

ABOUT US

Derwent London owns and manages a £5.4bn portfolio (31 Dec 2020) 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.

2020

- Rent collection for 2020 now 92% plus 5% under agreed payment plans and 3% granted rent-frees
- Total property return of 0.3%, compared to our benchmark index of -2.4%
- EPRA vacancy rate remains low at 1.8%, from 0.8% at the start of the year
- 2021 lease expiries reduced from 26% of passing rent to 17%, now 13% of which 5% relate to future projects
- £6.7m of new lettings on 135,400 sq ft: +6.0% above Dec 2019 ERV after excluding short term lettings or -0.8% overall
- Completion of 80 Charlotte Street W1 in June, our first net zero carbon development
- 410,000 sq ft under construction – 61% pre-let
- Committed to 297,000 sq ft scheme at 19-35 Baker Street W1, on site H2 2021
- Planning submitted for 130,000 sq ft Network Building W1 scheme
- £153m of property disposals completed in the year and Johnson Building EC1 sold in January 2021 for £170m
- Committed to becoming a net zero carbon business by 2030 in February
- Published pathway to become net zero carbon business in July
- Two debt facilities arranged or extended totalling £550m
- Net debt rose 7% to £1.05bn
- Interest cover 4.4 times, from 4.6 times in Dec 2019
- LTV ratio 18.4% (16.9% in Dec 2019)
- Undrawn facilities and cash of £476m, from £511m in Dec 2019

2020 SUMMARY

EPRA NTA per share	3,812p: -3.7% (3,957p Dec 2019)
Gross rental income	£202.9m: +5.8% (£191.7m 2019)
EPRA EPS	99.19p: -3.8% (103.09p 2019)
Dividend per share	74.45p: +2.8% (72.45p 2019)
Valuation	-3.0% underlying MSCI IPD* -5.6%
True equivalent yield	4.74% (4.77% Dec 2019)

* 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

ASSET MANAGEMENT AND MAJOR REFURBISHMENTS

ASSET MANAGEMENT



- Transferwise expanded and extended their occupation in our iconic Tea Building E1
- Floorspace up from 31,700 sq ft to 48,950 sq ft (+54%)
- Rent increased 56% to £2.85m pa
- New 5-year lease - previously May 2021 tenant break and December 2023 expiry

MAJOR REFURBISHMENTS



- Two major office refurbishments on site in Victoria:
 - 6-8 Greencoat Place SW1 - 32,000 sq ft with an ERV of £2.1m or £70 psf and completion in H1 2021
 - Francis House SW1 - 38,000 sq ft with an ERV of £2.5m or £65 psf and completion in H1 2022

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site projects completing H1 2022			
Soho Place W1	285,000	152 ²	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 87% pre-let/pre-sold
The Featherstone Building EC1	125,000	37	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	410,000	254	
Forthcoming projects completing 2025			
19-35 Baker Street W1	297,000 ³	265	Consented. 217,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail
Planning			
Holden House W1	150,000		Consented. Office/retail scheme
Network Building W1	130,000		Planning submitted. Current floorspace 70,000 sq ft

¹ As at 31 Dec 2020 ² Includes remaining site acquisition cost and profit share to Crossrail ³ 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%

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/pre-sold (£17.0m pa net income)
- Capex to complete £152m¹, including site acquisition
- Total ERV of £20.5m (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 £37m¹
- Total ERV of £8.1m (Office ERV £70 psf)

FUTURE PROJECTS

19-35 Baker Street W1



- 297,000 sq ft consented scheme (143,000 sq ft existing)
- Commencing in H2 2021 with completion in H1 2025

Network Building W1



- Potential to increase floorspace from 70,000 sq ft to 130,000 sq ft with possible start in 2022