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CLS Holdings PLC
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CLS Holdings plc ("CLS", the "Company" or the "Group")
Trading Update for the period 1 July 2025 to 1 December 2025

Fredrik Widlund, Chief Executive of CLS, commented:

"Since the half-year, we have made further progress against our four strategic priorities: improving occupancy, executing sales to reduce LTV, completing our 2025 refinancings, and investing in our portfolio.

"Although broader economic and political developments have slowed down leasing activity and decision making since the summer, leasing activity continues to hold up well, with the same value of letting transactions as last year and rental growth continuing across our markets and we are pleased to have recently signed several significant leases, including at the Artesian, Prescot Street, with others well progressed.

"We are over halfway through our £400 million sales programme and are making progress on further disposals which we expect to conclude in the coming quarters. With 2025 representing a peak year for debt maturities, we have successfully refinanced or repaid the £373 million due, further strengthening our balance sheet and delivering a more evenly spread debt profile for the years ahead.

"Demand for high-quality office space continues to be evident, and we remain committed to delivering long-term shareholder value by investing and focusing on well-located, flexible properties in strong locations."

A summary of our key operational and financial metrics is set out below:

Vacancy, lettings and occupancy (as at 30 September 2025)
In the first three quarters of 2025, CLS' transaction levels remained resilient, with letting activity in-line with 2024, albeit with lower activity than was initially targeted, from the continued economic and political backdrop across our countries, with the UK particularly noteworthy.

Between 1 July and 30 September 2025, we signed 19 leasing deals securing £2.6 million of annual rent at 3.5% above ERV. The most significant transactions were the renewal of a lease at Rudesheimer Strasse, Munich for 22,814 sq. ft. (2,119 sqm) with TUV and at New Printing House Square, London, where Pharmica upsized from 4,153 sq. ft. (386 sqm) to 8,395 sq. ft. (780 sqm).

In October, we announced an eight-year index-linked lease for 158,230 sq. ft. (14,700 sqm) at Gotic Haus, Westfalendamm, Dortmund, with a government department and in November, we signed leases at the Artesian, Prescot Street, London with a serviced office provider for 13,100 sq. ft. (1,217 sqm) for 10 years and with a social media technology company for 6,221 sq. ft. (578 sqm) for five years and at New Printing House Square, London we signed a lease for 4,172 sq. ft. (388 sqm) until 2029 with an environmental consulting company.

As these transactions were signed after 30 September 2025 they are excluded from the deals and vacancy statistics in this press release, but on a proforma basis we expect them to reduce Group vacancy by an additional 1.2%.

Between 1 January 2025 and 30 September 2025, we signed 71 deals securing £10.1 million of annual rent at 0.3% above ERV. Excluding two short-term strategic renewals at New Printing House Square, to fit with the block lease date for development in 2029, leases were signed at 6.8% above ERV (1 January 2024 to 30 September 2024: 81 deals securing £10.1 million of annual rent at 5.5% above ERV).

Index-linked lease increases for the 9-months to 30 September 2025 were 2.4% in Germany, 1.5% in France and 3.5% at Spring Gardens in the UK. Excluding the two strategic lettings at New Printing House Square renewals were 3.8% ahead of previously contracted rent.

From 30 June to 30 September 2025, our total vacancy fell marginally to 15.0% (30 June 2025: 15.1%) as a result of new leases being signed in the UK.

· EPRA vacancy rates (Based on 30 June 2025 ERVs):

Group:	15.0% (30 June 2025: 15.1%)
UK:	20.8% (30 June 2025: 21.5%)
Germany:	9.5% (30 June 2025: 9.4%)
France:	9.9% (30 June 2025: 8.7%)

Recently, two larger tenants in Germany unexpectedly filed for insolvency: one of which has now terminated their lease, while the other has downsized after being acquired. These letting changes took effect in November and, on a proforma basis, will increase vacancy in Germany by over 2% and Group vacancy by 0.9%.

Disposals

We completed the sales of Les Reflets in Lille and Jarrestrasse in Hamburg in August and September respectively, for a combined sales price of £24.3 million. The sale of Les Reflets marks our exit from Lille such that that our French portfolio is now focused in France's two largest property markets, Paris and Lyon. At 30 September 2025, due to these sales, LTV had fallen further to 48.8%.

Only £190 million of our £400 million sales programme is left to execute. The remaining properties have been marketed with several bids received. These bids have either been accepted or are in active negotiations.

We are targeting to exchange before the end of the year for some of these sales with completion in early 2026. Depending on progress with year-end LTV reduction, further sales may also be explored.

Liquid resources, financing and rent collection

2025 was a peak year for refinancing activity with £373.7 million of debt maturing spread across 12 loans. All 2025 refinancing activity is on track with all maturing debt either refinanced, credit approved or repaid. For 2026 onwards, refinancing activity is more evenly spread with less than £200 million expiring in any one year.

As at 30 September 2025, our average cost of debt decreased slightly to 3.67% (30 June 2025: 3.75%) as a result of refinancings and the reduced cost of floating debt from lower central bank rates. 76% of total debt was fixed or subject to interest rate caps.

The Group's balance sheet remains resilient with cash and cash equivalents of over £53 million as at 30 September 2025 and £43 million of undrawn facilities.

By close on 1 December 2025, we had received 97% of Q4 contractual rents due (12 November 2024: 96%) and for the first three quarters of 2025, we have now received 99% of contractual rents due (2024: 99%). The above German insolvencies did not significantly impact rent collection.

Refurbishments and developments

All office refurbishment works at The Brix in Essen have completed with the final phase to be handed over to the City of Essen in January. At Debussy in Paris, all necessary permits and approvals have been obtained such that works can commence for the conversion of the property into serviced apartments, pre-let to Edgar Suites under a 12-year lease. Good progress has been made towards an all-residential scheme at Citadel Place (Spring Gardens), Vauxhall to coincide with the NCA's departure from this site in September 2026. The planning application is expected to be submitted early 2026 and, given the size of the scheme, we are progressing discussions with residential developers to ensure the successful execution and delivery of the scheme.

Sustainability

In line with our 2030 Net Zero Carbon Pathway, we are on track to have reduced our landlord energy use and scope 1 & 2 GHG emissions by more than 2% (like-for-like) by the end of 2025. These savings will be supported by several key net zero carbon and energy efficiency projects across the portfolio, including the replacement of the gas-powered heating system with a heat pump solution at Radius House in Watford, completed earlier this year. Design work is ongoing to deliver further heating decarbonisation projects in 2026. Other areas of focus include the completion of the roll out of smart water meters and leak detection systems in both Germany and the UK whilst we continue to deliver our biodiversity net-gain plan.

Our sustainability performance was recognised again, achieving EPRA Sustainability Best Practices Recommendations Gold award whilst we maintained our GRESB award of 4 stars.

Governance

As announced in October, Harry Stokes has been appointed as our new Chief Financial Officer with effect from 5 January 2026. We look forward to welcoming Harry in the new year when a handover will be facilitated with Andrew Kirkman. Johannes Conradi joined the Board in September as an independent Non-Executive Director to strengthen the Board's German real estate market experience given that Elizabeth Edwards, having served her term of office, will step down at the end of 2025. We wish Andrew and Elizabeth all the best with their future endeavors and thank them for the excellent contribution to CLS during their time with the company.

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