



Saba addresses questions relating to its Workspace proposal

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Saba Capital Management, L.P. ("Saba") welcomes the high level of engagement and debate that its proposal for Workspace Group plc ("Workspace" or the "Company") has generated among shareholders, analysts and the media.

Few would dispute that Workspace has failed its investors. Over the past five years, the Company has delivered a total shareholder return, including dividends, of -48%, materially underperforming comparable UK REITs¹. Its shares continue to trade at the widest discount to net asset value (NAV) in the sector.

The question is therefore not whether change is required. It is which strategy offers shareholders the greatest certainty of restoring value.

Management has presented its own turnaround strategy, including its latest presentation on 1 July 2026. We recognise the work that has gone into that plan. However, it asks shareholders to support a risky long-term reinvestment programme that management believes can generate returns eight times higher than the Company has historically delivered. Given the Company's long record of value destruction, together with our own detailed analysis, we have little confidence that this strategy can be delivered successfully.

We continue to believe that the right path forward is a disciplined capital allocation strategy centred on substantial share repurchases, funded through a more ambitious programme of strategic property disposals.

Since publishing our proposal on 17 June, we have held extensive discussions with shareholders, analysts and other stakeholders. Those conversations were constructive and some raised practical questions around implementation. These are exactly the questions that shareholders should be asking of our proposal and of management's reinvestment plan.

We set out below the answers to a number of questions. We encourage shareholders to read these answers in conjunction with our updated presentation, which can be found at www.makeworkspacework.co.uk.

1. Saba's proposal for property sales looks attractive in theory, but how would you actually deliver it?

We have developed a detailed execution plan with leading real estate advisers with extensive UK market expertise. We have also spoken confidentially with a number of Workspace tenants to help validate key assumptions underpinning our proposed tenant relocation strategy.

The plan is based on selective disposals across the portfolio in geographic clusters and the simultaneous relocation of displaced tenants into nearby Workspace buildings.

¹ Source: Saba analysis, FactSet as of 15 Jun 2026, as this date was utilised for the original 17 Jun 2026 presentation and not modified thereafter for consistency purposes. Total shareholder returns assume dividend reinvestment.

Our analysis indicates that one or two properties could be sold within each cluster. Where appropriate, tenants could be encouraged to relocate through financial incentives, flexible lease terms and contributions towards relocation costs.

This approach is designed to preserve customer relationships, protect rental income and improve occupancy across retained assets while unlocking capital through the selective disposal of non-core properties.

Importantly, disposing of one to two assets within each cluster on a staggered timeline avoids flooding individual submarkets and helps maintain pricing discipline throughout the programme.

Rather than shrinking the business indiscriminately, the objective is to concentrate the portfolio around stronger assets while recycling capital into highly accretive share repurchases.

2. Is there a market for the scale of disposals you propose?

Based on discussions with leading UK real estate advisers and agents, together with our analysis of recent comparable transactions, we believe there is a deep and competitive market for Workspace's assets.

We have identified 50-75 credible potential buyers, including private investors, family offices, specialist property companies, private equity firms and larger strategic investors interested in acquiring either individual assets or larger portfolio groupings².

Market liquidity is also influenced by lot size. A significant proportion of Workspace's portfolio consists of assets valued between £10 million and £30 million, one of the most actively traded segments of the UK property market over recent years³.

In addition, many Workspace properties have attractive alternative use potential, significantly expanding the pool of prospective buyers. We have already identified buyers who would be interested in repositioning selected buildings for more conventional long-term leased use.

Taken together, these factors give us confidence that the proposed disposal programme can be executed over a reasonable period without relying on a small number of buyers or unusually favourable market conditions.

3. Wouldn't you have to accept steep discounts to achieve these disposals?

The 5-20% discount scenarios set out in our proposal are grounded in detailed analysis and have been reviewed by independent real estate advisers. They reflect current market conditions, likely buyer demand for individual assets and the scale and sequencing of the proposed disposal programme.

They are also consistent with recent evidence.

Workspace sold 13 properties from April 2025 to March 2026 at an average discount of 7.2% to book value. The three most recent disposals, which were sold at an average discount of 22% and cited by Workspace in its 1 July presentation, are not representative of the wider portfolio. Rather, they reflect underperforming assets and unsuccessful capital projects.

² Source: Research for Saba by leading UK commercial property adviser

³ Source: Research for Saba by leading UK commercial property adviser

Furthermore, even including these three properties, the average realised discount across all 16 properties sold by Workspace since April 2025 is 10%, not 22%.

We also note that Derwent, which Workspace itself identifies as one of its closest comparators, completed £278 million of disposals in Q1 2026 at an average discount of approximately 3% to its December 2025 book value⁴.

We recognise that individual assets will achieve different sale prices depending on their characteristics and buyer demand. That variability has been reflected in our analysis. The relevant measure is the average outcome across the disposal programme as a whole, not any single transaction.

The central logic of our proposal is straightforward. Workspace's shares trade at a substantially wider discount than the discounts at which the Company has recently sold properties. If Workspace can recycle capital by selling assets at relatively modest discounts and use those proceeds to repurchase shares trading at a much deeper discount to NAV, remaining shareholders will own a larger proportion of the Company's underlying net assets. We believe that is a compelling and highly accretive use of capital.

4. Why should shareholders choose your proposal over management's?

The two strategies ask shareholders to accept fundamentally different risk and return profiles.

Management's strategy depends on investing substantial additional capital into refurbishment projects today, with the expectation of generating higher rental income and earnings several years into the future.

Our concern is that Workspace's track record shows that this approach has generated minimal upside for shareholders.

Workspace's reinvestment strategy assumes a 12% yield on cost for refurbishment capex – but this is approximately eight times higher than the returns the Company has historically delivered. Our analysis shows Workspace invested approximately £165 million of incremental capital across 15 refurbishment projects between 2016 and 2022. These projects generated, in aggregate, an annual net rental income increase of only £2.5 million or a 1.5% yield on cost – far below the assumed 12%⁵.

Investors appear to share this scepticism. In Workspace's Q4 results, published on 17 April, the Company announced a dividend reduction alongside its reinvestment strategy. Workspace's shares fell approximately 11% over the following two trading days and have yet to recover⁶. Independent analysts have since highlighted the execution risk, long time horizon and uncertainty surrounding management's strategy, leading to several earnings downgrades.

By contrast, our proposal is based on a capital allocation opportunity that exists today. Rather than asking shareholders to wait years for operational improvements that may never materialise, our proposal seeks to unlock value immediately by recycling capital from selective property disposals into repurchases of shares trading at an exceptionally wide discount to NAV.

⁴ Source: <https://www.derwentlondon.com/uploads/downloads/2026-05-12-DLN-Q1-2026-Business-update.pdf>

⁵ Source: Saba analysis based on public Company filings. Detailed analysis set out in Saba Presentation available at www.makeworkspacework.co.uk

⁶ Share price reduction from market close on 16 April 2026 (373.6 pence) to close on 20 April (332.6 pence). Source: London Stock Exchange data

We believe this represents a faster, more certain and less risky route to creating shareholder value.

For many investors, Workspace has historically represented a REIT investment expected to provide capital preservation, dependable income and modest long-term growth. Unfortunately, recent years have delivered the opposite.

We believe shareholders should carefully consider which strategy is more likely to restore both value and confidence.

5. Would a disposal programme damage tenant demand and renewals?

Businesses choose Workspace primarily because of the quality of its buildings, their location, the flexibility of the offering and the service they receive – not because of the identity of the building's ultimate owner.

Where properties are sold for alternative use, we expect that affected tenants would be offered the opportunity to relocate within the Workspace portfolio wherever appropriate. That could include financial incentives, flexible lease terms and contributions towards relocation costs to minimise disruption and support business continuity.

As part of our analysis, we spoke confidentially with a number of Workspace tenants to better understand their priorities. Those discussions reinforced our view that, for many occupiers, location, quality, cost and continuity of service are considerably more important than who owns the building. Several indicated they would be open to relocating within the Workspace portfolio if supported by appropriate commercial incentives.

This approach is designed to preserve customer relationships, protect rental income and improve occupancy across the retained portfolio while releasing capital from selected assets.

It is also worth noting that Workspace has been an active seller of assets for many years. If changes in ownership materially undermined tenant demand or damaged the Company's ability to attract and retain customers, shareholders would expect to see clear evidence of that in Workspace's operating performance. We are not aware of evidence suggesting previous disposals have materially weakened the platform.

6. Is there a risk that outsourcing property management could reduce service quality or tenant demand?

Many of the UK's highest-quality commercial property portfolios successfully use specialist third-party property managers. These firms bring specialist expertise across leasing, facilities management, maintenance, tenant services and accounting.

Within a more focused and geographically concentrated portfolio, third-party providers may also be able to deploy resources more efficiently across nearby assets while maintaining high service standards.

Any transition would need to be carefully planned and executed. The objective would not be to reduce service quality but to maintain or improve the customer experience through:

- retaining key personnel and tenant relationships wherever possible;
- implementing robust service-level agreements with measurable performance standards; and
- maintaining close oversight by Workspace's executive team.

We believe outsourcing should be judged in the same way as every other operational decision: by whether it improves service for customers, strengthens operational performance and enhances long-term shareholder value.

7. Can you explain the discrepancy between net asset value (NAV) and gross asset value (GAV) in your presentation?

Our previous presentation used NAV as shorthand when discussing book values. That terminology should have been more precise, and we understand that it created confusion. We have corrected that terminology.

Importantly, this clarification does not change the central logic of our proposal, or the conclusions shareholders should draw from it.

If Workspace sells assets at discounts materially narrower than the discount at which its own shares trade and use the proceeds to repurchase those shares, remaining shareholders benefit through an increase in NAV per share.

That outcome is accretive whether the Company disposes of a significant portion of the portfolio or pursues a more selective disposal programme over time.

8. Are Saba's board nominees independent and do they have the right skills and experience?

Workspace has suggested that Saba's board nominees lack the balance of skills required to serve on its board and may not be considered independent under UK corporate governance standards. Neither claim is correct.

Our nominees bring decades of experience across listed real estate, real estate capital markets, portfolio optimisation, corporate governance, restructuring, capital allocation and complex strategic transactions. That experience is directly relevant to the strategic decisions facing Workspace today.

By contrast, only one of the six incumbent non-executive directors has meaningful real estate experience. Given Workspace's prolonged underperformance, persistent discount to NAV and the strategic choices now facing the Company, we believe shareholders would benefit from new non-executive directors with deeper and more directly relevant sector expertise.

Workspace's suggestion that our nominees may lack independence under the UK Corporate Governance Code is also incorrect. The nominees do not represent Saba; they are wholly independent. If elected, each would owe statutory and fiduciary duties to Workspace and would be required to exercise independent judgement and act in the interests of all shareholders.

The fact that a particular shareholder has nominated a director does not, in itself, mean the director cannot be considered independent under the UK Corporate Governance Code. Independence is assessed by reference to relationships, circumstances and judgement, not by who proposed the appointment.

Our nominees have been selected because they have the experience to strengthen board oversight, improve accountability and help ensure that whichever strategy the board ultimately pursues is subject to rigorous challenge and disciplined execution.

Our nominees are:

- **Gautam Garg (Chair-Designate):** Gautam has spent more than two decades investing in global REITs and real assets at firms including Lazard, Elliott, ExodusPoint, LMR and Verition. His experience includes engaging executive leadership teams on capital allocation and strategic change. During WeWork's Chapter 11 restructuring, he tabled a proposal to become a control investor, recommending a strategy centred on asset divestitures, lease restructurings and a transition to a global franchisor model.
- **Greg Attwood:** Greg has more than three decades of experience in real estate development, restructuring and value recovery. Through Heathfield Partners and previously PwC's Business Recovery Services practice, he has advised institutional investors, lenders and developers on distressed assets, regeneration projects and complex turnarounds. His experience of recovering value from underperforming real estate would provide an important perspective as Workspace considers its strategic options.
- **Simon Hampton:** Simon has more than 35 years' experience advising listed real estate companies, institutional investors and property businesses. As former head of PwC's UK Real Estate Deals practice and now Chair of Alantra's UK Real Assets advisory business, he has advised boards on major strategic transactions, capital raising and portfolio disposals.
- **Nick Shattock:** Nick spent 16 years on the board of FTSE 250-listed Quintain Estates & Development, including as Deputy Chief Executive, where he helped oversee the regeneration of Wembley Park and Greenwich Peninsula. He also has extensive experience of acquisitions, portfolio rationalisation and a broad range of operational real estate sectors.
- **Andrew Sim:** Andrew has more than 30 years' experience across international real estate capital markets. He founded Knight Frank's European investment business before leading its European platform across 19 countries and later established Mosaic Capital. Throughout his career, he has advised on major real estate transactions and complex portfolio sales, giving him deep experience of how assets are positioned, marketed and sold across different market cycles.
- **Richard Starr:** Richard has more than 25 years' experience in UK real estate, including board-level responsibility for portfolio strategy and capital allocation as Executive Property Director of Palace Capital plc. During his time there, he helped scale the business from £2 million to £260 million and oversaw its transition to REIT status and a Premium Listing on the Main Market. Richard also secured board approval for a post-Covid disposal and reinvestment programme that repositioned the business towards higher-quality assets.

Compared to the incumbent non-executive directors, we believe that our nominees represent a step-change in quality, expertise and experience. We believe their combination of skills would strengthen oversight of management and help maximise long-term value for all Workspace shareholders.

9. What engagement have you had with the board?

Workspace has suggested that our engagement has been "inconsistent and short-term focused". That characterisation is inaccurate.

Since first engaging with the Company, we have sought on multiple occasions to engage constructively with the board and management to discuss our analysis, our concerns about the Company's performance and our proposals for enhancing shareholder value.

While those discussions took place, we did not find the board willing to engage meaningfully with alternative strategic proposals or to consider other approaches to capital allocation.

As one of Workspace's largest shareholders, our objective has always been to work constructively with the Company to improve long-term returns for all shareholders. When it became clear that our proposals would not receive meaningful consideration, we concluded that it was important to present them publicly so that all shareholders could assess the merits of both approaches and reach their own conclusions.

We remain open to constructive dialogue with the board and management in the interests of all shareholders.

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