

# DERWENT LONDON

Interim Results 2022



# CONTENTS

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A close-up, low-angle shot of a modern building's exterior. The facade features a combination of light-colored, textured brickwork and large, dark-framed glass windows. A prominent white concrete ledge runs diagonally across the frame. A black metal railing with vertical bars is visible on a balcony or walkway. The lighting is bright, creating strong shadows and highlights on the building's surfaces.

# INTRODUCTION AND OVERVIEW

PAUL WILLIAMS



# INTRODUCTION AND 2022 GUIDANCE

## Flight to quality continuing

- Offices key to attracting and retaining talent
- Limited supply of top tier buildings in our core areas
- Return to longer-term leasing strategies post-Covid

## Portfolio strategy

- Developing prime buildings
- Acquiring future opportunities
- Selling lower growth

## Derwent's differentiated approach

- DL/78 (portfolio amenity)
- Strong environmental credentials
- Scottish solar park

## Low leverage, strong balance sheet

- NTA 4,023p (+1.6%)
- DPS 24.0p (+4.3%)
- EPRA LTV 23.7%

## 2022 GUIDANCE

**ERV growth**  
unchanged at  
0% to +3%

Upward **yield** pressure  
Our portfolio more  
resilient

Brunel Building W2





# OCCUPATIONAL MARKET - A FLIGHT TO QUALITY

## Market drivers

Constrained supply in  
core areas

Differentiation by quality

Location

## Occupier drivers

Flexibility, adaptability &  
amenity

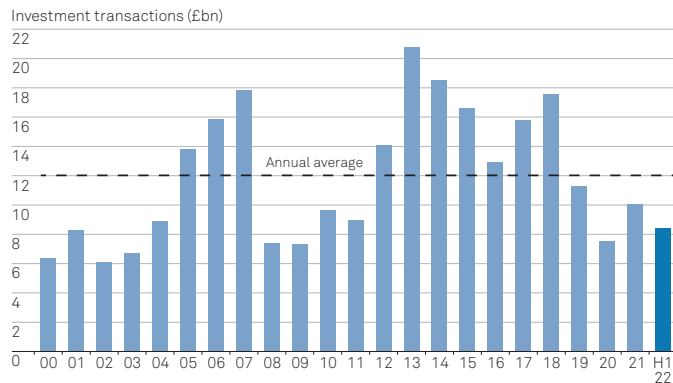
Strong environmental  
credentials

Transport links

***Return to long-term occupational strategies***

# INVESTMENT MARKET – LONDON IN FOCUS

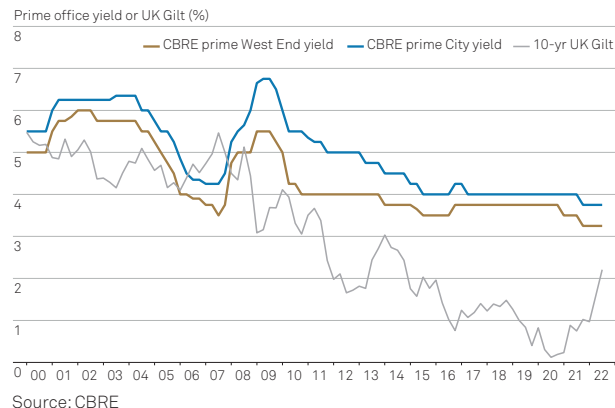
## CENTRAL LONDON OFFICE INVESTMENT



### Strong investment market in H1

- £8.3bn of transactions
  - 68% in Q1
- £3.8bn under offer at Jun 2022
- £37bn potential investment demand
- London retains global appeal

## CENTRAL LONDON PRIME OFFICE YIELDS



### Showing signs of cooling in H2

- Prime yields unchanged in H1 (CBRE)
  - West End 3.25%; City 3.75%
- Pressure on yields; not all assets equal
  - Rising interest rates and widening credit spreads
  - JLL and Savills moved City yields up 25bp in Q2
- Sustainable long-term income in focus

# UPGRADING THE PORTFOLIO: LEVERAGING ON THE FLIGHT TO QUALITY

- Good progress since 2019

## Disposals: £715m

- Selling lower growth



Premier House SW1



Johnson Building EC1



Angel Square EC1

## Acquisitions: £529m

- Acquiring future opportunities



250 Euston Road NW1



50 Baker Street W1 (50:50 JV)



230 Blackfriars Road SE1

£1.1bn

## Capex: £618m

- Developing prime 'long-life, loose-fit, low carbon' buildings



80 Charlotte Street W1



Soho Place W1



The Featherstone Building EC1



# CONTINUING TO CREATE VALUE RESPONSIBLY

## Sustainable assets

- Reducing energy intensity and operational carbon
- EPC upgrades – 62.5% 2030 compliance
- Clear embodied carbon targets
- Scottish solar park – resolution to grant consent

## Balance sheet

- Conservative leverage
- Limited near-term refinancing
- Low variable interest rate exposure
- Green finance

80 Charlotte Street W1





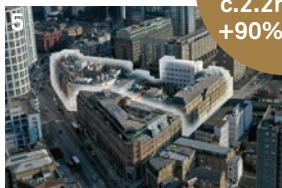
# DEVELOPMENTS

PAUL WILLIAMS



# CREATING THE NEXT GENERATION OF QUALITY ASSETS

Total  
proposed  
floorspace  
**c.2.2m sq ft**  
**+90% uplift**



sq ft

1  
25  
Baker  
Street

2  
Network

3  
50  
Baker  
Street JV

4  
Holden  
House

5  
Old  
Street  
Quarter<sup>1</sup>

6  
230  
Blackfriars  
Road

7  
The  
White  
Chapel  
Building

On site (PC due 2025)  
Previous: 213,000 sq ft  
Proposed: 435,000 sq ft

Uplift:  
**104%**

Medium-term  
Current: 212,000 sq ft  
Proposed: 390,000 sq ft

Uplift:  
**84%**

Longer-term  
Current: 733,300 sq ft  
Proposed: 1,370,000 sq ft

Uplift:  
**87%**

<sup>1</sup> Formerly known as The Moorfields Estate EC1  
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# 2022 COMPLETIONS

# NET ZERO

## 1 Soho Place W1



Profit  
on cost 25%

Offices  
100% let  
Retail  
available

## The Featherstone Building EC1



Profit  
on cost 30%

22% let

## 2 & 4 Soho Place W1



Forward-  
sale  
completed

## Francis House SW1 (H2 completion)



100%  
pre-let

# ON SITE: 25 BAKER STREET W1 (PREVIOUSLY 19-35 BAKER STREET)

- Completion H1 2025
- Scheme ERV £18.4m
- Office ERV £90 psf
- Capex to complete £241m
- 97% office capex fixed (80% of total)
- 10% pre-sold



**NET ZERO**



# ON SITE: NETWORK W1

- Completion H2 2025
- 137,000 sq ft
- Scheme ERV £11.9m
- Office ERV £87.50 psf
- Capex to complete £105m
- Demolition underway



NET ZERO



# FUTURE PIPELINE

## MEDIUM-TERM PROJECTS

### 50 Baker Street W1 JV



- Existing 122,200 sq ft (at 100%)
- Proposed c.240,000 sq ft (at 100%)
- Planning application 2023

### Holden House W1



- Existing 90,000 sq ft
- Consented 150,000 sq ft

## LONGER-TERM SUPER-SITES

### Old Street Quarter EC1



- Existing c.400,000 sq ft
- Proposed 750,000+ sq ft
- Planning application 2023

### 230 Blackfriars Road SE1



- Existing 60,300 sq ft
- Proposed 200,000+ sq ft

Total  
proposed:  
c.1.3m sq ft  
(99% uplift)

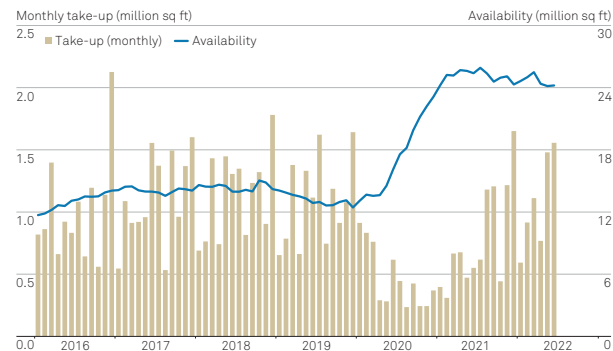
# LEASING AND ASSET MANAGEMENT

EMILY PRIDEAUX

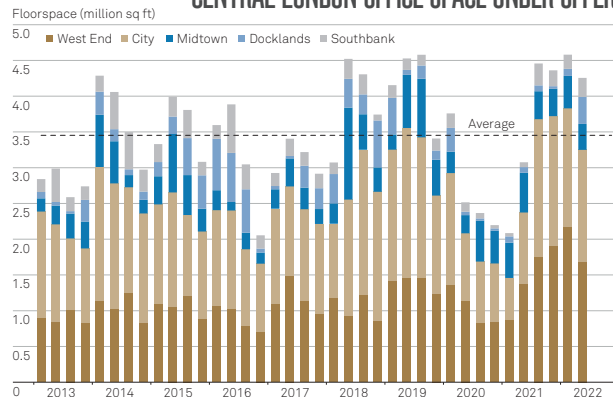
# OCCUPATIONAL MARKET

- Take-up 6.4m sq ft in H1 2022
  - 16% above the 10-year H1 average
- Vacancy rate reduced to 8.2% (Dec 2021: 8.8%)
  - West End 4.3%, long-term average (LTA) 4.2%
  - City 12.3%, LTA 6.6%
  - Tenant-controlled space 27% of total (Dec 2021: 27%)
  - Secondhand space 68% of total (Dec 2021: 74%)
- 4.3m sq ft of space under offer in central London
  - 26% above 10-year average
  - 1.7m sq ft under offer in the West End, 49% above 10-year average

## CENTRAL LONDON OFFICE TAKE-UP AND AVAILABILITY



## CENTRAL LONDON OFFICE SPACE UNDER OFFER

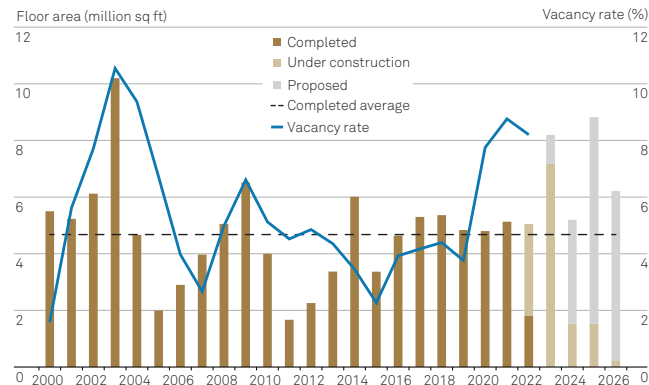




# CONSTRAINED DEVELOPMENT PIPELINE AND ACTIVE DEMAND

- Supply of Grade A space to remain constrained
- 13.7m sq ft under construction over next 5 years
  - 35% pre-let or under offer
- Ongoing deferral of proposed schemes
- Development viability under scrutiny
  - Build cost inflation, supply chain disruption and rising finance costs
- Active demand 5.6m sq ft at Q2 2022 (CBRE)
  - Other agents' state 7.9-8.9m sq ft<sup>1</sup>
  - Diverse range of occupiers
- Demand focused on best-in-class space
- Transaction lead times getting longer

## CENTRAL LONDON DEVELOPMENT PIPELINE



## Corporate demand

accenturedigital

ADDLESHAW  
GODDARD

CLIFFORD  
CHANCE

CONDÉ NAST



HUGO BOSS

Morgan Stanley

Palantir

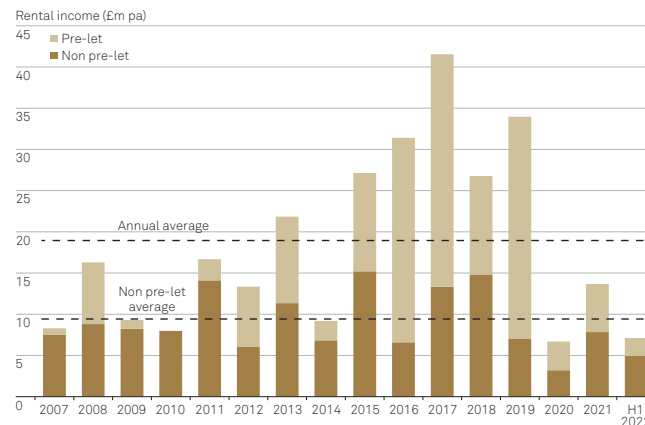


<sup>1</sup>Cushman & Wakefield, JLL, Knight Frank, Savills

# DERWENT LONDON'S LEASING ACTIVITY

- £7.1m of lettings on 109,300 sq ft in H1
  - 9.3% above Dec 2021 ERV
  - Average term to break 6.1 years
- 90 Whitfield Street W1
  - £1.4m on 18,850 sq ft to Michael Kors
  - 7% above Dec 2021 ERV
- First lettings signed at The Featherstone Building EC1
  - £2.2m on 27,670 sq ft to two tenants (10% above ERV)
- Two occupiers upsizing at White Collar Factory EC1
  - Additional £1.5m on 21,720 sq ft (10% above ERV)

## LETTING ACTIVITY



THE  
FEATHERSTONE  
BUILDING

marshmallow

**'New leases'**

**Dept Agency**  
Rent: £85.25 psf (Levels 9 & 10)  
Term: 10 years (break at 5)

**Marshmallow**  
Rent: £71.50 psf (Level 1)  
Term: 10 years (break at 6)

Old  
Street

WHITE  
COLLAR  
FACTORY

**'Tenants expanding'**

**Adobe**  
Space: 10,180 sq ft (+23%)  
Term: 10 years (break at 6)

**Brainlabs**  
Space: 11,540 sq ft (+97%)  
Term: 6 years (no break)

Old  
Street

# DERWENT LONDON'S ASSET MANAGEMENT ACTIVITY

## ASSET MANAGEMENT ACTIVITY H1 2022

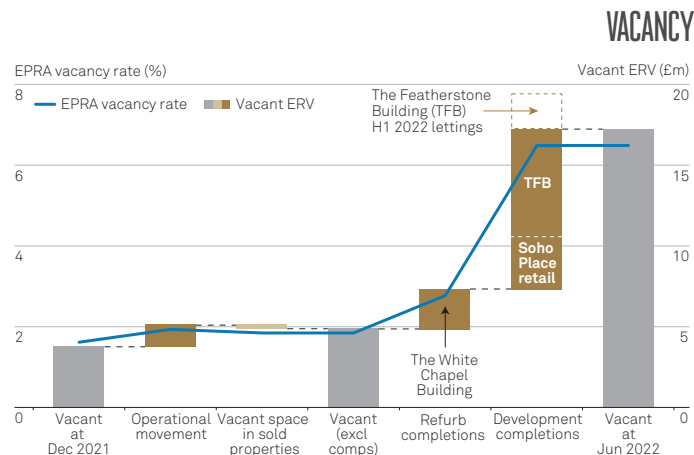
	Area '000 sq ft	Previous rent £m pa	New rent £m pa	Uplift %	New rent vs Dec 2021 ERV %
Rent reviews	83.7	5.0	5.5	9.0	6.2
Lease renewals	61.6	3.0	3.5	17.1	12.9
Lease regears <sup>1</sup>	21.1	1.4	1.3	(4.6)	(1.5)
	<b>166.4</b>	<b>9.4</b>	<b>10.3</b>	<b>9.6</b>	<b>7.3</b>

**OLIVER'S  
YARD**

**MORNINGSTAR**

- Short-term extension in 2021
- Return to longer-term solution post-Covid
- 2027 extension now agreed
  - 19% above previous rent
  - 14% above Dec 2021 net effective ERV

Old  
Street



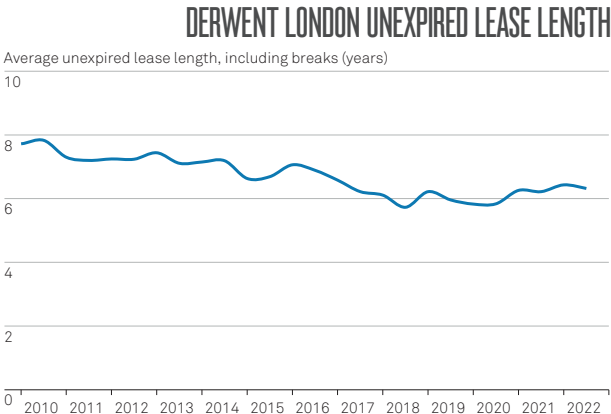
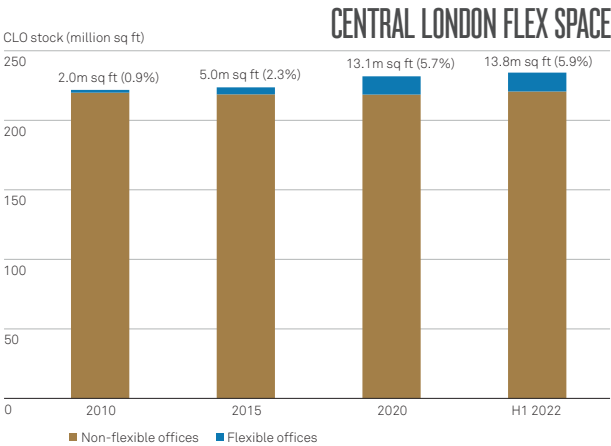
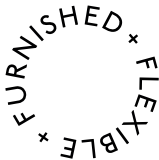
- EPRA vacancy increased to 6.5% (Dec 2021: 1.6%)
  - Completion of The Featherstone Building EC1 (ERV £6.7m) and Soho Place W1 retail (ERV £3.2m)
  - Refurbishments completed at The White Chapel Building E1 (ERV £2.4m)

<sup>1</sup>Excludes regears to facilitate redevelopment

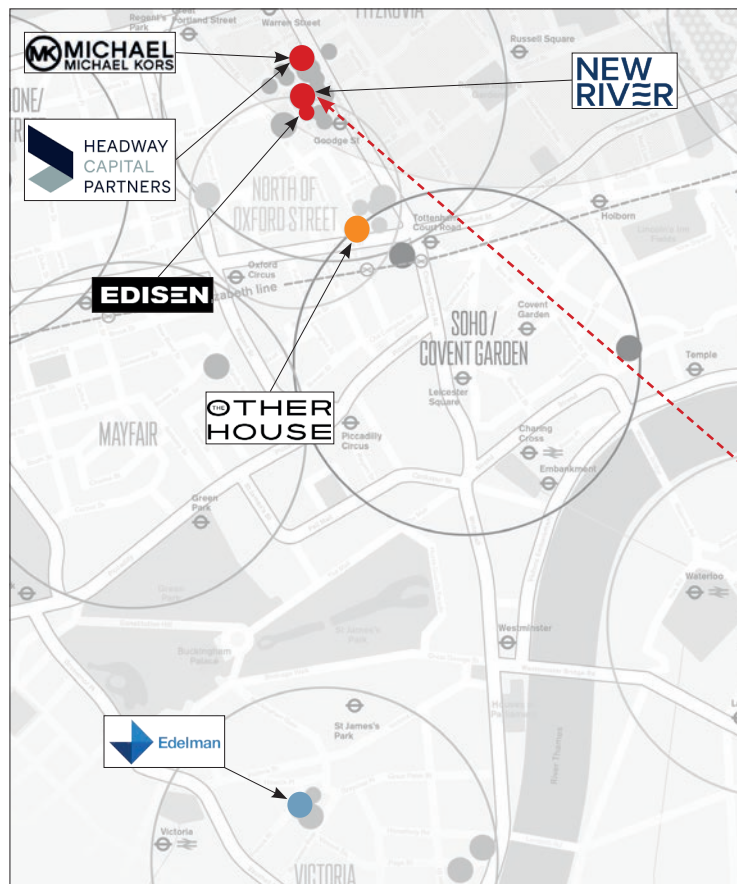


# PROACTIVE APPROACH TO EVOLVING OCCUPIER NEEDS AND FLEX

- Occupier needs cover a broad spectrum
  - High growth businesses = flexible leases (Furnished + Flexible)
  - Established businesses = long-term solutions (with optionality in some cases)
- Flex and serviced operators a small but important part of the market
- Average lease term to break remains >6 years
  - High retention due to relationships and engagement



# THE IMPORTANCE OF AMENITY



- An asset and portfolio amenity strategy
- Derwent's approach:
  - Building amenity – generous spaces at ground floor and roof, end of trip, etc
  - Portfolio amenity – occupier club space DL/78
  - Customer service and engagement

DL / 78 . W1



- Since opening, new leases with a combined rent of £5.1m requesting certainty of access to DL/78
- Notable positive impact on asset management transactions



# RESULTS AND FINANCIAL REVIEW

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## DAMIAN WISNIEWSKI



# FINANCIAL HIGHLIGHTS

## EPRA NTA per share<sup>1,2</sup>

**4,023p**

Dec 2021: 3,959p

**+1.6%**

## EPRA earnings per share<sup>2</sup>

**53.13p**

H1 2021: 54.04p

**-1.7%**

## Cash and undrawn facilities

**£452m**

Jun 2021: £527m

Dec 2021: £608m

## Gross rental income

**£101.7m**

H1 2021: £98.1m

**+3.7%**

## Net rental income

**£93.9m**

H1 2021: £90.1m

**+4.2%**

## Interest cover ratio (ICR)<sup>3</sup>

**419%**

H1 2021: 477%

FY 2021: 464%

## Total return

**3.0%**

H1 2021: 2.7%

FY 2021: 5.8%

## Interim dividend per share

**24.0p**

Jun 2021: 23.0p

**+4.3%**

## EPRA loan-to-value (LTV) ratio<sup>3,4</sup>

**23.7%**

Jun 2021: 18.9%

Dec 2021: 22.3%

<sup>1</sup> EPRA Net Tangible Assets per share on a diluted basis

<sup>2</sup> Reconciliation to IFRS figures in Appendices 3 and 6

<sup>3</sup> Includes share of joint ventures

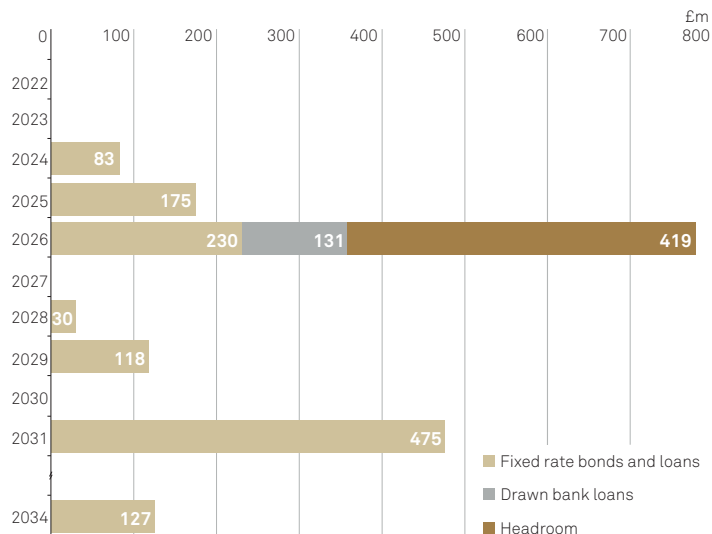
<sup>4</sup> New EPRA measure – prior periods recalculated

# DEBT SUMMARY

	Proforma <sup>1</sup>	Jun 2022	Dec 2021
Bank facilities drawn	£5m	£131m	£10m
Fixed rates borrowings	£1,238m	£1,238m	£1,238m
Drawn facilities	£1,243m	£1,369m	£1,248m
Unutilised facilities and cash	£578m	£452m	£608m
Average spot interest rate (cash basis)	3.14%	3.06%	3.14%
Average spot interest rate (IFRS basis)	3.27%	3.18%	3.27%
Average maturity of borrowings	6.7 years	6.5 years	7.2 years
EPRA loan-to-value	22.0%	23.7%	22.3%

- Green borrowings and expenditure at 30 June 2022<sup>3</sup>
  - Cumulative qualifying green expenditure £597.6m
  - Drawn green borrowings £455.0m
  - Available green headroom on facilities £142.6m

## MATURITY PROFILE OF DEBT FACILITIES<sup>2</sup>



90% of drawn borrowings at fixed rate<sup>2</sup>

Uncharged properties of £5.1bn<sup>2</sup>

<sup>1</sup> After disposals of Bush House WC2 and 2 & 4 Soho Place W1, which completed in July 2022    <sup>2</sup> As at 30 June 2022

<sup>3</sup> See Appendix 10 for green debt facilities and expenditure

# MANAGING RISING INTEREST RATES

- 90% of debt is fixed
- Additional £75m forward-start interest rate swap at 1.36% expiring in April 2025
- Substantial headroom under financial covenants
  - Property income can fall 65%
  - Property values can fall 61%
- No refinancing until October 2024
- Current marginal interest rate of 2.35%

## Debt profile at 30 June 2022<sup>1</sup>

Facilities	Amount	Weighted average interest rate	Weighted average maturity
Secured loan	£83m	3.99%	2.3 years
Convertible bonds	£175m	1.50%	3.0 years
Secured bonds	£175m	6.50%	3.7 years
Bank loans	£131m	2.13%	4.3 years
Private placement notes	£455m	3.42%	8.2 years
Green bonds	£350m	1.88%	9.4 years
<b>Total</b>	<b>£1,369m</b>	<b>3.06%</b>	<b>6.5 years</b>

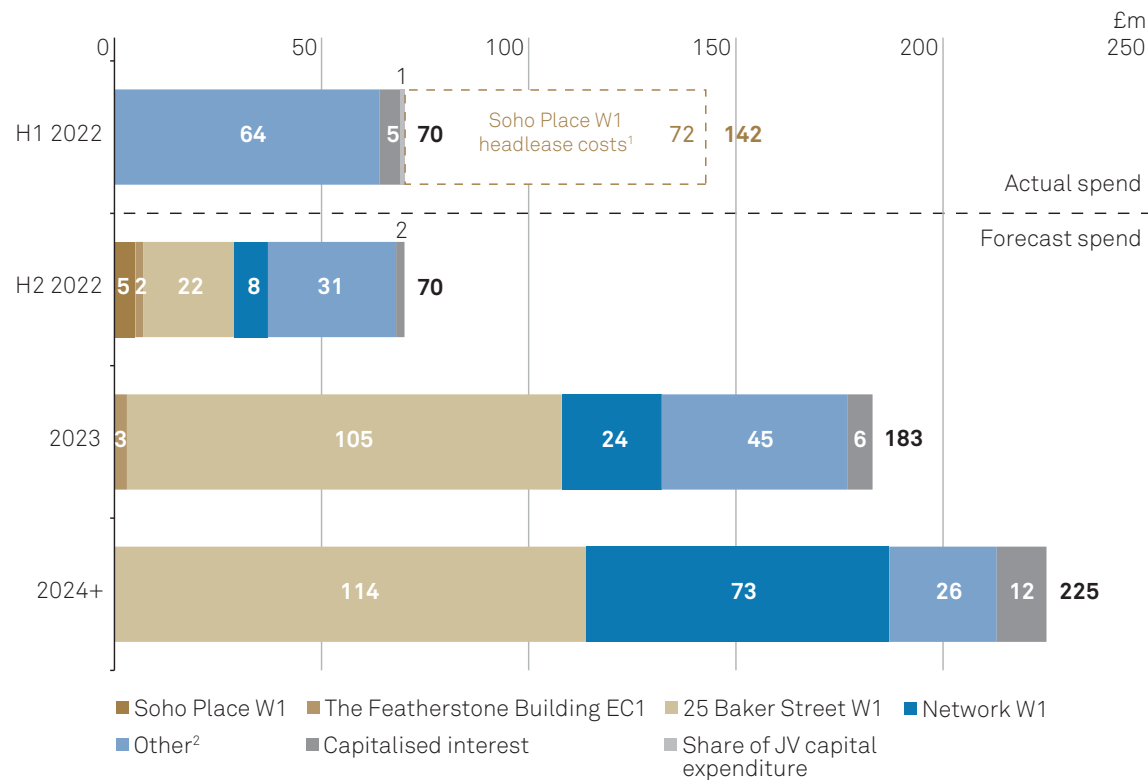
<sup>1</sup> Excluding other loans of £14.6m with no interest rate and no fixed repayment date  
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80 Charlotte Street W1





# COMMITTED CAPITAL EXPENDITURE



- 25 Baker Street W1 includes expenditure on trading property/stock

<sup>1</sup> Previously included in forecast committed capital expenditure    <sup>2</sup> Other includes EPC upgrades. Forecast spend also includes 50% share of 50 Baker Street W1 JV scheme  
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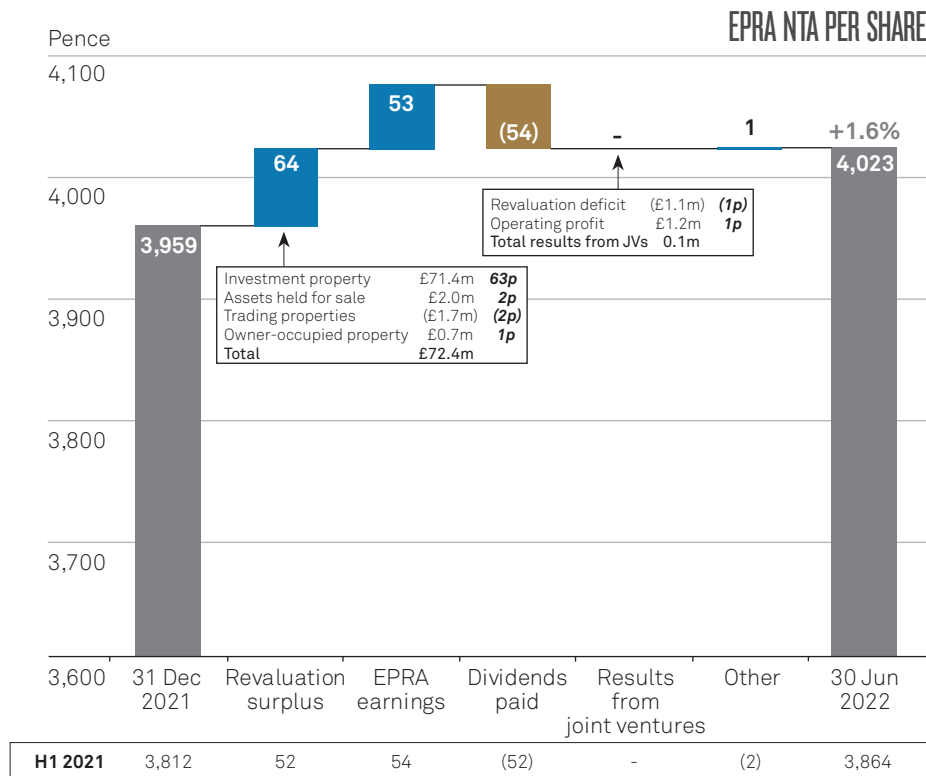
# PROFORMA IMPACT OF MAJOR PROJECTS AND DISPOSALS

- Assumes no further lettings other than those already contracted
- Shows impact of estimated remaining capex on both completed and on-site projects

		PROFORMA IMPACT OF DISPOSALS & COMPLETED/ON-SITE PROJECTS						
	Jun 2022 <sup>1</sup>	Disposal of Bush House	Soho Place receipts <sup>2</sup>	Capex <sup>3</sup>	Other receipts <sup>4</sup>	Contracted income	Void costs <sup>5</sup>	Proforma
<b>Gross rental income</b>	<b>£203m</b>	-	-	-	-	<b>£19m</b>	-	<b>£222m</b>
Net property income (adjusted)	£190m	-	-	-	-	£18m	(£12m)	£196m
Interest cost	£45m	(£2m) <sup>6</sup>	(£1m) <sup>6</sup>	£9m <sup>6</sup>	-	-	-	£51m
<b>Net interest cover ratio</b>	<b>419%</b>							<b>384%</b>
Portfolio fair value	£5,924m	(£77m)	(£57m)	£359m	(£18m)	-	-	£6,131m
Drawn debt net of cash	£1,404m	(£84m) <sup>7</sup>	(£55m) <sup>7</sup>	£359m	(£18m)	-	-	£1,606m
<b>EPRA loan-to-value ratio</b>	<b>23.7%</b>							<b>26.2%</b>

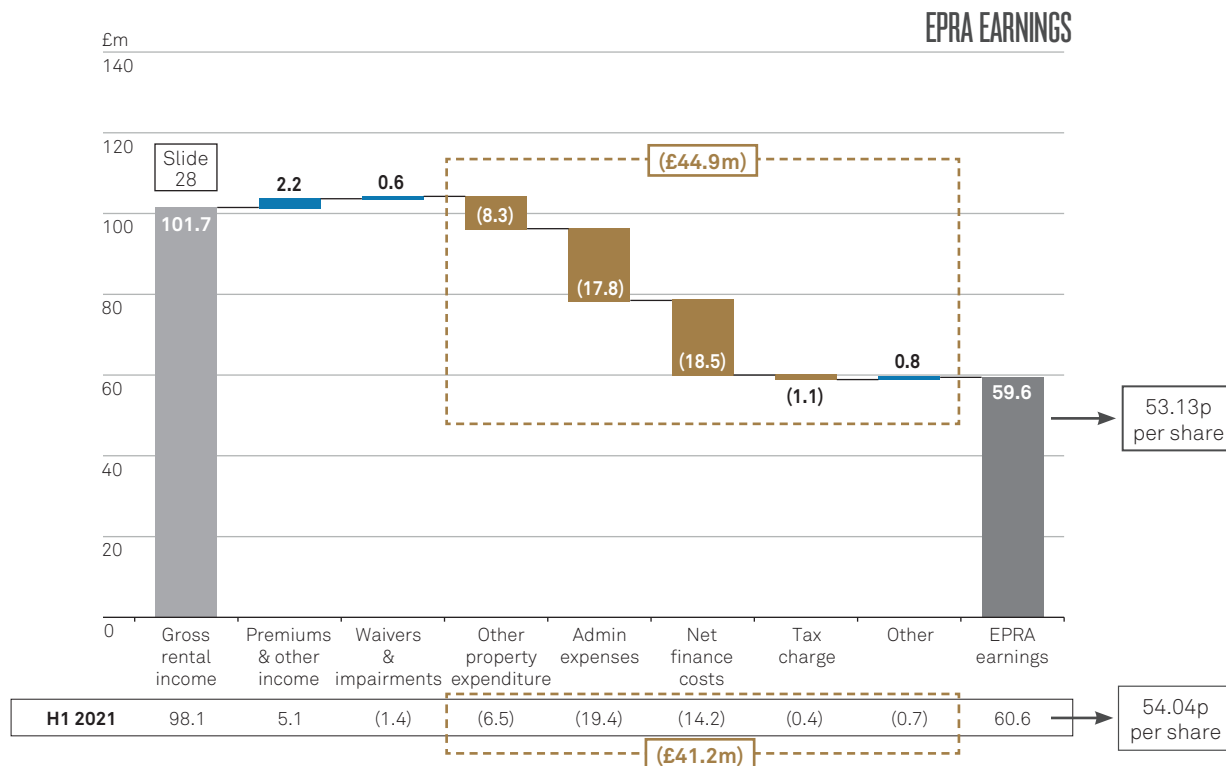
<sup>1</sup> First half annualised   <sup>2</sup> Disposal of 2 & 4 Soho Place W1 and leasehold interest as per development agreement   <sup>3</sup> See Appendix 44 for capex. Includes profit share payments in relation to 25 Baker Street W1   <sup>4</sup> Receipt from The Portman Estate for the provision of retail units at 25 Baker Street W1 as per development agreement  
<sup>5</sup> Void costs upon completion of project   <sup>6</sup> Assuming a marginal interest rate of 2.50%   <sup>7</sup> After disposal costs

# EPRA NTA MOVEMENT



- Developments at Soho Place W1, The Featherstone Building EC1 and 25 Baker Street W1 contributed 56p per share of revaluation surplus, remaining portfolio up 8p per share

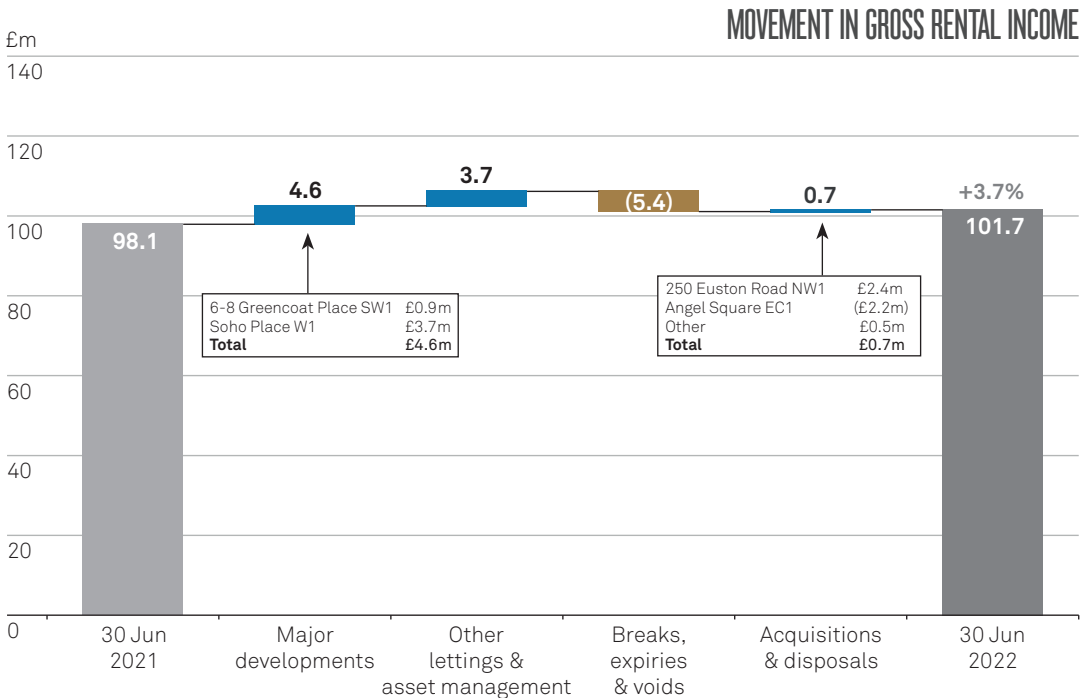




- Gross rental income of £101.7m in H1 2022, £3.6m higher than H1 2021
- Premiums and other income includes £0.4m of net surrender premiums, £3.2m less than H1 2021

<sup>1</sup> An explanation of EPRA adjustments is provided in Appendix 6

# RENTAL INCOME



LIKE-FOR-LIKE<sup>1</sup>

Gross rental income

H1 2021: 1.3%

H2 2021: 1.1%

Net rental income

H1 2021: 2.5%

H2 2021: 2.5%

- Net rental income up 4.2% from £90.1m to £93.9m

<sup>1</sup> See Appendix 9



# VALUATION AND INVESTMENT

NIGEL GEORGE

# VALUATION

## Valuer appointment

- Transition from CBRE to Knight Frank
  - H1 2022 joint valuation
  - Knight Frank as valuer going forward

## Investment portfolio valued at £5.9bn

- Underlying valuation 1.7% (H2 2021: 2.3%)
  - West End 1.7% (H2 2021: 2.5%)
  - City Borders 1.5% (H2 2021: 1.8%)
- MSCI Central London Offices<sup>1</sup> 0.8%

## Four on-site developments in H1

- Valued at £0.8bn, uplift of 8.5%
  - Soho Place W1 and The Featherstone Building EC1 – completed Q2
  - 25 Baker Street W1 and Network W1 – on site
- Excluding on-site developments, portfolio up 0.6%

## Valuation themes

- Impact of inputs

	ERV	Yields	Values
Offices – high quality	↑	↓	↑
Offices – other	↓	↑	↓
Retail and hospitality <sup>2</sup>	↔	↔	↔

- Greater attention on obsolescence, environmental and EPC ratings<sup>3</sup>

	Portfolio valuation £m	Joint venture valuation <sup>4</sup> £m	Total £m	H1 2022 valuation movement %
West End	4,065.4	50.0	4,115.4	1.7
City Borders <sup>5</sup>	1,667.1	-	1,667.1	1.5
<b>Central London</b>	<b>5,732.5</b>	<b>50.0</b>	<b>5,782.5</b>	<b>1.7</b>
Provincial	83.4	-	83.4	(0.1)
<b>Underlying</b>	<b>5,815.9</b>	<b>50.0</b>	<b>5,865.9</b>	<b>1.7</b>
Acquisitions	57.5	-	57.5	(5.7)
<b>Investment portfolio</b>	<b>5,873.4</b>	<b>50.0</b>	<b>5,923.4</b>	<b>1.6</b>

<sup>1</sup> Quarterly index <sup>2</sup> 8% of portfolio by income <sup>3</sup> Appendices 30 and 31 <sup>4</sup> 50% share of 50 Baker Street W1 JV <sup>5</sup> Principally properties in the Tech Belt – Appendix 47



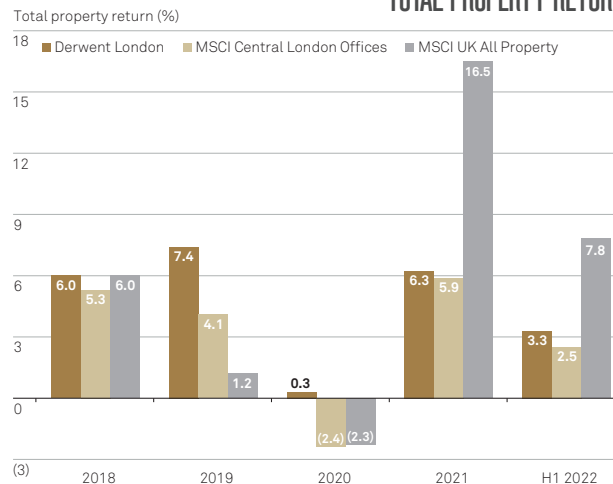
# PROPERTY RETURN

## H1 2022 total property returns

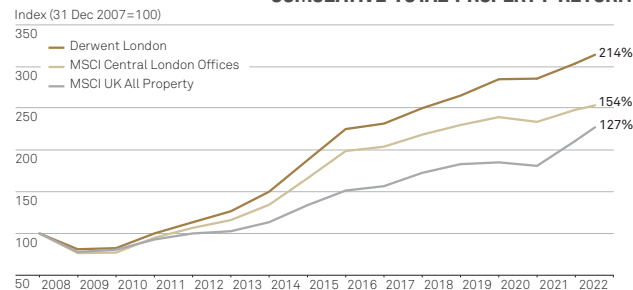
- Derwent London 3.3%
- MSCI Central London Offices<sup>1</sup> 2.5%
- MSCI UK All Property<sup>1</sup> 7.8%
- Outperformance due to:
  - Development surpluses
    - Completion of Soho Place W1 and The Featherstone Building EC1
  - Yield tightened – high quality properties
  - Rent-frees reducing from recent developments
    - 80 Charlotte Street W1
    - Brunel Building W2
  - New lettings and asset management
    - 90 Whitfield Street W1
    - White Collar Factory EC1

<sup>1</sup> Quarterly Index

## TOTAL PROPERTY RETURN



## CUMULATIVE TOTAL PROPERTY RETURN



# RENTAL VALUE AND YIELDS

## Rental values

- Rental values increased 0.9% in H1
  - Offices: 92% of portfolio<sup>1</sup> 0.9%
  - Retail: 8% of portfolio<sup>1</sup> 0.8%
- Average office passing rent low at £42.64 psf<sup>2</sup> (Dec 2021: £44.18 psf)
  - Average 'topped-up' office rent £59.92 psf<sup>2</sup> (Dec 2021: £59.69 psf)

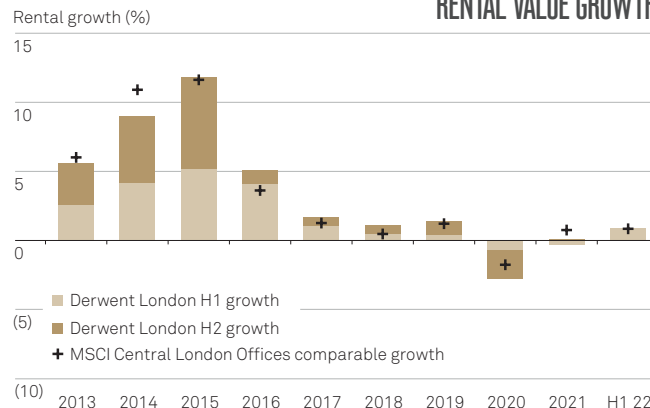
## EPRA yields

	Dec 2021 %	Jun 2022 %	Change bp
Net initial yield	3.3	3.1	(20)
'Topped-up' net initial yield	4.4	4.2 <sup>3</sup>	(20)
True equivalent yield	4.50	4.46	(4)
Net reversionary yield	4.9	4.7	(20)

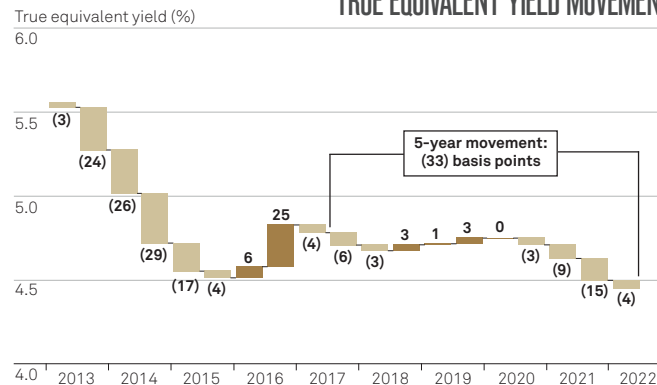
<sup>1</sup> By income    <sup>2</sup> Occupied office area

<sup>3</sup> 4.4% if excluding recently completed Soho Place W1 and The Featherstone Building EC1

## RENTAL VALUE GROWTH



## TRUE EQUIVALENT YIELD MOVEMENT

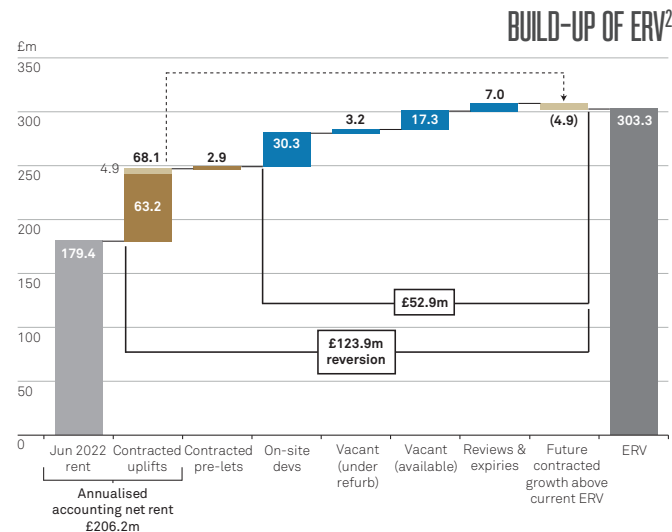


# BUILD-UP OF PORTFOLIO ERV

- Portfolio reversion of £123.9m<sup>1</sup>
  - £68.1m or 55% contracted, including
    - Soho Place W1 £17.8m
    - 80 Charlotte Street W1 £12.1m
  - £55.8m of further reversion
    - £33.2m from on-site schemes

Developments	Let £m	Vacant £m	ERV £m
25 Baker Street W1	-	18.4	18.4
Network W1	-	11.9	11.9
	-	30.3	30.3
Refurbishments			
Francis House SW1	2.9	-	2.9
<b>Total</b>	<b>2.9</b>	<b>30.3</b>	<b>33.2</b>

- £3.2m from other refurbishments projects
- £17.3m available to let
- £2.1m from lease reversions
  - Anticipated rent reviews and expiries £7.0m
  - Future contracted growth above ERV -£4.9m<sup>3</sup>



Dec 2021	178.4	54.6	19.9	30.1	7.2	3.8	5.8	(5.9)	293.9
Change	1.0	13.5	(17.0)	0.2	(4.0)	13.5	1.2	1.0	9.4

<sup>1</sup> Requires additional capex as set out in Appendix 44    <sup>2</sup> Before lease incentives    <sup>3</sup> Rental indexation and minimum uplifts on review

# ACQUISITION AND DISPOSAL ACTIVITY IN 2022 YTD

## Major acquisitions in 2022 YTD

Property	Date	Area sq ft	Total after costs £m	Net yield %	Net rental income £m pa	Net rental income £ psf
230 Blackfriars Road SE1	Q1	60,300	58.3	3.5	2.1	41.00
Soho Place W1 headlease	Q1	-	71.9	-	-	-
<b>Total acquisitions</b>		<b>60,300</b>	<b>130.2</b>	<b>-</b>	<b>2.1</b>	<b>-</b>



230 Blackfriars Road SE1

## Major disposals in 2022 YTD

Property	Date	Area sq ft	Net proceeds £m	Net yield %	Net rental income £m pa
New River Yard EC1	Q2	70,700	65.9 <sup>1</sup>	4.5	3.3
<b>H1 2022</b>		<b>70,700</b>	<b>65.9</b>	<b>4.5</b>	<b>3.3</b>
2 & 4 Soho Place W1	Q3	18,400 <sup>2</sup>	39.7	-	-
Bush House WC2	Q3	103,700	83.9	-	-
<b>H2 2022 to date</b>		<b>122,100</b>	<b>123.6</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>192,800</b>	<b>189.5</b>	<b>-</b>	<b>3.3</b>



New River Yard EC1

- Old Street Quarter EC1: exchange of conditional contract, completion expected in 2027
- Soho Place W1: headlease payment following development completion
- 2 & 4 Soho Place W1: sale of long leasehold following completion of lease to Nimax Theatres



Bush House WC2

<sup>1</sup> After deduction of rental top-ups and sale costs    <sup>2</sup> Office space



# MAJOR ACQUISITIONS (SUPER-SITES)



## 230 Blackfriars Road SE1

- Purchase price £58.3m (after costs)
- 60,300 sq ft multi-let office, a residential block and a car park
- 100-year leasehold (£5k pa)
- Future super-site
  - 200,000+ sq ft office-led scheme



## Old Street Quarter EC1

- Conditional contract exchanged
- Purchase price £239.0m
- Acquisition expected to complete in 2027
- Existing buildings 400,000 sq ft on 2.5 acres
- Future super-site
  - 750,000+ sq ft mixed-use campus scheme

# MAJOR DISPOSALS

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## **New River Yard EC1**

- £65.9m after costs
- 70,700 sq ft, multi-let to 13 tenants
- 2.6 years to lease break/expiry
- Management intensive, low returns



## **Bush House WC2**

- £83.9m after costs
- 103,700 sq ft, sold with vacant possession
- 41% premium to Dec 2021 valuation
- Early profit crystallisation



# SUSTAINABILITY

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NIGEL GEORGE

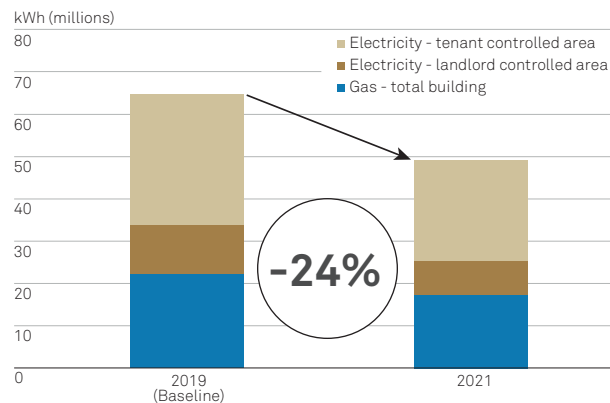
# OUR JOURNEY TO NET ZERO

- Our net zero pathway<sup>1</sup> was published in July 2020
- Reduce energy consumption in line with 1.5°C climate scenario

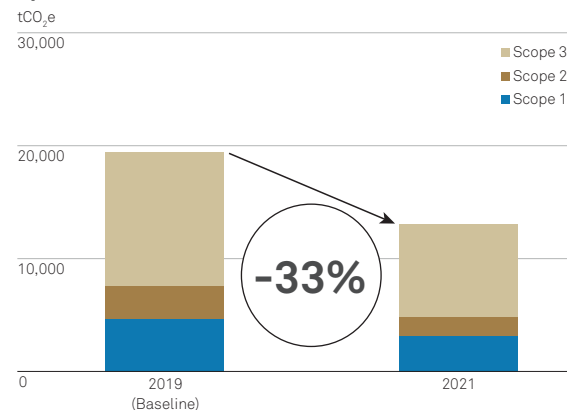
## Scope Main carbon components

- |   |  |   |   |
|---|--|---|---|
| 1 | Energy consumed directly (total building)  | → | Gas (operational)   |
| 2 | Energy used in landlord areas (indirectly)   | → | Landlord-controlled electricity (operational)   |
| 3 | Energy used by tenants (indirectly) & embodied carbon on developments and refurbishments | → | Tenant-controlled electricity (operational) & construction materials and methods (embodied) |

### Energy usage<sup>2</sup>



### Operational carbon emissions<sup>2</sup>



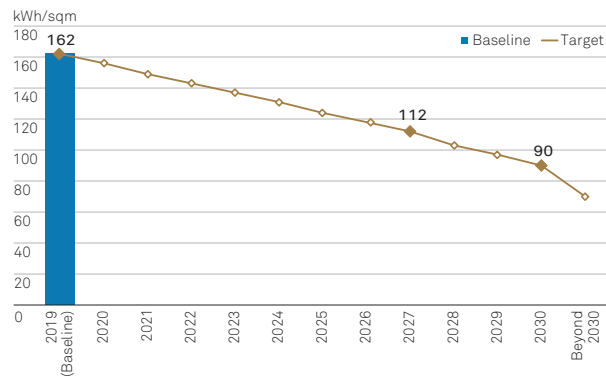
<sup>1</sup> Retail, residential and tenant fit-outs and new acquisitions for 3 years are excluded business activities under Derwent London's NZC pathway <sup>2</sup> Managed London portfolio



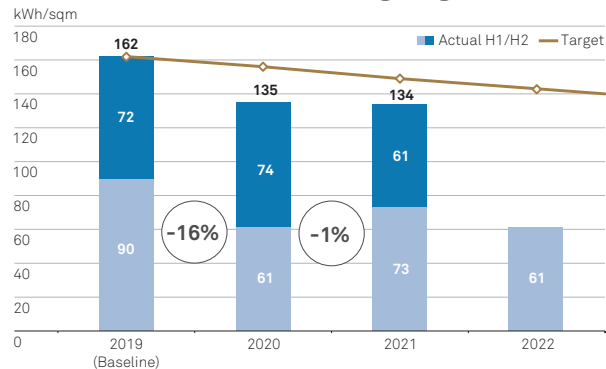
# BUILDING ENERGY USAGE - GOOD PROGRESS

Reducing  
operational  
energy and  
carbon  
emissions

## Our target – 4% YoY reduction from 2019<sup>1</sup>

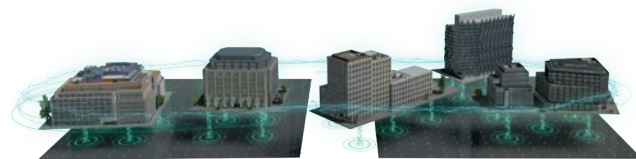


## Our performance – exceeding target



## Actions

- Energy targets set
  - Monthly performance meetings with Building Management teams
- Asset appraisals
  - Consider all electric options
  - EPC improvements
- Green leasing
  - Enhanced data sharing and collaboration
- Occupier engagement
  - Forums and occupier guidance
  - Increased visibility on energy consumption



INTELLIGENT  
BUILDINGS



<sup>1</sup> Building energy usage targets aligned with 1.5°C climate scenario

# EMBODIED CARBON ON DEVELOPMENTS

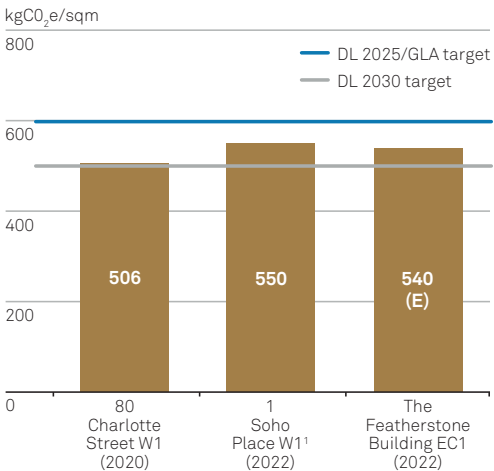


## Our target

- Commercial office new build developments
  - 2025:  $\leq 600\text{kgCO}_2\text{e/sqm}$
  - 2030:  $\leq 500\text{kgCO}_2\text{e/sqm}$

## Our performance to date

Embodied carbon intensity ( $\text{kgCO}_2\text{e/sqm}$ )



<sup>1</sup> 2 & 4 Soho Place excluded

## Actions

- Setting targets
  - Targets within Responsible Development Framework
- Low carbon design
  - Concrete – low-cement/cement-free options
  - Steel – maximise recycled content
  - Exposed soffits – remove suspended ceiling
  - Window framing – high recycled aluminium content
  - Refurbished raised access floor
- Construction methods
  - Sustainable procurement and waste minimisation
  - On-site renewable energy
  - Recycled steel rebars

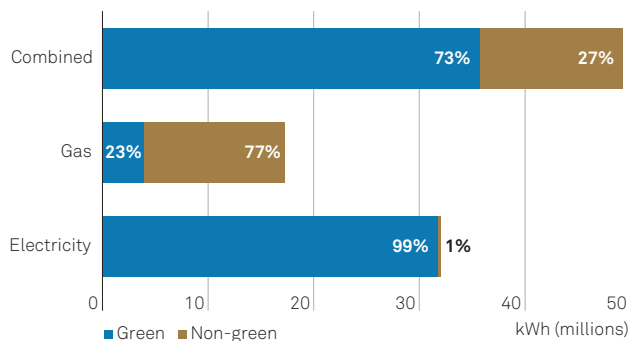
# GREEN ENERGY - USAGE & SELF-GENERATION

Procuring  
and investing  
in renewable  
energy

## Our target

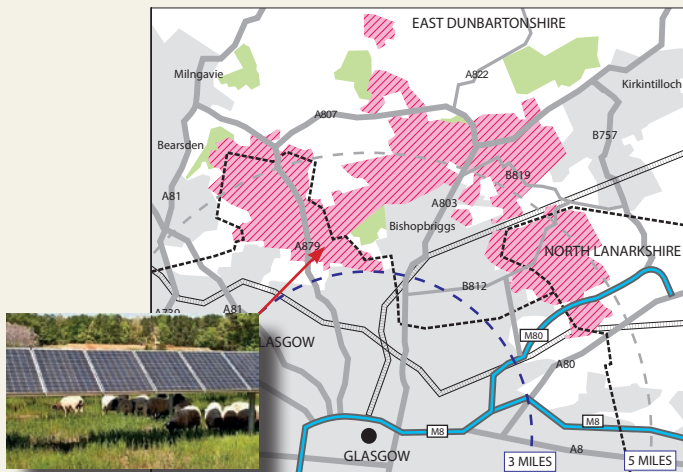
100% green tariffs for electricity & gas

## Our performance on green tariffs in 2021



## Scottish holdings

- 5,500 acres, with the opportunity to contribute to our pathway
- Solar park on 107 acres, cost c.£20-25m
  - Resolution to grant consent received
  - 18.4MW comprising +60k panels
  - Potential to generate c.40% of managed portfolio electricity requirements
- Exploring other opportunities for further carbon offsetting
  - Additional woodland creation, peat bog restoration and soil management





# SUMMARY

PAUL WILLIAMS



# SUMMARY

## THE MARKET

- Uncertain macro backdrop
- Flight to quality continues
- Shortage of grade A space

## DERWENT LONDON

- Developing prime, green buildings
- Capturing reversion
- Strong balance sheet



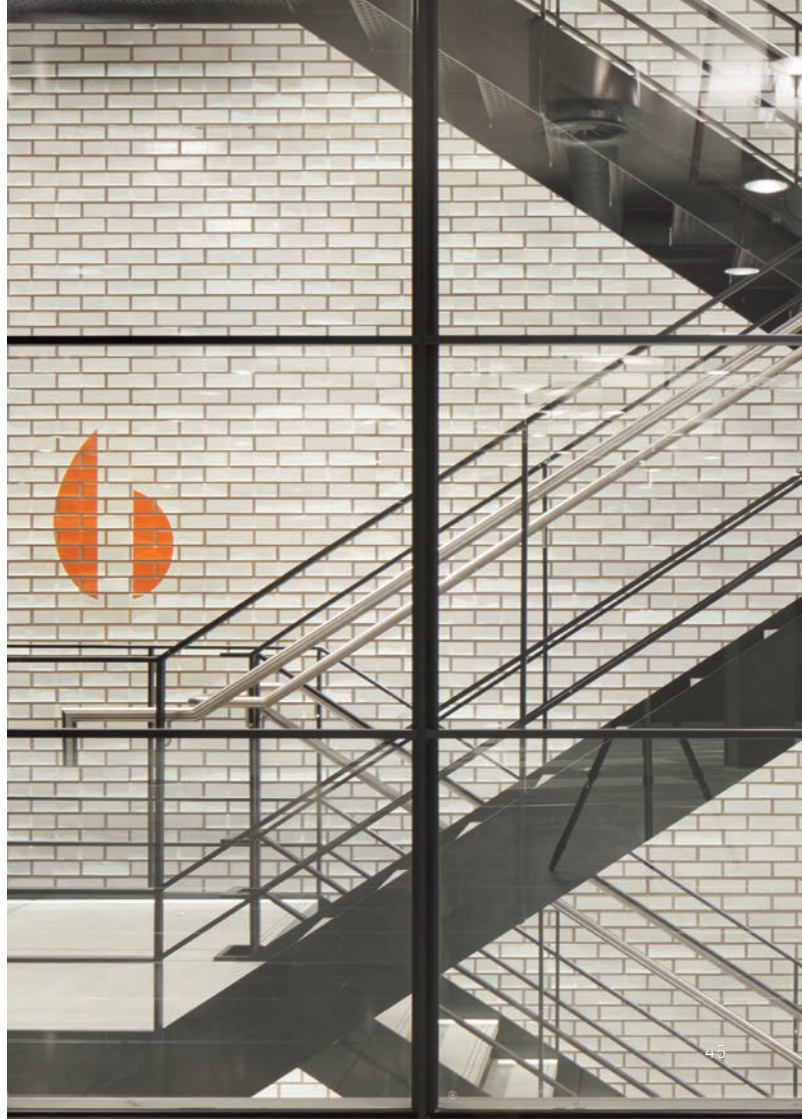
# APPENDICES

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# APPENDICES

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# FINANCIALS

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# APPENDIX 1 – HEADLINE NUMBERS

	Jun 2022	% change	Dec 2021	Jun 2021
Net asset value (NAV)	£4,518.8m	1.7*	£4,441.8m	£4,382.9m
EPRA net tangible assets per share <sup>1,2</sup>	4,023p	1.6*	3,959p	3,864p
EPRA net disposal value per share <sup>1,2</sup>	4,069p	4.8*	3,884p	3,769p
EPRA total return	3.0%	n/a	5.8%	2.7%
Gross rental income	£101.7m	3.7	£194.2m	£98.1m
Net rental income	£93.9m	4.2	£178.2m	£90.1m
EPRA earnings per share <sup>2</sup>	53.13p	(1.7)	108.79p	54.04p
Profit for the period	£135.3m	12.3	£253.8m	£120.5m
Interim dividend per share	24.00p	4.3*	23.00p	23.00p
Net debt	£1,360.7m	8.7*	£1,251.5m	£999.7m
EPRA loan-to-value (LTV) ratio	23.7%	n/a	22.3%	18.9%
NAV gearing	30.1%	n/a	28.2%	22.8%
Net interest cover ratio	419%	n/a	464%	477%

\* Compared to Dec 2021

<sup>1</sup> On a diluted basis    <sup>2</sup> Reconciliations to IFRS figures in Appendices 3 and 6



## APPENDIX 2 – GROUP BALANCE SHEET

	Jun 2022 £m	Dec 2021 £m	Jun 2021 £m
Investment property	5,495.9	5,359.9	5,068.6
Owner-occupied property	50.0	49.3	46.6
Investment in joint ventures	51.3	51.1	0.9
Other non-current assets	184.7	166.1	160.3
	<b>5,781.9</b>	<b>5,626.4</b>	<b>5,276.4</b>
Non-current assets held for sale	<b>115.4</b>	<b>102.8</b>	<b>163.1</b>
Other current assets and liabilities	(49.0)	(67.8)	(60.9)
Trading property and stock	32.5	32.6	9.2
Cash and cash equivalents	32.8	68.5	60.0
Leasehold liability – current	-	(51.2)	-
Borrowings – current	(14.6)	(12.3)	-
	<b>1.7</b>	<b>(30.2)</b>	<b>8.3</b>
Borrowings – non-current	(1,359.3)	(1,237.1)	(992.3)
Leasehold liability – non-current	(19.6)	(19.4)	(67.4)
Other non-current liabilities	(1.3)	(0.7)	(5.2)
	<b>(1,380.2)</b>	<b>(1,257.2)</b>	<b>(1,064.9)</b>
<b>Total net assets</b>	<b>4,518.8</b>	<b>4,441.8</b>	<b>4,382.9</b>
Non-controlling interest	-	-	(52.2)
<b>Attributable to equity shareholders</b>	<b>4,518.8</b>	<b>4,441.8</b>	<b>4,330.7</b>

## APPENDIX 3 – EPRA NET ASSET VALUE METRICS

	Jun 2022			Dec 2021		
	EPRA NTA <sup>1</sup> £m	EPRA NDV <sup>2</sup> £m	EPRA NRV <sup>3</sup> £m	EPRA NTA <sup>1</sup> £m	EPRA NDV <sup>2</sup> £m	EPRA NRV <sup>3</sup> £m
Net assets attributable to equity shareholders	4,518.8	4,518.8	4,518.8	4,441.8	4,441.8	4,441.8
Revaluation of trading property	0.2	0.2	0.2	1.9	1.9	1.9
Deferred tax on revaluation surplus	1.9	-	3.8	1.7	-	3.3
Fair value of derivative financial instruments	(2.7)	-	(2.7)	0.8	-	0.8
Fair value adjustment to secured bonds	7.3	7.3	7.3	8.0	8.0	8.0
Mark-to-market of fixed rate debt	-	62.9	-	-	(69.5)	-
Unamortised issue and arrangement costs	-	(11.3)	-	-	(12.6)	-
Purchasers' costs <sup>4</sup>	-	-	399.4	-	-	383.9
<b>Adjusted net assets</b>	<b>4,525.5</b>	<b>4,577.9</b>	<b>4,926.8</b>	<b>4,454.2</b>	<b>4,369.6</b>	<b>4,839.7</b>
Number of shares (m) – diluted	112.5	112.5	112.5	112.5	112.5	112.5
<b>Per share measure (p) – diluted</b>	<b>4,023</b>	<b>4,069</b>	<b>4,380</b>	<b>3,959</b>	<b>3,884</b>	<b>4,301</b>

<sup>1</sup> Net tangible assets   <sup>2</sup> Net disposal value   <sup>3</sup> Net reinstatement value   <sup>4</sup> Includes Stamp Duty Land Tax. Total costs assumed to be 6.8% of the portfolio's fair value

## APPENDIX 4 – GROUP INCOME STATEMENT

	Half year ended Jun 2022 £m	Year ended Dec 2021 £m	Half year ended Jun 2021 £m
Gross property income	102.1	199.8	101.7
Profit on disposal of trading properties	0.3	0.7	0.5
Write-down of trading property	-	(1.4)	(0.7)
Other income	1.8	3.5	1.5
Movement in impairment of receivables	0.6	(0.8)	(1.4)
Other property outgoings	(8.3)	(14.3)	(6.5)
<b>Net property and other income</b>	<b>96.5</b>	<b>187.5</b>	<b>95.1</b>
Administrative expenses	(17.8)	(37.1)	(19.4)
Revaluation surplus	73.4	130.8	57.8
Profit on disposal of investment property	0.5	10.4	0.6
Net finance costs	(18.5)	(28.1)	(14.2)
Joint venture results	0.1	(13.9)	-
Derivatives fair value movement	3.5	4.8	2.2
Financial derivative termination costs	(0.6)	(1.9)	(1.0)
<b>IFRS profit before tax</b>	<b>137.1</b>	<b>252.5</b>	<b>121.1</b>
Tax (charge)/credit	(1.8)	1.3	(0.6)
<b>IFRS profit for the period</b>	<b>135.3</b>	<b>253.8</b>	<b>120.5</b>
Attributable to:			
Equity shareholders <sup>1</sup>	135.3	252.3	120.2
Non-controlling interest	-	1.5	0.3
	<b>135.3</b>	<b>253.8</b>	<b>120.5</b>

<sup>1</sup> A reconciliation of the IFRS profit attributable to shareholders to the EPRA earnings is shown in Appendix 5

## APPENDIX 5 – IFRS PROFIT AND EPRA EARNINGS

	Half year ended Jun 2022 £m	Year ended Dec 2021 £m	Half year ended Jun 2021 £m
IFRS profit for the period attributable to shareholders	135.3	252.3	120.2
Revaluation surplus	(73.4)	(130.8)	(57.8)
Joint venture revaluation deficit	1.1	14.2	-
Profit on disposal of investment property	(0.5)	(10.4)	(0.6)
Profit on disposal of trading properties	(0.3)	(0.7)	(0.5)
Write-down of trading property	-	1.4	0.7
Derivatives fair value adjustment	(3.5)	(4.8)	(2.2)
Financial derivative termination costs	0.2	1.9	1.0
Tax adjustment	0.7	(1.5)	0.2
Non-controlling interest in respect of the above	-	0.4	(0.4)
<b>EPRA earnings</b>	<b>59.6</b>	<b>122.0</b>	<b>60.6</b>

# APPENDIX 6 – EXPLANATION OF EPRA ADJUSTMENTS

	H1 2022 IFRS £m	Adjustments			H1 2022 EPRA basis £m	H1 2021 EPRA basis £m
		A £m	B £m	C £m		
Net property and other income	96.5	(0.3)	-	-	96.2	95.3
Administrative expenses	(17.8)	-	-	-	(17.8)	(19.4)
Revaluation surplus	73.4	-	(73.4)	-	-	-
Profit on disposal of investments	0.5	(0.5)	-	-	-	-
Net finance costs	(18.5)	-	-	-	(18.5)	(14.2)
Derivatives fair value movement	3.5	-	-	(3.5)	-	-
Financial derivative termination costs	(0.6)	-	-	0.2	(0.4)	-
Share of results of joint ventures	0.1	-	1.1	-	1.2	-
<b>Profit before tax</b>	<b>137.1</b>	<b>(0.8)</b>	<b>(72.3)</b>	<b>(3.3)</b>	<b>60.7</b>	<b>61.7</b>
Tax	(1.8)	0.4	0.3	-	(1.1)	(0.4)
<b>Profit for the period</b>	<b>135.3</b>	<b>(0.4)</b>	<b>(72.0)</b>	<b>(3.3)</b>	<b>59.6</b>	<b>61.3</b>
Non-controlling interest	-	-	-	-	-	(0.7)
<b>Earnings attributable to equity shareholders</b>	<b>135.3</b>	<b>(0.4)</b>	<b>(72.0)</b>	<b>(3.3)</b>	<b>59.6</b>	<b>60.6</b>
<b>Earnings per share</b>	<b>120.61p</b>				<b>53.13p</b>	<b>54.04p</b>

A – Disposal of investment properties and investments and associated tax and non-controlling interest

B – Revaluation on investment property and in joint ventures, and associated deferred tax and non-controlling interest

C – Fair value movement and termination costs relating to derivative financial instruments and associated non-controlling interest



## APPENDIX 7 – CASH FLOW

	Half year ended Jun 2022 £m	Year ended Dec 2021 £m	Half year ended Jun 2021 £m
Property income	94.2	192.7	88.2
Property expenses	(8.4)	(14.3)	(7.7)
Other income	1.5	4.1	2.1
Administrative expenses	(18.7)	(34.7)	(18.5)
Finance costs	(13.7)	(25.0)	(12.9)
Costs recoverable from tenants	(4.2)	-	-
Trading property disposals	3.0	5.0	3.6
Trading property expenditure	(1.5)	(1.6)	(0.2)
Tax in respect of operating activities	(0.7)	(0.5)	0.1
<b>Net cash from operating activities</b>	<b>51.5</b>	<b>125.7</b>	<b>54.7</b>
Acquisitions and capex	(204.9)	(423.9)	(110.8)
Disposals	65.0	297.3	166.5
Investment in joint venture	(0.3)	(64.1)	-
Other cash used in investing activities	(12.7)	8.1	(0.7)
<b>Net cash (used in)/from investing activities</b>	<b>(152.9)</b>	<b>(182.6)</b>	<b>55.0</b>
Movement in debt	123.3	212.5	(43.4)
Acquisition of non-controlling interest	-	(53.4)	-
Ordinary dividends paid	(58.2)	(84.3)	(56.7)
Other cash used in financing activities	0.6	(0.1)	(0.3)
<b>Net cash from/(used) in financing activities</b>	<b>65.7</b>	<b>74.7</b>	<b>(100.4)</b>
(Decrease)/Increase in cash and cash equivalents in the period	(35.7)	17.8	9.3
Cash and cash equivalents at the beginning of the period	68.5	50.7	50.7
<b>Cash and cash equivalents at the end of the period</b>	<b>32.8</b>	<b>68.5</b>	<b>60.0</b>

## APPENDIX 8 – RENT COLLECTION<sup>1</sup>

	Mar 2022 quarter			Jun 2022 quarter		
	Office %	Retail/ hospitality %	Total %	Office %	Retail/ hospitality %	Total %
Rent received to date	100	90	99	97	83	96
Due later in the quarter <sup>2</sup>	-	-	-	1	3	1
Outstanding	-	10	1	2	14	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>£41.7m</b>	<b>£2.4m</b>	<b>£44.1m</b>	<b>£39.0m</b>	<b>£2.4m</b>	<b>£41.4m</b>

<sup>1</sup> Rent received to date for English quarter days    <sup>2</sup> Principally monthly receipts

# APPENDIX 9 – RECONCILIATION OF LIKE-FOR-LIKE INCOME TO IFRS INCOME

	Like-for-like movement to H1 2022	Like-for-like portfolio £m	Development property £m	Acquisitions & disposals £m	Total £m
<b>H1 2022</b>					
<b>Gross rental income</b>		<b>90.6</b>	<b>5.4</b>	<b>5.7</b>	<b>101.7</b>
Other property expenditure		(6.1)	(2.0)	(0.3)	(8.4)
Movement in impairment of receivables		0.5	-	0.1	0.6
<b>Net rental income</b>		<b>85.0</b>	<b>3.4</b>	<b>5.5</b>	<b>93.9</b>
Other		2.2	0.1	0.3	2.6
<b>Net property and other income</b>		<b>87.2</b>	<b>3.5</b>	<b>5.8</b>	<b>96.5</b>
<b>H1 2021</b>					
<b>Gross rental income</b>	<b>1.3%</b>	<b>89.4</b>	<b>4.1</b>	<b>4.6</b>	<b>98.1</b>
Other property expenditure		(5.6)	(0.4)	(0.6)	(6.6)
Movement in impairment of receivables		(0.9)	(0.4)	(0.1)	(1.4)
<b>Net rental income</b>	<b>2.5%</b>	<b>82.9</b>	<b>3.3</b>	<b>3.9</b>	<b>90.1</b>
Other		5.2	(0.7)	0.5	5.0
<b>Net property and other income</b>	<b>(1.0%)</b>	<b>88.1</b>	<b>2.6</b>	<b>4.4</b>	<b>95.1</b>
<b>H2 2021</b>					
<b>Gross rental income</b>	<b>1.1%</b>	<b>89.6</b>	<b>2.7</b>	<b>3.8</b>	<b>96.1</b>
Other property expenditure		(6.9)	(0.9)	(0.8)	(8.6)
Movement in impairment of receivables		0.2	0.4	-	0.6
<b>Net rental income</b>	<b>2.5%</b>	<b>82.9</b>	<b>2.2</b>	<b>3.0</b>	<b>88.1</b>
Other		4.6	(0.5)	0.2	4.3
<b>Net property and other income</b>	<b>(0.3%)</b>	<b>87.5</b>	<b>1.7</b>	<b>3.2</b>	<b>92.4</b>

# APPENDIX 10 – GREEN DEBT FACILITIES AND EXPENDITURE

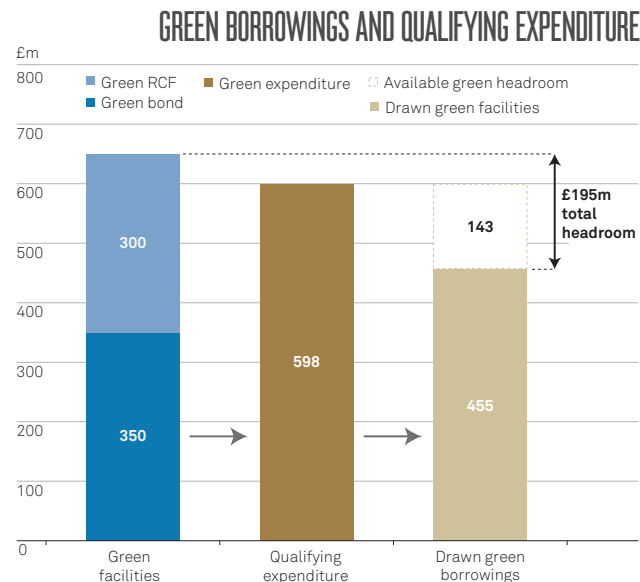
- £650m of green debt facilities
  - £300m green tranche within £450m revolving credit facility
  - £350m green bond
- Proceeds to be used to fund qualifying green expenditure in accordance with the Green Finance Framework

## Eligible green projects (EGP)

- 80 Charlotte Street W1 (completed H1 2020)
- The Featherstone Building EC1 (completed H1 2022)
- Soho Place W1 (completed H1 2022)
- 25 Baker Street W1

## At 30 June 2022

- 2022 qualifying green expenditure £34.8m
- Cumulative qualifying green expenditure £597.6m
- Drawn green borrowings £455.0m



# APPENDIX 11 – DEBT FACILITIES

	Drawn £m	Undrawn £m	Total £m	Maturity
3.99% secured loan	83.0	-	83.0	October 2024
6.5% secured bonds	175.0	-	175.0	March 2026
1.875% unsecured green bonds	350.0	-	350.0	November 2031
1.5% unsecured convertible bonds	175.0	-	175.0	June 2025
2.68% unsecured private placement notes	55.0	-	55.0	January 2026
3.46% unsecured private placement notes	30.0	-	30.0	May 2028
4.41% unsecured private placement notes	25.0	-	25.0	January 2029
2.87% unsecured private placement notes	93.0	-	93.0	January 2029
2.97% unsecured private placement notes	50.0	-	50.0	January 2031
3.57% unsecured private placement notes	75.0	-	75.0	May 2031
4.68% unsecured private placement notes	75.0	-	75.0	January 2034
3.09% unsecured private placement notes	52.0	-	52.0	January 2034
Other loans <sup>1</sup>	14.6	-	14.6	n/a
<b>Non-bank loans</b>	<b>1,252.6</b>	<b>-</b>	<b>1,252.6</b>	
Club revolving credit – unsecured	105.0	345.0	450.0	October 2026
Bilateral revolving credit – unsecured	26.0	74.0	100.0	November 2026
<b>Committed bank facilities</b>	<b>131.0</b>	<b>419.0</b>	<b>550.0</b>	
<b>At 30 June 2022</b>	<b>1,383.6</b>	<b>419.0</b>	<b>1,802.6</b>	

<sup>1</sup> No fixed repayment date



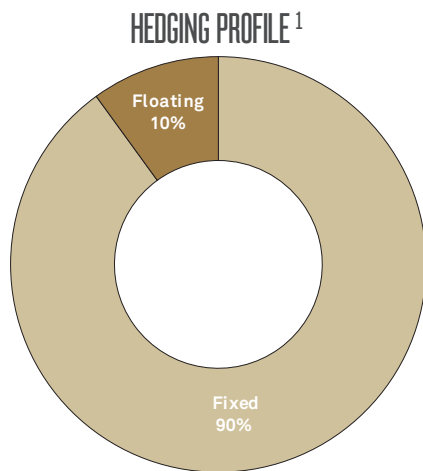
## APPENDIX 12 – NET DEBT

	Jun 2022 £m	Dec 2021 £m
Borrowings – current	14.6	12.3
Borrowings – non-current	1,359.3	1,237.1
Acquired fair value of secured bonds less amortisation	(7.3)	(8.0)
Unamortised discount on unsecured green bonds	1.8	1.8
Equity component of convertible bonds	7.7	7.7
Unwinding of discount of convertible bonds	(3.8)	(3.2)
Unamortised issue and arrangement costs	11.3	12.6
<b>Facilities – drawn</b>	<b>1,383.6</b>	<b>1,260.3</b>
Facilities – undrawn	419.0	540.0
<b>Total debt facilities</b>	<b>1,802.6</b>	<b>1,800.3</b>

	Jun 2022 £m	Dec 2021 £m
Borrowings	1,373.9	1,249.4
Leasehold liabilities	19.6	70.6
Cash and cash equivalents	(32.8)	(68.5)
<b>Net debt</b>	<b>1,360.7</b>	<b>1,251.5</b>

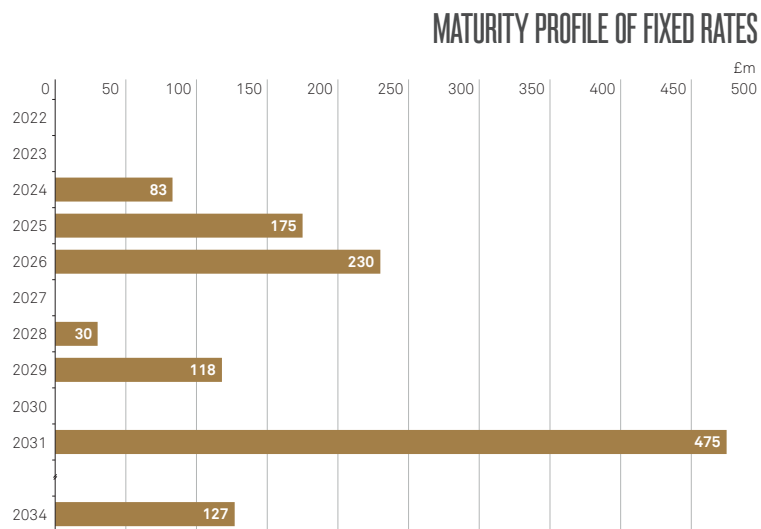
# APPENDIX 13 – FIXED RATES AND HEDGING

	Jun 2022	Dec 2021
Proportion of drawn facilities at fixed rates	90%	99%
Weighted average duration of fixed rate instruments	6.7 years	7.2 years
Mark-to-market of forward-start swap	£2.7m	£(0.8m)



<sup>1</sup> Excludes the following forward-start swap

Principal £m	Rate %	Forward start date	Expiry date
75.0	1.36	July 2022	April 2025



# VALUATION

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## Appendices

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## APPENDIX 14 – VALUATION PERFORMANCE BY VILLAGE

	Valuation Jun 2022 £m	Weighting Jun 2022 %	Valuation movement 2022 <sup>1</sup> %
<b>West End Central</b>			
Fitzrovia <sup>2</sup>	1,916.2	32	(0.1)
Soho/Covent Garden	534.5	9	12.9
Victoria	533.3	9	1.2
Paddington	400.0	7	1.5
Baker Street/Marylebone <sup>3</sup>	201.1	3	3.2
Mayfair	108.3	2	2.0
	<b>3,693.4</b>	<b>62</b>	<b>2.2</b>
<b>West End Borders &amp; Other</b>			
Islington/Camden	392.0	7	(1.9)
Brixton	30.0	1	(7.0)
	<b>422.0</b>	<b>8</b>	<b>(2.3)</b>
<b>West End</b>	<b>4,115.4</b>	<b>70</b>	<b>1.7</b>
<b>City Borders</b>			
Old Street	741.6	13	3.6
Clerkenwell	480.5	8	0.4
Shoreditch/Whitechapel	443.0	7	(0.5)
Southbank	59.5	1	(7.0)
<b>City Borders</b>	<b>1,724.6</b>	<b>29</b>	<b>1.5</b>
<b>Central London</b>	<b>5,840.0</b>	<b>99</b>	<b>1.7</b>
Provincial	83.4	1	(0.1)
<b>Investment portfolio</b>	<b>5,923.4</b>	<b>100</b>	<b>1.7</b>

<sup>1</sup> Underlying – properties held throughout the period   <sup>2</sup> Includes North of Oxford Street   <sup>3</sup> Includes 50% share of 50 Baker Street W1 JV

# APPENDIX 15 – RENTAL VALUE GROWTH AND AVERAGE RENTS

## RENTAL VALUE GROWTH<sup>1</sup>

	H1 2021 %	H2 2021 %	2021 %	H1 2022 %
West End	(0.4)	(0.1)	(0.5)	0.6
City Borders	(0.1)	0.4	0.3	1.6
<b>Central London</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>0.9</b>
Provincial	0.0	0.1	0.1	0.0
<b>Underlying</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>0.9</b>

## AVERAGE RENTS – CENTRAL LONDON OFFICES

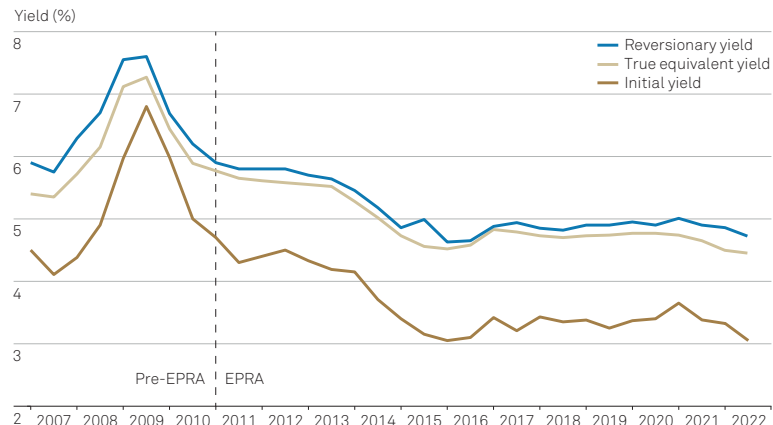
	Portfolio % <sup>2</sup>	Passing rent £ psf <sup>3</sup>	'Topped-up' rent £ psf <sup>3</sup>	ERV £ psf <sup>4</sup>
Core income	59	44.62	65.85	66.11
Potential projects	32	38.49	46.99	45.60
	<b>91</b>	<b>42.64</b>	<b>59.76</b>	<b>59.09</b>
On-site developments	8	-	-	85.15
On-site refurbishments	1	-	76.00	76.00
	<b>9</b>	<b>-</b>	<b>76.00</b>	<b>84.25</b>
<b>Total</b>	<b>100</b>	<b>-</b>	<b>59.92</b>	<b>61.20</b>

<sup>1</sup> On EPRA portfolio   <sup>2</sup> Portfolio area   <sup>3</sup> Occupied office area   <sup>4</sup> Total office area



# APPENDIX 16 – VALUATION YIELDS

## YIELD PROFILE<sup>1</sup>



## EPRA INITIAL YIELDS

	Net initial yield %	'Topped-up' initial yield %
West End	2.7	4.2
City Borders	3.6	4.3
<b>Central London</b>	<b>3.0</b>	<b>4.2</b>
Provincial	7.5	7.6
<b>EPRA portfolio</b>	<b>3.1</b>	<b>4.2</b>

## TRUE EQUIVALENT YIELDS<sup>2</sup>

	Dec 2021 %	H1 2022 movement basis points	Jun 2022 %
West End	4.37	(4)	4.33
City Borders	4.69	(5)	4.64
<b>Central London</b>	<b>4.47</b>	<b>(4)</b>	<b>4.43</b>
Provincial	8.13	(12)	8.01
<b>Underlying</b>	<b>4.50</b>	<b>(4)</b>	<b>4.46</b>

<sup>1</sup> Six-monthly data    <sup>2</sup> On EPRA portfolio

# APPENDIX 17 – CONTEXT TO YIELD MOVEMENT

- UK 10-year Gilt yield of 2.21% at H1 2022, up from

- 0.97% in Dec 2021
- 0.75% in Jun 2021
- LTA of 2.88% since Dec 2000

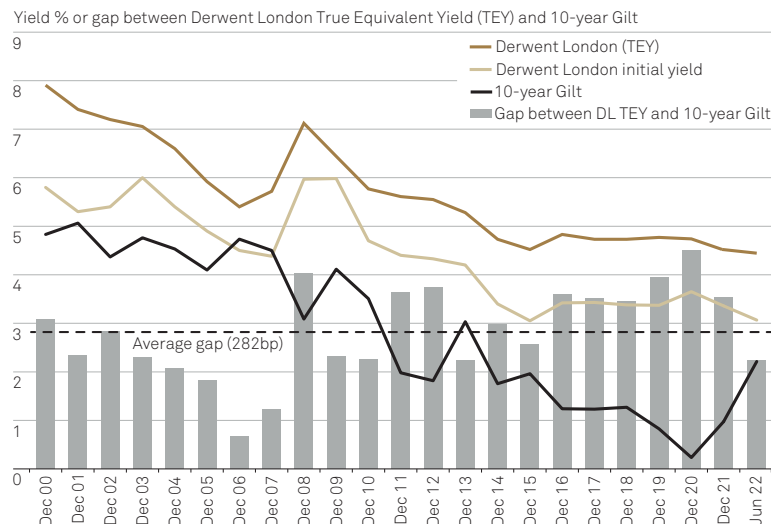
- 225bp spread between the Derwent London true equivalent yield and the 10-year Gilt

- 353bp in Dec 2021
- 390bp in Jun 2021
- Average spread of 282bp since 2000

- Capital values<sup>2</sup>

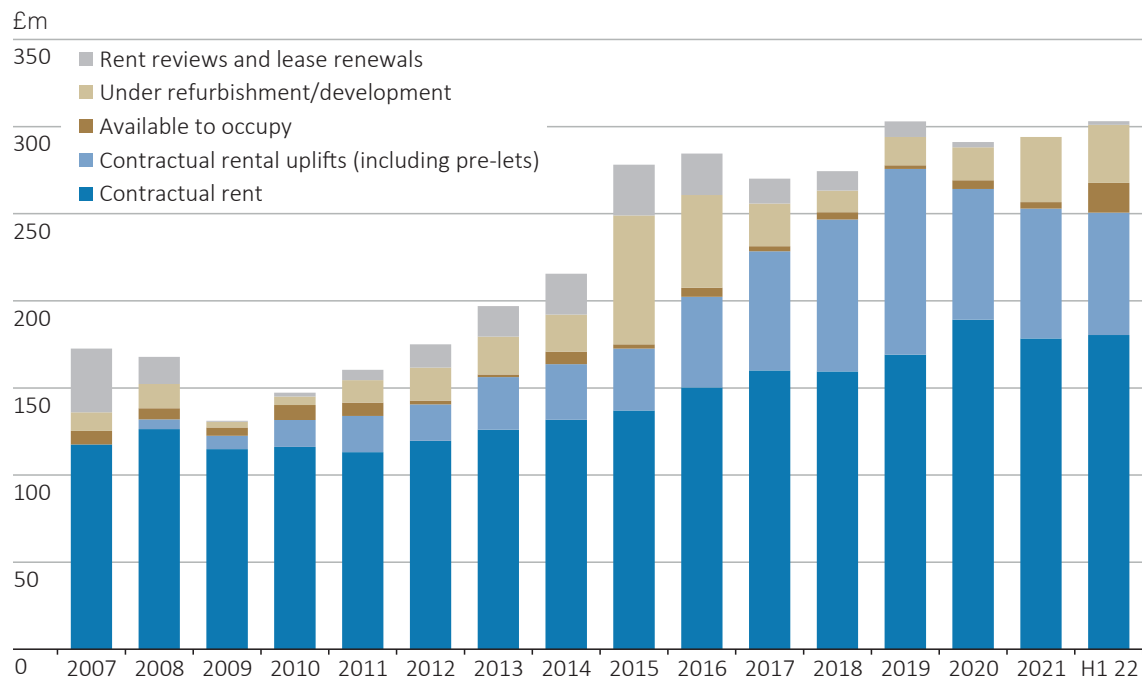
- Central London      £1,154 psf
  - West End            £1,231 psf
  - City Borders        £1,013 psf

## VALUATION YIELDS<sup>1</sup>



<sup>1</sup> Post H2 2010 portfolio on an EPRA basis    <sup>2</sup> Excludes 0.47m sq ft of on-site developments and on-site refurbishments – Appendix 44

## APPENDIX 18 – EVOLUTION OF PORTFOLIO ERV



# APPENDIX 19 – PORTFOLIO STATISTICS BY VILLAGE

	Valuation £m	Weighting %	Floor area <sup>1</sup> '000 sq ft	Vacant floor area '000 sq ft	Net contracted rental income £m pa	Average rental income £ psf	Vacant space rental value £m pa	Lease reversion <sup>2</sup> £m pa	Total reversion £m pa	Estimated rental value £m pa
<b>West End Central</b>										
Fitzrovia <sup>3</sup>	1,916.2	32	1,616	195	60.7	37.87	15.1	22.2	37.3	98.0
Soho/Covent Garden	534.5	9	388	137	(0.9)	- <sup>4</sup>	3.2	17.8	21.0	20.1
Victoria	533.3	9	522	10	14.5	28.44	0.6	11.2	11.8	26.3
Paddington	400.0	7	243	-	10.4	43.88 <sup>5</sup>	-	6.9	6.9	17.3
Baker Street/Marylebone <sup>6</sup>	201.1	3	358	273	2.4	45.23	18.8	0.2	19.0	21.4
Mayfair	108.3	2	43	-	2.2	51.12 <sup>7</sup>	-	2.2	2.2	4.4
	<b>3,693.4</b>	<b>62</b>	<b>3,170</b>	<b>615</b>	<b>89.3</b>	<b>36.08</b>	<b>37.7</b>	<b>60.5</b>	<b>98.2</b>	<b>187.5</b>
<b>West End Borders &amp; Other</b>										
Islington/Camden	392.0	7	376	10	20.5	56.42	0.4	0.2	0.6	21.1
Brixton	30.0	1	53	17	0.6	16.04	0.4	0.3	0.7	1.3
	<b>422.0</b>	<b>8</b>	<b>429</b>	<b>27</b>	<b>21.1</b>	<b>52.72</b>	<b>0.8</b>	<b>0.5</b>	<b>1.3</b>	<b>22.4</b>
<b>West End</b>	<b>4,115.4</b>	<b>70</b>	<b>3,599</b>	<b>642</b>	<b>110.4</b>	<b>38.37</b>	<b>38.5</b>	<b>61.0</b>	<b>99.5</b>	<b>209.9</b>
<b>City Borders</b>										
Old Street	741.6	13	606	107	26.9	53.99	6.9	4.2	11.1	38.0
Clerkenwell	480.5	8	493	1	19.3	41.59	0.1	4.3	4.4	23.7
Shoreditch/Whitechapel	443.0	7	543	163	15.9	41.67	5.1	3.4	8.5	24.4
Southbank	59.5	1	60	-	2.3	38.62	-	0.3	0.3	2.6
<b>City Borders</b>	<b>1,724.6</b>	<b>29</b>	<b>1,702</b>	<b>271</b>	<b>64.4</b>	<b>45.81</b>	<b>12.1</b>	<b>12.2</b>	<b>24.3</b>	<b>88.7</b>
<b>Central London</b>	<b>5,840.0</b>	<b>99</b>	<b>5,301</b>	<b>913</b>	<b>174.8</b>	<b>40.81</b>	<b>50.6</b>	<b>73.2</b>	<b>123.8</b>	<b>298.6</b>
Provincial	83.4	1	328	12	4.6	14.55	0.2	(0.1)	0.1	4.7
<b>Investment portfolio</b>	<b>5,923.4</b>	<b>100</b>	<b>5,629</b>	<b>925</b>	<b>179.4</b>	<b>39.04</b>	<b>50.8</b>	<b>73.1</b>	<b>123.9</b>	<b>303.3</b>

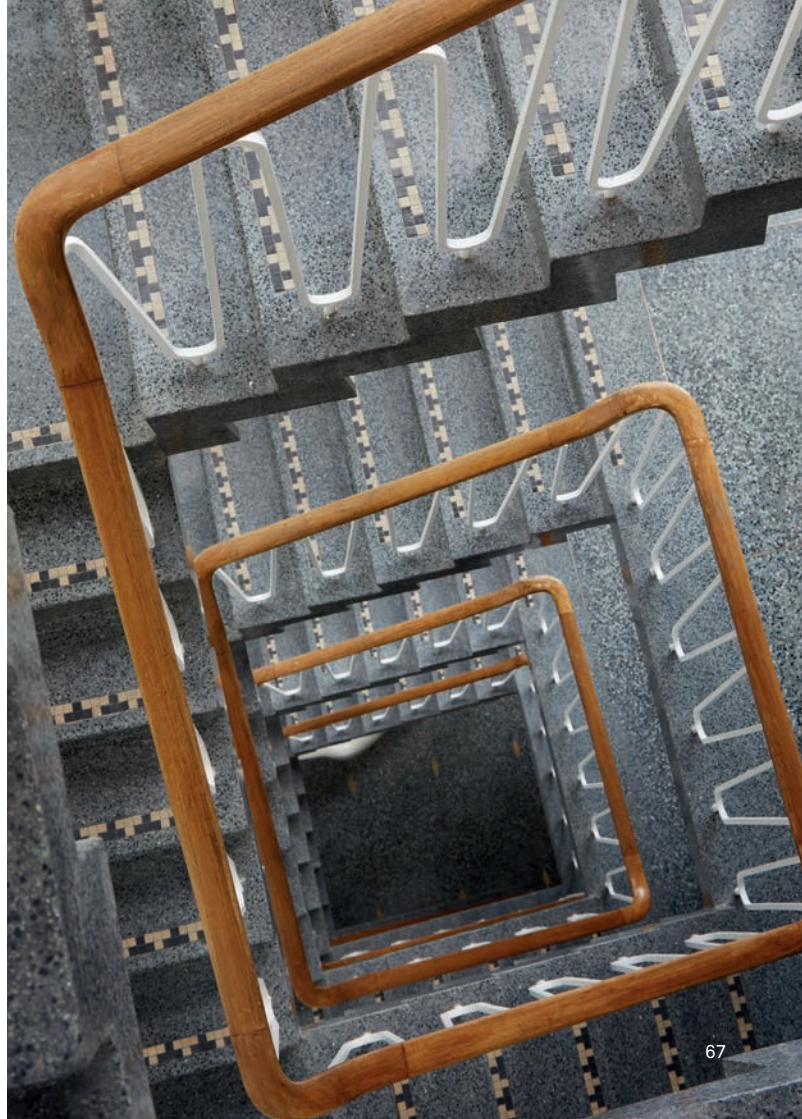
<sup>1</sup> Includes 0.47m sq ft of on-site developments   <sup>2</sup> Contractual uplifts, rent review/lease renewal reversion and pre-lets   <sup>3</sup> Includes North of Oxford Street   <sup>4</sup> Contracted rent of £70.74 psf after incentives   <sup>5</sup> Contracted rent of £73.07 psf after incentives   <sup>6</sup> Includes 50% share of 50 Baker Street W1 JV   <sup>7</sup> Contracted rent of £105.11 psf after excluding owner-occupied space

# PORTFOLIO INCOME PROFILE

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## Appendices

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## APPENDIX 20 – BUILD-UP OF PORTFOLIO ERV

	£m	Rent uplift pa £m	Rent pa £m
<b>Contracted rental income, net of ground rents</b>			<b>179.4</b>
<b>Contractual rental uplifts</b>			
Soho Place W1	17.8		
80 Charlotte Street W1	12.1		
Brunel Building W2	7.0		
Horseferry House SW1	5.2		
1-2 Stephen Street W1	3.0		
Tea Building E1	2.8		
Other	20.2	68.1	
<b>Vacant space<sup>1</sup></b>			
Available to occupy	17.3		
Under refurbishment	3.2	20.5	
<b>Lease reversions</b>			
Anticipated rent reviews and lease renewals	7.0		
Future contracted rent above ERV	(4.9)	2.1	90.7
			270.1
<b>On-site developments (non-EPRA)<sup>2</sup></b>			
Pre-let element	2.9		
Available	30.3		33.2
<b>Estimated rental value</b>			<b>303.3</b>

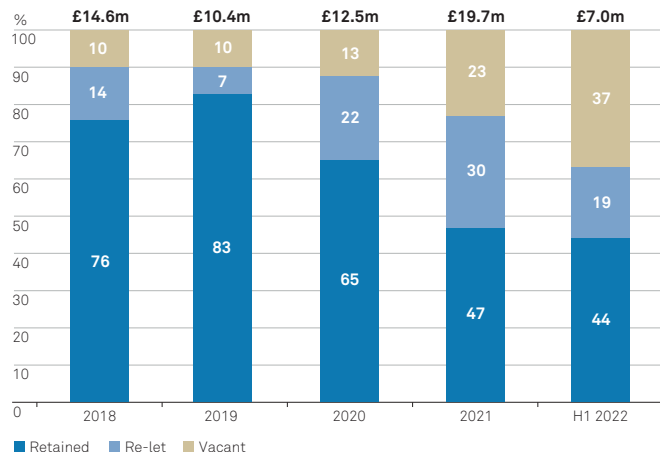
<sup>1</sup> Detailed in Appendix 21    <sup>2</sup> Capex to complete £349m excluding capitalised interest – see Appendix 44

## APPENDIX 21 – AVAILABLE SPACE AND PROJECTS

	Vacant area '000 sq ft	Pre-let/ sold area '000 sq ft	Total area '000 sq ft	Gross vacant ERV £m pa	Ground rent £m pa	Net vacant ERV £m pa	Pre-let net rent ERV £m pa	Total net ERV £m pa	Comment
<b>Available to occupy</b>									
The Featherstone Building EC1	100	-	100	6.7	-	6.7	-	6.7	
The White Chapel Building E1	140	-	140	3.8	-	3.8	-	3.8	
1 Soho Place W1	34	-	34	3.2	-	3.2	-	3.2	
Holden House W1	6	-	6	0.6	-	0.6	-	0.6	
Other	84	-	84	3.0	-	3.0	-	3.0	
	<b>364</b>	<b>-</b>	<b>364</b>	<b>17.3</b>	<b>-</b>	<b>17.3</b>	<b>-</b>	<b>17.3</b>	
<b>Refurbishments</b>									
Tea Building E1	23	-	23	1.3	-	1.3	-	1.3	
43 Whitfield Street W1	11	-	11	0.8	-	0.8	-	0.8	Let in Q3 at £0.9m pa
45-51 Whitfield Street W1	13	-	13	0.7	-	0.7	-	0.7	
Bush House WC2	104	-	104	-	-	-	-	-	Sold in Q3 2022
Other	6	-	6	0.4	-	0.4	-	0.4	
	<b>157</b>	<b>-</b>	<b>157</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>	
<b>On-site developments</b>									
25 Baker Street W1	267	31	298	18.9	0.5	18.4	-	18.4	
Network W1	137	-	137	11.9	-	11.9	-	11.9	
Francis House SW1	-	38	38	-	-	-	2.9	2.9	Pre-let to Edelman
	<b>404</b>	<b>69</b>	<b>473</b>	<b>30.8</b>	<b>0.5</b>	<b>30.3</b>	<b>2.9</b>	<b>33.2</b>	
<b>Total</b>	<b>925</b>	<b>69</b>	<b>994</b>	<b>51.3</b>	<b>0.5</b>	<b>50.8</b>	<b>2.9</b>	<b>53.7</b>	

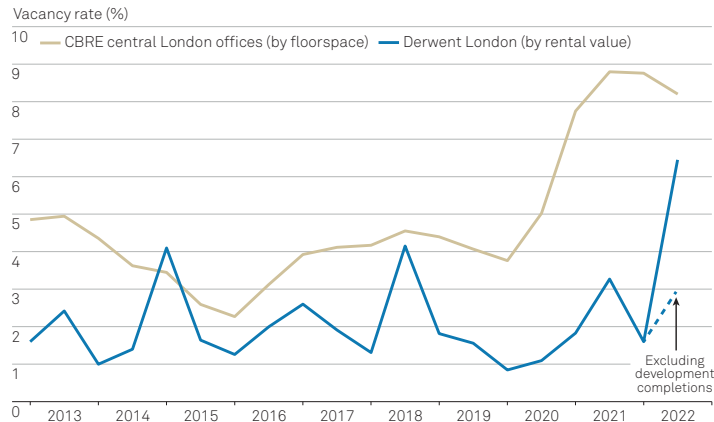
# APPENDIX 22 – LEASE EXPIRY ANALYSIS AND VACANCY RATE

## LEASE EXPIRY AND BREAK ANALYSIS<sup>1</sup>



- £9.0m of income subject to breaks/expiries in H1 2022
  - £0.5m from assets disposed
  - £1.5m taken back for projects
  - 63% of remainder retained or re-let

## EPRA VACANCY RATES



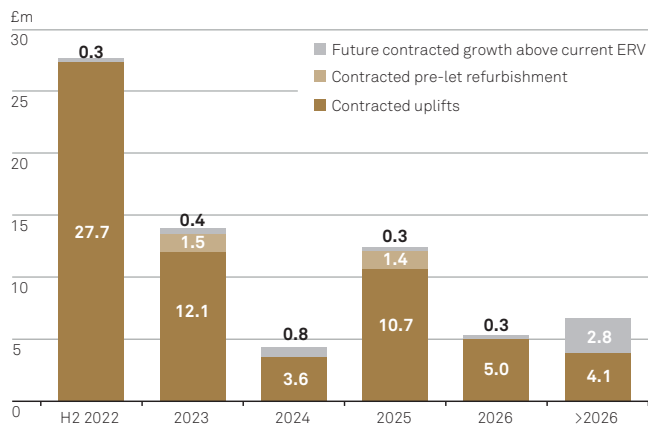
- EPRA vacancy rate<sup>2</sup> of 6.5%
  - Up from 1.6% at start of the year
  - Excluding completions of Soho Place W1 and The Featherstone Building EC1, vacancy would be 2.8%
- CBRE central London vacancy rate of 8.2%
  - Down from 8.8% at Dec 2021
  - 4.3% in the West End and 12.3% in the City

<sup>1</sup> As at end of reporting period    <sup>2</sup> Calculated as space immediately available to occupy

## APPENDIX 23 – TIMING OF THE REVERSION

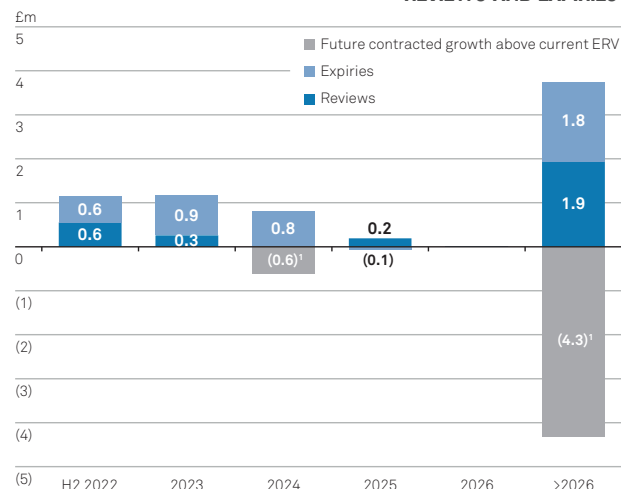
- £71.0m of the reversion contracted
  - £68.1m of contracted uplifts
  - £2.9m from pre-let refurbishments

### CONTRACTED UPLIFTS AND PRE-LETS



- £2.1m of the reversion from reviews and expiries

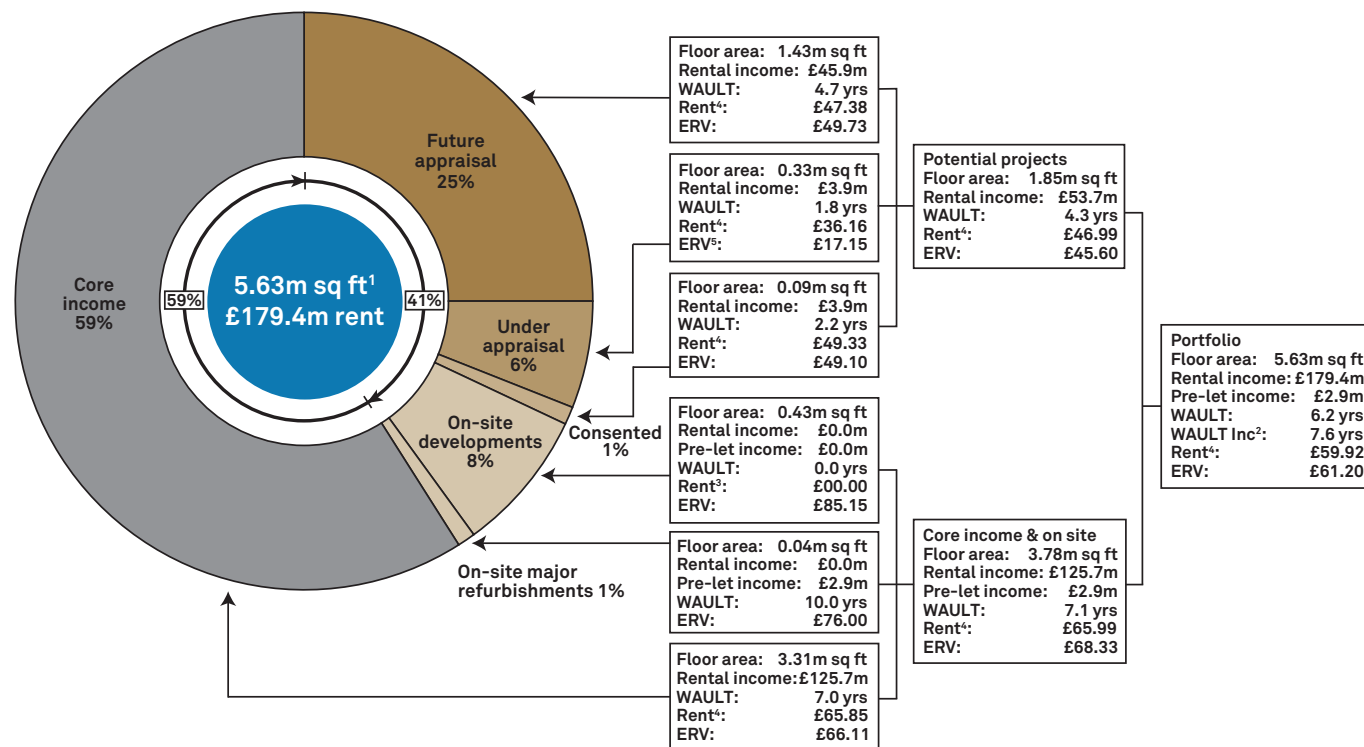
### REVIEWS AND EXPIRIES



<b>Rent psf</b>	£59	£50	£50	£51	£53	£67
<b>ERV psf</b>	£64	£55	£51	£52	£57	£62
<b>Uplift</b>	8%	10%	2%	2%	8%	(7)%

<sup>1</sup> Predominantly due to contracted uplifts reverting to Jun 2022 ERV at lease expiry

# APPENDIX 24 – PORTFOLIO SUMMARY



¹ Comprises 5.16m sq ft of existing buildings plus 0.47m sq ft of on-site developments and on-site refurbishments

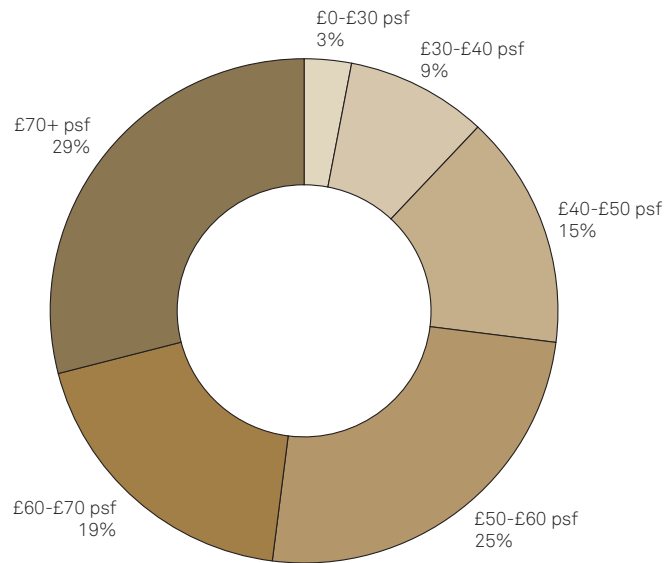
² After adjusting for 'topped-up' rents and pre-lets – Appendix 28    ³ 'Topped-up' office rent including development pre-lets    ⁴ 'Topped-up' office rent

⁵ Includes Bush House WC2, disposed Q3 2022

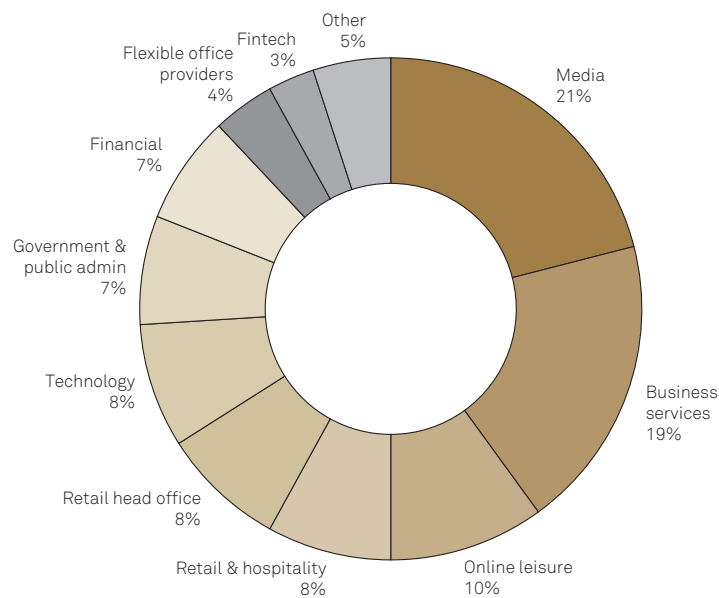


# APPENDIX 25 – RENT AND TENANT BANDING

CENTRAL LONDON ‘TOPPED-UP’  
OFFICE RENT BANDING<sup>1</sup>



PROFILE OF TENANTS’  
BUSINESS SECTOR<sup>2</sup>



<sup>1</sup> Based on floor area    <sup>2</sup> Based on annualised rental income

# APPENDIX 26 – MAJOR TENANTS



BURBERRY



BCG



ARUP

APOLLO

THE  
OFFICE  
GROUP



FREMANTLE MEDIA  
ENTERPRISES

'Topped-up' income %

	Existing	Pre-let
01 Expedia	6.2	-
02 Burberry	5.8	-
03 Government <sup>1</sup>	5.7	-
04 Boston Consulting Group	5.5	-
05 G-Research	4.3	-
06 Arup	3.8	-
07 Apollo	3.2	-
08 The Office Group	2.2	-
09 Sony Pictures	1.9	-
10 FremantleMedia Group	1.8	-
11 VCCP	1.6	-
12 Adobe	1.5	-
13 Publicis Groupe	1.5	-
14 Splunk	1.5	-
15 Soho House	1.4	-
16 Accenture	1.4	-
17 Telecity Group/Digital London	1.3	-
18 Morningstar	1.2	-
19 Ticketmaster	1.2	-
20 Edelman	-	1.1
<b>Total</b>	<b>54.1</b>	



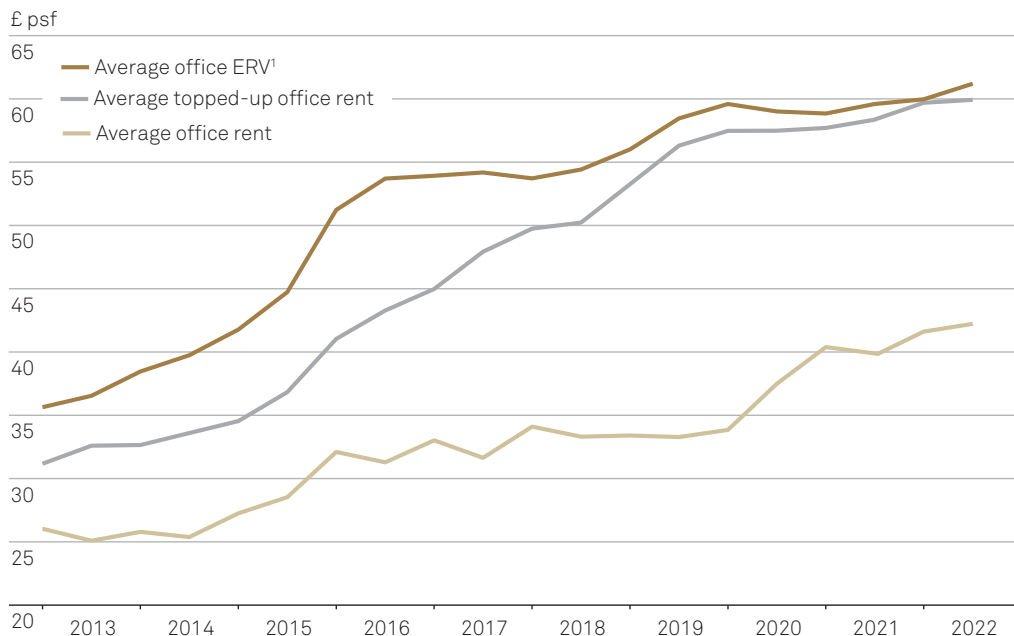
SOHO HOUSE



<sup>1</sup> Government and public admin

# APPENDIX 27 – RENT PROFILE AND PORTFOLIO BREAKDOWN

## DERWENT LONDON CENTRAL LONDON OFFICE RENT PROFILE



## PORTFOLIO BREAKDOWN

Valuation	Number of properties	Weighting %
> £200m	7	47
£100m – £200m	13	31
£50m – £100m	12	13
< £50m	43	9
	<b>75</b>	<b>100</b>

<sup>1</sup> Includes ERV of on-site schemes

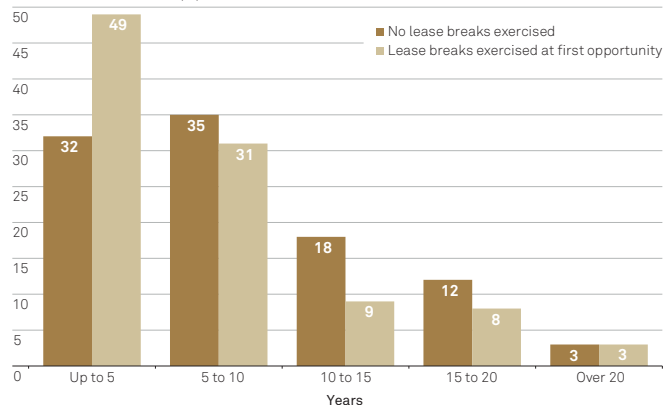
# APPENDIX 28 – LEASE EXPIRY PROFILE AND LEASE LENGTH

## EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME<sup>1</sup>

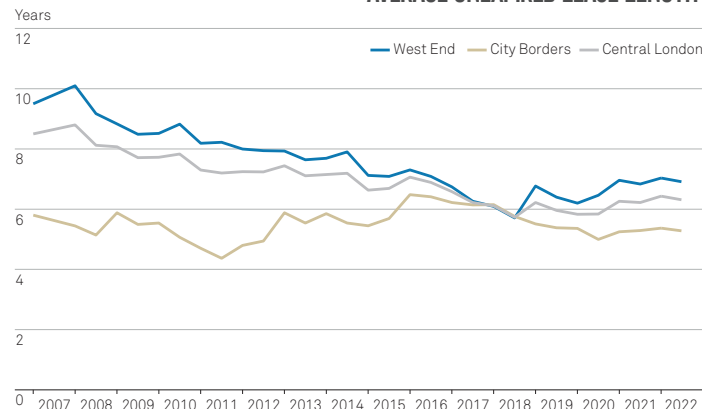
	West End	City Borders	Provincial	H2 2022	2023	2024	2025	2026	Total
Expiries	1	-	-	1	3	4	10	3	21
Rolling breaks	1	1	-	2	1	1	-	-	4
Single breaks	-	-	-	-	11	10	2	1	24
<b>Total</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>15</b>	<b>15</b>	<b>12</b>	<b>4</b>	<b>49</b>

## PROFILE OF RENTAL INCOME EXPIRY<sup>1</sup>

Annualised rental income (%)



## AVERAGE UNEXPIRED LEASE LENGTH<sup>2</sup>



- Average lease length 6.2 years (Dec 2021: 6.3 years)
- 7.6 years after adjusting for 'topped-up' rents and pre-lets (Dec 2021: 7.8 years)

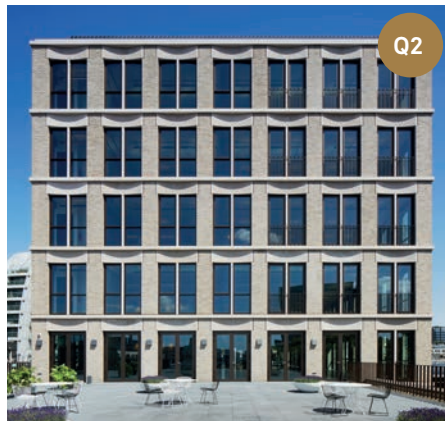
<sup>1</sup> Based upon annualised rental income of £179.4m <sup>2</sup> Lease length weighted by rental income and assuming tenants break at first opportunity

# APPENDIX 29 – KEY LETTINGS



## 90 Whitfield Street W1

- Michael Kors
- 18,850 sq ft
- £1.4m pa at £72.50 psf
- 10-year lease, no breaks



## The Featherstone Building EC1

- Marshmallow
- 16,220 sq ft on 1st floor
- £1.2m pa at £71.50 psf
- 10-year lease, break at year 6



## The Featherstone Building EC1

- Dept Agency
- 11,450 sq ft on 9th and 10th floors
- £1.0m pa averaging £85.25 psf
- £90 psf on 10th/£83 psf on 9th
- 10-year lease, break at year 5



# SUSTAINABILITY

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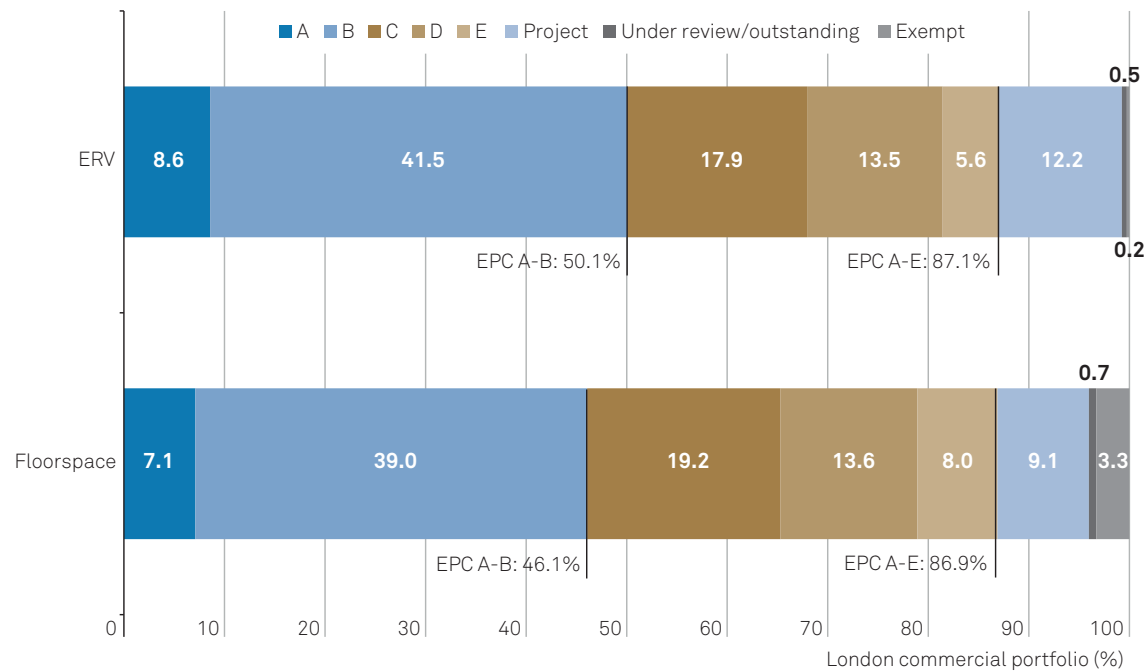
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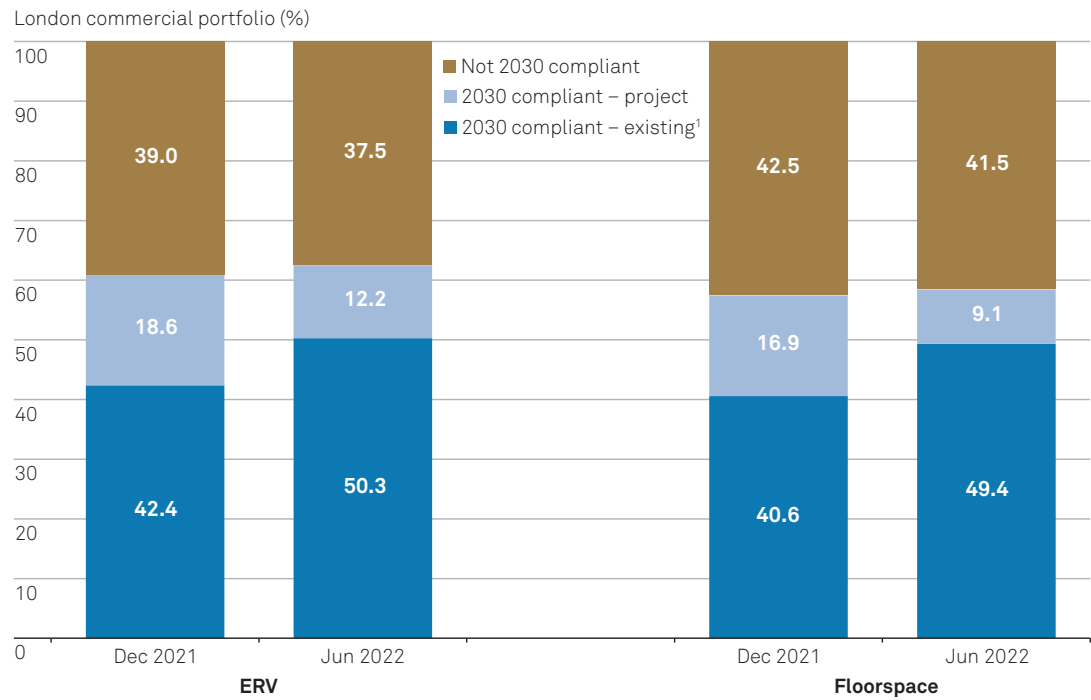




# APPENDIX 30 – PORTFOLIO EPC PROFILE

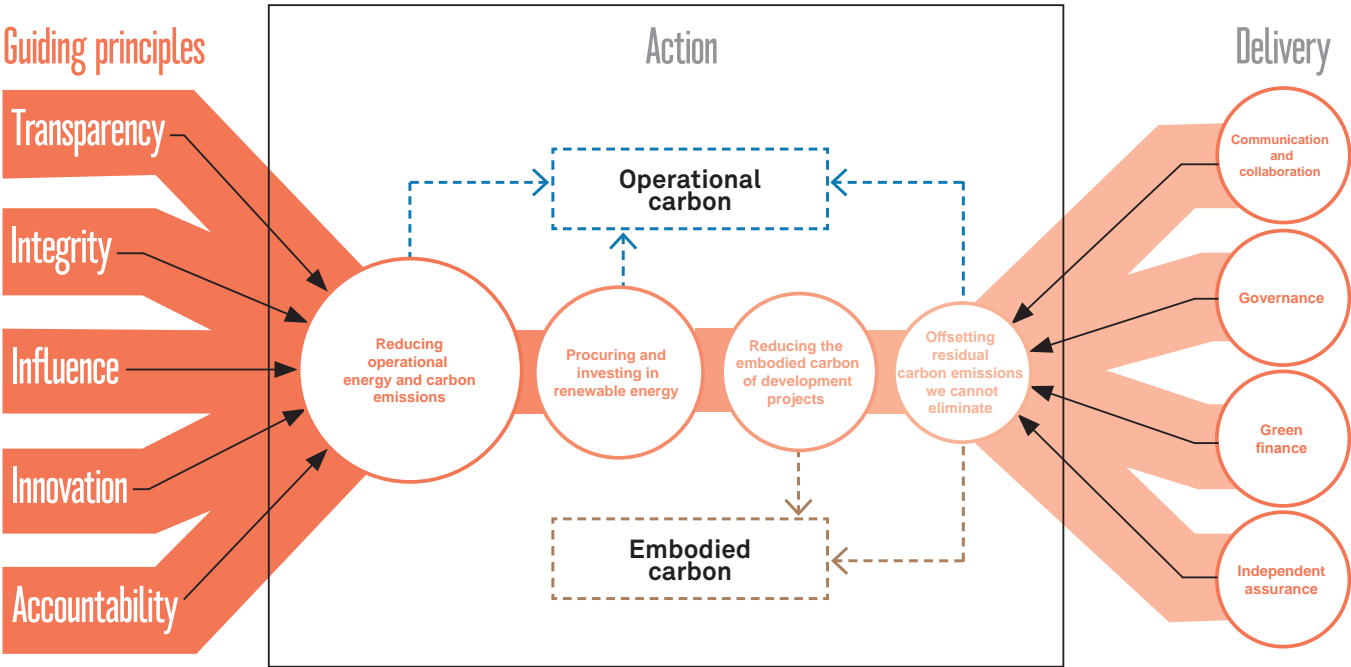


# APPENDIX 31 – EPC RATING – 2030 COMPLIANCE



<sup>1</sup> Includes 'A' or 'B' rated and exempt properties

# APPENDIX 32 – DERWENT LONDON’S NET ZERO CARBON 2030 PATHWAY



# APPENDIX 33 – OFFSETTING RESIDUAL CARBON

Offsetting  
residual  
carbon emissions  
we cannot  
eliminate

Year	Scheme	Embodied carbon footprint tCO <sub>2</sub> e	Embodied carbon intensity kgCO <sub>2</sub> e/sqm
2020	80 Charlotte Street W1	19,790	506
2021	19-23 Fitzroy Street W1	18	358
	3-5 Rathbone Place W1	161	185
	6-8 Greencoat Place SW1	763	190
	DL/78 W1	93	122
2022	1 Soho Place W1	16,401	550
	2 & 4 Soho Place W1	5,946	880
	The Featherstone Building EC1	8,620 <sup>1</sup>	540 <sup>1</sup>

- Offset using Community Reforestation Project in East Africa
- VCS and CCB verified
- Purchased through Climate Impact Partners

<sup>1</sup> Estimated figure

Climate Impact Partners – Community Reforestation, East Africa



# LONDON OFFICE MARKET

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## Appendices

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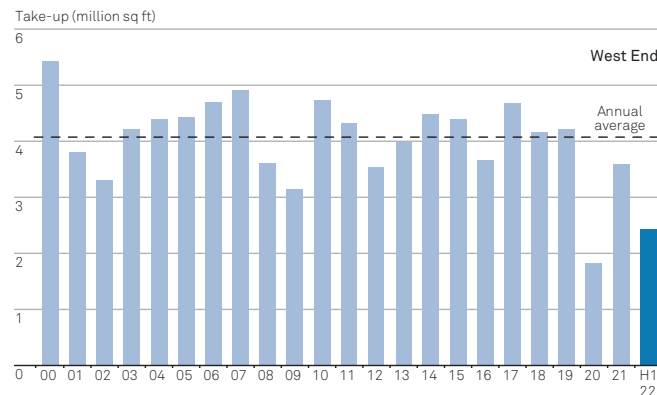
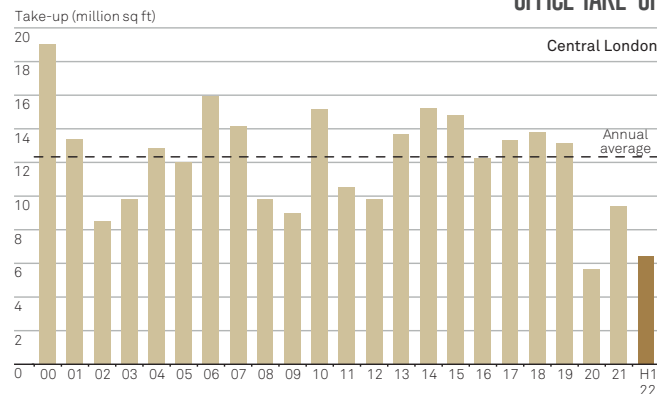


# APPENDIX 34 – CENTRAL LONDON OFFICE DEMAND

## Market statistics

- 6.4m sq ft of central London take-up in H1 2022
  - 109% above H1 2021
  - 4% above Long Term Average (LTA)
  - Activity by sector: 24% banking & finance, 19% creative industries, 19% professional, 13% business services, 8% manufacturing, industrial & energy, 7% consumer services & leisure, 5% public sector and 5% insurance
- 4.3m sq ft under offer at the half year
  - Up from 3.1m sq ft a year earlier
  - 26% above 10-year average
- West End
  - Take-up of 2.4m sq ft in H1, 110% above H1 2021 and 19% above LTA
  - Under offers at 1.7m sq ft, 49% above 10-year average

## OFFICE TAKE-UP



Source: CBRE



# APPENDIX 35 – CENTRAL LONDON OFFICE SUPPLY

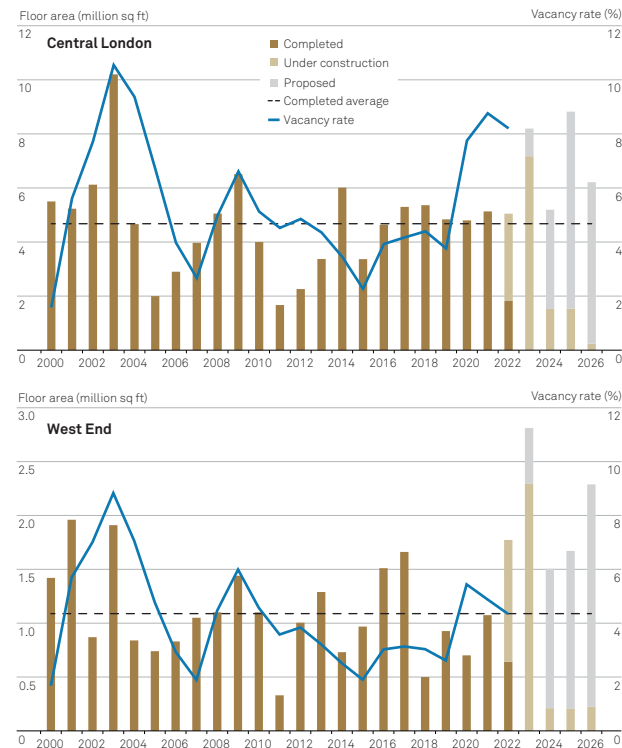
## Existing supply

- Central London vacancy rate of 8.2% at H1 2022
  - 8.8% at both the start of the year and H1 2021
  - LTA of 5.2%
  - 68% of available space secondhand (77% high in Q1 2021)
  - 27% of space tenant controlled (33% in Q1 2021)
- West End vacancy rate of 4.3%
  - 4.9% at Q4 2021 and peak of 5.8% in Q1 2021
  - In-line with 4.2% LTA
- City vacancy rate of 12.3%
  - 12.6% at Q4 2021 and unchanged on Q2 2021
  - Substantially higher than 6.6% LTA

## Future supply

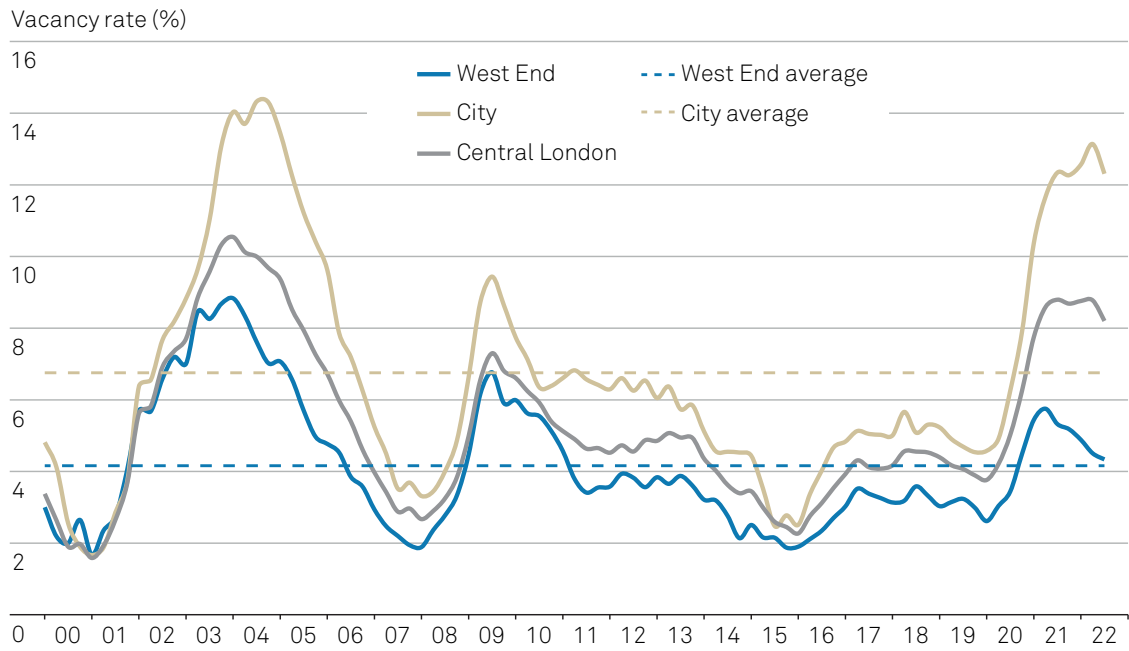
- Development completions of 5.0m sq ft in 2022, just above LTA
- 13.7m sq ft on site (35% pre-let or under offer)

## OFFICE DEVELOPMENT PIPELINE



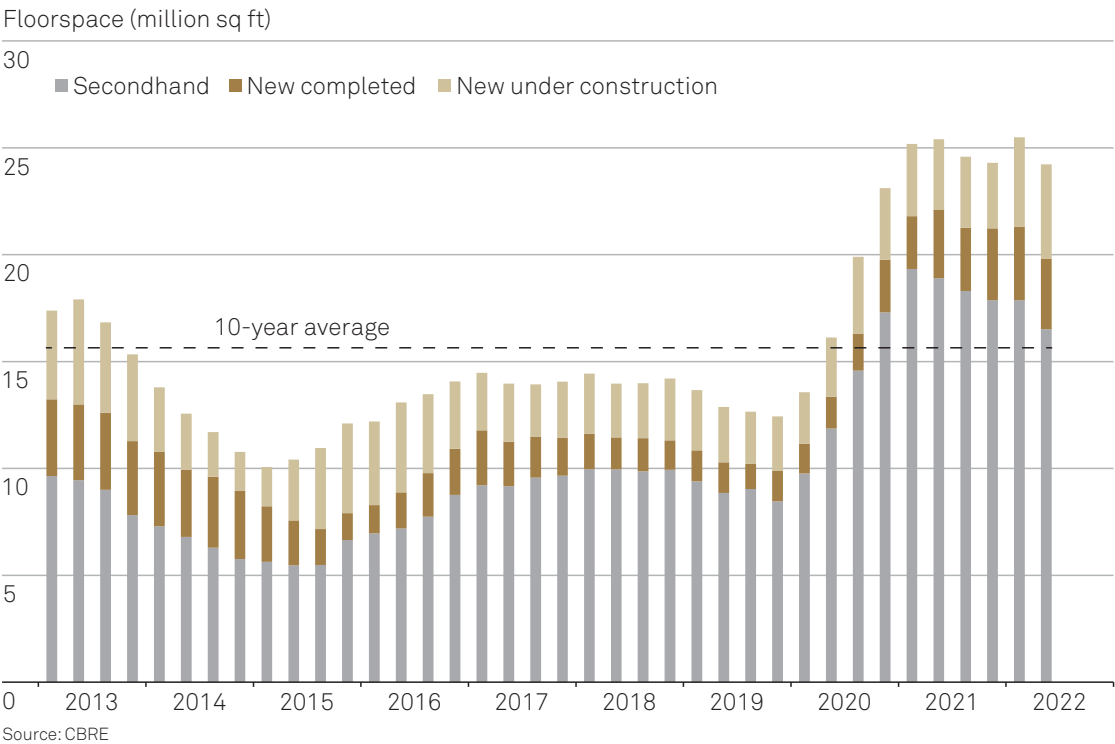
Source: CBRE

# APPENDIX 36 – CENTRAL LONDON OFFICE VACANCY RATES

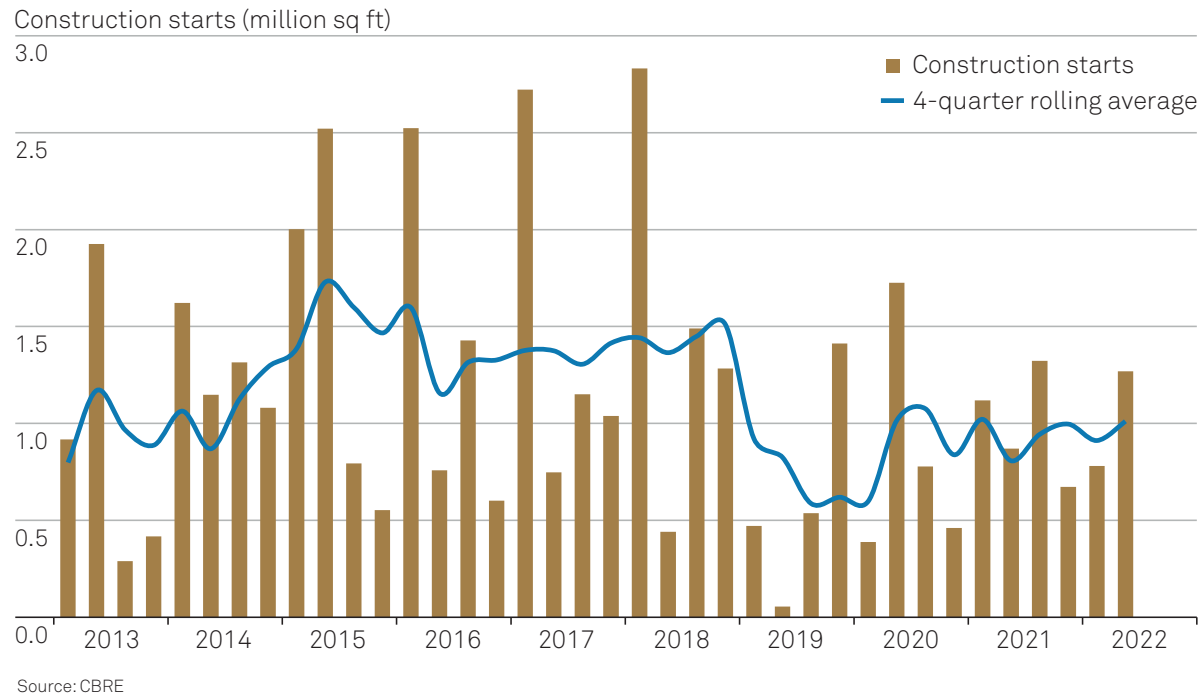


Source: CBRE

# APPENDIX 37 – AVAILABLE SPACE



# APPENDIX 38 – CENTRAL LONDON OFFICE CONSTRUCTION STARTS

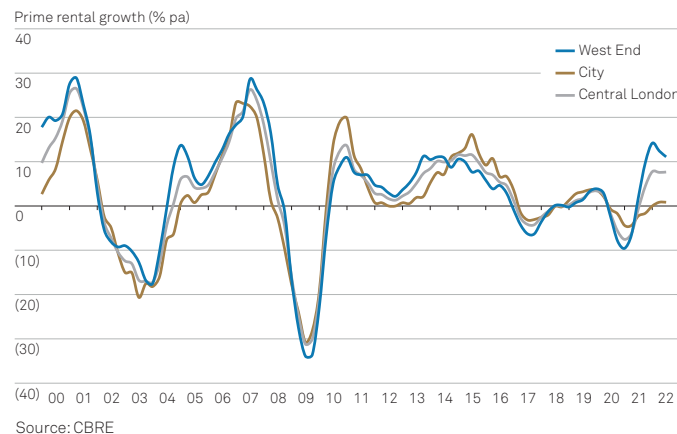


# APPENDIX 39 – CENTRAL LONDON OFFICE RENTAL GROWTH

- CBRE reported prime office rental growth of +7.7% pa at H1 2022
  - West End: +11.1% pa (+14.2% pa in Q4 2021)
  - City: +0.8% pa (0.0% pa in Q4 2021)
- In H1, prime rents increased in all 13 of CBRE's villages and now stand at:

	£ psf	% pa
Mayfair/St James'	130.00	+13.0
Soho	95.00	+11.8
Fitzrovia	92.50	+12.1
Midtown and King's Cross	90.00	+9.1
Paddington	80.00	+10.3
Victoria	82.50	+13.8
City core	71.00	+1.4
Southbank	72.50	+11.5
Docklands	50.00	+1.0

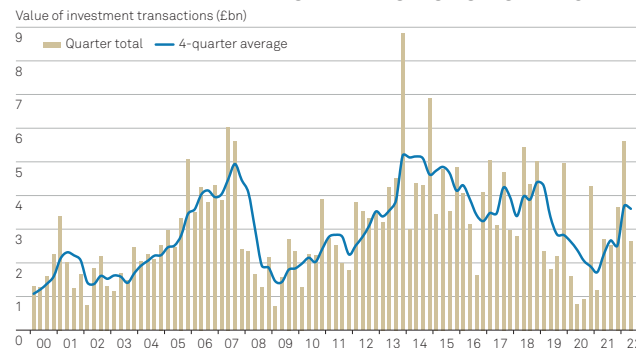
## CENTRAL LONDON OFFICE PRIME RENTAL GROWTH



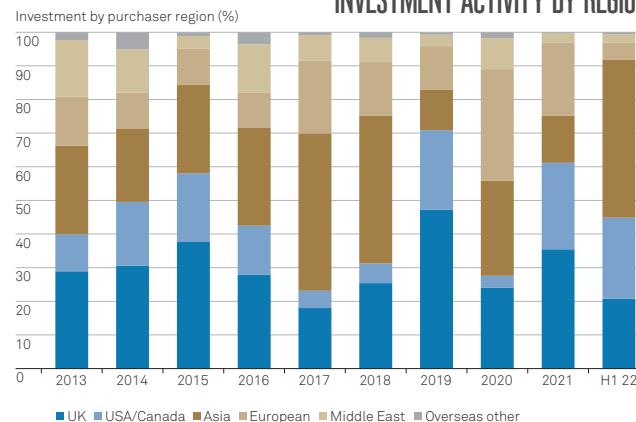
# APPENDIX 40 – CENTRAL LONDON OFFICE INVESTMENT MARKET

- CBRE reported £8.3bn of investment transactions in H1 2022
  - 113% above H1 2021
  - 37% above LTA
  - 68% by value in Q1
  - 79% of activity from overseas investors, includes 47% Asia and 24% US/Canada
  - A further £3.8bn under offer
- £37bn of investor demand
  - £5.2bn of available supply
- CBRE prime office yields unchanged in H1
  - 3.25% in the West End
  - 3.75% in the City

## CENTRAL LONDON OFFICE INVESTMENT



## INVESTMENT ACTIVITY BY REGION

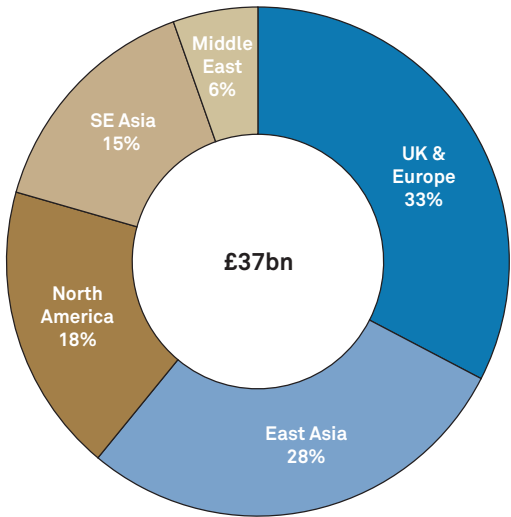


Source: CBRE



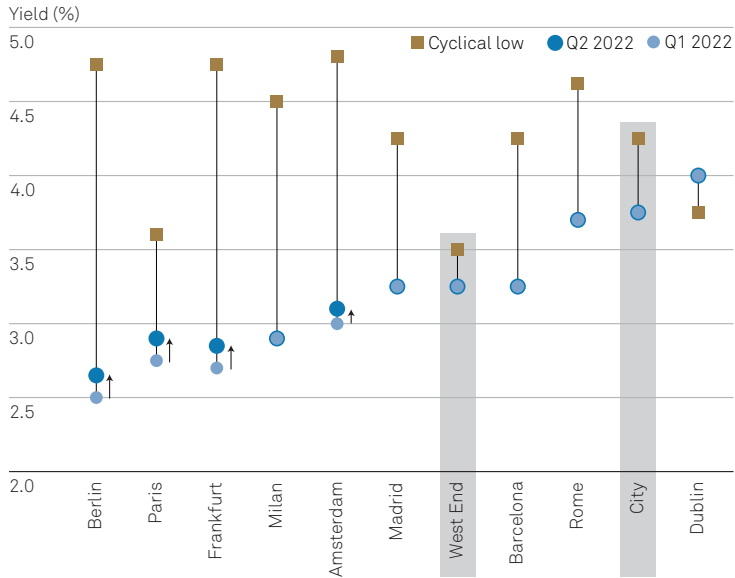
# APPENDIX 41 – INVESTMENT MARKET THEMES – LONDON IS IN DEMAND

## INVESTMENT DEMAND



Source: CBRE

## EUROPEAN PRIME OFFICE YIELDS



Source: CBRE

# DEVELOPMENTS

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## Appendices

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## APPENDIX 42 – H1 2022 COMPLETION: SOHO PLACE W1

- 285,000 sq ft mixed-use scheme
- 88% let or sold (100% for offices)
- 34,000 sq ft retail available with ERV of £3.2m
- Embodied carbon 550kgCO<sub>2</sub>e/sqm (offset)

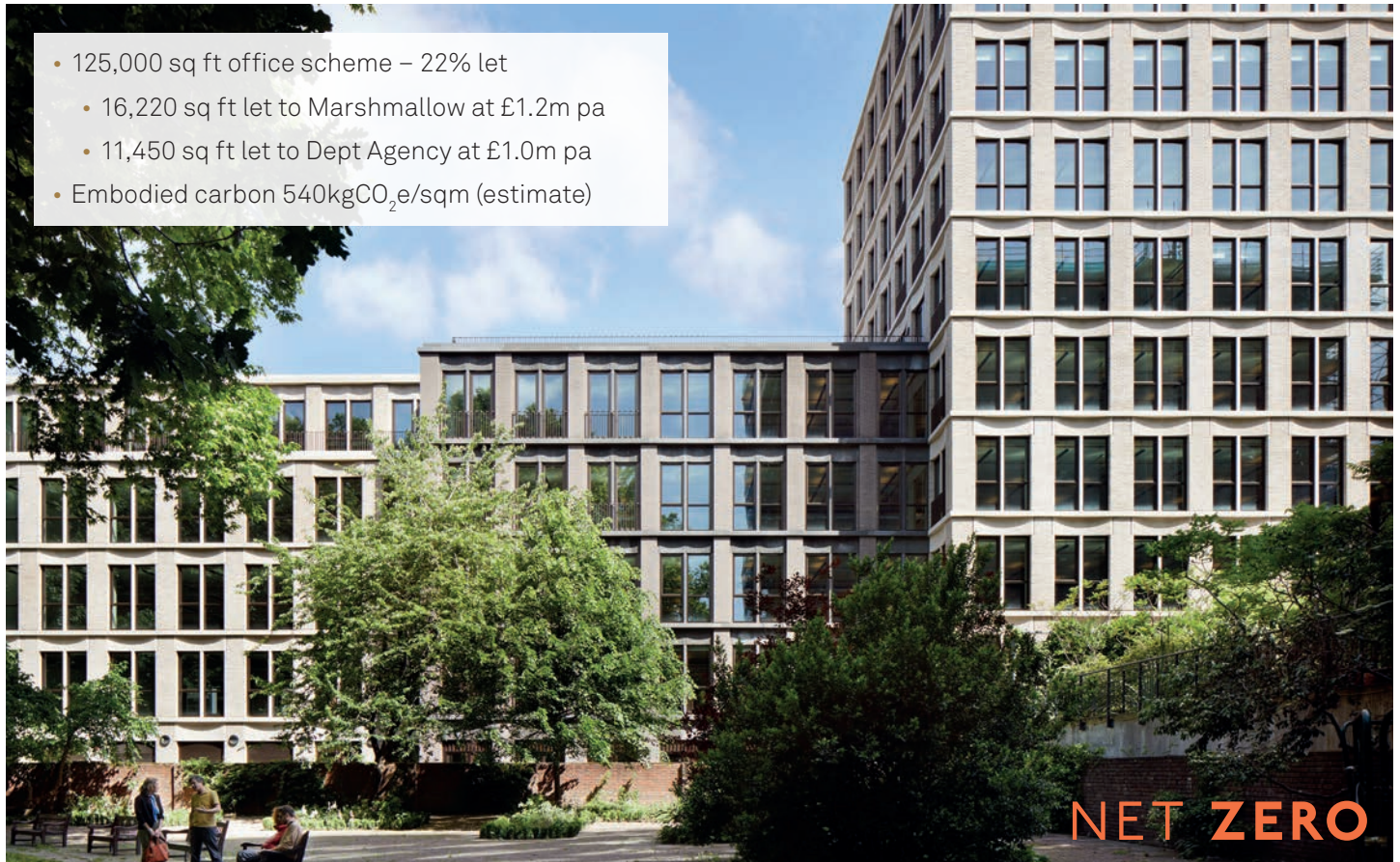


NET ZERO



## APPENDIX 43 – H1 2022 COMPLETION: THE FEATHERSTONE BUILDING EC1

- 125,000 sq ft office scheme – 22% let
  - 16,220 sq ft let to Marshmallow at £1.2m pa
  - 11,450 sq ft let to Dept Agency at £1.0m pa
- Embodied carbon 540kgCO<sub>2</sub>e/sqm (estimate)



## APPENDIX 44 – PROJECT SUMMARY: CURRENT PROJECTS

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	H2 2022 capex £m	2023 capex £m	2024+ capex £m	Total capex to complete £m	Delivery date	Current office c.ERV psf
<b>Completed projects</b>									
Soho Place W1	-	107	285	5	-	-	5		
The Featherstone Building EC1	-	69	125	2	3	-	5		
	-	<b>176</b>	<b>410</b>	<b>7</b>	<b>3</b>	<b>-</b>	<b>10</b>		
<b>On-site projects</b>									
Francis House SW1	-	40	38	2	1	-	3	H2 2022	£76.00
25 Baker Street W1 <sup>1</sup>	-	143	298	22	105	114	241	H1 2025	£90.00
Network W1	-	70	137	8	24	73	105	H2 2025	£87.50
	-	<b>253</b>	<b>473</b>	<b>32</b>	<b>130</b>	<b>187</b>	<b>349</b>		
	-	<b>429</b>	<b>883</b>	<b>39</b>	<b>133</b>	<b>187</b>	<b>359</b>		
Strathkelvin Retail Park	-	-	-	1	13	-	14		
Planning and design <sup>2</sup>	-	-	-	8	7	-	15		
Other <sup>3</sup>	-	-	-	20	24	26	70		
	-	-	-	<b>68</b>	<b>177</b>	<b>213</b>	<b>458</b>		
Capitalised interest	-	-	-	2	6	12	20		
<b>Total</b>	-	<b>429</b>	<b>883</b>	<b>70</b>	<b>183</b>	<b>225</b>	<b>478</b>		

<sup>1</sup> Includes profit share payments and expenditure on trading property/stock    <sup>2</sup> Includes 50% share of 50 Baker Street W1 JV scheme    <sup>3</sup> Includes EPC upgrades

## APPENDIX 45 – PROJECT SUMMARY: FUTURE PROJECTS

Property	Current net income £m pa	Pre-scheme area '000 sq ft	Proposed area '000 sq ft	Earliest possession year	Comment
<b>Consented</b>					
Holden House W1	3.9	90	150	2025	
	<b>3.9</b>	<b>90</b>	<b>150</b>		
<b>Under appraisal<sup>1</sup></b>					
50 Baker Street W1 JV	2.4	61	120	2024	Joint venture, shown at 50% share
Blue Star House SW9	0.6	54	110	2025	Redevelopment
Other	0.9	215	215		Includes Bush House WC2, sold Q3 2022
	<b>3.9</b>	<b>330</b>	<b>445</b>		
<b>Consented and under appraisal</b>	<b>7.8</b>	<b>420</b>	<b>595</b>		
Current projects	-	253	473		Appendix 44
<b>Pipeline</b>	<b>7.8</b>	<b>673</b>	<b>1,068</b>		

<sup>1</sup> Areas proposed are estimated from initial studies

# APPENDIX 46 – DEVELOPMENTS ON SITE: PROFIT ON COST

## 25 BAKER ST. W1 NETWORK



Completion		H1 2025	H2 2025
Commercial area (sq ft)	383,000	246,000 <sup>3</sup>	137,000
Residential area (sq ft)	52,000	52,000 <sup>3</sup>	-
<b>Total area (sq ft)</b>	<b>435,000</b>	<b>298,000</b>	<b>137,000</b>
Est. future capex (£m)	346	241	105
Total cost (£m) <sup>1</sup>	697	463	234
ERV (c.£ psf)	-	90.00	87.50
ERV (£m pa)	30.3	18.4 <sup>5</sup>	11.9
Pre-let/sold area (sq ft)	31,000	31,000 <sup>6</sup>	-
Pre-let income (£m pa)	-	-	-

Summary	£m
End value	788
Less: Total cost <sup>1</sup>	697
<b>Project surplus</b>	<b>91</b>
Less: Booked to Jun 22	0
Surplus to come	91
<b>Profit on total cost</b>	<b>13%</b>
<b>Yield on cost<sup>2</sup></b>	<b>5.5%</b>

Sensitivity<sup>4</sup> – project surplus (£m)  
and profit on cost (%)

		Valuation yield		
		+0.25%	Base	-0.25%
Rent	-£5.00 psf	£21m 3%	£53m 8%	£89m 13%
	Base	£57m 8%	<b>£91m</b> <b>13%</b>	£129m 19%
	+£5.00 psf	£93m 13%	£129m 18%	£165m 24%

<sup>1</sup> Comprising book value at commencement, capex, fees and notional interest on land, voids and other costs. 25 Baker Street includes a 3.1% profit share payaway to freeholder The Portman Estate <sup>2</sup> Assumes the residential value reduces the total costs <sup>3</sup> 218,000 sq ft offices, 28,000 sq ft retail, 45,000 sq ft private residential and 7,000 sq ft affordable residential <sup>4</sup> Sensitivity applied to non pre-sold commercial floor areas <sup>5</sup> Long leasehold, net of 2.5% ground rent <sup>6</sup> 19,000 sq ft courtyard retail and 12,000 sq ft Gloucester Place offices



# APPENDIX 47 – PORTFOLIO MAP



# EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT

---

## Executive Committee

Paul Williams	Chief Executive
Damian Wisniewski	Chief Financial Officer
Nigel George	Executive Director
Emily Prideaux	Executive Director
David Lawler	Company Secretary
Richard Baldwin	Director of Development
Jennifer Whybrow	Head of Financial Planning & Analysis
Jay Joshi	Treasurer
Vasiliki Arvaniti	Head of Asset Management
Victoria Steventon	Head of Property Management
John Davies	Head of Sustainability
Philippa Davies	Head of Leasing

## Senior Management

Lesley Bufton	Head of Property Marketing
Matt Cook	Head of Digital Innovation & Technology
Robert Duncan	Head of Investor Relations & Strategic Planning
Tim Hyman	Group Architect
Clive Johnson	Head of Health & Safety
Katy Levine	Head of Human Resources
Umar Loane	Head of Property Accounts
Heethen Patel	Financial Controller
Giles Sheehan	Head of Investment
Jonathan Theobald	Head of Investment Analytics
David Westgate	Head of Tax

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