

DERWENT LONDON

Interim Results 2021



CONTENTS

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INTRODUCTION AND OVERVIEW

PAUL WILLIAMS

INTRODUCTION

London has proved resilient

- Office rents performing better than expected
- Raising our ERV guidance
- Investment yields have firmed

Positive results and financial strength

- Total return +2.7%
- EPRA earnings per share 54.0p, +10.5%
- Interim dividend per share 23.0p, +4.5%
- EPRA NTA per share 3,864p, +1.4%
- LTV 17.3%

Responsibility

- Portfolio 99% 2023 EPC compliant
- Supporting local communities

Strong start to the second half

- Adding to development pipeline
- Continued letting momentum

GUIDANCE

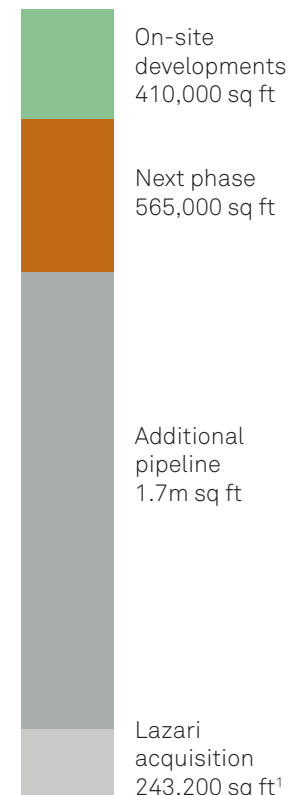
ERV guidance

Raised to +2% to -2%
from 0% to -5%

Investment yields

To remain firm

OUR DEVELOPMENT PIPELINE

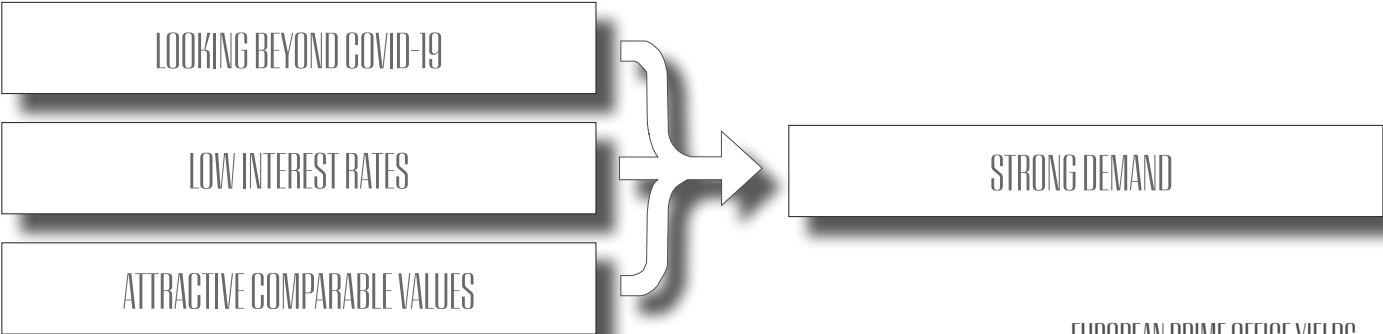


¹ Assumes expected JV acquisition

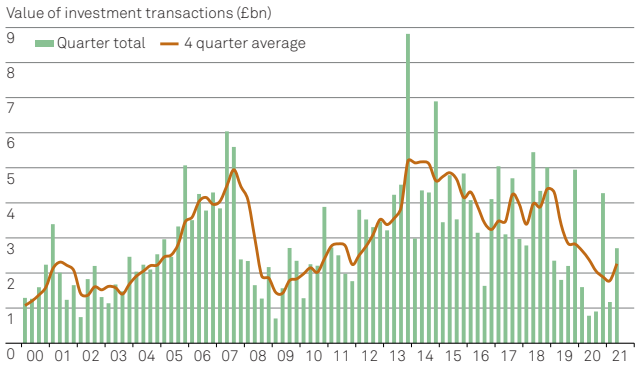
CENTRAL LONDON OFFICE OCCUPIER MARKET



CENTRAL LONDON OFFICE INVESTMENT MARKET

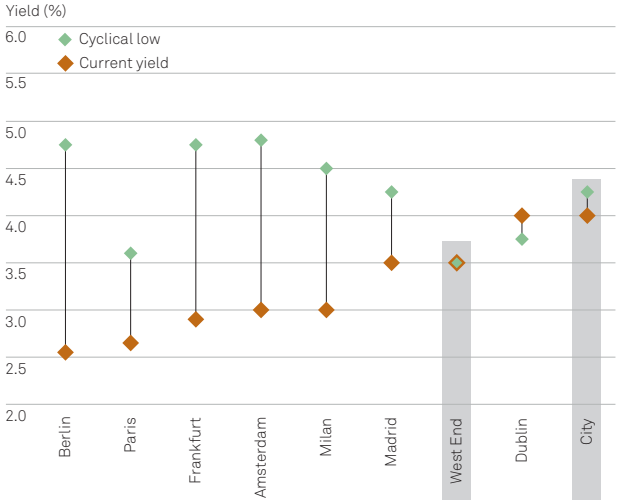


CENTRAL LONDON OFFICE INVESTMENT



Source: CBRE

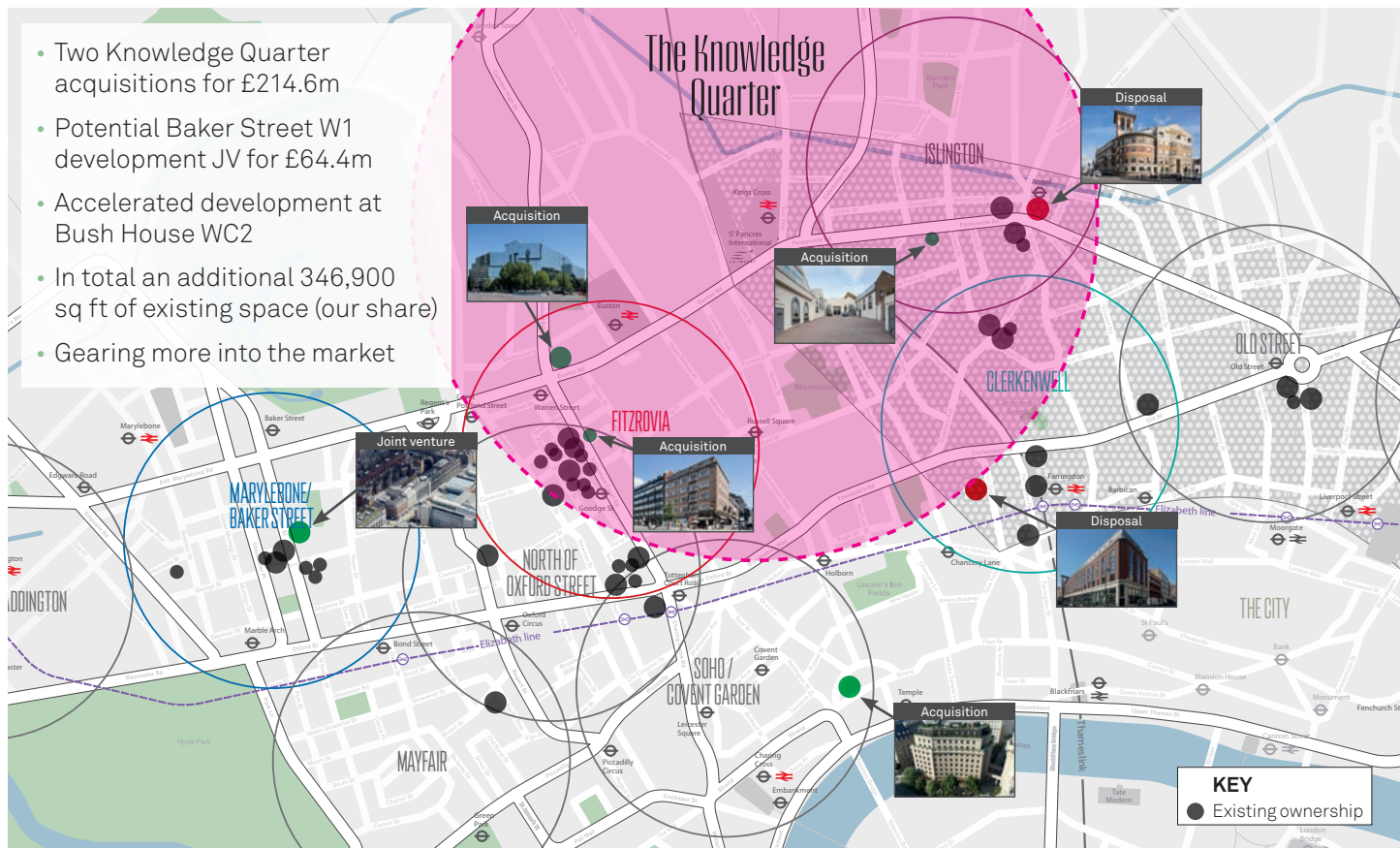
EUROPEAN PRIME OFFICE YIELDS



Source: CBRE

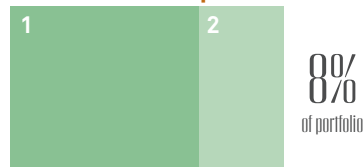
NEW INVESTMENT ACTIVITY

- Two Knowledge Quarter acquisitions for £214.6m
- Potential Baker Street W1 development JV for £64.4m
- Accelerated development at Bush House WC2
- In total an additional 346,900 sq ft of existing space (our share)
- Gearing more into the market



PROGRESSING THE PIPELINE

On-site developments - 410,000 sq ft

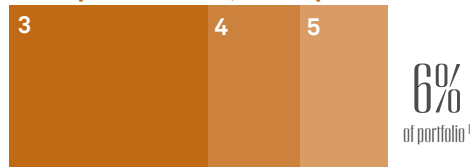


Soho Place W1
285,000 sq ft



The Featherstone Building EC1
125,000 sq ft

Next phase - 565,000 sq ft¹



19-35 Baker Street W1
298,000 sq ft

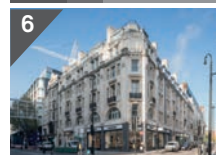
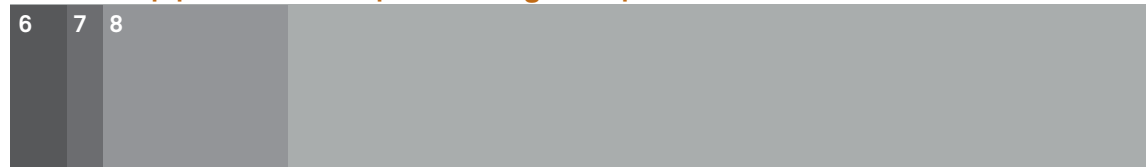


Network Building W1
112,000 to 137,000 sq ft

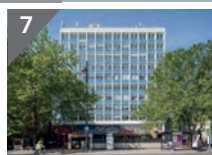


Bush House WC2
c.130,000 sq ft²

Additional pipeline - 1.7m sq ft - existing floorspace



Holden House W1
150,000 sq ft⁴



Blue Star House SW9
110,000 sq ft^{2,4}



The White Chapel Building E1
420,000 sq ft^{2,4}

243,200 sq ft³



Baker Street W1 joint venture
c.240,000 sq ft^{2,4}

¹ 317,000 sq ft as at 30 June 2021 ² Subject to planning ³ Our share assuming expected JV acquisition ⁴ Proposed floorspace

A RESPONSIBLE BUSINESS

Journey to net zero 2030

- Portfolio 99% 2023 EPC compliant
- Completed all electric retrofit at 6-8 Greencoat Place
- Updated Responsible Development Framework
- Set building specific energy reduction targets

Supporting local communities

- Continuation of Community Funds
- Created, with partners, counselling room at The Soup Kitchen, Fitzrovia W1
- Founder member of the Academy of Real Assets

Strengthening and supporting the team

- Focus on connectivity, wellness, mental health, talent development and cultural awareness

The Soup Kitchen Counselling Room



MARKET DYNAMICS AND AN EVOLVING BUSINESS

Market dynamics

- Business confidence supports economic growth
- Increased letting activity
- Limited supply of new space
- Two-tier market with flight to quality
- Strong investment demand

Derwent London, an evolving business

- Retain more of our larger modern developments where we see good long-term demand and:
 - Build on occupier relationships
 - Make meaningful long-term investments promoting:
 - Climate resilience
 - High levels of customer services
 - Local communities
- Add to our income producing pipeline of potential projects to regenerate into high quality offices
- Recycle buildings where the upsides are less attractive
- Maintain modest gearing and sufficient headroom to ensure flexibility in pursuing our objectives

The Featherstone Building EC1 (CGI)





DEVELOPMENTS

PAUL WILLIAMS

DEVELOPMENTS - H1 2022 COMPLETIONS



The Featherstone Building EC1

- 125,000 sq ft office scheme
- A speculative development
- Multi-let strategy underway with encouraging levels of early interest
- ERV £8.5m with office ERV £72.50 psf



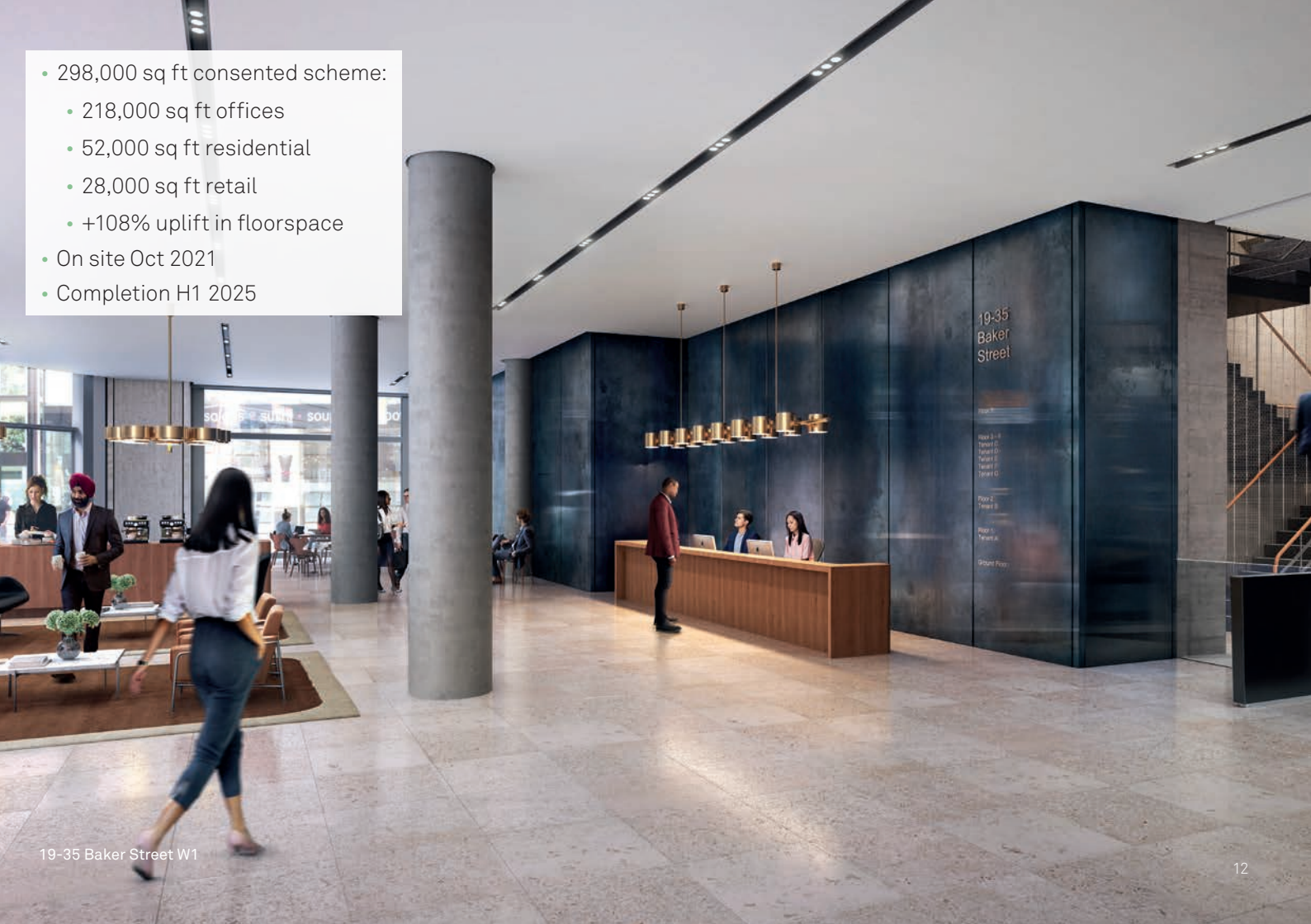
Soho Place W1

- 285,000 sq ft office and retail scheme
- 100% offices pre-let or pre-sold
- 36,000 sq ft retail available with ERV of £3.1m
- Launch of retail space anticipated Q1 2022

19-35 BAKER STREET W1 - OUR NEXT MAJOR DEVELOPMENT



- 298,000 sq ft consented scheme:
 - 218,000 sq ft offices
 - 52,000 sq ft residential
 - 28,000 sq ft retail
 - +108% uplift in floorspace
- On site Oct 2021
- Completion H1 2025



NETWORK BUILDING W1 - PLANNING SUCCESS IN H2 2021

- Two schemes consented:
 - Offices and ground floor retail (137,000 sq ft)
 - Life Sciences and ground floor retail (112,000 sq ft)
 - Up to 96% uplift in existing floorspace
- Potential commencement in H2 2022 with completion in 2025





BUSH HOUSE WC2

- Currently 103,700 sq ft
- Refurbishment and extension project could increase the area to c.130,000 sq ft subject to planning
- Potential start in 2022



FUTURE PROJECTS



Baker Street W1 joint venture

- Existing: 122,200 sq ft
- Proposed: 240,000 sq ft
- Status: Expected acquisition



Holden House W1

- Existing: 90,000 sq ft
- Proposed: 150,000 sq ft
- Status: Consented



Blue Star House SW9

- Existing: 54,000 sq ft
- Proposed: 110,000 sq ft
- Status: Appraisal studies



The White Chapel Building E1

- Existing: 273,000 sq ft
- Proposed: c.420,000 sq ft
- Status: Appraisal studies

LEASING AND ASSET MANAGEMENT

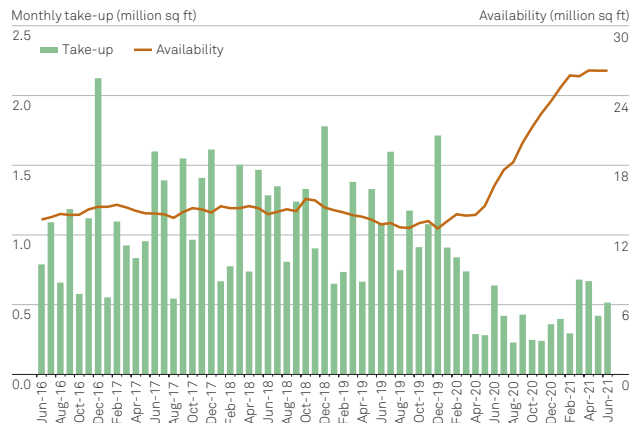
EMILY PRIDEAUX



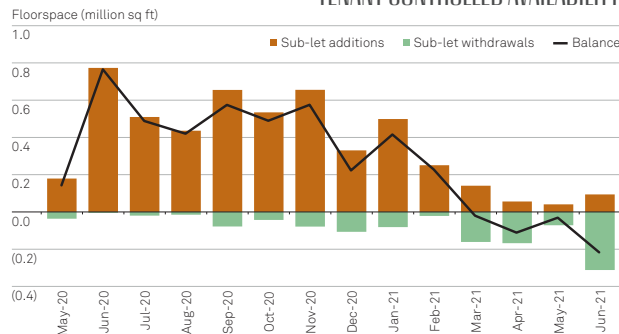
CENTRAL LONDON OFFICE MARKET SHOWING SIGNS OF IMPROVEMENT

- Increased market activity:
 - Positive uptick in viewing and take-up
- Occupier sentiment improving with businesses now planning beyond the pandemic
- Vacancy rates levelling off and tenant controlled availability starting to be withdrawn
- Under offers at 2.7m sq ft, broadly in line with the long-term quarterly average
- At the half year CBRE reported prime office rents growth of -1.1% pa:
 - West End: +1.3% (-9.7% pa six months earlier)
 - City: -2.2% (-4.4% pa six months earlier)

CENTRAL LONDON OFFICE TAKE-UP AND AVAILABILITY



TENANT CONTROLLED AVAILABILITY



GOOD LEVELS OF DEMAND WITH CONSTRAINED PIPELINE

- Committed development pipeline remains constrained with 11.2m sq ft under construction:
 - 3.6m sq ft or 32% is either pre-let or under offer
 - 7.6m sq ft of speculative space under construction to 2024
- Limited pipeline now deliverable between now and 2024
- Active demand at 9.7m sq ft estimated by JLL, in line with the 5-year average:

afterpay

Cognizant



DARKTRACE



experian

GOCARDLESS



JIMMY CHOO

JUST EAT

LAZARD

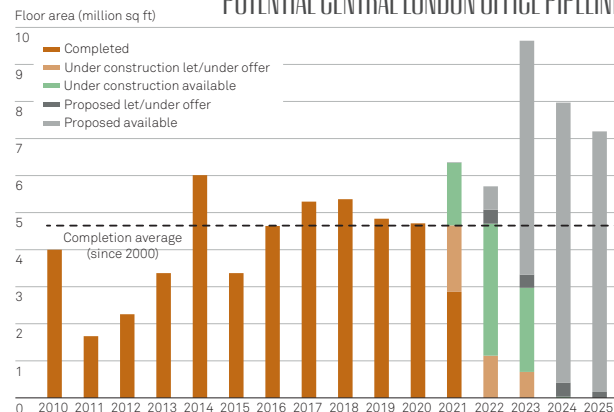


vodafone

WARNER MUSIC GROUP

worldpay

POTENTIAL CENTRAL LONDON OFFICE PIPELINE



COMMITTED CENTRAL LONDON OFFICE PIPELINE



Source: CBRE

THE RETURN TO WORK

- Workplace strategies and 'back to work' policies being proactively considered by most businesses
- Whilst 'pandemic' and delta variant has slowed the increase in overall occupancy, we are hearing more from leadership teams encouraging staff back to the office
- Greater flexibility, more agility and hybrid models being adopted in most cases
- Reconfiguration of office space
- As vaccine rollout continues and restrictions relax a greater return to the office is anticipated in Autumn
- More focus on the workplace in respect of:
 - Mental health
 - Collaboration (Social & Business)
 - Productivity

Old Street Yard EC1



KEY DRIVERS FOR OCCUPIERS

- Derwent London remains well positioned to capture demand, with our own product delivering on key drivers for occupiers:
 - Flight to quality
 - Enhanced amenity and customer service
 - Health and safety/wellness
 - Sustainability and NZC agendas
 - Digital enhancement and tech

DERWENT
DIGITAL

DIGITAL TRANSFORMATION
INTELLIGENT BUILDINGS
CUSTOMER APP



CUSTOMER SERVICE
EXPERIENCE & AMENITY



DL / 78 . W1

SHARED AMENITY:
VILLAGE HUBS & FURNISHED
+ FLEXIBLE UNITS

OUR JOURNEY TO
NET ZERO
2030

SUSTAINABILITY &
NET ZERO CARBON

ENHANCED AMENITY AND CUSTOMER ENGAGEMENT

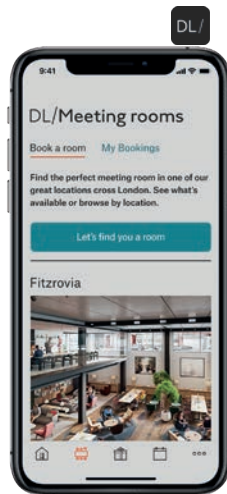
DL/78

DL/78.W1



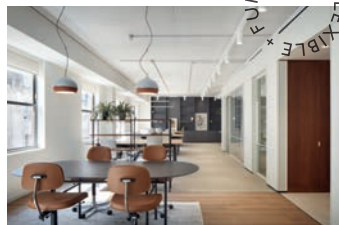
- Event opportunities
- Workspace
- Club lounge
- Meeting rooms for hire
- Wellness room
- Café and catering services
- Flexible meeting rooms

Customer App



- Available space
- Meeting rooms
- Offers
- Events

Furnished + Flexible



- Thoughtfully designed Furnished + Flexible workspace
- Quick, easy and efficient occupation
- All-inclusive rent
- Flexible lease terms
- Simple short-form contracts
- Low barriers to entry

Intelligent Buildings

INTELLIGENT BUILDINGS



- State-of-the-art digital infrastructure
- Integrated building software and systems
- Smart enabled amenities
- Energy and cost savings

OCCUPIER SURVEY

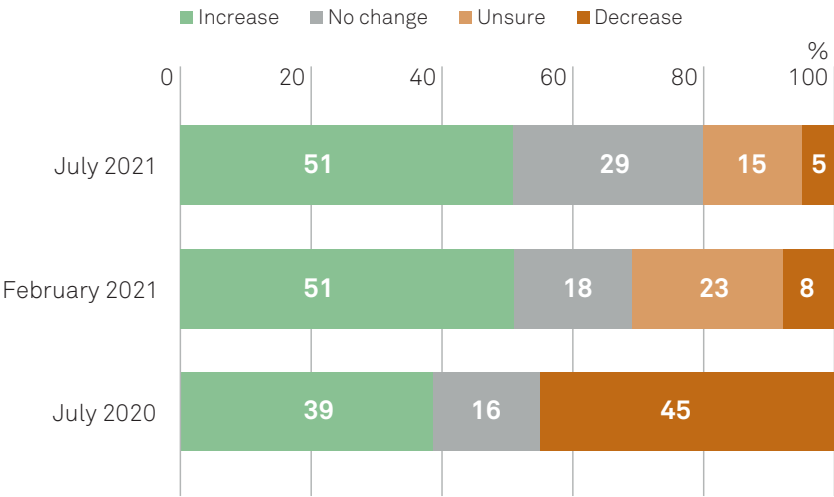
What are they missing?

- 1. Collaboration and social interaction
- 2. Employee wellbeing
- 3. Innovation and creativity
- 4. Training and education



Roof terrace at White Collar Factory EC1

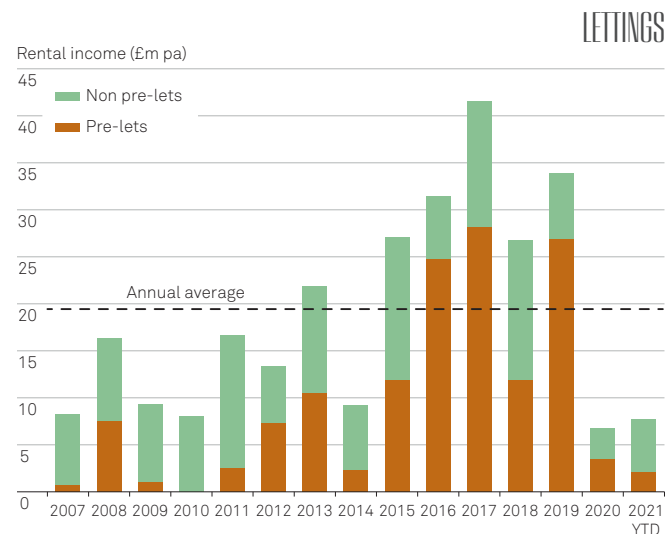
What are their intentions on headcount?



- 80% of respondents now wish to increase or maintain their headcount in the next 6-12 months
- Only 5% say they wish to reduce their headcount

DERWENT LONDON LETTING ACTIVITY

- EPRA vacancy rate was 1.8% at the start of the year and rose to 3.3% in Jun 2021
- £3.9m of lettings in H1 2021:
 - Majority occurred in Q2 at £3.6m as lockdown eased
- H1 transactions -1.6% against Dec 2020 ERV:
 - Offices (94% of let income) +0.4%:
 - Rising to +1.2% excluding two small transactions at a future development
- Existing tenants continue to take more space:
 - Soho House at Tea Building E1 (+£0.4m)
 - Envy at Holden House W1 (+£0.3m)
 - The & Partnership at Charlotte Building W1 (+£1.0m)
- A further £3.8m completed in Q3, at 2.2% above Dec 2020 ERV, and another £1.3m currently under offer
- Current vacancy rate 2.4%



ASSET MANAGEMENT ACTIVITIES

Managing 2021 lease expiries

- 2021 rental income due to expire/break:

24%

- 30 June 2020

17%

- 31 December 2020

9%

- 30 June 2021

5%

- Adjusting for disposals and buildings vacated prior to development

Asset Management H1 2021

	Area '000 sq ft	Previous rent £m pa	New rent £m pa	Uplift %	New rent vs Dec 20 ERV %
Rent reviews	166.2	7.3	9.1	24.6	(4.3)
Lease renewals	31.4	1.9	1.8	(5.0)	(6.2)
Lease regears	164.8	7.3	7.5	2.7	(1.8)
Total	362.4	16.5	18.4	11.5	(3.5)

Roof terrace at Brunel Building W2





RESULTS AND FINANCIAL REVIEW

DAMIAN WISNIEWSKI

FINANCIAL HIGHLIGHTS

EPRA NTA per share^{1,2}

3,864p

Dec 2020: 3,812p

+1.4%

EPRA earnings per share²

54.04p

H1 2020: 48.90p

+10.5%

Cash and undrawn facilities

£527m

Jun 2020: £502m

Dec 2020: £476m

Gross rental income

£98.1m

H1 2020: £97.8m

+0.3%

Net rental income

£90.1m

H1 2020: £84.4m

+6.8%

Interest cover ratio (ICR)

477%

H1 2020: 435%

FY 2020: 446%

Total return

2.7%

Jun 2020: -0.1%

Dec 2020: -1.8%

Interim dividend per share

23.00p

Jun 2020: 22.00p

+4.5%

Loan-to-value (LTV) ratio

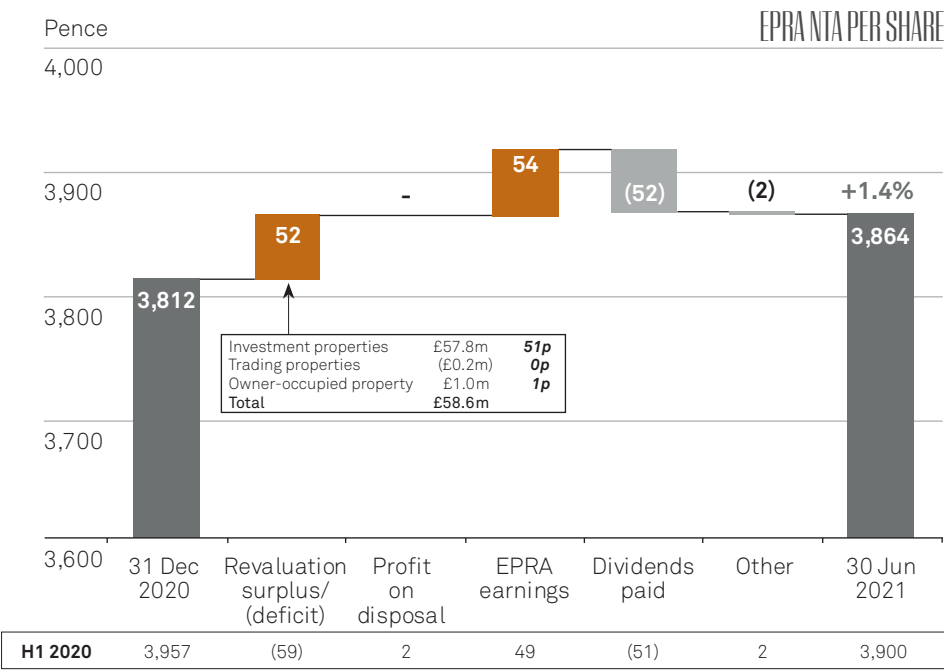
17.3%

Jun 2020: 17.3%

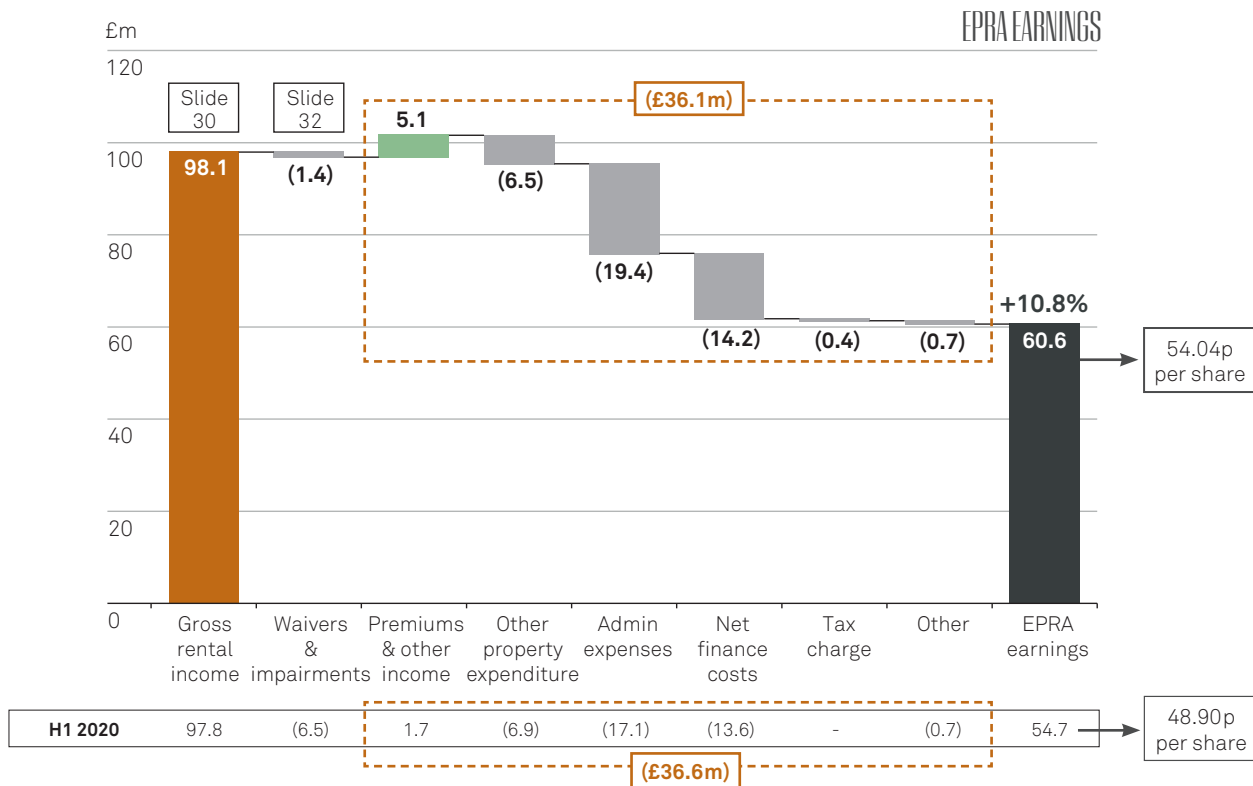
Dec 2020: 18.4%

¹ EPRA net tangible assets per share on a diluted basis ² Reconciliation to IFRS figures in Appendices 3 and 6

EPRA NTA MOVEMENT



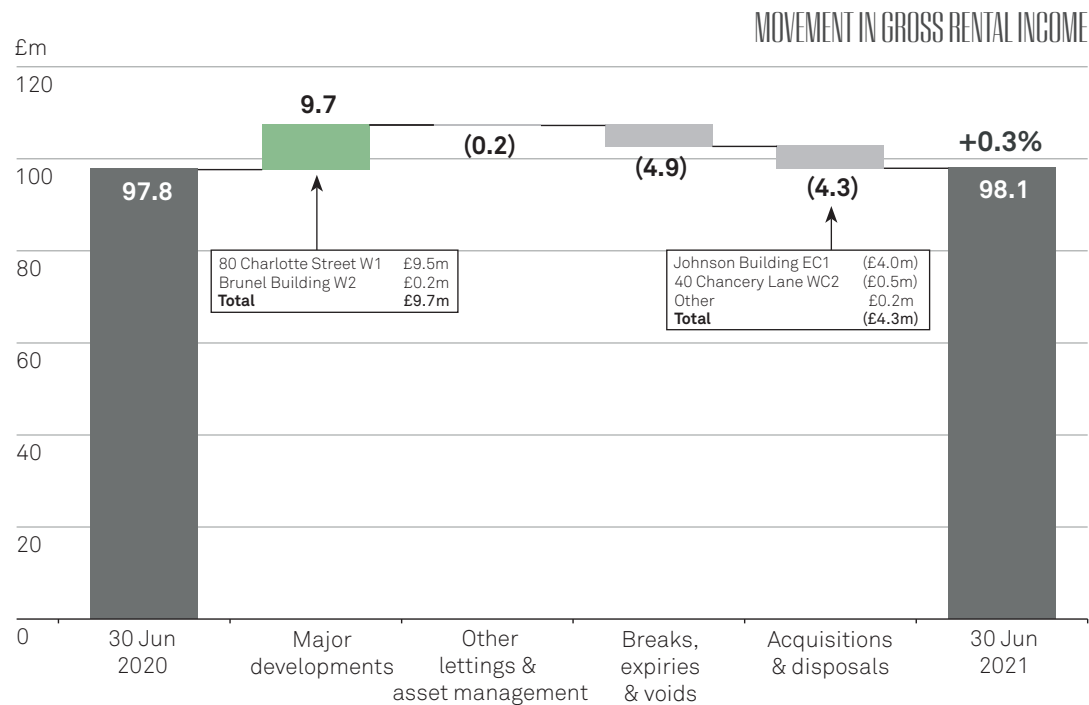
- Of the 52p revaluation surplus, 36p per share relates to recent developments Brunel Building W2 and 80 Charlotte Street W1 and on-site developments Soho Place W1 and The Featherstone Building EC1



- Premiums and other income of £5.1m, includes £3.6m (H1 2020: £0.2m) of net surrender premiums

¹ An explanation of EPRA adjustments is provided in Appendix 6

GROSS RENTAL INCOME



LIKE-FOR-LIKE¹

Gross rental income

H1 2020: -4.5%

H2 2020: -3.4%

Net rental income

H1 2020: 0.8%

H2 2020: 4.6%

Net property and other income

H1 2020: 5.5%

H2 2020: 6.6%

¹ See Appendix 9

RENT COLLECTION

- 93% of Jun 2021 quarter day rents received (i.e. quarter ending Sep 2021) plus 3% due on payment plans
- Gradually improving position among office occupiers
- £0.5m of rent deposits drawn in H1 2021 with £18.2m remaining

	Jun 2021 quarter ¹					
	Current position			Announced 9 Jul		
	Office %	Retail/hospitality %	Total %	Office %	Retail/hospitality %	Total %
Current position						
Rent received to date	95	59	93	93	27	89
Due later in the quarter ²	2	12	3	3	31	5
Outstanding	2	23	3	3	36	5
Rent-free granted	1	6	1	1	6	1
Total	100	100	100	100	100	100
	£38.4m	£2.7m	£41.1m	£38.4m	£2.7m	£41.1m

¹ Rent received to date for English quarter days ² Principally monthly receipts

IMPACT OF WAIVERS AND IMPAIRMENTS

- Gross rental income in H1 2021 is after £0.8m reduction due to spreading of rent waivers, most of which were agreed in 2020
- Waivers and impairments were £1.4m against £6.5m in H1 2020:
 - £2.1m was recognised in H1 2020 in relation to 25% service charge waiver for March quarter
 - Provision against service charge of £0.2m in H1 2021
 - No further write-off of receivables in H1 2021
 - The £1.2m net impairment of receivables in H1 2021 includes £1.6m release of amounts provided for in 2020
- Estimated direct impact on net rental income in H1 2021 was therefore £2.2m

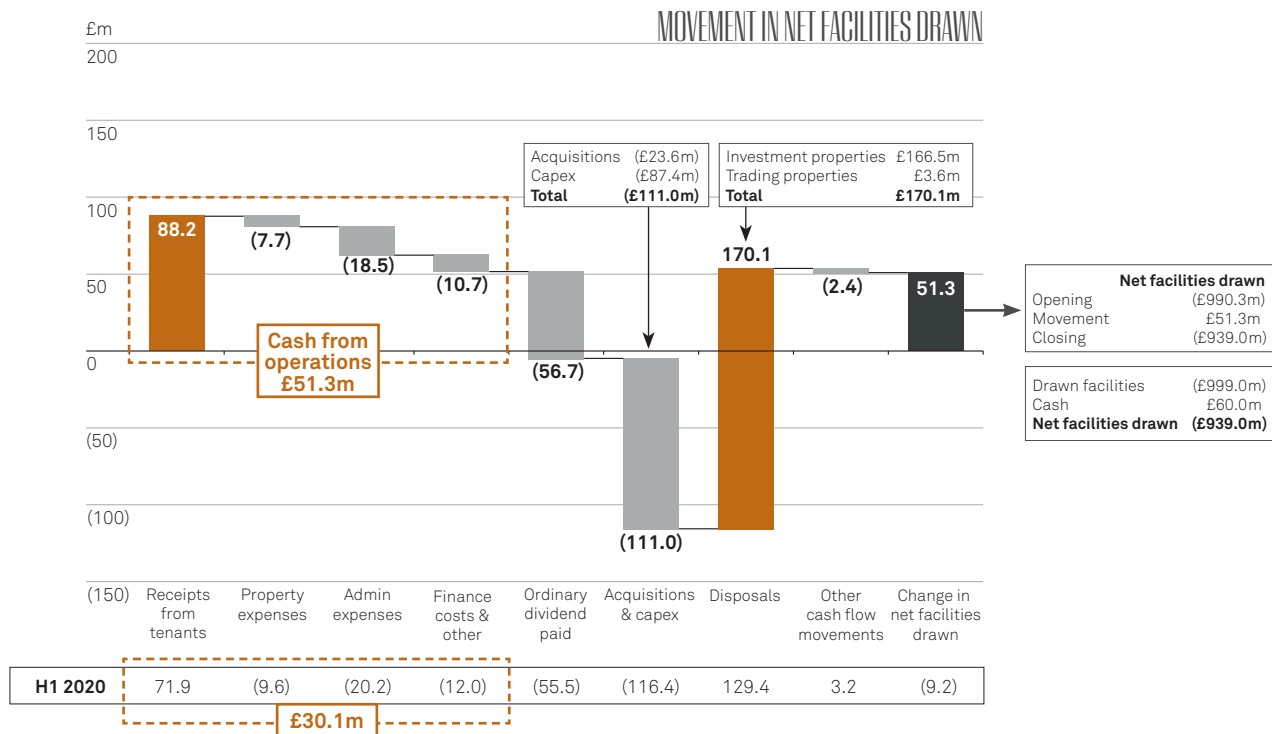
	H1 2021 £m	H1 2020 £m	Variance £m
Gross rental income	98.1	97.8	0.3
Property costs	(6.6)	(6.9)	0.3
Net rental income before waivers and impairments	91.5	90.9	0.6
Service charge waiver	-	(2.1)	2.1
Service charge provision	(0.2)	-	(0.2)
Write-off of receivables	-	(0.8)	0.8
Impairment of trade receivables	(1.3)	(0.7)	(0.6)
Impairment of lease incentive receivables	0.1	(2.9)	3.0
Waivers and impairments	(1.4)	(6.5)	5.1
Net rental income	90.1	84.4	5.7

EPRA cost ratio¹

H1 2021: 25.7%
H1 2020: 28.9%

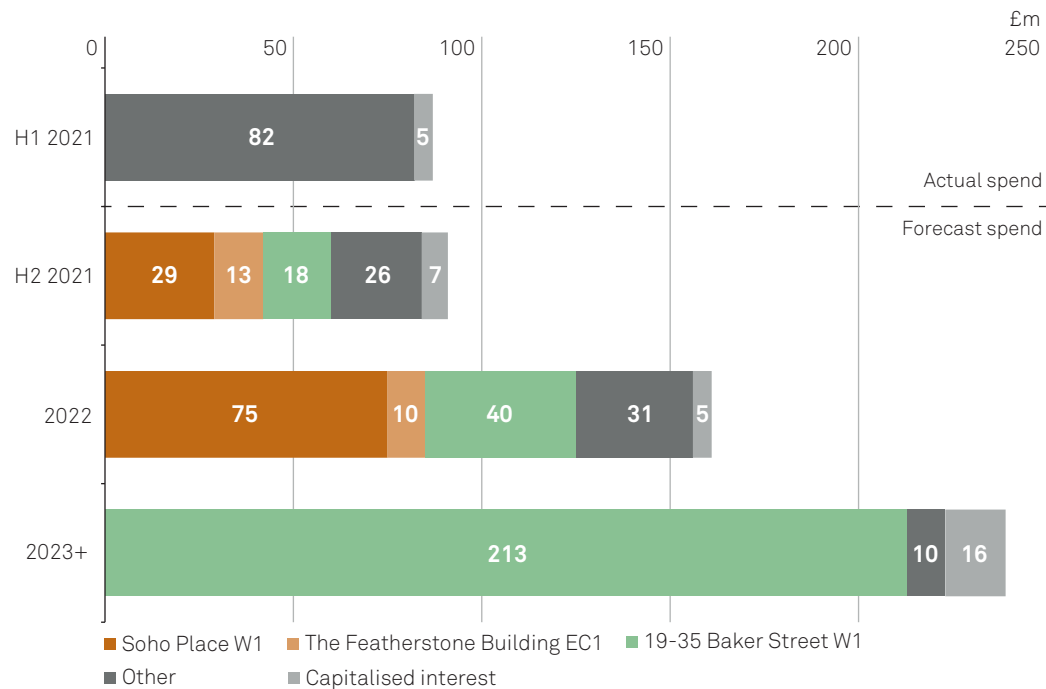
¹ EPRA cost ratio including direct vacancy costs

CASH FLOW MOVEMENT



- Cash from operations 70% higher than in H1 2020 after current period receipts of rent under payment plans granted in 2020

COMMITTED CAPITAL EXPENDITURE



- 19-35 Baker Street W1 due to commence on site Oct 2021 with capital expenditure of £271m
- Further optionality relating to schemes currently under appraisal

PROFORMA IMPACT OF MAJOR PROJECTS, ACQUISITIONS AND DISPOSALS

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

		PROFORMA IMPACT OF DISPOSALS, ACQUISITIONS, ON-SITE PROJECTS AND 19-35 BAKER STREET						Proforma
	Jun 2021 ¹	Disposal of Angel Square	Acquisition of Bush House	Capex and site acquisition cost ²	Other disposals ³	Contracted income	Void costs ⁴	
Gross rental income	£196m	(£4m)	-	-	-	£15m	-	£207m
Net property income (adjusted)	£180m	(£4m)	-	-	-	£14m	(£10m)	£180m
Interest cost	£38m	(£1m) ⁵	-	£6m ⁵	(£1m) ⁵	-	-	£42m
Net interest cover ratio	477%							429%
Portfolio fair value	£5,384m	(£85m)	£14m	£411m	(£56m)	-	-	£5,668m
Drawn debt net of cash	£934m	(£85m)	£17m	£411m	(£56m)	-	-	£1,221m
Loan-to-value ratio	17.3%							21.5%

¹ First half adjusted and annualised ² See Appendix 43 for capex. Includes remaining Soho Place W1 site acquisition cost and profit share payments in relation to Soho Place W1 and 19-35 Baker Street W1 ³ After disposal costs. Includes 2 & 4 Soho Place W1 and 19-35 Baker Street W1 retail ⁴ Void costs upon completion of project
⁵ Assuming a marginal interest rate of 1.5%

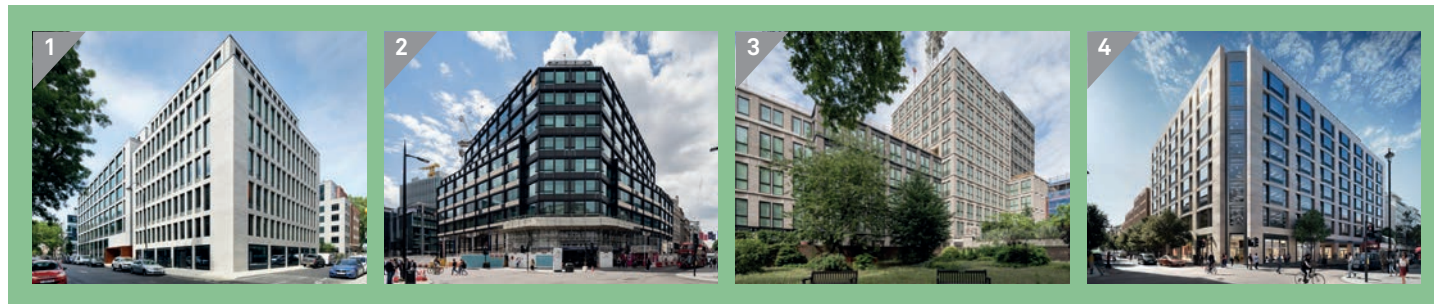
GREEN REVOLVING CREDIT FACILITY (RCF)^{1,2}

Eligible green projects (EGP)

1. 80 Charlotte Street W1 (completed June 2020)
2. Soho Place W1
3. The Featherstone Building EC1
4. The 19-35 Baker Street W1 development, which is targeting BREEAM Excellent, will be elected as the next EGP

At 30 June 2021:

- 2021 qualifying green expenditure £70.0m
- Cumulative qualifying green expenditure £489.7m
- Amounts drawn on green tranche £83.0m

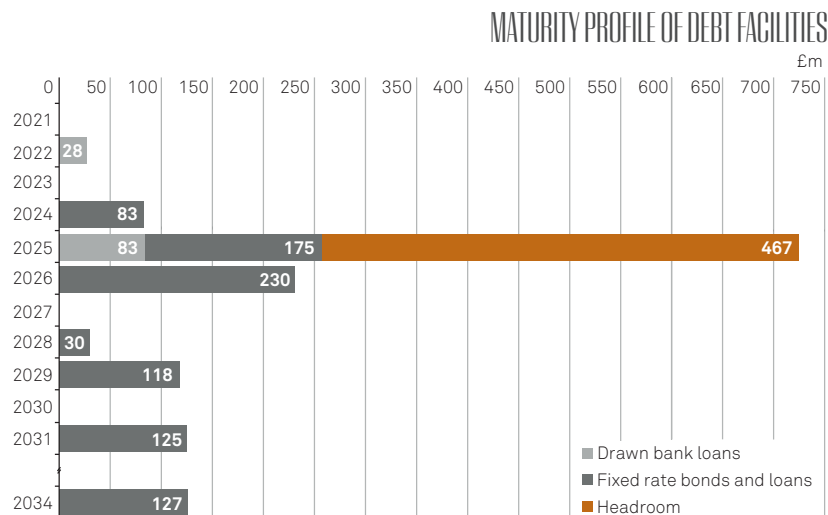


¹ £300m green tranche included within £450m RCF

² Green loan reporting and Green Finance Framework independently assured for compliance with LMA Green Loan Principles

DEBT SUMMARY

	Jun 2021	Dec 2020
Drawn facilities	£999m	£1,041m
Unutilised facilities	£467m	£425m
Total facilities	£1,466m	£1,466m
Unutilised facilities and cash	£527m	£476m
Uncharged properties	£4,386m	£4,329m
Average spot interest rate (cash basis)	3.44%	3.34%
Average spot interest rate (IFRS basis)	3.58%	3.48%
Marginal interest rate	0.73%	0.73%
Average maturity of facilities	5.7 years	6.2 years
Average maturity of borrowings	6.4 years	6.8 years



Loan-to-value (LTV) ratio

17.3%

Jun 2020: 17.3%
Dec 2020: 18.4%

NAV gearing

22.8%

Jun 2020: 22.5%
Dec 2020: 24.3%

Net interest cover ratio

477%

H1 2020: 435%
FY 2020: 446%

Unutilised facilities and cash

£527m

Jun 2020: £502m
Dec 2020: £476m

VALUATION AND PORTFOLIO ANALYSIS

NIGEL GEORGE



Investment portfolio valued at £5.4bn

- Underlying valuation 1.4% H2 2020: -2.1%:
 - West End 1.6% H2 2020: -2.4%
 - City Borders 0.7% H2 2020: -1.4%
- MSCI IPD Central London Offices¹ 0.5%

Valuation themes:

	ERV	Yields	Values
Offices - high quality	↔	↓	↑
Offices - other	↓	↑	↓
Retail and hospitality ²	↓	↑	↓

- Quality driving performance:
 - On-site and recent developments
 - Tenant covenants and lease lengths
- Retail and hospitality sectors - bottoming out
- Greater attention on obsolescence, including EPC ratings⁴

Two on-site developments performed strongly

- Valued at £0.4bn, uplift of 5.8%:
 - Soho Place W1 (87% pre-let) 5.1%
 - The Featherstone Building EC1 8.1%
- Excluding on-site developments, portfolio up 1.1%

	Portfolio valuation £m	H1 2021 valuation movement %
West End	3,625.4	1.6
City Borders ³	1,652.2	0.7
Central London	5,277.6	1.3
Provincial	81.5	7.4
Underlying	5,359.1	1.4
Acquisitions	24.5	2.8
Investment portfolio	5,383.6	1.4

¹ Quarterly index ² 9% of portfolio by income ³ Principally properties in the Tech Belt - Appendix 46 ⁴ Appendix 45

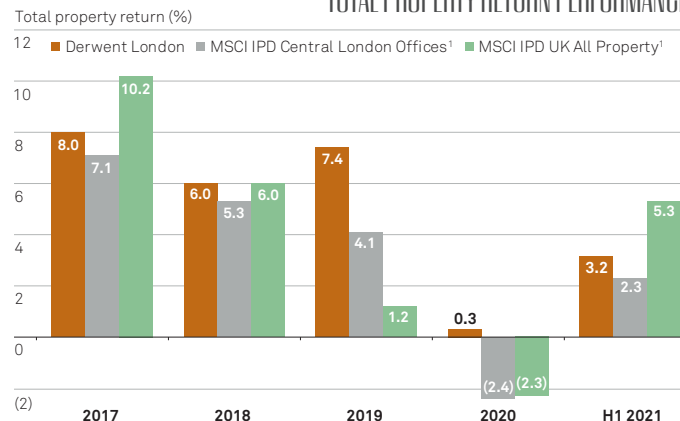
PROPERTY RETURN

H1 2021 total property returns

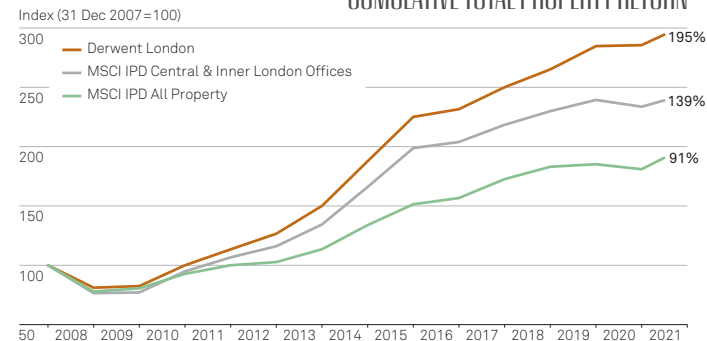
- Derwent London 3.2%
- MSCI IPD Central London Offices¹ 2.3%
- MSCI IPD UK All Property¹ 5.3%
- Outperformance due to:
 - Development surpluses
 - Yield shift – high quality properties
 - Rent-frees reducing from recent developments:
 - 80 Charlotte Street W1
 - Brunel Building W2
 - Asset management:
 - Tea Building E1
 - Morelands EC1
 - Limited retail exposure

¹ Quarterly Index

TOTAL PROPERTY RETURN PERFORMANCE



CUMULATIVE TOTAL PROPERTY RETURN



RENTAL VALUE AND YIELDS

Rental values

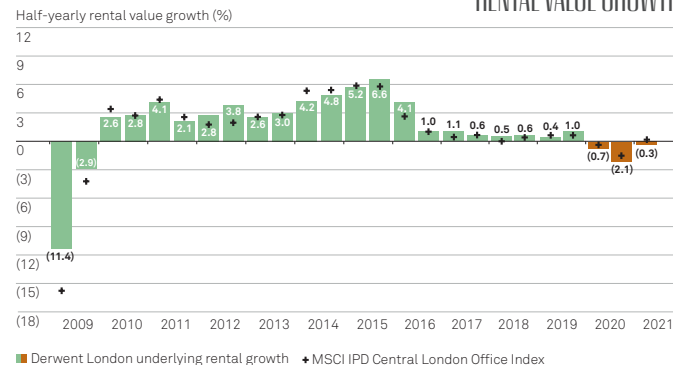
- Rental values declined 0.3% in H1:
 - Offices: 91% of portfolio¹ 0.1%
 - Retail: 9% of portfolio¹ -5.8%
- Average office passing rent low at £41.67 psf² (Dec 2020: £42.30 psf):
 - Average 'topped-up' office rent £58.35 psf² (Dec 2020: £57.71 psf)

EPRA yields

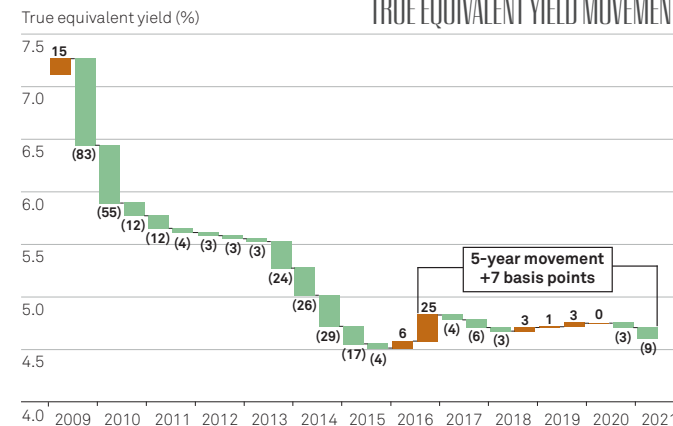
	Dec 2020 %	Jun 2021 %	Change bps
Net initial yield	3.7	3.4	(30)
'Topped-up' net initial yield	4.8	4.6	(20)
True equivalent yield	4.74	4.65	(9)
Net reversionary yield	5.0	4.9	(10)

¹ By income ² Occupied office area ³ Post H2 2010 portfolio on an EPRA basis

RENTAL VALUE GROWTH



TRUE EQUIVALENT YIELD MOVEMENT³

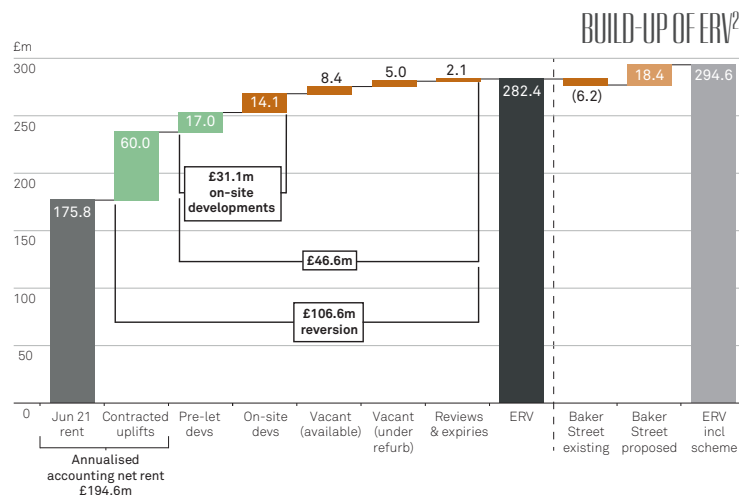


BUILD-UP OF PORTFOLIO ERV

- Portfolio reversion of £106.6m¹:
 - £60.0m (56%) contracted, including:
 - 80 Charlotte Street W1 £19.5m
 - Brunel Building W2 £9.9m
 - Horseferry House SW1 £5.2m
 - £46.6m of further reversion:
 - £17.0m of pre-lets on developments:

Developments	Let £m	Vacant £m	ERV £m
Soho Place W1	17.0	3.1	20.1
The Featherstone Building EC1	-	8.5	8.5
	17.0	11.6	28.6
Refurbishments			
Francis House SW1	-	2.5	2.5
Total	17.0	14.1	31.1

- £27.5m from vacant and projects:
 - Under development/refurbishment £19.1m
 - Available £8.4m
- £2.1m from anticipated rent reviews and lease renewals



Dec 2020	189.2	58.0	17.0	16.2	5.0	2.7	3.1	291.2
Change	(13.4)	2.0	-	(2.1)	3.4	2.3	(1.0)	(8.8)

¹ Requires additional capex as set out in Appendix 43 ² Before lease incentives



INVESTMENT

DAVID SILVERMAN

ACQUISITION ACTIVITY

Property	Date	Area sq ft	Total after costs £m	Net yield %	Net rental income £m pa	Net rental income £ psf
H1						
Holford Works WC1 ¹	Q2	41,600	23.8	6.8	1.6	40.00
H2 to date						
Bush House WC2 ²	Q3	103,700	14.5	-	-	-
250 Euston Road NW1	Q3	165,900	189.9	2.5	4.7	28.30
171-174 Tottenham Court Road W1	Q3	16,200	24.7	2.6	0.6	57.50
Total		327,400	252.9	-	6.9	-
Baker Street JV (50% share) ³		61,100	64.4 ⁴	4.0	2.6	42.50
Total		388,500	317.3	-	9.5	-



Holford Works WC1



Bush House WC2

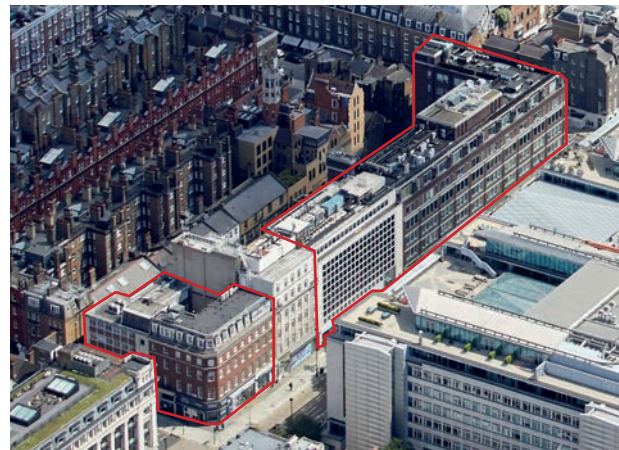
¹ Long leasehold ² Leasehold ³ Expected acquisition ⁴ Subject to receiving planning and regear of the headlease an additional £7.25m is payable

ACQUISITION AND POTENTIAL JV WITH LAZARI

- Off market transaction with Lazari Investments
- Acquisition of two properties totalling 182,100 sq ft
- Agreement to form 50:50 joint venture and expected to acquire three Baker Street properties totalling 122,200 sq ft¹
 - The initial consideration includes an element of hope value for planning uplift and regearing of headleases
- More details on the initial financial impact of this transaction can be found in Appendix 38



250 Euston Road NW1



Baker Street W1 joint venture



171-174 Tottenham Court Road W1

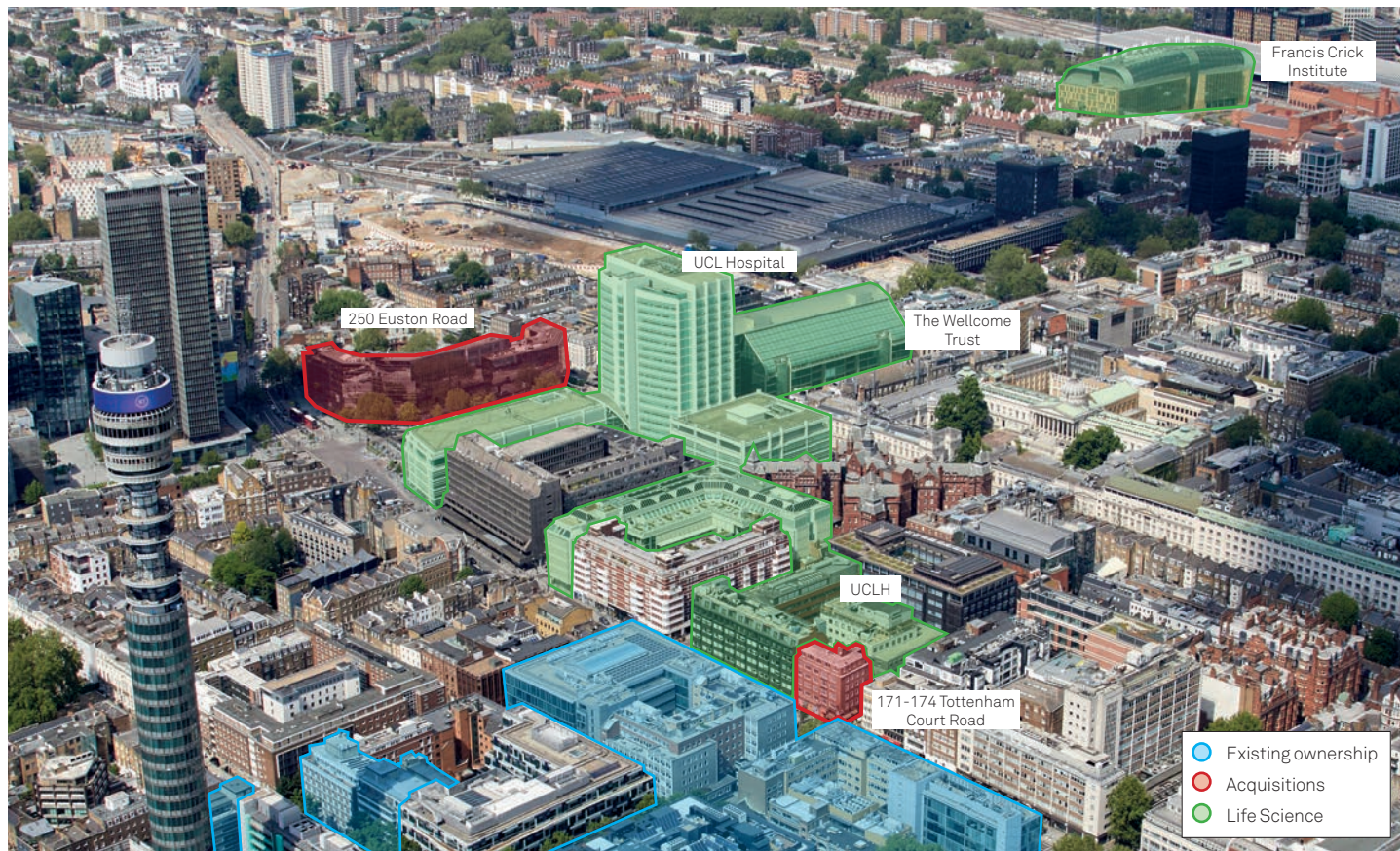
¹ 100% interest

ACQUISITION: 250 EUSTON ROAD NW1

- Substantial island site of 1.6 acres in the Knowledge Quarter
- 165,900 sq ft offices let to UCLH at £4.7m pa or £28 psf until 2039:
 - Fixed annual increases of 2.5% compounded every 5 years
 - Tenant only breaks every 5 years with next break in April 2024

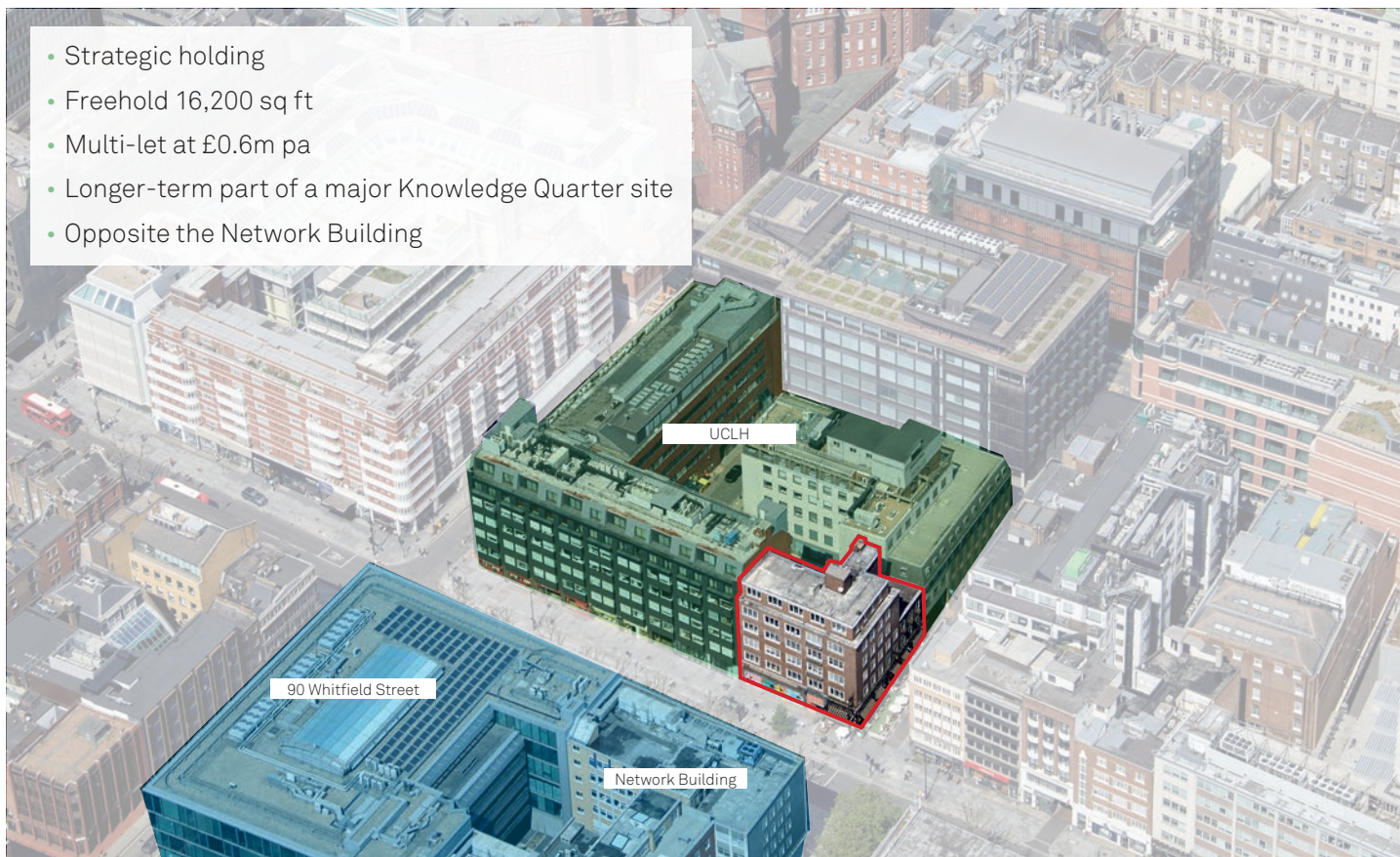


ACQUISITIONS IN THE KNOWLEDGE QUARTER



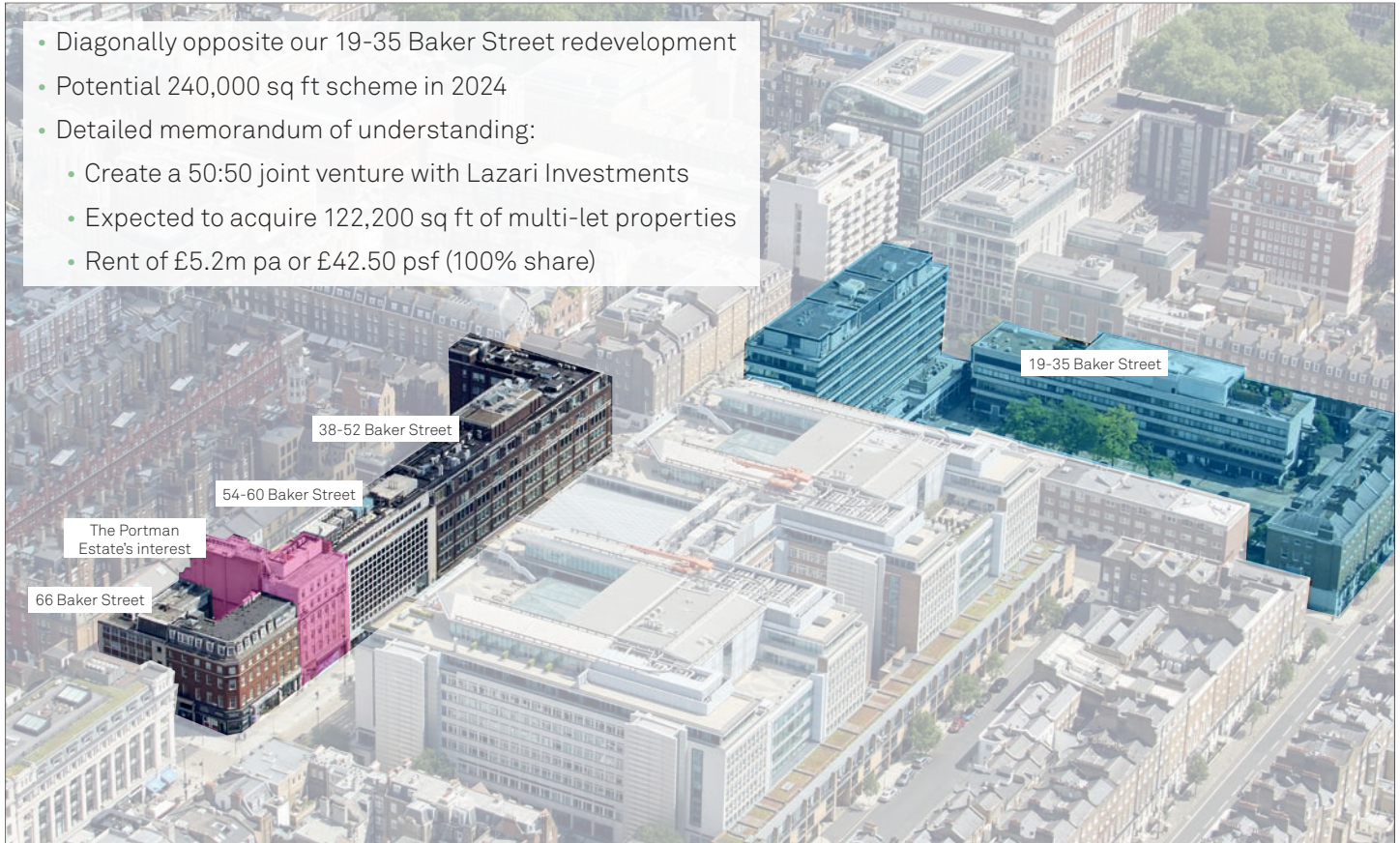
ACQUISITION: 171-174 TOTTENHAM COURT ROAD W1

- Strategic holding
- Freehold 16,200 sq ft
- Multi-let at £0.6m pa
- Longer-term part of a major Knowledge Quarter site
- Opposite the Network Building



JOINT VENTURE: 38-52, 54-60 & 66 BAKER STREET W1

- Diagonally opposite our 19-35 Baker Street redevelopment
- Potential 240,000 sq ft scheme in 2024
- Detailed memorandum of understanding:
 - Create a 50:50 joint venture with Lazari Investments
 - Expected to acquire 122,200 sq ft of multi-let properties
 - Rent of £5.2m pa or £42.50 psf (100% share)





BUSH HOUSE, SOUTH WEST WING WC2

- Accelerating a development opportunity:
 - Existing Group freehold
 - Acquired outstanding 7-year headlease
 - 103,700 sq ft existing office building
 - Acquired with vacant possession
- Combined interest £51.8m or c.£500 per sq ft
- Architects Stiff & Trevillion appointed on the refurbishment and extension
- Potential to increase floorspace to c.130,000 sq ft subject to planning
- Possible start in 2022
- The location will benefit from the pedestrianisation works taking place on the Strand

Bush House WC2 (CGI)



DISPOSALS

- Two major disposals in the year to date:



Angel Square EC1

- Exchanged sale contracts in Q3 2021:
 - £86.5m before costs
 - Three connected buildings of 126,200 sq ft
 - Leases expiring



Johnson Building EC1

- Sale completed in Q1 2021:
 - £170m before costs
 - Multi-let building of 192,700 sq ft
 - 40% of income expiring in 2021
 - First generation refurbishment



SUMMARY

PAUL WILLIAMS

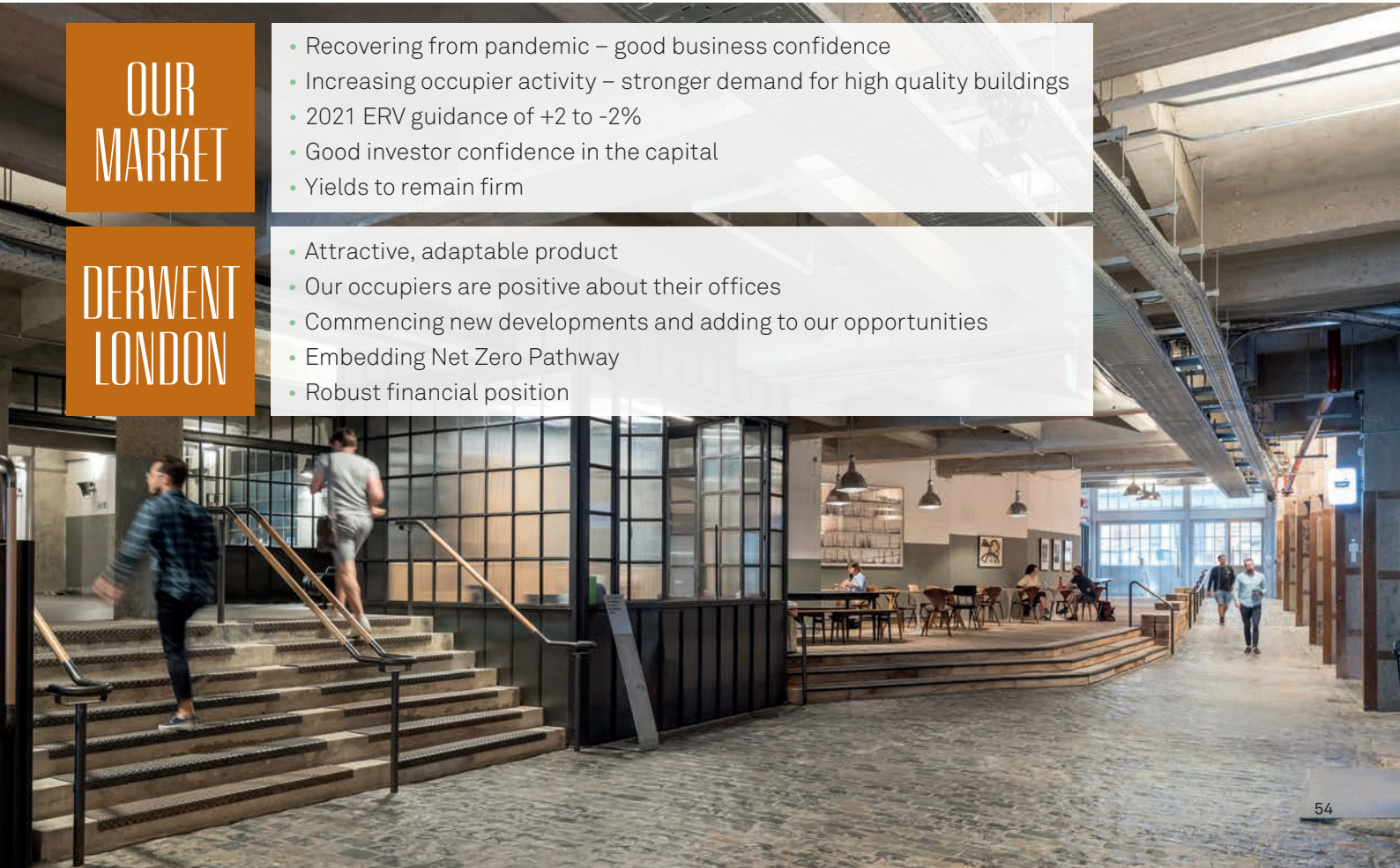
SUMMARY

OUR MARKET

- Recovering from pandemic – good business confidence
- Increasing occupier activity – stronger demand for high quality buildings
- 2021 ERV guidance of +2 to -2%
- Good investor confidence in the capital
- Yields to remain firm

DERWENT LONDON

- Attractive, adaptable product
- Our occupiers are positive about their offices
- Commencing new developments and adding to our opportunities
- Embedding Net Zero Pathway
- Robust financial position



The background of the page is a close-up photograph of a wooden structure, likely a piece of furniture or a wall paneling. It features vertical wooden slats and a horizontal wooden top rail, all made of a dark-stained wood with a visible grain. A semi-transparent white horizontal band is overlaid across the middle of the image.

APPENDICES

APPENDICES

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APPENDIX 1 - HEADLINE NUMBERS

	Jun 2021	% change	Dec 2020	Jun 2020
Net asset value (NAV)	£4,382.9m	1.6*	£4,315.1m	£4,404.7m
EPRA net tangible assets per share ^{1,2}	3,864p	1.4*	3,812p	3,900p
EPRA net disposal value per share ^{1,2}	3,769p	2.4*	3,682p	3,792p
Total return	2.7%	n/a	(1.8%)	(0.1%)
Gross rental income	£98.1m	0.3	£202.9m	£97.8m
Net rental income	£90.1m	6.8	£174.3m	£84.4m
EPRA earnings per share ²	54.04p	10.5	99.19p	48.90p
Profit/(loss) for the period	£120.5m	n/a	(£81.4m)	(£13.2m)
Interim dividend per share	23.00p	4.5	22.00p	22.00p
Net debt	£999.7m	(4.7)*	£1,049.1m	£992.8m
Loan-to-value (LTV) ratio	17.3%	n/a	18.4%	17.3%
NAV gearing	22.8%	n/a	24.3%	22.5%
Net interest cover ratio	477%	n/a	446%	435%

* Compared with Dec 2020

¹ On a diluted basis ² Reconciliations to IFRS figures in Appendices 3 and 6

APPENDIX 2 - GROUP BALANCE SHEET

	Jun 2021 £m	Dec 2020 £m	Jun 2020 £m
Investment property	5,068.6	5,029.1	5,219.1
Owner-occupied property	46.6	45.6	45.3
Investment in joint ventures	0.9	0.9	1.3
Other non-current assets	160.3	151.0	144.8
	5,276.4	5,226.6	5,410.5
Non-current assets held for sale	163.1	165.0	-
Other current assets and liabilities	(60.9)	(31.6)	(39.6)
Trading property	9.2	12.9	36.5
Cash and cash equivalents	60.0	50.7	201.8
	8.3	32.0	198.7
Borrowings - non-current	(992.3)	(1,033.2)	(1,134.2)
Other non-current liabilities	(72.6)	(75.3)	(70.3)
	(1,064.9)	(1,108.5)	(1,204.5)
Total net assets	4,382.9	4,315.1	4,404.7
Non-controlling interest	(52.2)	(51.9)	(52.0)
Attributable to equity shareholders	4,330.7	4,263.2	4,352.7

APPENDIX 3 - EPRA NET ASSET VALUE METRICS

	Jun 2021			Dec 2020		
	EPRA NTA ¹ £m	EPRA NDV ² £m	EPRA NRV ³ £m	EPRA NTA ¹ £m	EPRA NDV ² £m	EPRA NRV ³ £m
Net assets attributable to equity shareholders	4,330.7	4,330.7	4,330.7	4,263.2	4,263.2	4,263.2
Revaluation of trading property	0.9	0.9	0.9	1.4	1.4	1.4
Deferred tax on revaluation surplus	2.0	-	3.9	1.8	-	3.5
Fair value of derivative financial instruments	3.4	-	3.4	5.6	-	5.6
Less share of non-controlling interest	(0.4)	-	(0.7)	(0.4)	-	(0.7)
Fair value adjustment to secured bonds	8.7	8.7	8.7	9.3	9.3	9.3
Mark-to-market of fixed rate debt	-	(91.6)	-	-	(127.8)	-
Unamortised issue and arrangement costs	-	(10.2)	-	-	(11.3)	-
Purchasers' costs ⁴	-	-	366.1	-	-	364.2
Adjusted net assets	4,345.3	4,238.5	4,713.0	4,280.9	4,134.8	4,646.5
Number of shares (m) – diluted	112.5	112.5	112.5	112.3	112.3	112.3
Per share measure (p) – diluted	3,864	3,769	4,191	3,812	3,682	4,138

¹ Net tangible assets ² Net disposal value ³ Net reinstatement value ⁴ 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 2021 £m	Year ended Dec 2020 £m	Half year ended Jun 2020 £m
Gross rental income	98.1	202.9	97.8
Net surrender premiums and other property income	3.6	1.8	0.2
Profit on disposal of trading properties	0.5	5.2	0.8
Write-down of trading property	(0.7)	(1.8)	(0.4)
Other income	1.5	3.5	1.5
Waivers and impairment	(1.4)	(14.2)	(6.5)
Other property outgoings	(6.5)	(14.4)	(6.9)
Net property and other income	95.1	183.0	86.5
Administrative expenses	(19.4)	(37.8)	(17.1)
Revaluation surplus/(deficit)	57.8	(196.1)	(68.3)
Profit on disposal of investment property	0.6	1.7	1.7
Net finance costs	(14.2)	(30.2)	(13.6)
Derivatives fair value movement	2.2	(1.9)	(2.6)
Financial derivative termination costs	(1.0)	(1.7)	(0.6)
IFRS profit/(loss) before tax	121.1	(83.0)	(14.0)
Tax (charge)/credit	(0.6)	1.6	0.8
IFRS profit/(loss) for the period	120.5	(81.4)	(13.2)
Attributable to:			
Equity shareholders ¹	120.2	(77.6)	(9.5)
Non-controlling interest	0.3	(3.8)	(3.7)
	120.5	(81.4)	(13.2)

¹ 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 2021 £m	Year ended Dec 2020 £m	Half year ended Jun 2020 £m
IFRS profit/(loss) for the period attributable to shareholders	120.2	(77.6)	(9.5)
Revaluation (surplus)/deficit	(57.8)	196.1	68.3
Profit on disposal of investment property	(0.6)	(1.7)	(1.7)
Profit on disposal of trading property	(0.5)	(5.2)	(0.8)
Write-down of trading property	0.7	1.8	0.4
Derivatives fair value adjustment	(2.2)	1.9	2.6
Financial derivative termination costs	1.0	1.7	0.6
Loan arrangement costs written off	-	0.1	-
Tax adjustment	0.2	(1.0)	(0.8)
Non-controlling interest in respect of the above	(0.4)	(5.1)	(4.4)
EPRA earnings	60.6	111.0	54.7

APPENDIX 6 - EXPLANATION OF EPRA ADJUSTMENTS

	H1 2021 IFRS £m	Adjustments			H1 2021 EPRA basis £m	H1 2020 EPRA basis £m
		A £m	B £m	C £m		
Net property and other income	95.1	(0.5)	0.7	-	95.3	86.1
Administrative expenses	(19.4)	-	-	-	(19.4)	(17.1)
Revaluation surplus	57.8	-	(57.8)	-	-	-
Profit on disposal	0.6	(0.6)	-	-	-	-
Net finance costs	(14.2)	-	-	-	(14.2)	(13.6)
Derivatives fair value movement	2.2	-	-	(2.2)	-	-
Financial derivative termination costs	(1.0)	-	-	1.0	-	-
Profit before tax	121.1	(1.1)	(57.1)	(1.2)	61.7	55.4
Tax charge	(0.6)	-	0.2	-	(0.4)	-
Profit for the period	120.5	(1.1)	(56.9)	(1.2)	61.3	55.4
Non-controlling interest	(0.3)	-	(0.4)	-	(0.7)	(0.7)
Earnings attributable to equity shareholders	120.2	(1.1)	(57.3)	(1.2)	60.6	54.7
Earnings per share	107.20p				54.04p	48.90p

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

B – Write-down of trading properties and 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 2021 £m	Year ended Dec 2020 £m	Half year ended Jun 2020 £m
Property income	88.2	164.6	71.9
Property expenses	(7.7)	(19.1)	(9.6)
Other income	2.1	3.5	0.6
Administrative expenses	(18.5)	(35.5)	(20.2)
Finance costs	(12.9)	(28.1)	(12.6)
Tax in respect of operating activities	0.1	-	-
Net cash from operating activities	51.3	85.4	30.1
Acquisitions and capex	(111.0)	(218.4)	(116.4)
Disposals	170.1	157.3	129.4
Receipts from joint ventures	-	0.4	-
Other cash used in investing activities	(0.7)	(1.3)	3.6
Net cash from/(used in) investing activities	58.4	(62.0)	16.6
Movement in debt	(43.4)	55.7	156.5
Ordinary dividend paid	(56.7)	(81.8)	(55.5)
Other cash (used in)/from financing activities	(0.3)	(1.1)	(0.4)
Net cash (used in)/from financing activities	(100.4)	(27.2)	100.6
Increase/(decrease) in cash and cash equivalents during the period	9.3	(3.8)	147.3
Cash and cash equivalents at the beginning of the period	50.7	54.5	54.5
Cash and cash equivalents at the end of the period	60.0	50.7	201.8

APPENDIX 8 - RENT COLLECTION¹

- Year to date, 93% of rent collected with a further 3% on payment plans
- Dec 2020 and Mar 2021 quarters represent income recognised in H1 2021

	Jun 2021 quarter		Mar 2021 quarter		Dec 2020 quarter	
	Announced 9 Jul	Current Position	Announced 9 Jul	Current Position	Announced 9 Jul	Current Position
Total quarter's rent						
Rent received to date	89	93	94	95	92	92
Due later in the quarter	5	3	1	1	0	0
Payment plans	0	0	0	0	5	5
Outstanding	5	3	4	3	2	2
Rent-free granted	1	1	1	1	1	1
Total	100	100	100	100	100	100
	£41.1m	£41.1m	£42.2m	£42.2m	£44.2m	£44.2m

¹ Rent received to date for English quarter days

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

	Like-for-like movement to H1 2021	Like-for-like portfolio £m	Development property £m	Acquisitions & disposals £m	Total £m
H1 2021					
Gross rental income		86.1	0.9	11.1	98.1
Other property expenditure		(5.7)	(0.2)	(0.7)	(6.6)
Write-off/impairment of receivables		(1.4)	-	-	(1.4)
Impact of service charge waiver		-	-	-	-
Net rental income		79.0	0.7	10.4	90.1
Other		5.3	0.4	(0.7)	5.0
Net property and other income		84.3	1.1	9.7	95.1
H1 2020					
Gross rental income	(4.5%)	90.2	5.4	2.2	97.8
Other property expenditure		(5.9)	(0.4)	(0.6)	(6.9)
Write-off/impairment of receivables		(3.9)	(0.5)	-	(4.4)
Impact of service charge waiver		(2.0)	(0.1)	-	(2.1)
Net rental income	0.8%	78.4	4.4	1.6	84.4
Other		1.5	0.8	(0.2)	2.1
Net property and other income	5.5%	79.9	5.2	1.4	86.5
H2 2020					
Gross rental income	(3.4%)	89.1	4.9	11.1	105.1
Other property expenditure		(6.2)	(0.4)	(1.0)	(7.6)
Write-off/impairment of receivables		(5.6)	0.1	(0.2)	(5.7)
Impact of service charge waiver		(1.8)	(0.1)	-	(1.9)
Net rental income	4.6%	75.5	4.5	9.9	89.9
Other		3.6	4.4	(1.4)	6.6
Net property and other income	6.6%	79.1	8.9	8.5	96.5

APPENDIX 10 - DEBT FACILITIES

	Drawn £m	Undrawn £m	Total £m	Maturity
6.5% secured bonds	175.0	-	175.0	March 2026
3.99% secured loan	83.0	-	83.0	October 2024
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
Non-bank loans	888.0	-	888.0	
Bilateral term – secured	28.0	-	28.0	July 2022
Bilateral revolving credit – unsecured	-	100.0	100.0	November 2025
Club revolving credit – unsecured	83.0	367.0	450.0	October 2025
Committed bank facilities	111.0	467.0	578.0	
At 30 Jun 2021	999.0	467.0	1,466.0	

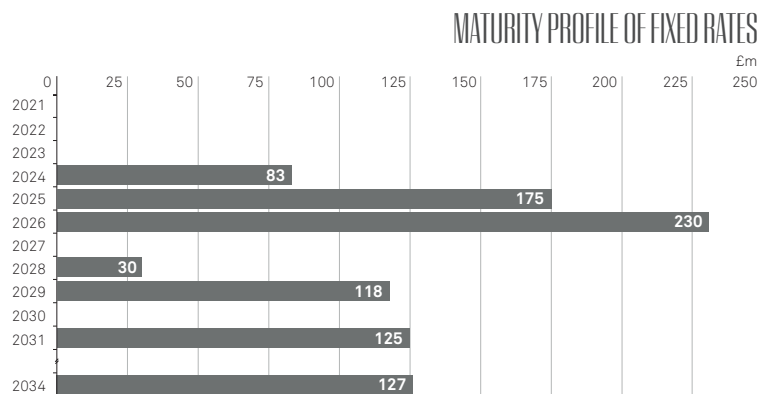
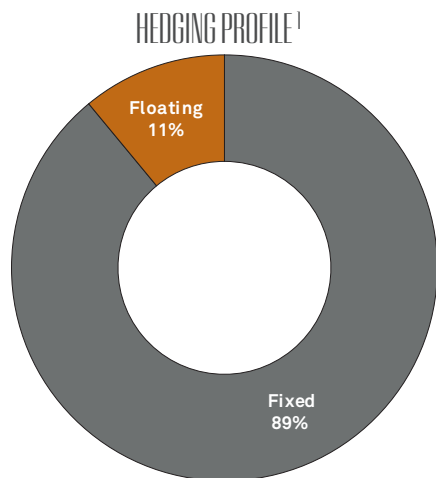
APPENDIX 11 - NET DEBT

	Jun 2021 £m	Dec 2020 £m
Borrowings	992.3	1,033.2
Acquired fair value of secured bonds less amortisation	(8.7)	(9.3)
Equity component of convertible bonds	7.7	7.7
Unwinding of discount of convertible bonds	(2.5)	(1.9)
Unamortised issue and arrangement costs	10.2	11.3
Facilities – drawn	999.0	1,041.0
Facilities – undrawn	467.0	425.0
Total debt facilities	1,466.0	1,466.0

	Jun 2021 £m	Dec 2020 £m
Borrowings	992.3	1,033.2
Leasehold liabilities	67.4	66.6
Cash and cash equivalents	(60.0)	(50.7)
Net debt	999.7	1,049.1

APPENDIX 12 - FIXED RATES AND HEDGING

	Jun 2021	Dec 2020
Proportion of drawn facilities at fixed rates or hedged	89%	85%
Mark-to-market cost of swaps and forward-start swaps	£3.4m	£5.6m
Weighted average duration of fixed rate instruments	6.7 years	7.2 years



¹ Excludes the following forward-start swaps:

Principal £m	Rate %	Forward start date	Expiry date
40.0	2.45	July 2021	July 2022
75.0	1.36	July 2021	April 2025

APPENDIX 13 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Jun 2021 £m	Weighting Jun 2021 %	Valuation movement H1 2021 ¹ %
West End Central			
Fitzrovia ²	1,678.5	31	(0.6)
Victoria	494.0	9	4.0
Paddington	376.6	7	4.5
Soho/Covent Garden	326.6	6	4.4
Baker Street/Marylebone	157.3	3	0.1
Mayfair	99.9	2	2.9
	3,132.9	58	1.3
West End Borders & Other			
Islington/Camden	481.3	9	4.2
Brixton	35.7	1	(3.7)
	517.0	10	3.6
West End	3,649.9	68	1.6
City Borders			
Old Street	679.3	13	2.6
Clerkenwell	533.7	10	(0.8)
Shoreditch/Whitechapel	437.0	8	(0.5)
Other	2.2	-	0.0
City Borders	1,652.2	31	0.7
Central London	5,302.1	99	1.3
Provincial	81.5	1	7.4
Investment portfolio	5,383.6	100	1.4

¹ Underlying - properties held throughout the year ² Includes North of Oxford Street

APPENDIX 14 - RENTAL VALUE GROWTH AND AVERAGE RENTS

RENTAL VALUE GROWTH¹

	H1 2020 %	H2 2020 %	2020 %	H1 2021 %
West End	(0.5)	(2.8)	(3.3)	(0.4)
City Borders	(0.8)	(1.0)	(1.8)	(0.1)
Central London	(0.6)	(2.1)	(2.7)	(0.3)
Provincial	(3.0)	(4.8)	(7.8)	0.0
Underlying	(0.7)	(2.1)	(2.8)	(0.3)

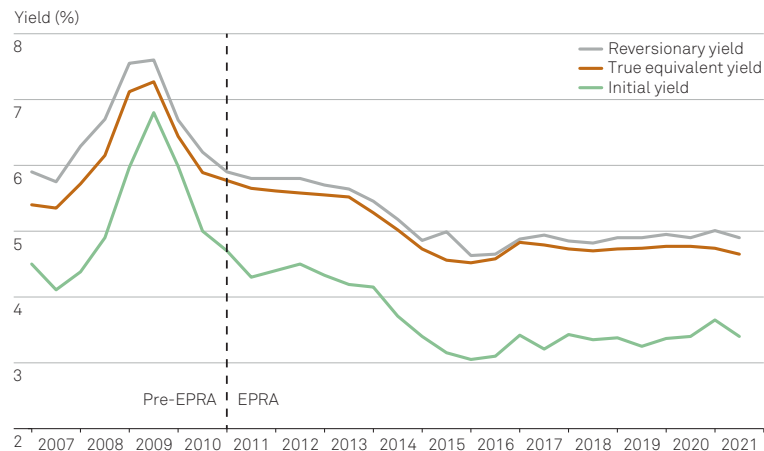
AVERAGE RENTS - CENTRAL LONDON OFFICES

	Portfolio % ²	Passing rent £ psf ³	'Topped-up' rent £ psf ³	ERV £ psf ⁴
Core income	55	43.01	63.33	62.81
Potential projects	36	39.30	44.76	48.87
	91	41.67	56.64	57.70
On-site developments	8	-	92.63	82.72
On-site refurbishments	1	-	-	66.38
	9	-	92.63	80.95
Total	100	-	58.35	59.59

¹ On EPRA portfolio ² Portfolio area ³ Occupied office area ⁴ Total office area

APPENDIX 15 - VALUATION YIELDS

YIELD PROFILE¹



EPRA INITIAL YIELDS

	Net initial yield %	'Topped-up' initial yield %
West End	3.0	4.4
City Borders	4.1	4.7
Central London	3.3	4.5
Provincial	8.6	9.1
EPRA portfolio	3.4	4.6

TRUE EQUIVALENT YIELDS²

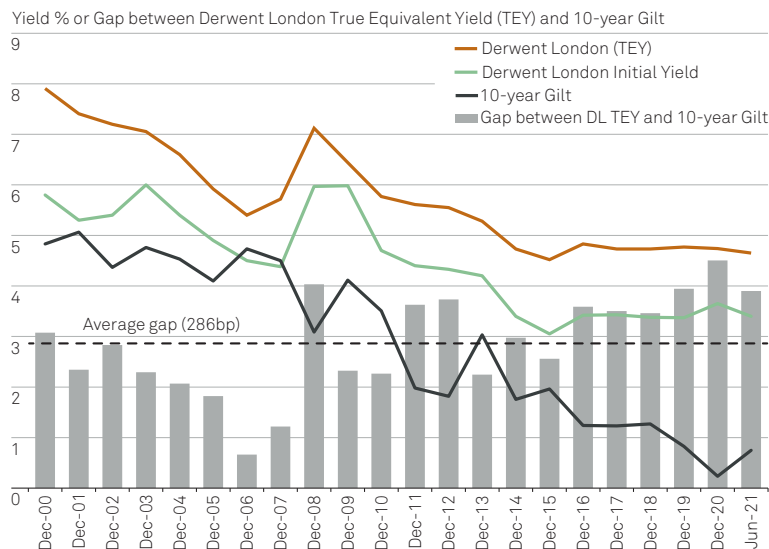
	Dec 2020 %	H1 2021 movement basis points	Jun 2021 %
West End	4.63	(8)	4.55
City Borders	4.81	(9)	4.72
Central London	4.70	(9)	4.61
Provincial	8.83	(11)	8.72
Underlying	4.74	(9)	4.65

¹ Six-monthly data ² On EPRA portfolio

APPENDIX 16 - CONTEXT TO YIELD MOVEMENT

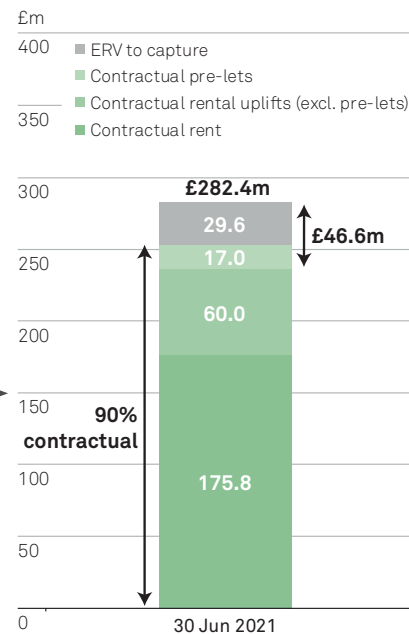
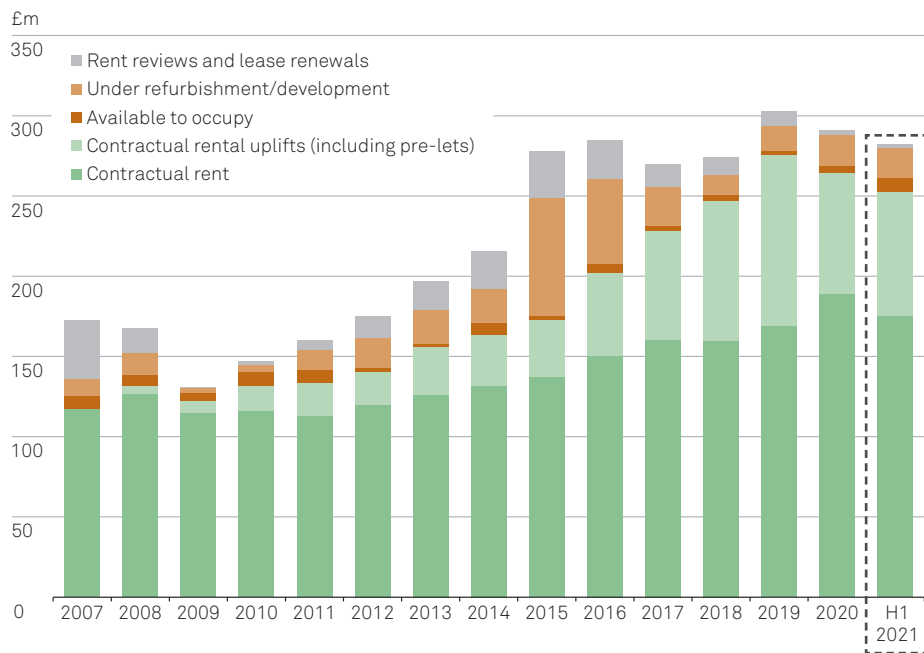
- UK 10-year Gilt yield increased from 0.24% to 0.75% in H1 2021:
 - 0.12% in Jun 2020
- 390bp spread between the Derwent London true equivalent yield and the 10-year Gilt:
 - Still significantly above the average spread of 286bp
 - Gap down from 451bp at the start of the year and 465bp in Jun 2020
- Capital values²:
 - Central London £1,071 psf:
 - West End £1,122 psf
 - City Borders £976 psf

VALUATION YIELDS¹



¹ Post H2 2010 portfolio on an EPRA basis ² Excludes 0.45m sq ft of on-site developments and on-site refurbishments - Appendix 20

APPENDIX 17 - EVOLUTION OF PORTFOLIO ERV



APPENDIX 18 - PORTFOLIO STATISTICS BY VILLAGE

	Valuation £m	Weighting %	Floor area ¹ '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 ⁵ £m pa	Total reversion £m pa	Estimated rental value £m pa
West End Central										
Fitzrovia ²	1,678.5	31	1,366	111	48.8	39.19	5.7	29.2	34.9	83.7
Victoria	494.0	9	521	73	15.0	33.40	4.8	5.6	10.4	25.4
Paddington	376.6	7	243	-	7.5	31.67 ³	-	10.1	10.1	17.6
Soho/Covent Garden	326.6	6	388	35	-	-	3.1	17.1	20.2	20.2
Baker Street/Marylebone	157.3	3	194	44	5.2	35.12	2.4	1.8	4.2	9.4
Mayfair	99.9	2	43	-	1.9	44.04 ⁴	-	2.4	2.4	4.3
	3,132.9	58	2,755	263	78.4	31.72	16.0	66.2	82.2	160.6
West End Borders & Other										
Islington/Camden	481.3	9	502	12	24.5	50.04	0.6	2.6	3.2	27.7
Brixton	35.7	1	53	-	0.8	15.53	-	0.5	0.5	1.3
	517.0	10	555	12	25.3	46.65	0.6	3.1	3.7	29.0
West End	3,649.9	68	3,310	275	103.7	34.40	16.6	69.3	85.9	189.6
City Borders										
Old Street	679.3	13	606	139	24.4	52.22	8.9	3.5	12.4	36.8
Clerkenwell	533.7	10	564	8	24.0	45.42	0.4	2.4	2.8	26.8
Shoreditch/Whitechapel	437.0	8	544	89	19.0	41.78	1.5	3.8	5.3	24.3
Other	2.2	-	-	-	-	-	-	-	-	-
City Borders	1,652.2	31	1,714	236	67.4	46.45	10.8	9.7	20.5	87.9
Central London	5,302.1	99	5,024	511	171.1	38.34	27.4	79.0	106.4	277.5
Provincial	81.5	1	347	5	4.7	13.67	0.1	0.1	0.2	4.9
Investment portfolio	5,383.6	100	5,371	516	175.8	36.61	27.5	79.1	106.6	282.4

¹ Includes 0.45m sq ft of on-site developments ² Includes North of Oxford Street ³ Contracted rent of £73.03 psf after incentives

⁴ Contracted rent of £105.11 psf after incentives ⁵ Contractual uplifts, rent review/lease renewal reversion and pre-lets

APPENDIX 19 - BUILD-UP OF PORTFOLIO ERV

	£m	Rent uplift pa £m	Rent pa £m
Contracted rental income, net of ground rents			175.8
Contractual rental uplifts			
80 Charlotte Street W1	19.5		
Brunel Building W2	9.9		
Horseferry House SW1	5.2		
Tea Building E1	4.4		
60 Whitfield Street W1	2.6		
1 Oliver's Yard EC1	2.4		
Other	16.0	60.0	
Vacant space¹			
Available to occupy	8.4		
Under refurbishment	5.0	13.4	
Lease reversions			
Anticipated rent reviews and lease renewals		2.1	75.5
			251.3
On-site developments (non-EPRA)²			
Pre-let element	17.0		
Available	14.1		31.1
Estimated rental value			282.4

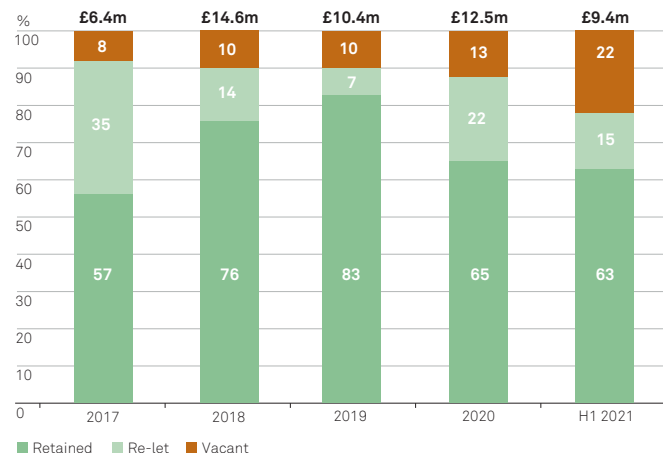
¹ Detailed in Appendix 20 ² Capex to complete £140m excluding capitalised interest – see Appendix 43

APPENDIX 20 - AVAILABLE SPACE AND PROJECTS

	Vacant area '000 sq ft	Pre-let 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
Available to occupy									
6-8 Greencoat Place SW1	32	-	32	2.1	-	2.1	-	2.1	32,400 sq ft let in Q3 at £2.2m pa
The White Chapel Building E1	89	-	89	1.5	-	1.5	-	1.5	
80 Charlotte Street W1	20	-	20	1.0	-	1.0	-	1.0	
27-33 Robert Adam Street W1	9	-	9	0.6	-	0.6	-	0.6	
Other	69	-	69	3.2	-	3.2	-	3.2	
	219	-	219	8.4	-	8.4	-	8.4	
Refurbishments									
90 Whitfield Street W1	19	-	19	1.3	-	1.3	-	1.3	
Charlotte Building W1	15	-	15	1.0	0.1	0.9	-	0.9	14,900 sq ft let in Q3 at £1.0m pa
43 Whitfield Street W1	11	-	11	0.6	-	0.6	-	0.6	
Other	53	-	53	2.3	0.1	2.2	-	2.2	
	98	-	98	5.2	0.2	5.0	-	5.0	
On-site developments									
Soho Place W1	36	249	285	3.2	0.1	3.1	17.0	20.1	
The Featherstone Building EC1	125	-	125	8.5	-	8.5	-	8.5	
Francis House SW1	38	-	38	2.5	-	2.5	-	2.5	
	199	249	448	14.2	0.1	14.1	17.0	31.1	
Total	516	249	765	27.8	0.3	27.5	17.0	44.5	

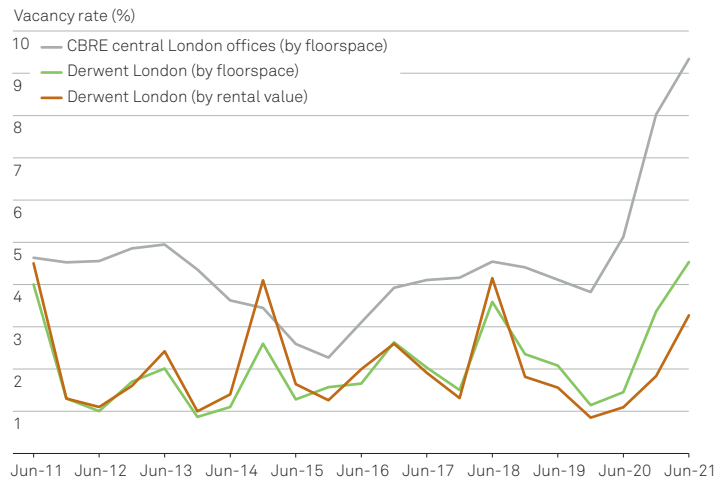
APPENDIX 21 - LEASE EXPIRY ANALYSIS AND VACANCY RATE

LEASE EXPIRY AND BREAK ANALYSIS¹



- £9.4m of income subject to breaks/expiries in H1 2021:
 - £1.5m taken back for projects
 - 78% of remainder retained or re-let
 - 22% available to let

EPRA VACANCY RATES



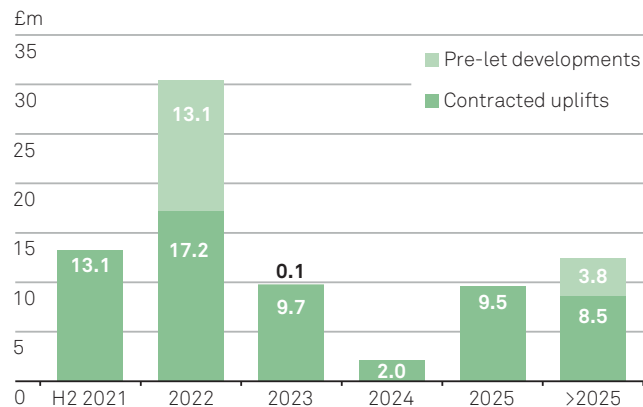
- EPRA vacancy rate² of 3.3% at the half year:
 - 1.8% at start of the year
 - Falls to 2.4% following Fora Q3 letting at 6-8 Greencoat Place SW1
- CBRE central London vacancy of 9.3%:
 - 8.0% at start of the year

¹ As at end of reporting period ² Calculated as space immediately available to occupy

APPENDIX 22 - TIMING OF THE REVERSION

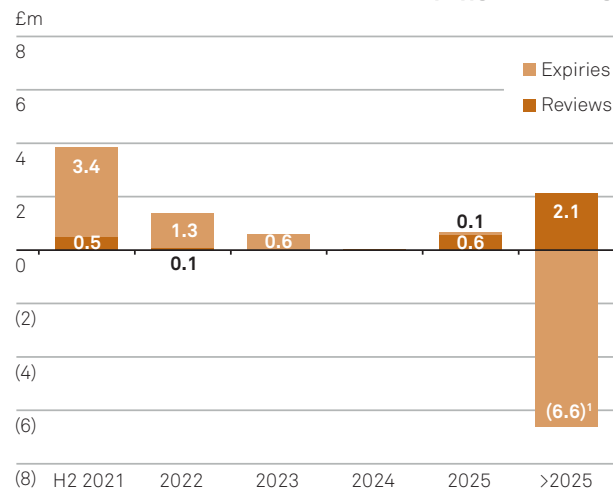
- £77.0m of the reversion contracted:
 - Contracted uplifts £60.0m
 - Pre-let developments £17.0m

CONTRACTED UPLIFTS AND PRE-LETS



- £2.1m of the reversion from reviews and expiries

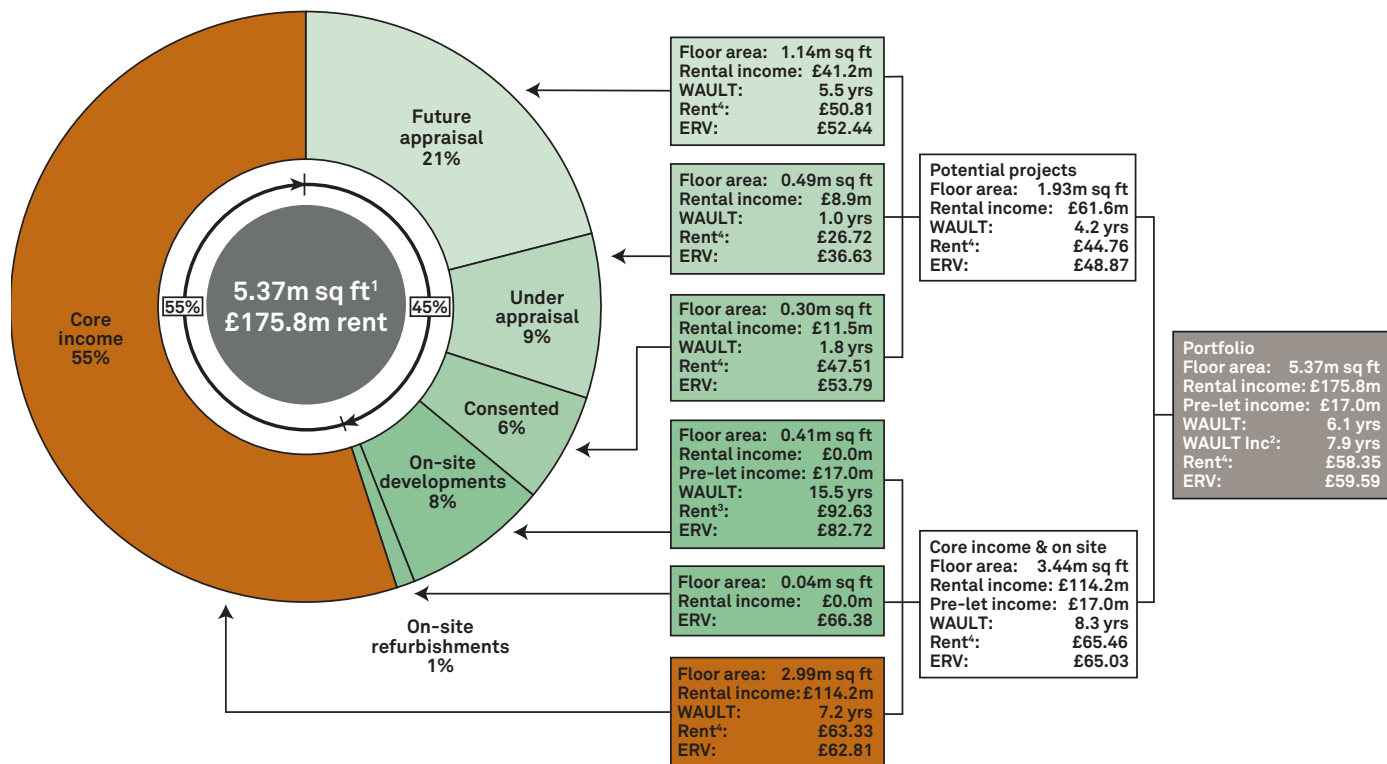
REVIEWS AND EXPIRIES



Rent psf	£45	£56	£48	£59	£55	£63
ERV psf	£54	£60	£51	£60	£59	£56
Uplift	20%	7%	6%	2%	7%	(11)%

¹ Predominantly due to contracted uplifts reverting to Jun 2021 ERV at lease expiry

APPENDIX 23 - PORTFOLIO SUMMARY



¹ Comprises 4.92m sq ft of existing buildings plus 0.45m sq ft of on-site developments and on-site refurbishments

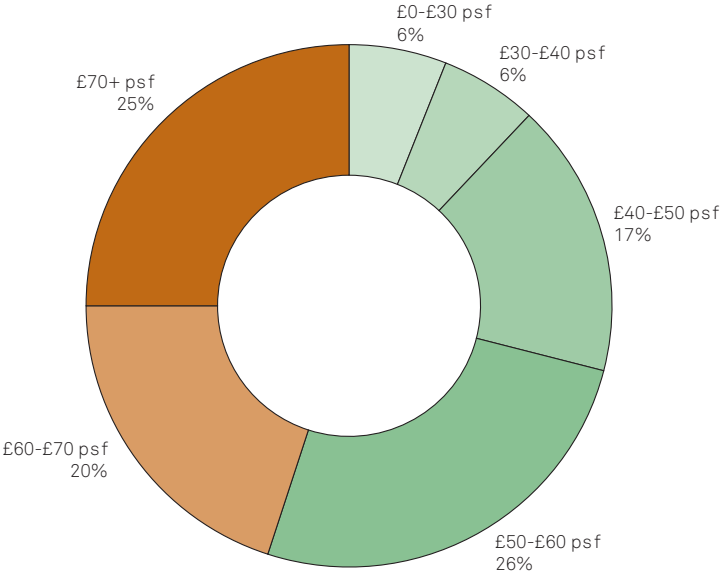
² After adjusting for 'topped-up' rents and pre-lets - Appendix 27

³ 'Topped-up' office rent including development pre-lets

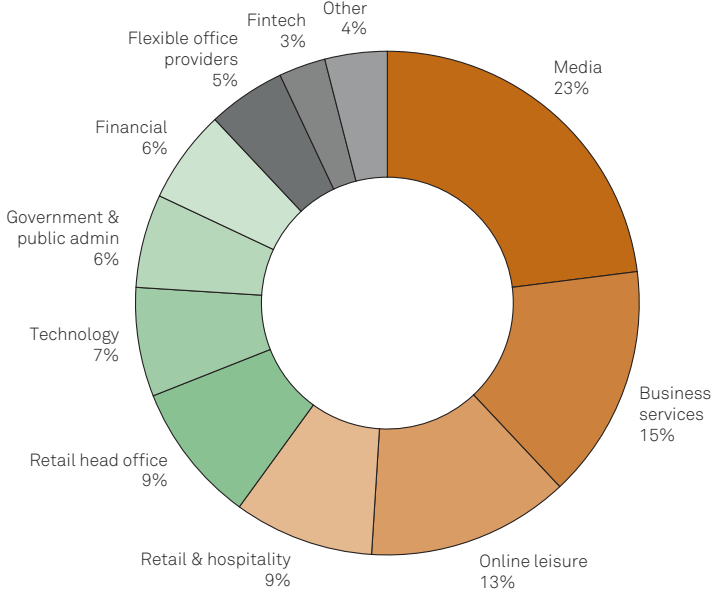
⁴ 'Topped-up' office rent

APPENDIX 24 - RENT AND TENANT BANDING

CENTRAL LONDON 'TOPPED-UP'
OFFICE RENT BANDING¹



PROFILE OF TENANTS'
BUSINESS SECTOR²



¹ Based on floor area ² Based on annualised rental income

APPENDIX 25 - MAJOR TENANTS



BURBERRY



THE
OFFICE
GROUP



'Topped-up' income %

	Existing	Pre-let
01 Expedia	7.4	-
02 Burberry	5.8	-
03 Boston Consulting Group	5.4	-
04 G-Research	0.4	3.8
05 Government	4.2	-
06 Arup	3.9	-
07 Apollo	-	3.1
08 The Office Group	2.8	-
09 Sony Pictures	1.9	-
10 FremantleMedia Group	1.8	-
11 Publicis Groupe	1.7	-
12 VCCP	1.6	-
13 The Doctors Laboratory	1.5	-
14 Splunk	1.5	-
15 Soho House	1.4	-
16 Telecity Group/Digital London	1.3	-
17 Adobe	1.2	-
18 Ticketmaster	1.1	-
19 Mother London	1.1	-
20 LCA London	1.0	-
Total	53.9	



SOHO HOUSE

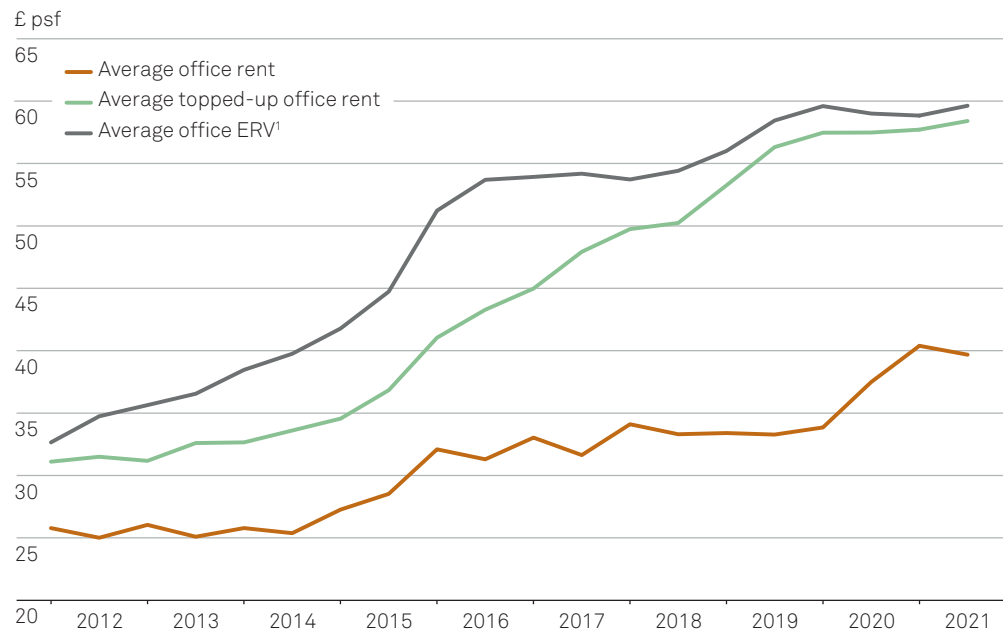


Pre-lets:



APPENDIX 26 - RENT PROFILE AND PORTFOLIO BREAKDOWN

DERWENT LONDON CENTRAL LONDON OFFICE RENT PROFILE



PORTFOLIO BREAKDOWN

Valuation	Nº of properties	Weighting %
> £200m	7	46
£100m - £200m	10	25
£50m - £100m	12	16
< £50m	52	13
	81	100

¹ Includes ERV of on-site schemes

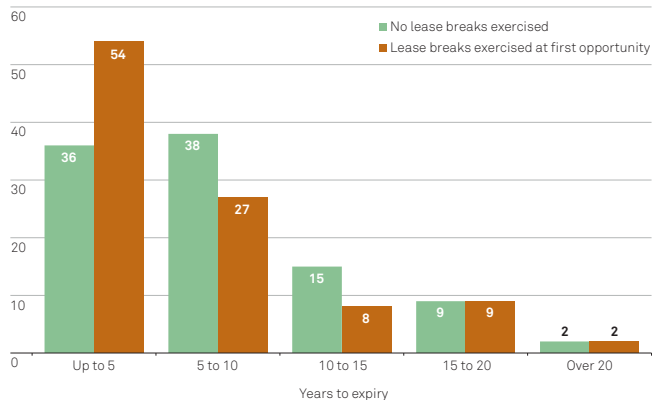
APPENDIX 27 - LEASE EXPIRY PROFILE AND LEASE LENGTH

EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

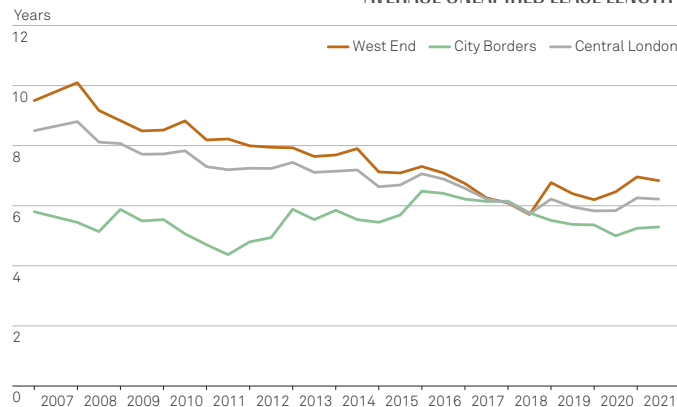
	West End	City Borders	Provincial	H2 2021	2022	2023	2024	2025	Total
Expiries	3	2	-	5	4	3	3	10	25
Rolling breaks	2	-	-	2	2	1	0	0	5
Single breaks	-	2	-	2	7	6	7	2	24
	5	4	-	9	13	10	10	12	54

PROFILE OF RENTAL INCOME EXPIRY¹

Contracted rental income %



AVERAGE UNEXPIRED LEASE LENGTH²



- Average lease length 6.1 years (Dec 2020: 6.2 years):
 - 7.9 years after adjusting for 'topped-up' rents and pre-lets (Dec 2020: 7.9 years)

¹ Based upon annualised contracted rental income of £175.8m ² Lease length weighted by rental income and assuming tenants break at first opportunity

APPENDIX 28 - KEY LETTINGS



6-8 Greencoat Place SW1

- Fora
- Entire building of 32,400 sq ft
- £2.2m pa at average rent of £69 psf
- 15-year lease, no breaks
- Refurbishment completed June 2021



20 Farringdon Road EC1

- Depop
- 33,500 sq ft
- £1.8m pa at £52.50 psf
- 5-year lease, break at year 3



Charlotte Building W1

- The & Partnership
- 14,900 sq ft
- £1.0m pa at £67.50 psf
- 5-year lease



APPENDIX 29 - KEY ASSET MANAGEMENT TRANSACTIONS



Angel Building EC1

- Expedia
- 125,500 sq ft
- Rent review increased income from £5.85m to £7.49m
- In-line with Dec 20 ERV



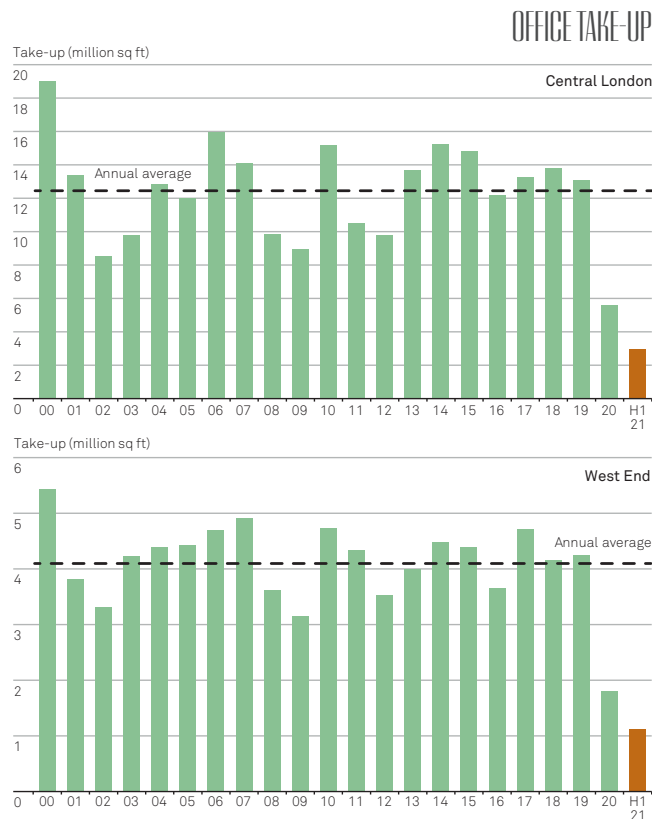
Tea Building E1

- Soho House
- 32,900 sq ft
- Lease extended from 2031 to 2036 (no breaks)
- Rent increased from £0.94m to £1.18m
- In-line with Dec 20 ERV

APPENDIX 30 - CENTRAL LONDON OFFICE DEMAND

Market statistics

- Central London office take-up totalled 3.0m sq ft in H1 2021:
 - 19% lower than H1 2020
 - 52% below the six-month Long Term Average (LTA)
 - 23% banking & finance, 22% professional, 19% creative industries, 12% consumer services & leisure, 9% business services, 7% public sector and 7% manufacturing, industrial & energy and 1% insurance
- At 30 Jun 2021 there was 2.7m sq ft under offer:
 - Up from 1.9m sq ft in Q1 and 2.0m sq ft at start of the year
 - 7% below the LTA
- West End take-up totalled 1.1m sq ft in H1 2021:
 - 11% above H1 2020
 - 44% below the LTA
 - A further 1.1m sq ft under offer, 27% above LTA



Source: CBRE

APPENDIX 31 - CENTRAL LONDON OFFICE SUPPLY

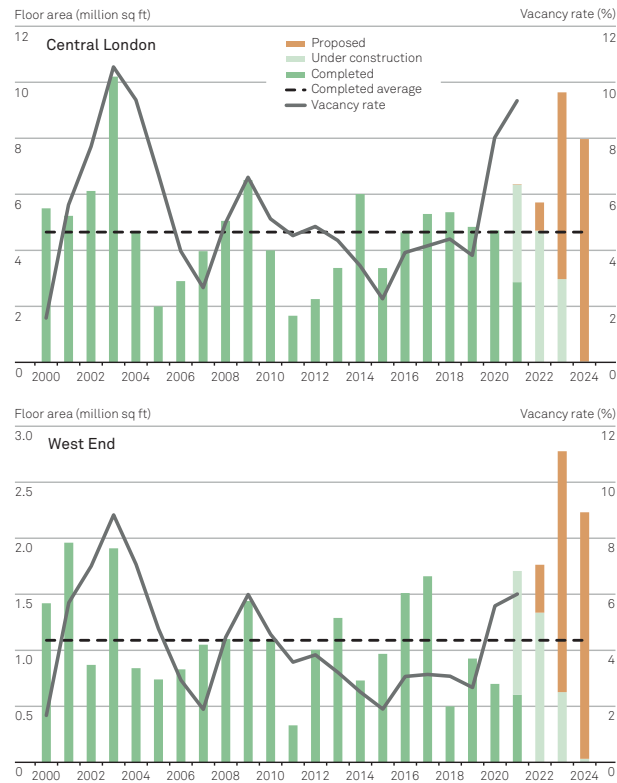
Existing supply

- Central London vacancy rate of 9.3% at the half year:
 - Highest level since Q4 2004
 - 8.0% at the start of the year, 5.1% in H1 2020
 - LTA of 5.2% (since 2000)
 - Available space totals 26.1m sq ft (75% secondhand)
- West End vacancy rate of 6.0% at the half year:
 - Up from 5.6% six months earlier and from 3.5% a year before
 - Above the 4.2% LTA
- City vacancy rate of 12.7%:
 - Up from 10.8% at the start of the year and 6.6% in H1 2020
 - Almost double the LTA of 6.5%

Future supply

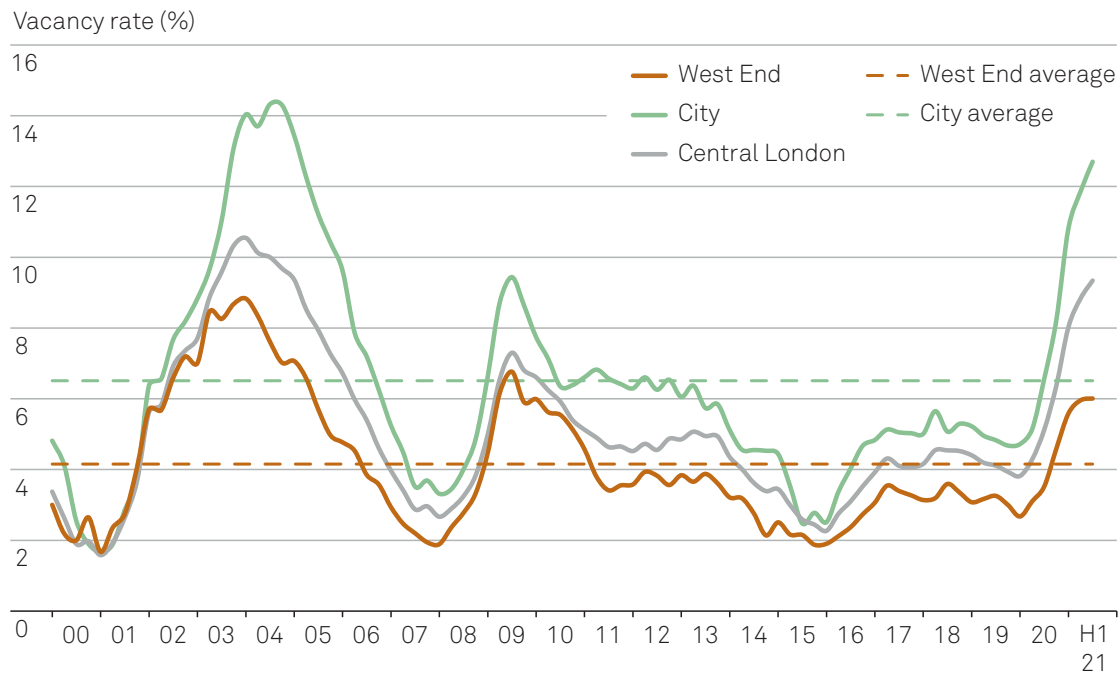
- Development completions of 6.4m sq ft in 2021, 37% above average – 2.9m sq ft delivered in H1
- 11.2m sq ft currently on site (32% pre-let) with 3.5m sq ft due in H2 2021, 4.7m sq ft in 2022 and 3.0m sq ft in 2023

OFFICE DEVELOPMENT PIPELINE



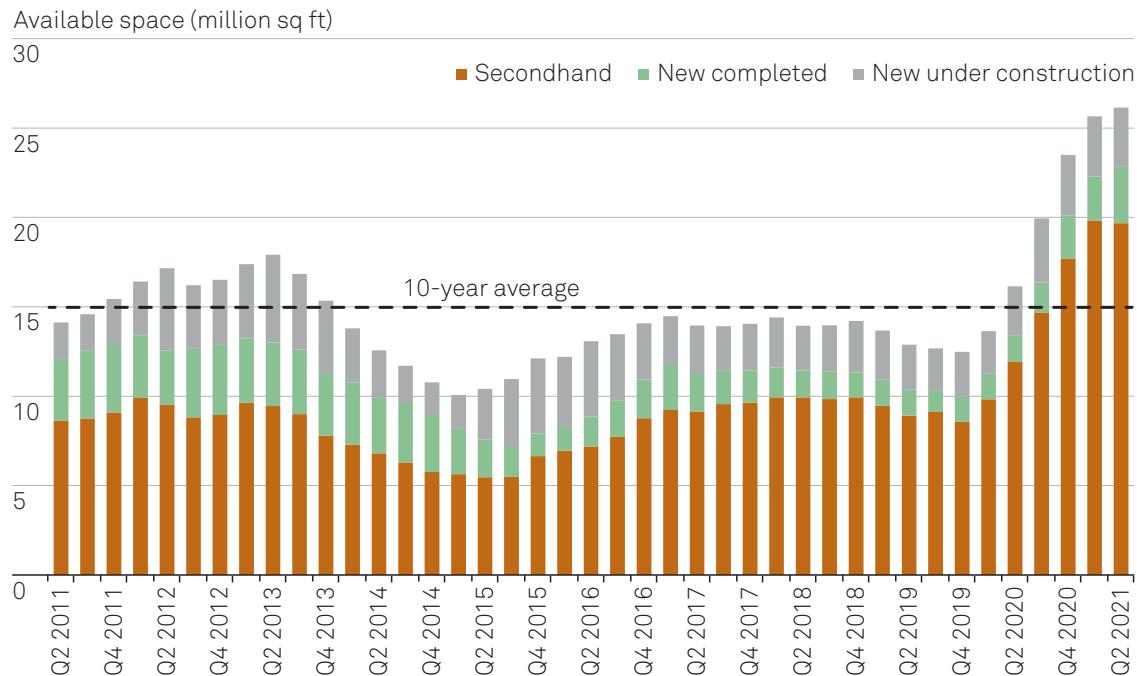
Source: CBRE

APPENDIX 32 - CENTRAL LONDON OFFICE VACANCY RATES



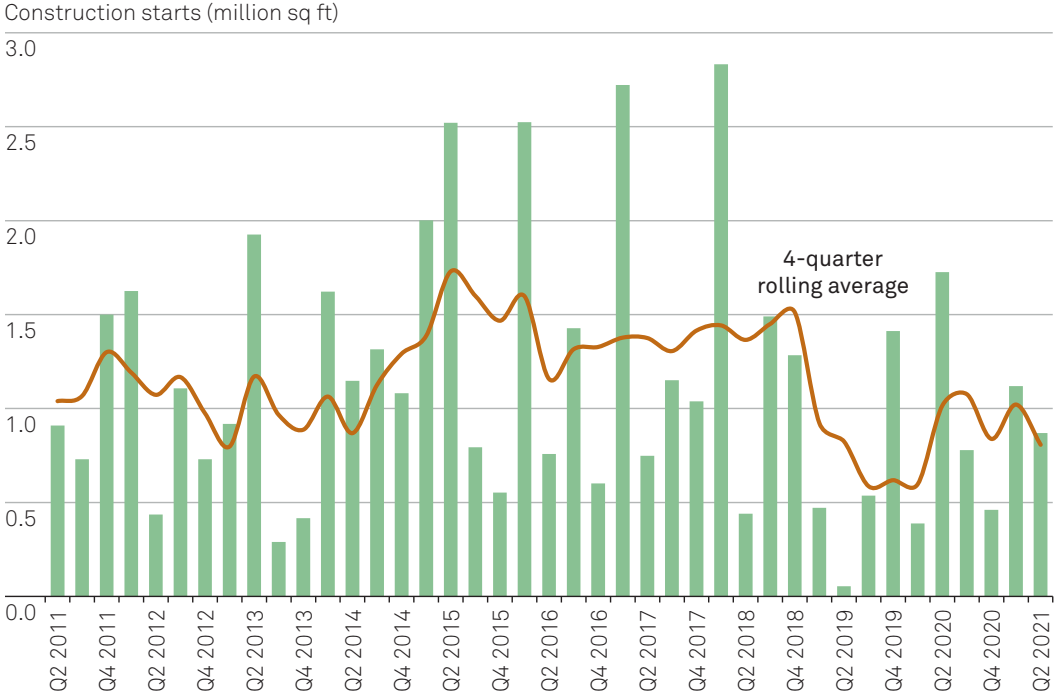
Source: CBRE

APPENDIX 33 - SECONDHAND SPACE



Source: CBRE

APPENDIX 34 - CENTRAL LONDON OFFICE CONSTRUCTION STARTS



Source: CBRE

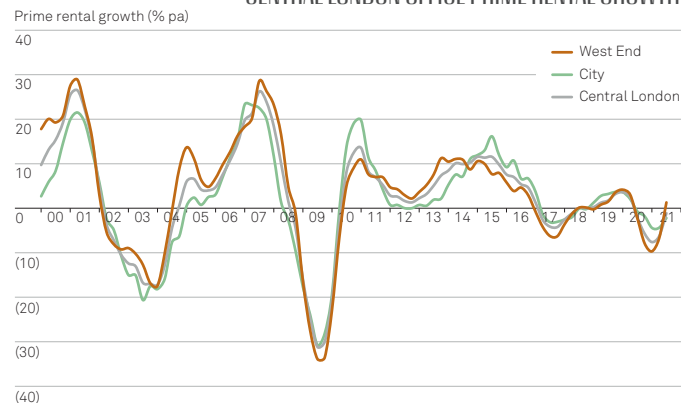
APPENDIX 35 - CENTRAL LONDON OFFICE RENTAL GROWTH

- At the half year CBRE reported prime office rental growth of -1.1% pa:
 - West End: +1.3% (-9.7% pa six months earlier)
 - City: -2.2% (-4.4% pa six months earlier)

- Prime rents in H1 increased in 9 of the 13 CBRE villages and now stand at:

	£ psf	H1 %	% pa
Mayfair/St James'	115.00	+13.3	+9.5
Soho	85.00	+3.7	(1.2)
Fitzrovia	82.50	+5.8	(1.2)
Midtown and King's Cross	82.50	+6.5	+5.1
Paddington	72.50	+3.6	(2.0)
Victoria	72.50	+7.4	(2.0)
City core	70.00	+0.0	(2.1)
Southbank	65.00	+0.0	(3.7)
Docklands	49.50	+0.0	(1.0)

CENTRAL LONDON OFFICE PRIME RENTAL GROWTH



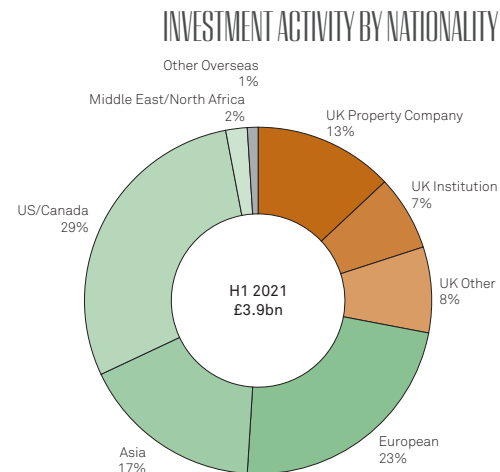
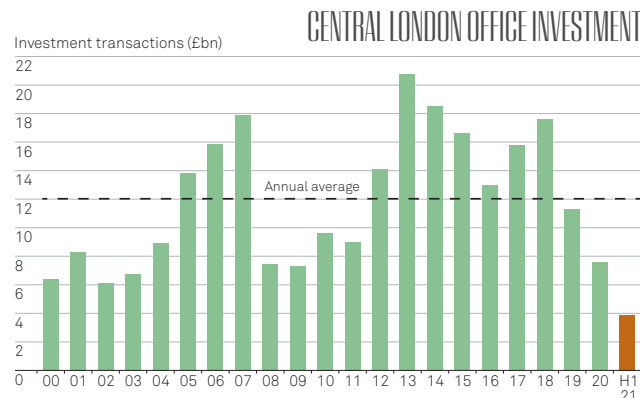
APPENDIX 36 - CENTRAL LONDON OFFICE INVESTMENT MARKET

H1 2021 activity

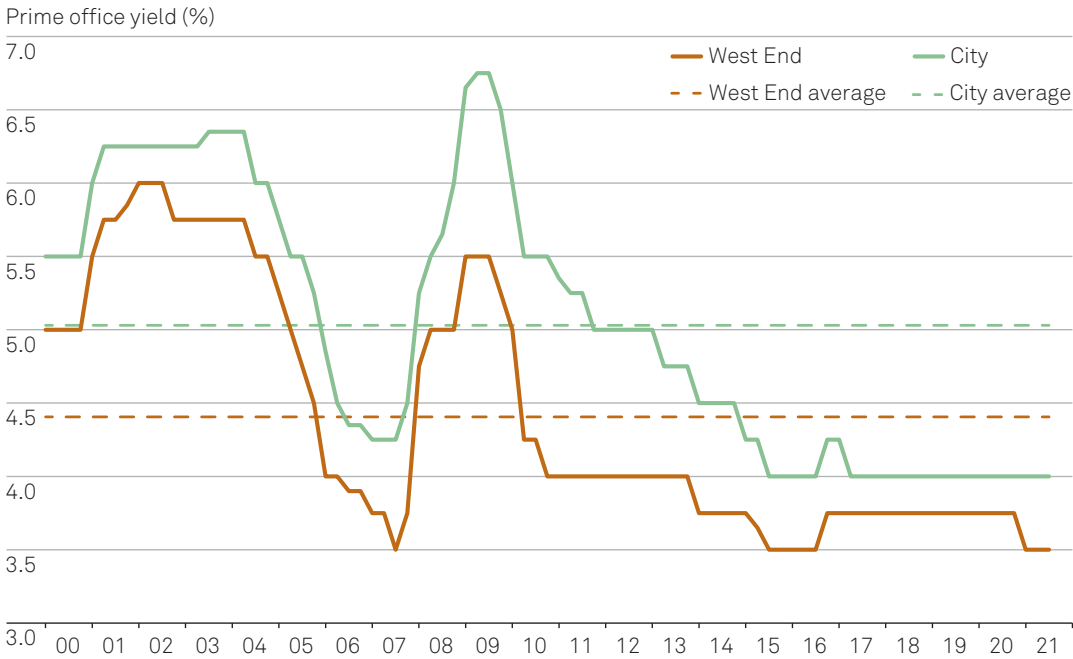
- CBRE reported £3.9bn of central London transactions:
 - Compares to £2.4bn in H1 2020 and £5.2bn in H2 2020
 - 35% below the LTA
 - 70% of transactions in Q2
 - 72% of activity from overseas - 29% US/Canada, 23% European and 17% Asian
- Prime yields at 30 June 2021:
 - 3.5% in the West End (3.75% in H1 2020)
 - 4.0% in the City – unchanged for 4.5 years

Supportive factors

- London remains good value compared to other key European cities with prime office yields at 2.55% in Berlin, 2.65% in Paris, 2.9% in Frankfurt and 3.0% in Amsterdam and Milan
- £41bn of investor demand with £4.8bn of property on the market
- Significant gap between UK Gilts and property yields
- Low UK interest rates



APPENDIX 37 - CENTRAL LONDON OFFICE YIELDS



Source: CBRE

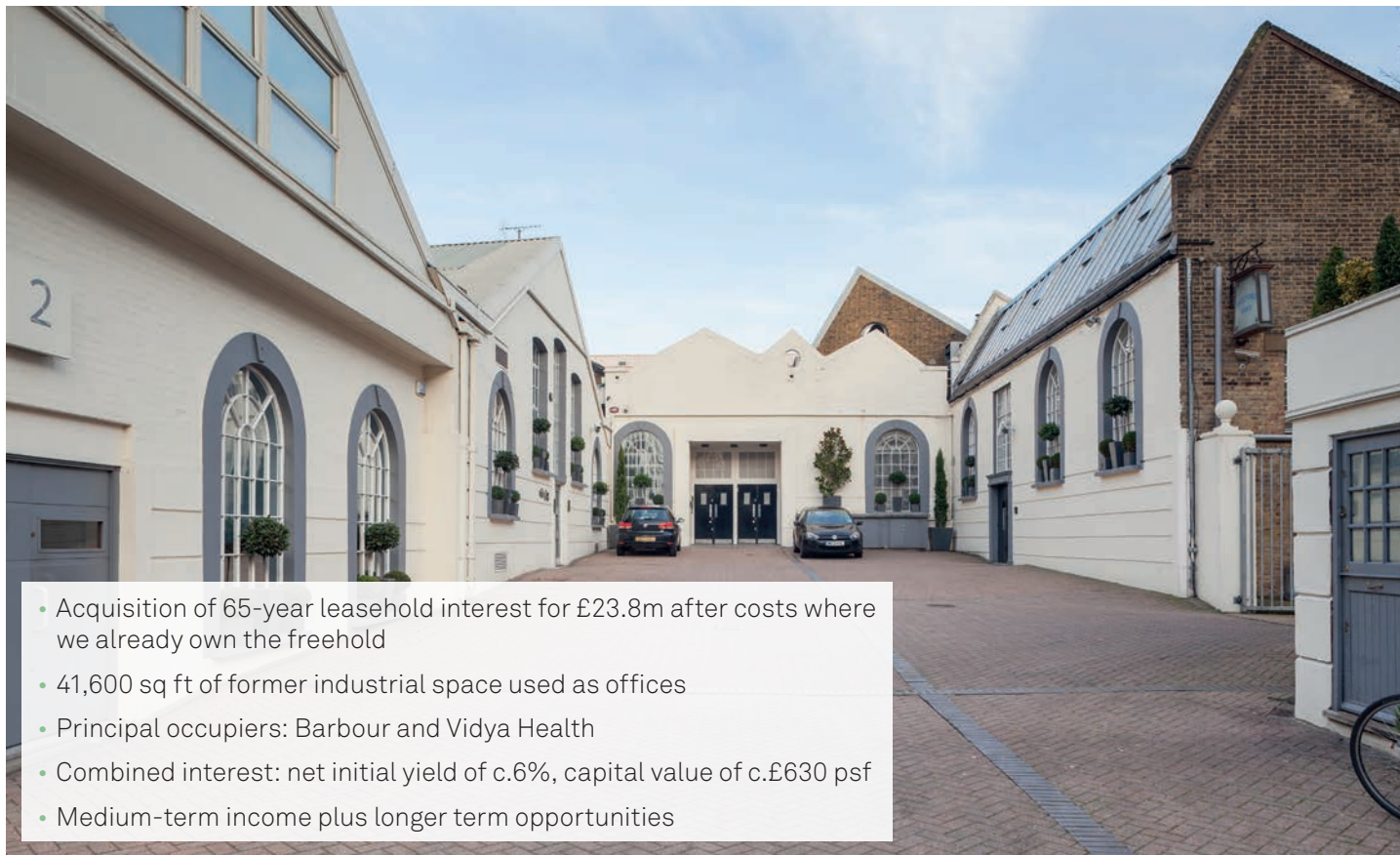
APPENDIX 38 - ACQUISITION AND POTENTIAL JV WITH LAZARI¹

Initial impact on Earnings and NAV

- We are disclosing the following additional information as this is a Class 2 transaction.
- Based on the initial rental income, we expect the combined transactions to have a c.£4m p.a. positive impact on the Group's EPRA earnings, assuming a cost of debt of c.1.5%.
- The expected current market valuation for the two property acquisitions is c.£198m, 7.8% below the gross purchase consideration, which approximates to the usual market allowance for purchasers' costs.
- The initial consideration for our share of the joint venture includes an element of hope value for future planning uplift and the regearing of headleases. The current market value of our 50% interest is estimated at c.£50m. We anticipate the valuation will rise significantly upon a successful planning and headlease regearing outcome.
- The purchase consideration will be met from our existing undrawn facilities and cash.

¹ Further details on these transactions can be found in a separate release published on 10 August 2021

APPENDIX 39 - LONG LEASEHOLD ACQUISITION: HOLFORD WORKS WCI



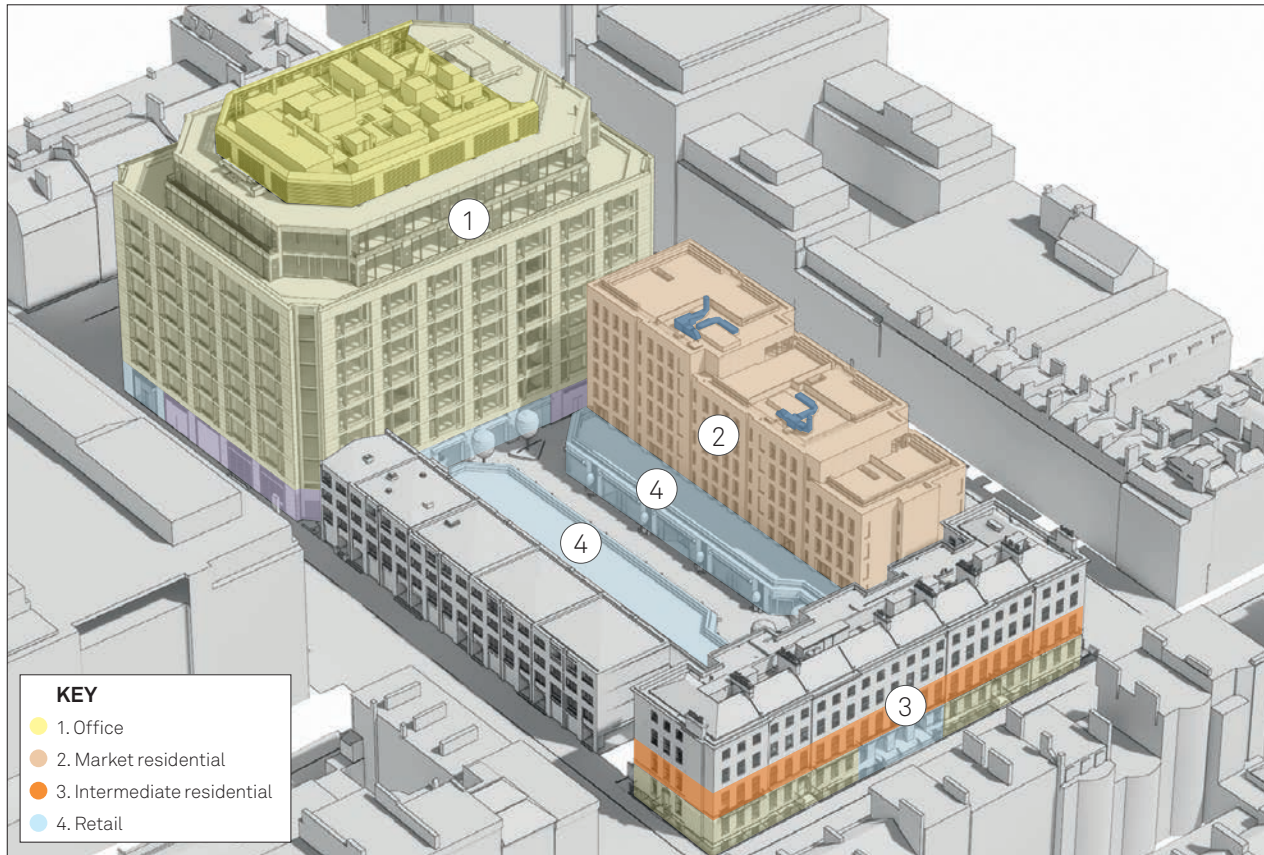
- Acquisition of 65-year leasehold interest for £23.8m after costs where we already own the freehold
- 41,600 sq ft of former industrial space used as offices
- Principal occupiers: Barbour and Vidya Health
- Combined interest: net initial yield of c.6%, capital value of c.£630 psf
- Medium-term income plus longer term opportunities

APPENDIX 40 - MAJOR ON-SITE REFURBISHMENT: FRANCIS HOUSE SW1



- 38,000 sq ft office refurbishment
- ERV of £2.5m or £65 psf
- On site H1 2021
- Completion H1 2022
- Capex to complete of £13m

APPENDIX 41 - NEW MAJOR SCHEME: 19-35 BAKER STREET W1



APPENDIX 42 - ON-SITE AND 2021 DEVELOPMENTS: PROFIT ON COST

Soho Place W1 THE FEATHERSTONE BUILDING 19-35 Baker Street W1



Completion		H1 2022	H1 2022	H1 2025
Commercial area (sq ft)	656,000	285,000 ²	125,000 ³	246,000 ⁴
Residential area (sq ft)	52,000	-	-	52,000 ⁴
Total area (sq ft)	708,000	285,000	125,000	298,000
Est. future capex (£m)	398	104	23	271
Total cost (£m) ¹	1,013	407	143	463
ERV (c.£ psf)	-	92.50	72.50	90.00
ERV (£m pa)	47.0	20.1 ⁶	8.5	18.4 ⁷
Pre-let/sold area (sq ft)	280,200	249,200 ⁸	-	31,000 ⁹
Pre-let income (£m pa)	17.0	17.0 ⁶	-	-

Summary	£m
End value	1,189
Less: Total cost ¹	1,013
Project surplus	176
Less: Booked to Jun 21	44
Surplus to come	132
Profit on total cost	17%
Profit to come on total cost	13%
Yield on cost	5.7%

Sensitivity⁵ - project surplus (£m) and profit on cost (%)

		Valuation yield		
		+0.25%	Base	-0.25%
Rent	-£5.00 psf	£89m 9%	£137m 14%	£190m 19%
	Base	£126m 13%	£176m 17%	£231m 23%
	+£5.00 psf	£164m 16%	£215m 21%	£273m 27%

¹ Comprising book value at commencement, capex, fees and notional interest on land, voids and other costs. Soho Place includes a 16% profit share payaway to freeholder Crossrail. Baker Street includes a 3.1% profit share payaway to freeholder The Portman Estate ² 209,000 sq ft office, 36,000 sq ft retail, 40,000 sq ft theatre ³ 110,000 sq ft offices, 13,000 sq ft workspaces, 2,000 sq ft retail ⁴ 218,000 sq ft offices, 28,000 sq ft retail, 45,000 sq ft private residential and 7,000 sq ft affordable residential

⁵ Sensitivity applied to non pre-let commercial floor areas ⁶ Long leasehold, net of 4% ground rent ⁷ Long leasehold, net of 2.5% ground rent ⁸ Includes 40,000 sq ft theatre ⁹ Includes 19,000 sq ft courtyard retail and 12,000 sq ft Gloucester Place offices

APPENDIX 43 - PROJECT SUMMARY: CURRENT PROJECTS

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	H2 2021 capex £m	2022 capex £m	2023+ capex £m	Total capex to complete £m	Delivery date	Current office c.ERV psf
On-site projects									
Soho Place W1 ¹	-	107	285	29	75	-	104	H1 2022	£92.50
The Featherstone Building EC1	-	69	125	13	10	-	23	H1 2022	£72.50
Francis House SW1	-	40	38	6	7	-	13	H1 2022	£65.00
	-	216	448	48	92	-	140		
2021 projects									
19-35 Baker Street W1 ²	3.5	143	298	18	40	213	271	H1 2025	£90.00
	3.5	359	746	66	132	213	411		
Planning and design	-	-	-	5	3	-	8		
Strathkelvin Retail Park	-	-	-	1	9	2	12		
Other	-	-	-	14	12	8	34		
	3.5	359	746	86	156	223	465		
Capitalised interest	-	-	-	7	5	16	28		
Total	3.5	359	746	93	161	239	493		

¹ Includes remaining site acquisition cost and profit share to Crossrail

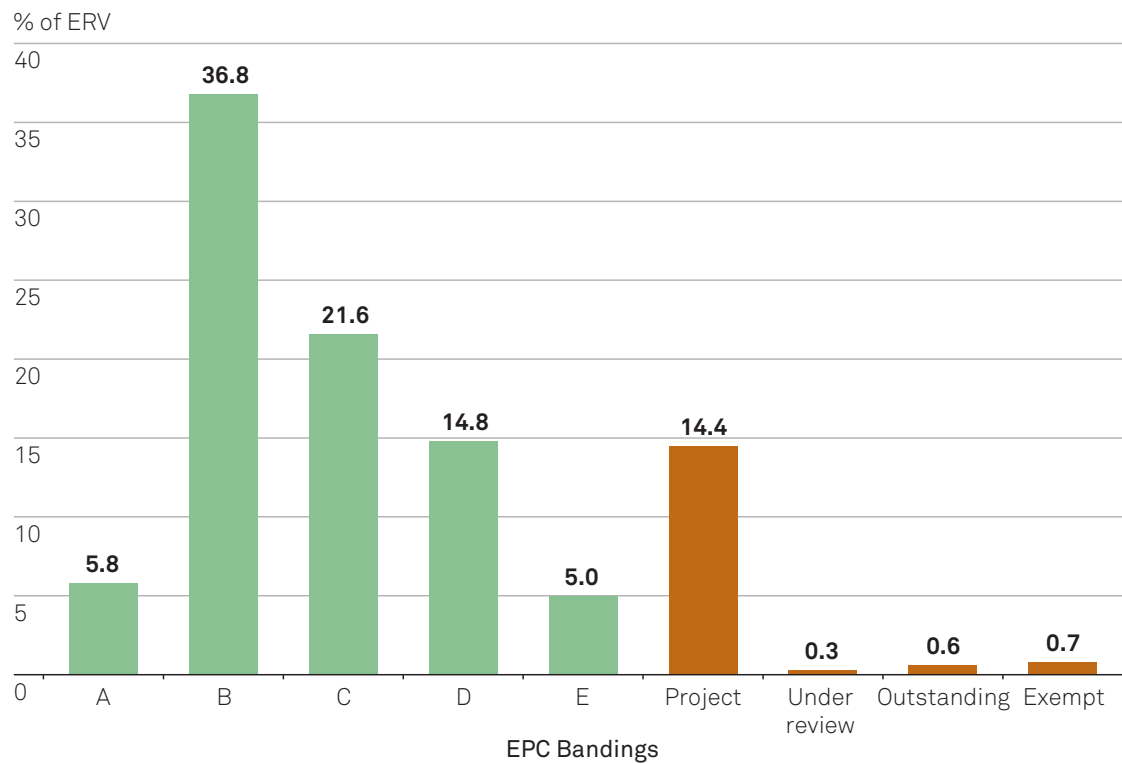
² Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street. Currently Derwent 55%, The Portman Estate 45%

APPENDIX 44 - 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
Consented					
Holden House W1	3.9	90	150	2025	
Network Building W1	4.2	70	137	2022	Redevelopment - dual consent
	8.1	160	287		
Under appraisal¹					
Bush House WC2	-	104	130	2021	Refurbishment
Blue Star House SW9	0.8	54	110	2025	Redevelopment
Other	8.1	332	332		Includes parts of 1 Oliver's Yard & Strathkelvin RP
	8.9	490	572		
Consented and under appraisal	17.0	650	859		
On site and 2021 projects	3.5	359	746		Appendix 43
Pipeline	20.5	1,009	1,605		

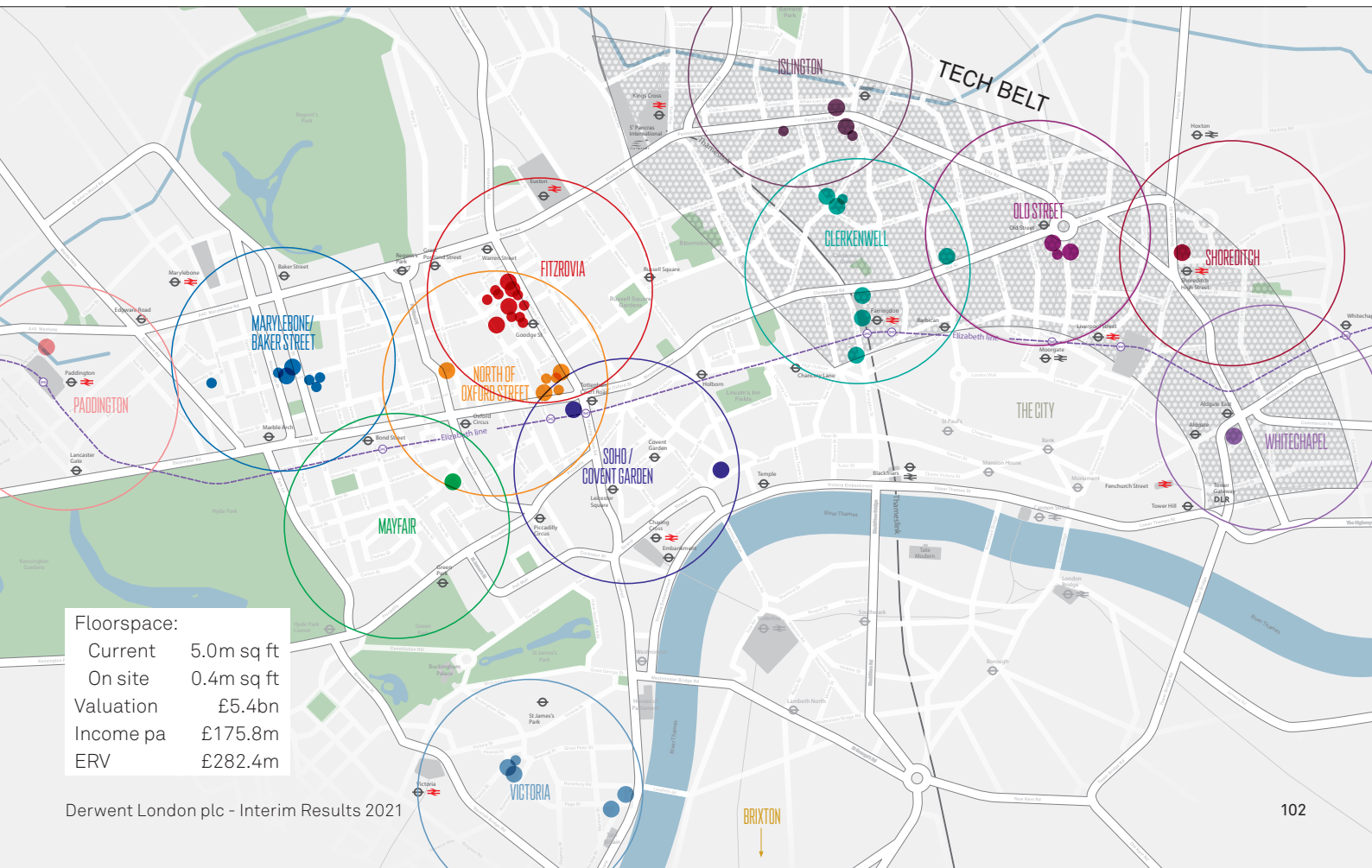
¹ Areas proposed are estimated from initial studies

APPENDIX 45 - PORTFOLIO EPC COVERAGE¹



¹ As at July 2021

APPENDIX 46 - PORTFOLIO MAP



Floorspace:

Current	5.0m sq ft
On site	0.4m sq ft
Valuation	£5.4bn
Income pa	£175.8m
ERV	£282.4m

APPENDIX 47 - EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT

Executive Committee

Paul Williams	Chief Executive
Damian Wisniewski	Chief Financial Officer
Nigel George	Executive Director
David Silverman	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

Senior Management

Vasiliki Arvaniti	Head of Asset Management
Lesley Bufton	Head of Property Marketing
Matt Cook	Head of Digital Innovation & Technology
John Davies	Head of Sustainability
Philippa Davies	Head of Leasing
Quentin Freeman	Head of Investor & Corporate Communications
Tim Hyman	Group Architect
Clive Johnson	Head of Health & Safety
Nathan Johnstone	Head of Facilities Management
Katy Levine	Head of Human Resources
Umar Loane	Head of Property Accounts
Heethen Patel	Financial Controller
Giles Sheehan	Head of Investment
Victoria Steventon	Head of Property Management
David Westgate	Head of Tax

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