

ABOUT US

Derwent London owns and manages a £5.9bn office-led central London portfolio (30 Jun 2022). This makes us the largest London 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.

H1 2022

- Total return of 3.0%
- £7.1m of new lettings on 109,300 sq ft, +9.3% against Dec 2021 ERV
- Renewals and regears of £6.2m, 8.0% above ERV
- Reviews of £5.5m, 6.2% above ERV
- EPRA vacancy rate rose from 1.6% to 6.5% in H1 following completion of Soho Place W1 (88% let or sold) and The Featherstone Building EC1 (22% let)
- 25 Baker Street W1 (298,000 sq ft) demolition complete with 80% of total construction costs fixed
- Network W1 (137,000 sq ft) committed with demolition underway
- Rental values increased 0.9% in H1
- 2022 ERV guidance unchanged at 0% to +3% with upward pressure on yields; our portfolio expected to be more resilient
- £130.2m of major acquisitions including 230 Blackfriars Road SE1 (see below)
- £65.9m disposal of New River Yard EC1 in H1 followed by sale of 2 & 4 Soho Place W1 (£39.7m) and Bush House WC2 (£83.9m) in Q3, the latter at 41% over Dec 2021 valuation
- Portfolio energy intensity 61kWh/sqm in H1, 18% below three-year average
- IFRS profit before tax of £137.1m, up 13.2% from £121.1m in H1 2021
- EPRA LTV ratio 23.7%, from 22.3% in Dec 2021
- Net debt of £1,360.7m, up 8.7% on Dec 2021
- Undrawn facilities and cash of £452m, down from £608m in Dec 2021
- Interest cover 4.19 times, from 4.64 times in Dec 2021

H1 2022 SUMMARY

EPRA NTA per share	4,023p: +1.6% (3,959p Dec 2021)
Net rental income	£93.9m: +4.2% (£90.1m H1 2021)
EPRA EPS	53.13p: -1.7% (54.04p H1 2021)
Interim dividend per share	24.0p: +4.3% (23.0p Jun 2021)
Valuation	+1.7% underlying MSCI* +0.8%
Total property return	+3.3% MSCI* +2.5%
True equivalent yield	4.46% (4.50% Jun 2021)

* MSCI Central London Offices Quarterly Index

MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

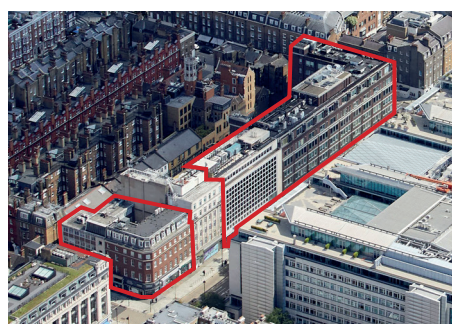
Nigel George, Director

Emily Prideaux, Director

Robert Duncan, Investor Relations

OUR THREE NEW 'SUPER-SITES'

50 BAKER STREET W1 JV



- Three buildings totalling 122,200 sq ft
- Acquired for £64.0m (50%) in Q4 2021
- Net initial yield of 4.0%
- 50:50 joint venture with Lazari Investments
- Close relationship with The Portman Estate, owner of the fourth building
- Proposed c.240,000 sq ft (100%)
- Timing: medium-term

230 BLACKFRIARS ROAD SE1



- 60,300 sq ft multi-let office building, a residential block and a car park
- Acquired for £58.3m in Q2 2022
- Net initial yield of 3.5%
- 100-year leasehold interest with ground rent fixed at £5k pa
- Major Southbank redevelopment opportunity (0.8 acres)
- Proposed 200,000+ sq ft
- Timing: longer-term

OLD STREET QUARTER EC1



- Exchanged a conditional contract to acquire former Moorfields Eye Hospital site - existing buildings c.400,000 sq ft
- Close to existing Tech Belt holdings
- Planning application to redevelop entire site to be submitted in 2023
- Acquisition expected to complete in 2027 following vacant possession
- 2.5 acre major regeneration opportunity
- Proposed 750,000+ sq ft
- Timing: longer-term

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site major projects			
Francis House SW1 (completion H2 2022)	38,200	3	Office refurbishment – 100% pre-let
25 Baker Street W1 (completion H1 2025)	298,000	241	218,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail (10% pre-sold)
Network W1 (completion H2 2025)	137,000	105	132,000 sq ft offices, 5,000 sq ft retail
	473,200	349	
Next phase			
Holden House W1 (consented)	150,000	-	Earliest possession 2025
50 Baker Street W1 JV (under appraisal)	240,000	-	100% share (50:50 JV)

¹ As at 30 Jun 2022

H1 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 contracted income)
- Total ERV £20.9m (Office ERV £92.50 psf)

The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Offices with 2,000 sq ft of retail
- 22% let at £2.2m pa, 10% above Dec 2021 ERV
- Total ERV £8.8m net (Office ERV £72.50 psf)

RECENT COMMENCEMENTS

25 Baker Street W1



- 298,000 sq ft mixed-use scheme (10% pre-sold)
- Commenced Oct 2021 with completion H1 2025
- Total ERV £18.4m net (Office ERV £90.00 psf)
- Capex to complete £241m (Jun 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 £105m (Jun 2022)