

## ABOUT US

Derwent London owns and manages a £5.7bn portfolio (31 Dec 2021) of commercial real estate located 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/redevelopment.

## 2021

- Total return of 5.8%
- £13.7m of new lettings, +3.6% against Dec 2020 ERV with offices +4.8%
- Majority of lettings in H2 (72%)
- EPRA vacancy rate fell from 1.8% to 1.6%, substantially lower than the wider market rate of 9.3%
- Rental values declined 0.2% in 2021 with offices at +0.2% and retail -5.8%
- Raised 2022 ERV guidance to 0% to +3%
- 98% of the Group's 2021 rental income collected to date
- Commenced 19-35 Baker Street W1 redevelopment, a 298,000 sq ft mixed-use scheme, in October
- Acquired outstanding 7-year headlease of Bush House WC2, facilitating the refurbishment opportunity
- Dual planning permission granted for Network Building W1 – 137,000 sq ft of offices or 112,000 sq ft of Life Sciences
- A busy year of pipeline restocking and portfolio reshaping
- £417.5m of acquisitions including 250 Euston Road NW1 and the forming of the Baker Street W1 JV
- 230 Blackfriars Road SE1 acquired in Q1 2022 and selected as preferred bidder to acquire The Moorfields Estate EC1 – two more 'super-sites' (see below)
- £396.4m of major disposals in the year including Johnson Building EC1 and Angel Square EC1
- Net debt of £1,251.5m, from £1,049.1m at the start of the year
- Undrawn facilities and cash of £608m, up from £476m in Dec 2020
- Interest cover 4.64 times, from 4.46 times in Dec 2020
- LTV ratio 20.8% (18.4% in Dec 2020)
- £350m 2031 green bonds issued in Nov 2021 at 1.875%

## 2021 SUMMARY

EPRA NTA per share	3,959p: +3.9% (3,812p Dec 20)
Net rental income	£178.2m: +2.2% (£174.3m Dec 20)
EPRA EPS	108.79p: +9.7% (99.19p Dec 20)
Total dividend per share	76.50p: +2.8% (74.45p Dec 20)
Valuation	+3.5% underlying MSCI* +2.5%
Total property return	+6.3% MSCI* +5.9%
True equivalent yield	4.50% (4.74% Dec 20)

\* MSCI Central London Offices Capital Growth Quarterly Index

## MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

Nigel George, Director

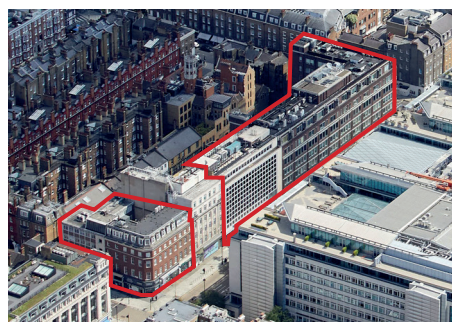
Emily Prideaux, Director

David Silverman, Director

Robert Duncan, Investor Relations

## OUR THREE NEW 'SUPER-SITES'

### BAKER STREET W1 JV



- Three buildings totalling 122,200 sq ft
- Acquired for £64.0m (50% share)
- 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

### THE MOORFIELDS ESTATE EC1



- Existing buildings c.400,000 sq ft, close to existing Tech Belt holdings
- Selected as preferred bidder to acquire site
- Planning application to redevelop entire site to be submitted in 2022
- Acquisition expected to complete in H2 2026 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 <sup>1</sup>	Comment
<b>On-site major projects</b>			
Soho Place W1 (completion H1 2022)	285,000	79 <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 (completion H1 2022)	125,000	10	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
Francis House SW1 (completion H1 2022)	38,000	10	Office refurbishment - 100% pre-let
19-35 Baker Street W1 (completion H1 2025)	298,000	266	218,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail
	<b>746,000</b>	<b>365</b>	
<b>Next phase</b>			
Network Building W1 (completion 2025)	137,000	104	Consented. Existing 70,000 sq ft. Starts H2 2022.
Bush House WC2	130,000	-	Refurbishment and potential extension. Existing 104,000 sq ft

<sup>1</sup> As at 31 Dec 2021    <sup>2</sup> Includes remaining site acquisition cost and profit share to Crossrail

## H1 2022 MAJOR COMPLETIONS

## Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station
- 87% pre-let/forward sold (£17.0m pa net income)
- Capex to complete £79m<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
- Capex to complete £10m<sup>1</sup>
- Total ERV of £8.6m (Office ERV £72.50 psf)

## RECENT COMMENCEMENT &amp; 2022 START

## 19-35 Baker Street W1



- 298,000 sq ft mixed-use scheme
- Commenced Oct 2021 with completion in H1 2025
- Total ERV of £18.4m (Office ERV £90.00 psf)

## Network Building W1



- 137,000 sq ft offices / 112,000 sq ft Life Science consent
- Committed project with start in H2 2022