

## ABOUT US

Derwent London owns and manages a £5.4bn portfolio (30 Jun 2021) of commercial real estate located predominantly in central London. This makes us the largest London focused real estate investment trust.

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

## YTD 2021 (TO 10 AUGUST)

- Total return 2.7%
- Raised 2021 ERV guidance to +2% to -2% from 0% to -5%
- First half lettings £3.9m, 1.6% below Dec 2020 ERV with offices 0.4% above
- Total property return of 3.2% in H1, above our benchmark index of 2.3%\*
- Q3 lettings of £3.8m, 2.2% above ERV, taking YTD to £7.7m
- EPRA vacancy rate rose from 1.8% to 3.3% in H1, but subsequently reduced to 2.4% following Q3 activity
- 93% of Jun 2021 quarter day rent collected with 3% due later in the quarter (Offices 95% + 2%)
- Exchanged contracts to acquire two freeholds in London's 'Knowledge Quarter' for £214.6m (below left)
- Signed memorandum of understanding to form a JV with Lazari Investments for a major development in Baker Street W1 (below right)
- Secured vacant possession of Bush House WC2, accelerating the 130,000 sq ft refurbishment opportunity
- Exchanged contracts to sell Angel Square EC1 for £86.5m before costs
- Resolution to grant consent for the redevelopment of Network Building W1
- 19-35 Baker Street W1, a 298,000 sq ft scheme, due to start demolition in H2
- Potential pipeline now c.2.5m sq ft
- Net debt fell to £999.7m at 30 Jun, from £1,049.1m at year end
- Undrawn facilities and cash of £527m, from £476m in Dec 2020.
- Interest cover 4.77 times, from 4.46 times in Dec 2020
- LTV ratio 17.3% (18.4% in Dec 2020)

## H1 2021 SUMMARY

EPRA NTA per share	3,864p: +1.4% (3,812p Dec 2020)
Net rental income	£90.1m: +6.8% (84.4m H1 2021)
EPRA EPS	54.04p: +10.5% (48.90p H1 2020)
Interim dividend per share	23.00p: +4.5% (22.00p H1 2020)
Valuation	+1.4% underlying MSCI IPD* +0.5%
True equivalent yield	4.65% (4.74% Dec 2020)

\* MSCI IPD Central London Offices Capital Growth Quarterly Index

## MANAGEMENT

Paul Williams, Chief Executive
Damian Wisniewski, Chief Financial Officer
Nigel George, Director
David Silverman, Director
Emily Prideaux, Director
Quentin Freeman, Investor Relations

## INVESTMENT ACTIVITY YTD

### TWO KNOWLEDGE QUARTER ACQUISITIONS



- Acquisition of two properties totalling 182,100 sq ft
- 250 Euston Road NW1 - 165,900 sq ft for £189.9m on a 1.6 acre site. Let to UCLH at £4.7m pa / £28 psf until 2039 with fixed uplifts of 2.5% and tenant breaks every 5 years.
- 171-174 Tottenham Court Road W1 - 16,200 sq ft for £24.7m. Multi-let at £0.6m pa and opposite our Network Building

### AGREEMENT TO FORM BAKER STREET JV WITH LAZARI



- Agreement to form 50:50 JV and expected to acquire three Baker Street properties totalling 122,200 sq ft
- Rent of £5.2m pa or £42.50 psf (100% share)
- We will pay £64.4m which includes an element of hope value for planning uplift and regearing of headleases
- Diagonally opposite our 19-35 Baker Street redevelopment with potential 240,000 sq ft scheme in 2024

## MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m <sup>1</sup>	Comment
<b>On-site projects completing H1 2022</b>			
Soho Place W1	285,000	104 <sup>2</sup>	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 87% pre-let/forward sold
The Featherstone Building EC1	125,000	23	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	<b>410,000</b>	<b>127</b>	
<b>Forthcoming projects</b>			
19-35 Baker Street W1	298,000 <sup>3</sup>	271	Consented. 218,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail
Network Building W1	137,000		Consented. Existing 70,000 sq ft
Bush House WC2	130,000 <sup>4</sup>		Existing 107,300 sq ft

<sup>1</sup> As at 30 Jun 2021 <sup>2</sup> Includes remaining site acquisition cost and profit share to Crossrail <sup>3</sup> Contracts have been signed to convert our 55% joint venture interest with the freeholder, The Portman Estate, into a wholly owned 129-year lease on the commercial element, paying an initial ground rent of 2.5% <sup>4</sup> Subject to planning

## H1 2022 COMPLETIONS

### Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- 249,200 sq ft pre-let/forward sold (£17.0m pa net income)
- Capex to complete £104m<sup>1</sup>, including site acquisition
- Total ERV of £20.1m (Office ERV £92.50 psf)

### The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Offices and workspaces with 2,000 sq ft of retail
- Replaces two tired properties totalling 69,000 sq ft
- Capex to complete £23m<sup>1</sup>
- Total ERV of £8.1m (Office ERV £72.50 psf)

## FUTURE PROJECTS

### 19-35 Baker Street W1



- 298,000 sq ft consented scheme (143,000 sq ft existing)
- Commencing in H2 2021 with completion in H1 2025

### Network Building W1



- 137,000 sq ft offices / 112,000 sq ft lab space consented
- Possible start in 2022