

ABOUT US

Derwent London owns and manages a £5.4bn office-led central London portfolio (31 Dec 2022). This makes us the largest London office focused Real Estate Investment Trust (REIT).

We typically acquire properties off low capital values and modest rents in improving locations. We capitalise on their unique qualities, taking a fresh approach to the regeneration of every building through asset management and refurbishment/redevelopment.

2022

- 46 lettings in 2022 including Adobe, Brainlabs, Dept Agency and Marshmallow
 - £9.8m pa of rent (163,000 sq ft)
 - 13.0% above Dec 2021 ERV
 - 5.7 year WAULT (to break)
- Strong letting start in 2023 YTD
 - £14.7m pa of new rent (162,600 sq ft)
 - 7.7% above Dec 2022 ERV
 - 13.4 year WAULT (to break)
- Three major completions in 2022
 - Soho Place W1 (285,000 sq ft) - 88% let or sold (100% for offices)
 - The Featherstone Building EC1 (127,300 sq ft) - 59% let
 - Francis House SW1 refurbishment (38,300 sq ft) - 100% pre-let
- £29.6m of asset management - income up 7.2% and 5.3% above Dec 2021 ERV
- EPRA vacancy rate 6.4% - reduces to 5.0% proforma for 2023 leasing
- Rent collection in line with pre-pandemic levels (98% for Dec quarter)
- £206.4m of non-core disposals including Bush House WC2 for £83.9m, 41% above Dec 2021 book value
- £133.0m of acquisitions and £121.8m of capital expenditure
- Two West End net zero carbon developments underway including 25 Baker Street W1 (298,000 sq ft) - 56% pre-let/sold on commercial element
- EPRA LTV of 23.9% (22.3% Dec 2021)
- Undrawn facilities and cash of £577m¹ (£608m Dec 2021)
- 100% of debt at fixed rates with average maturity of 6.2 years
 - No refinancing until Oct 2024 (£83m)
- Interest cover of 4.2 times

2022 SUMMARY

EPRA NTA per share	3,632p: -8.3% (3,959p Dec 2021)
Net rental income	£188.5m: +6.0% (£177.9m ² 2021)
EPRA EPS	106.6p: -1.8% (108.5p ² 2021)
Interim and final dividend per share	78.50p: +2.6% (76.5p 2021)
Valuation	-6.8% underlying MSCI ³ -10.9%
Total property return	-3.4% MSCI ³ -8.0%
True equivalent yield	4.88% (4.50% Dec 2021)

¹ Excludes restricted cash ² 2021 figures have been restated
³ MSCI Central London Office Quarterly Index

MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

Nigel George, Director

Emily Prideaux, Director

Robert Duncan, Investor Relations

2023 LETTINGS YTD

25 Baker Street W1



- 106,100 sq ft pre-let to PIMCO
 - £11.0m pa, 12.3% above Dec 2023 ERV
 - Averages £103 psf with £112 psf on best (terraces on 8 & 9)
 - Floors 5-9 with option to take additional 24,700 sq ft on 4th floor
 - 15-year lease (no breaks)
 - 37 months rent free

The Featherstone Building EC1



- 31,100 sq ft let to Buro Happold
 - £2.3m pa, in line with ERV
 - Floors 5-8
 - Averages £74 psf with £80 psf on fifth (includes 3,500 sq ft terrace)
 - 15-year lease (break at 10)
 - 24 months rent free, plus 12 if no break

Tea Building E1



- 8,100 sq ft let to Jones Knowles Ritchie
 - £0.5m pa
 - Ground and 1st floors
 - £60 psf
 - 10-year lease (break at 5)
 - 12 months rent free, plus 12 if no break

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site major projects			
25 Baker Street W1 (completion H1 2025)	298,000	217	218,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail (56% of commercial sold/pre-let)
Network W1 (completion H2 2025)	137,000	107	132,000 sq ft offices and 5,000 sq ft retail
	435,000	324	
Next phase			
50 Baker Street W1 JV (planning application submitted)	240,000	-	100% share (50:50 JV)
Holden House W1 (consented)	150,000	-	Earliest possession 2025

¹ As at 31 Dec 2022

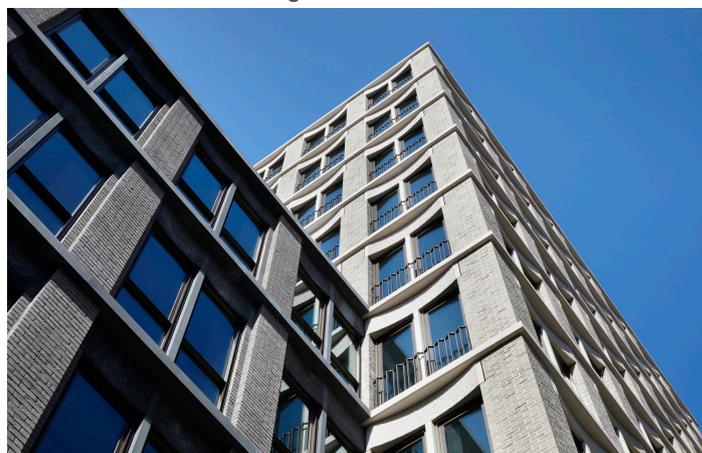
2022 MAJOR COMPLETIONS

Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station
- 88% let/sold (£17.7m pa) - Apollo Group, G-Research
- Total ERV £21.0m (Office ERV £92.50 psf)

The Featherstone Building EC1



- 127,300 sq ft scheme adjacent to White Collar Factory
- Offices with ground floor retail
- 59% let (£4.7m) - Buro Happold, Marshmallow, Dept Agency
- Total ERV £8.8m net (Office ERV £72.50 psf)

RECENT PROJECT COMMENCEMENTS

25 Baker Street W1



- 298,000 sq ft mixed-use scheme (56% of commercial sold/let)
- Commenced Oct 2021 with completion H1 2025
- Total ERV £18.4m net (Office ERV £90.00 psf)
- Capex to complete £217m (Dec 2022)

Network W1



- 137,000 sq ft office-led scheme
- Commenced Jun 2022 with completion H2 2025
- Total ERV £11.9m net (Office ERV £87.50 psf)
- Capex to complete £107m (Dec 2022)