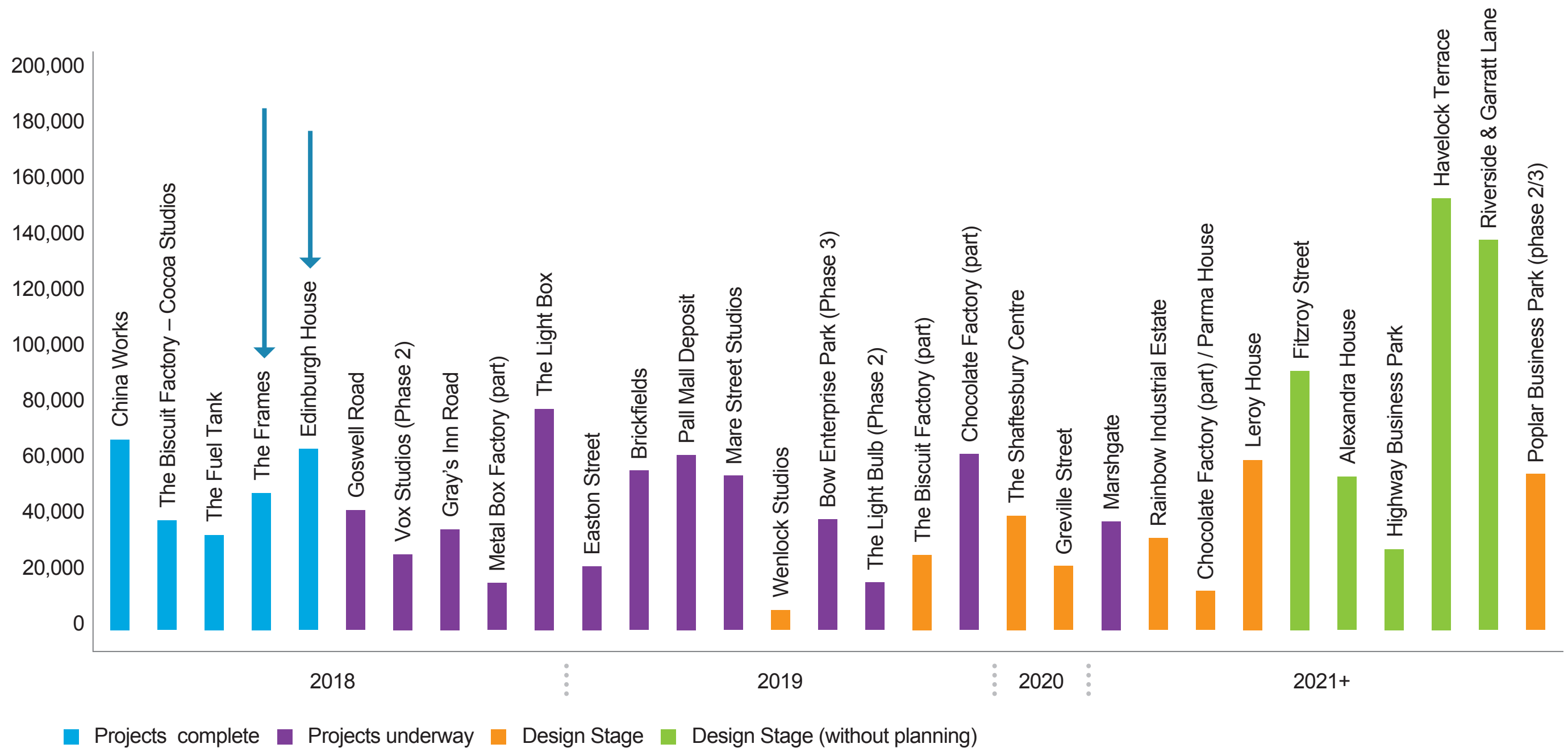
Demand



DIRECTION Projects



Project Pipeline (sq. ft.)





The Frames, Shoreditch

- Formerly 22,000 sq. ft. low grade office building
- Granted planning consent in 2015 for new 49,000 sq. ft. business centre
- £25m capital expenditure
- Launched in September 2018
- 27% occupancy at 9 November 2018



Edinburgh House, Vauxhall

- Acquired in January 2015, fully let to the Metropolitan Police Authority
- Granted planning consent in 2016 for new 65,000 sq. ft. business centre
- £20m capital expenditure
- Launched in September 2018
- 13% occupancy at 9 November 2018

DIRECTION

Acquisitions

- Acquired for £125m
- £835 capital value per sq. ft.
- 150,000 sq. ft. of office space
- Net initial yield of 4.8%
- 32 customers with an average passing rent of £45.60

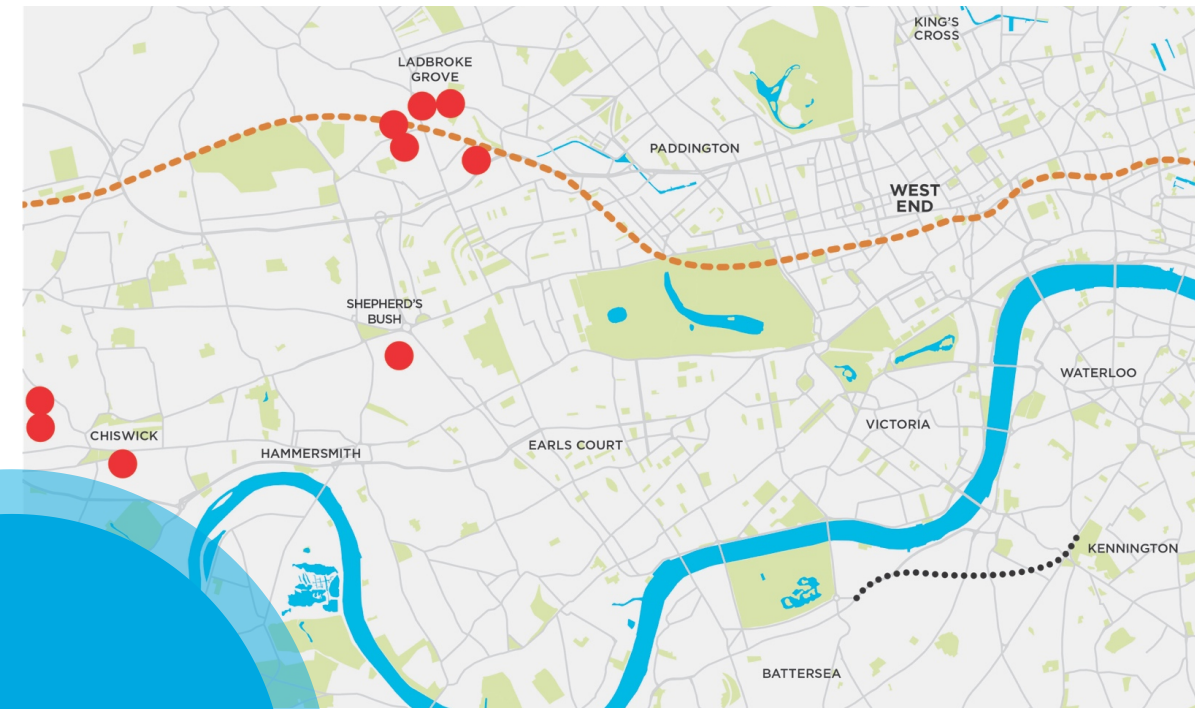
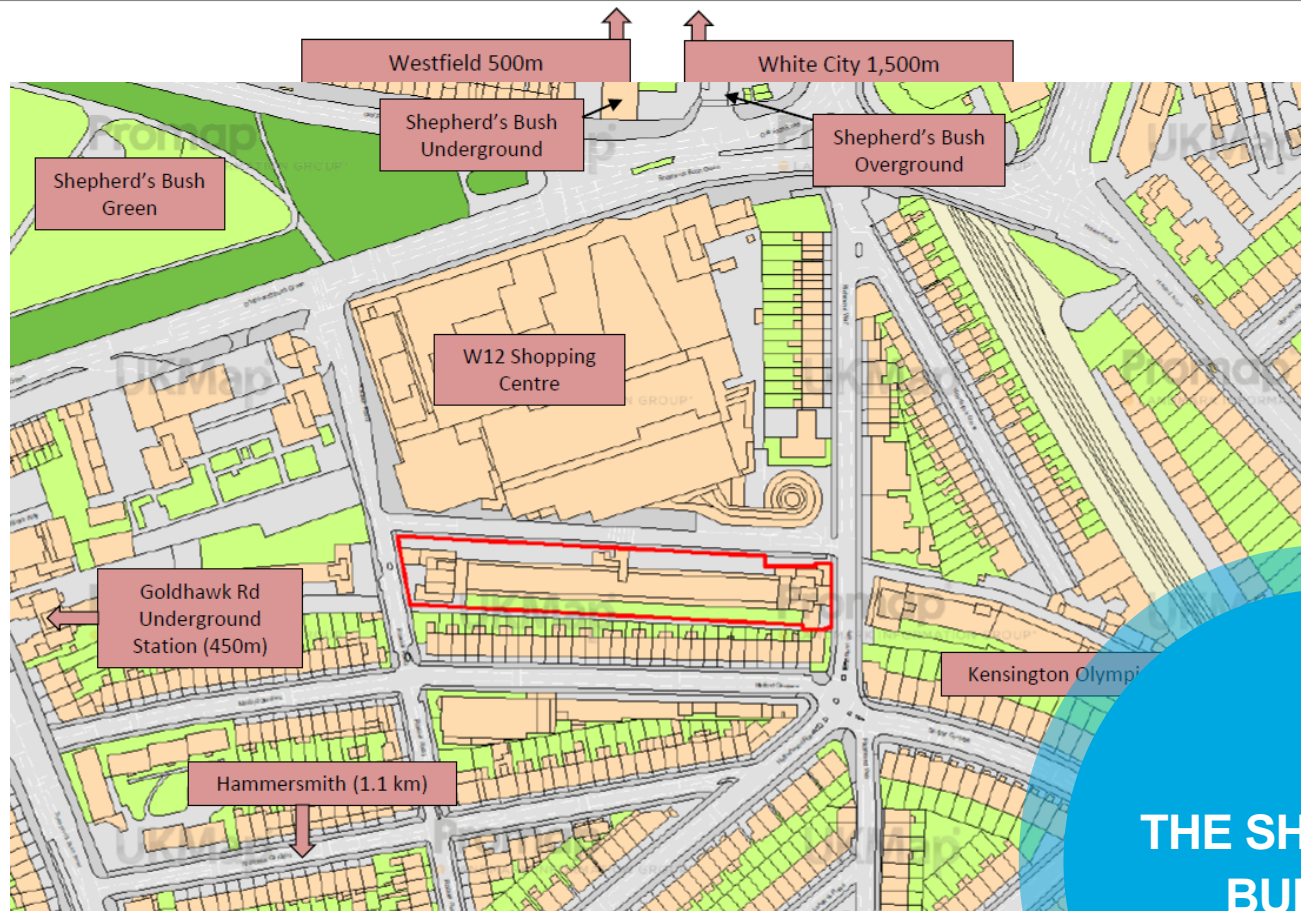


THE SHEPHERDS
BUILDING

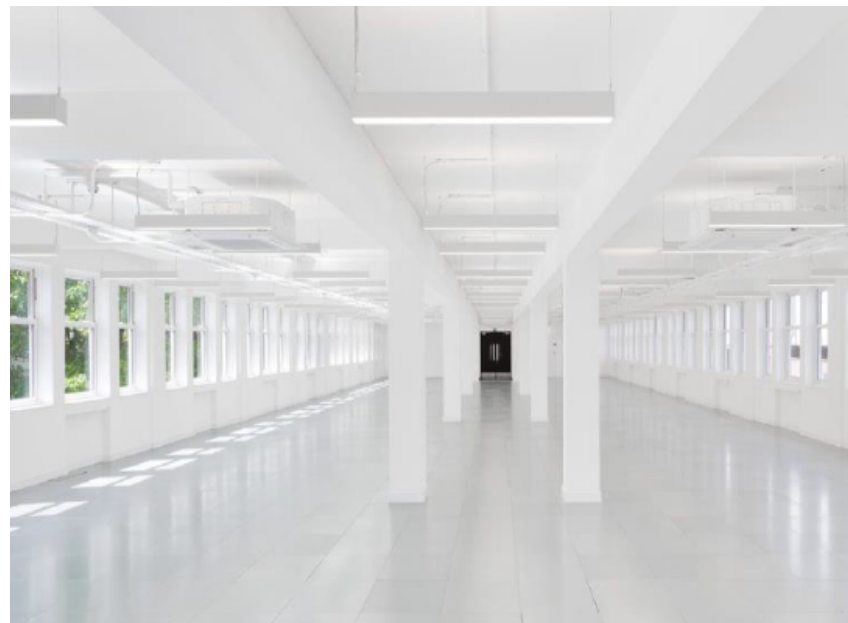


DIRECTION

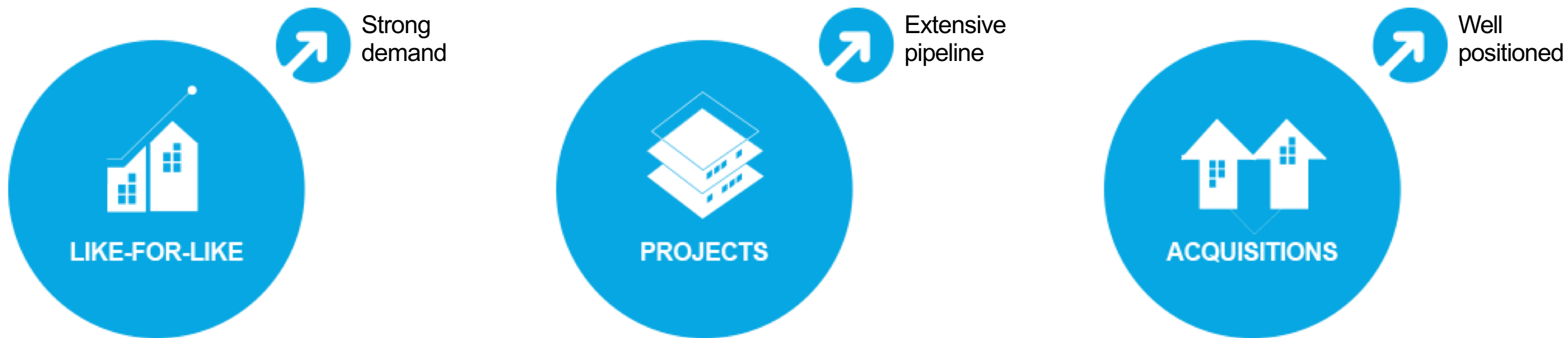
Acquisitions



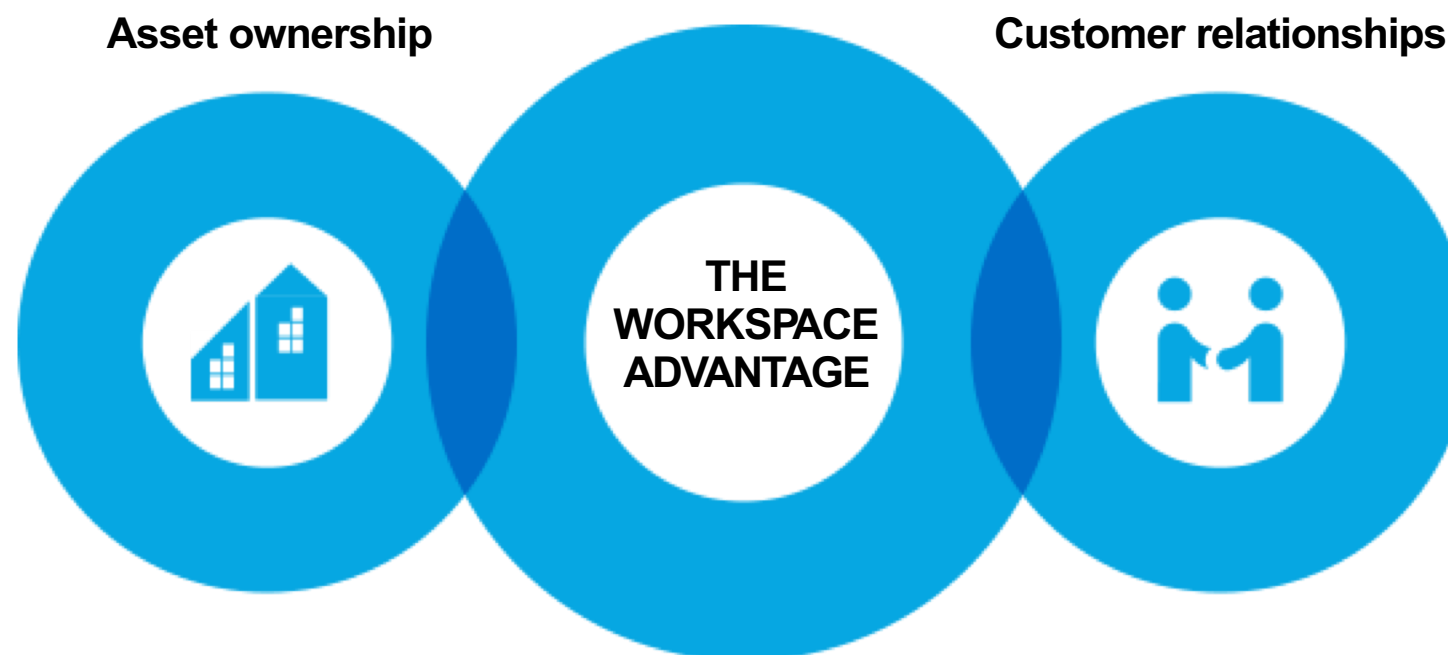
THE SHEPHERDS BUILDING



DIRECTION Outlook



Underpinned by



QUESTIONS



SUPPLEMENTARY INFORMATION



Appendix 1

Refurbishment Projects



At September 2018	Valuation	Actual/ Estimated cost	Cost to Complete	Estimated Completion	Unaffected area (sq. ft.)	Upgraded area (sq. ft.)	New Space (sq. ft.)	Estimated ERV (Average)	Estimated Rent at 90% occupancy*	September 2018 Rent Roll
Completed										
The Record Hall	£61m	£24m	–	May 2017	–	–	57,563	£58	£3.0m	£2.9m
Cannon Wharf	£10m	£1m	–	July 2017	–	32,619	–	£22	£0.7m	£0.5m
Barley Mow Centre	£49m	£11m	–	Aug 2017	–	50,663	24,151	£44	£2.9m	£2.0m
The Leather Market	£102m	£5m	–	Aug 2017	5,943	117,167	–	£52	£5.8m	£5.9m
Fleet Street	£30m	£2m	–	Aug 2017	–	42,933	–	£55	£2.1m	£1.8m
China Works	£54m	£6m	–	Jun 2018	–	68,414	–	£53	£3.3m	£2.2m
The Frames	£49m	£25m	£2m	Sep 2018	–	–	49,232	£64	£2.8m	£0.2m
Edinburgh House	£34m	£20m	£1m	Sep 2018	–	–	65,002	£48	£2.8m	£0.1m
	£389m	£94m	£3m		5,943	311,796	195,948		£23.4m	£15.6m
Underway										
Goswell Road	£35m	£5m	£0m	H2 2018	–	43,005	–	£49	£1.9m	£0.8m
Vox Studios (phase 2)	£20m	£8m	£0m	H2 2018	–	–	27,154	£51	£1.2m	£0.0m
Gray's Inn Road	£35m	£6m	£0m	H2 2018	–	36,149	–	£62	£2.0m	£1.0m
Metal Box Factory (part)	£16m	£2m	£1m	H2 2018	–	16,882	–	£77	£1.2m	£0.0m
The Light Box	£38m	£6m	£1m	H2 2018	–	60,481	18,844	£37	£2.6m	£1.3m
Easton Street	£18m	£8m	£5m	H1 2019	–	–	22,914	£71	£1.5m	£0.0m
Brickfields	£25m	£27m	£11m	H1 2019	–	–	57,250	£48	£2.5m	£0.0m
Pall Mall Deposit	£22m	£10m	£8m	H2 2019	–	49,445	13,363	£36	£2.0m	£0.9m
Mare Street Studios	£13m	£20m	£16m	H2 2019	–	–	55,385	£42	£2.1m	£0.0m
Chocolate Factory (part)	£17m	£11m	£6m	H2 2020	–	57,122	6,000	£26	£1.5m	£0.8m
	£239m	£103m	£48m		–	263,084	200,910		£18.5m	£4.8m
Design Stage										
Wenlock Studios		£1m	£1m	2019	24,039	7,116	–			
The Shaftesbury Centre#		£15m	£15m	2020	–	–	41,000			
Greville Street		£9m	£9m	2020	–	–	23,000			
The Biscuit Factory (part)#		£10m	£10m	2020	–	–	27,000			
Leroy House#		£15m	£15m	2020	–	46,000	15,000			
		£50m	£50m		24,039	53,116	106,000			
Design Stage (without planning)										
Havelock Terrace#		£60m	£60m	2023	–	–	155,000			
Fitzroy Street		£14m	£14m	2022	–	93,000	–			
Alexandra House		£7m	£7m	2022	–	55,000	–			
		£81m	£81m		–	148,000	155,000			

Currently in like-for-like category

* Includes rent for unaffected areas at September 2018 rental levels

Appendix 2

Redevelopment Projects



At September 2018	Development partner	Valuation	September 2018 Rent Roll	Commercial Space estimated completion	Residential units no.	Commercial space returned			Other proceeds		
						New Space (sq. ft.)	Estimated ERV	Estimated Rent*	Cash received	Cash to come	Overage to come
Completed											
The Fuel Tank (formerly Faircharm)	L&Q	£11m	£0.2m	Jun 2018	148	34,090	£26	£0.8m	£10m	–	n/a
Cocoa Studios at The Biscuit Factory	Grosvenor	£21m	£0.7m	Jun 2018	800	39,298	£35	£1.2m	£49m	–	–
		£32m	£0.9m		948	73,388		£2.0m	£59m	–	–
Underway/Contracted											
Arches Business Centre	Disposal	£4m	–	–	110	–	–	–	£13m	£4m	–
Poplar Business Park (phase 1)	Telford Homes	£5m	–	–	170	–	–	–	£16m	£2m	£3m
Bow Enterprise Park (phase 3)	Galliford Try	£12m	–	2019	130	39,714	£24	£0.9m	£6m	–	–
The Light Bulb (phase 2)	Strawberry Star	£8m	–	2019	77	17,071	£31	£0.5m	£8m	–	–
Marshgate	Anthology	£24m	£0.2m	2021	200	39,000	£20	£0.7m	£0m	£15m	–
		£53m	£0.2m		687	95,785		£2.1m	£43m	£21m	£3m
Design Stage											
Rainbow Industrial Estate			£0.5m	TBD	224	33,000					
Poplar Business Park (phase 2/3)			£0.8m	2026	222	56,000					
Chocolate Factory (part) / Parma House#			£0.6m	2021	220	14,000					
		£53m	£1.9m		666	103,000					
Design Stage (without planning)											
Highway Business Park				2022	113	29,000					
Riverside# / Garratt Lane				2023	350	140,000					
					463	169,000					

* Expected rent at 90% occupancy

Currently in like-for-like category

Appendix 3

Business Overview

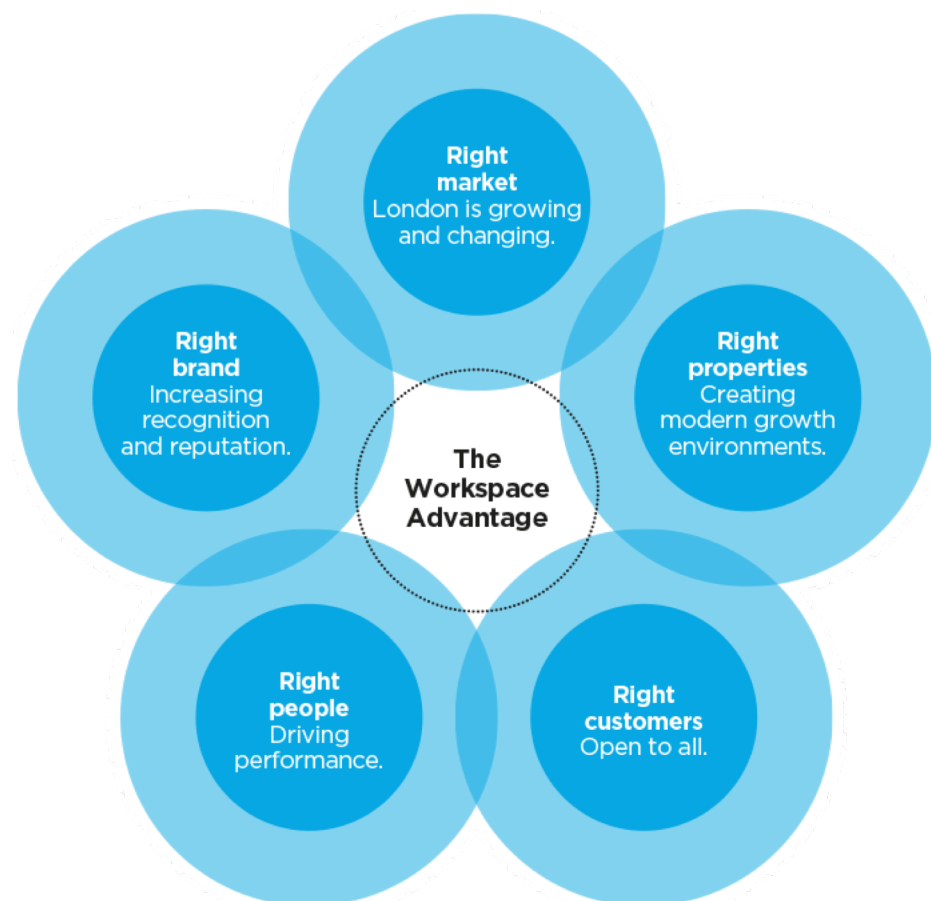


- FTSE 250 Real Estate Investment Trust (REIT)
- Established in 1987 and listed on the London Stock Exchange since 1993
- 64 London properties providing 3.8m sq. ft. of net lettable space
- All fully owned and managed directly
- £2.4bn property portfolio valuation
- Provide inspiring, flexible work spaces with super-fast technology in dynamic locations
- Home to thousands of businesses, from early stage start-ups to fast growing and established brands, across a wide range of sectors
- Standard customer offer is a two or three year lease, with a six-month rolling break
- Marketing and all operational activity, including lettings, managed in-house

Data as at 30 September 2018

Appendix 4

The Workspace Advantage



Our Strategy

Right Market: We continue to believe that London is the right market with growing demand from all types of businesses.

Right Properties: We remain focused on creating and opportunistically acquiring the right properties that will attract our customers.

Right Customers: Our customer market has evolved to include all businesses, from freelancers and start-ups to well-known brands and more established companies.

Right People: Employing the right people continues to be critical for the success of the business. Workspace's operational nature means our teams are tirelessly focused on servicing our customers.

Right Brand: Workspace has a strong brand and we work hard to ensure that our offer is highly visible to prospective customers as they embark on their search for office space.

Our Investment Case

- **Strong and consistent property and financial returns.**
- **Completed projects driving rental growth and strong pipeline of projects to come.**
- **Diversified customer base ensuring consistent demand.**
- **Strong brand and unique customer offer that blends inspiring spaces and the right facilities.**
- **Deep understanding of the London market – poised to take advantage of opportunities.**

Appendix 5

Competitive landscape



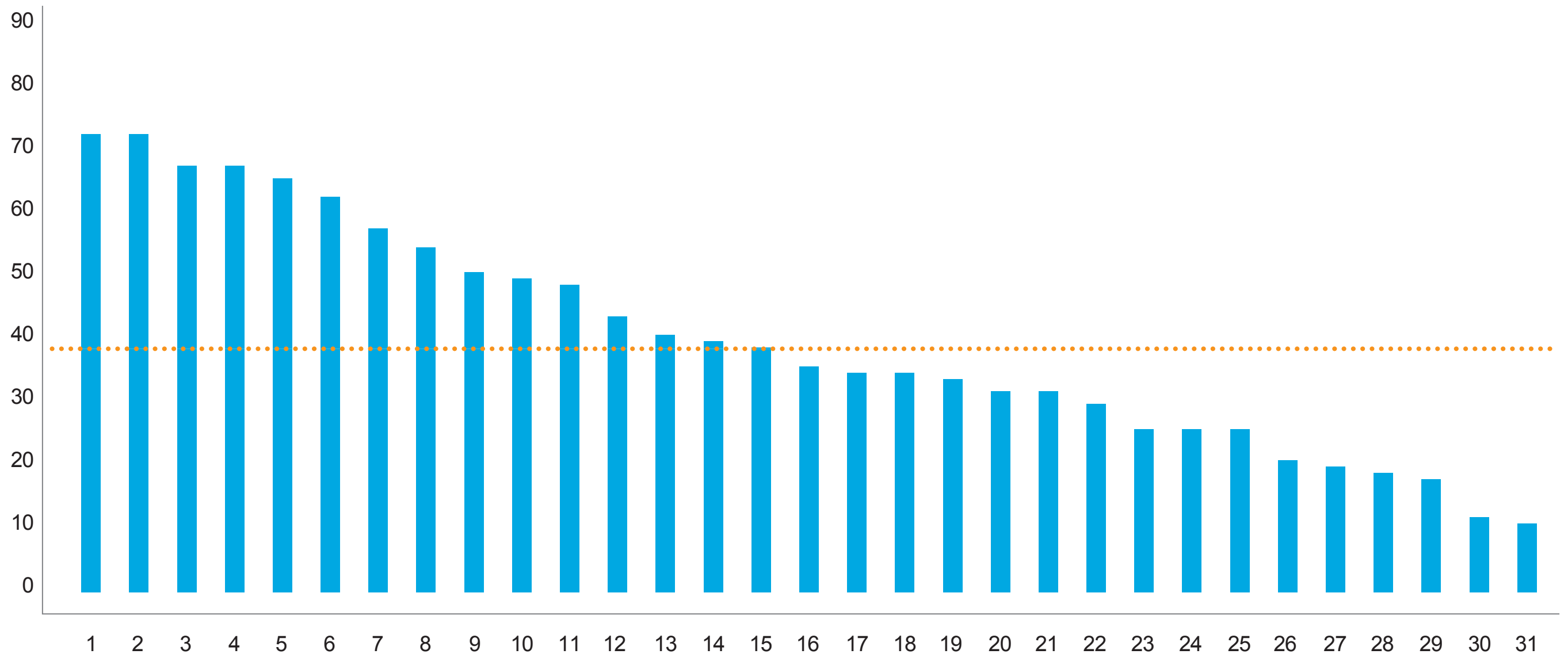
Typical characteristics	Conventional landlords	WORKSPACE®	Serviced office operators	What works for Workspace
Ownership	Freehold	Freehold	Leasehold	<ul style="list-style-type: none"> • Freehold ownership • Flexibility to reposition and redevelop
Offer	Unfurnished buildings/floors	Unfurnished floors/rooms	Furnished rooms	<ul style="list-style-type: none"> • Customers able to tailor space to their own needs • Limited capex requirement
Pricing	Per sq. ft. + service charge	Per sq. ft. + service charge	Per workstation	<ul style="list-style-type: none"> • Conventional lease pricing model • Limited incentives
Lease	5 years+	2–3 years	Monthly license	<ul style="list-style-type: none"> • Traditional landlord lease model • Flexible terms
Marketing	Agents	In-house	Brokers/in-house	<ul style="list-style-type: none"> • Sophisticated multi-channel marketing • Direct interaction with customers
Comms Infrastructure	Tenant specific	High quality infrastructure	Building specific	<ul style="list-style-type: none"> • Portfolio-wide, resilient, high capacity broadband and Wi-Fi connectivity • Tailored to customers requirements
Other Services	Limited	On-site staff Selected services	On-site staff Full service provision	<ul style="list-style-type: none"> • Traditional service charge model • Range of optional added value services

Appendix 6

Like-for-like Properties

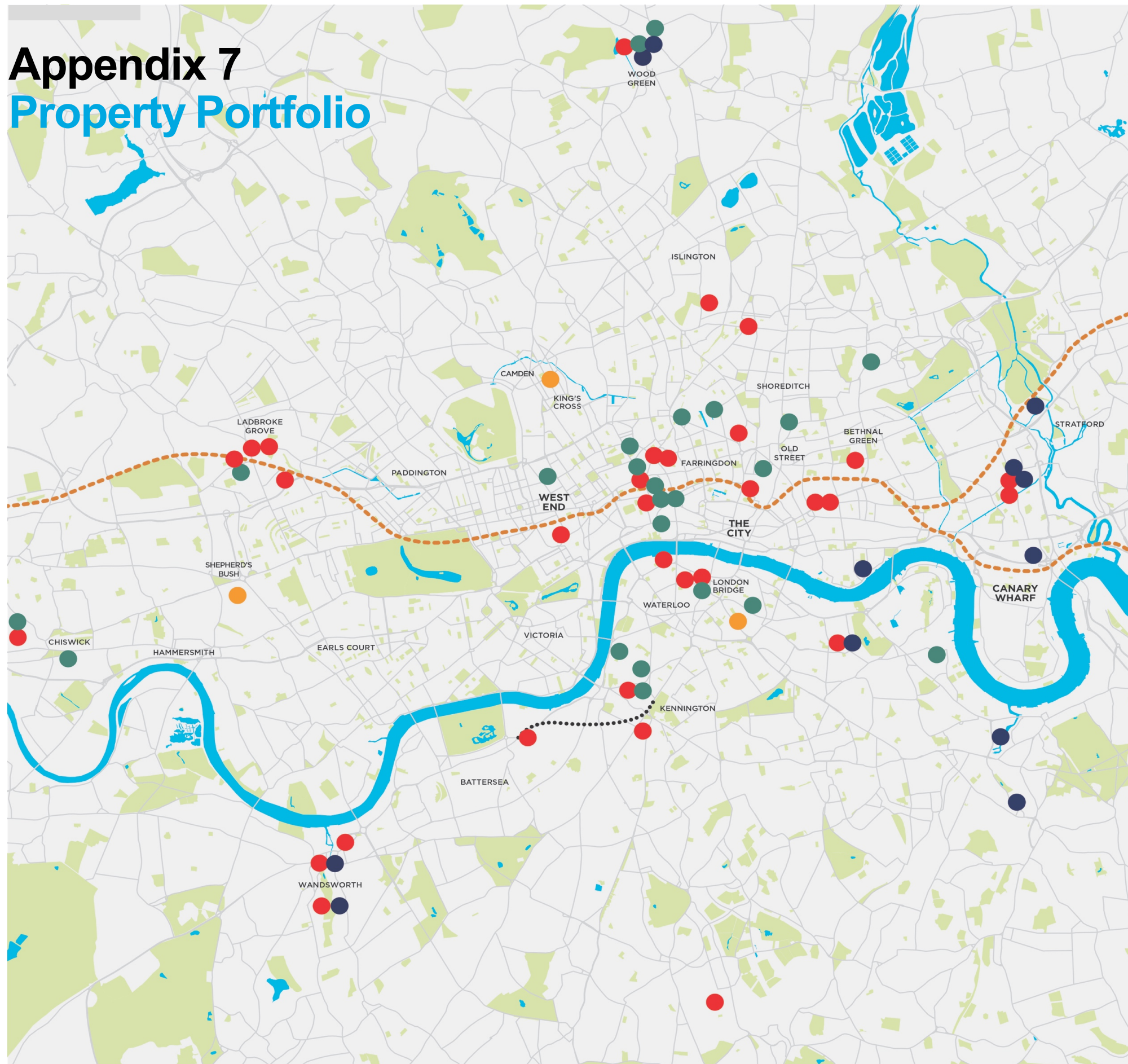


Rent per sq. ft. (£)



••• Like-for-like average rent per sq. ft.

Appendix 7 Property Portfolio



- Like-for-like
- Acquisitions
- Refurbishments
- Redevelopments
- Crossrail
- ... Northern Line extension

Disclaimer



The information in this document may include forward-looking statements, which are based on current expectations and projections about future events. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. These forward-looking statements reflect the directors' current beliefs and expectations and are subject to risks, uncertainties and assumptions about the Company, including, amongst other things, the development of its business, trends in its operating industry, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document.

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This presentation should also be read in the light of the Company's interim results statement for the half year ended 30 September 2018. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.