



DERWENT LONDON

Interim Results 2020

CONTENTS

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INTRODUCTION AND OVERVIEW

PAUL WILLIAMS



FIRST HALF ACTIVITY

- Focus on occupiers and local communities
- Completion of 80 Charlotte Street W1
- Disposal of 40 Chancery Lane WC2
- EPRA vacancy rate 1.1%
- Total return -0.1%
- Interim dividend raised 4.8% to 22.0p per share
- Publication of Net Zero Carbon Pathway to 2030

80 Charlotte Street W1



OUR RESPONSE TO COVID-19



Staff

- Initially Working From Home:
 - Technology worked well
- Increasingly returning to the office



Occupiers

- 25% reduction in service charge
- Supporting those most in need
- Rent collection rates:
 - 84% office
 - 28% retail and hospitality
- Some rents deferred/waived



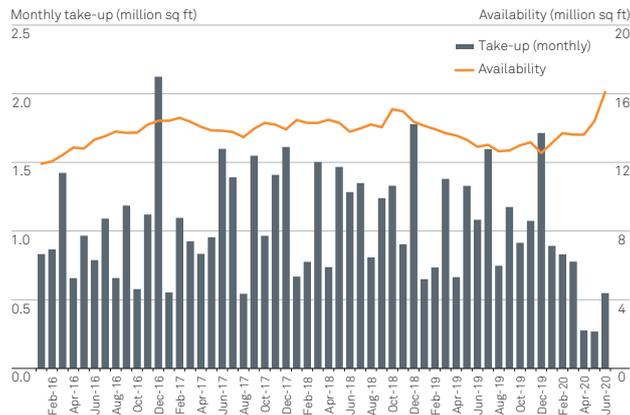
Communities

- Donations budget +81% to £0.7m
- Supporting local communities:
 - Boosting community funds
 - NHS staff

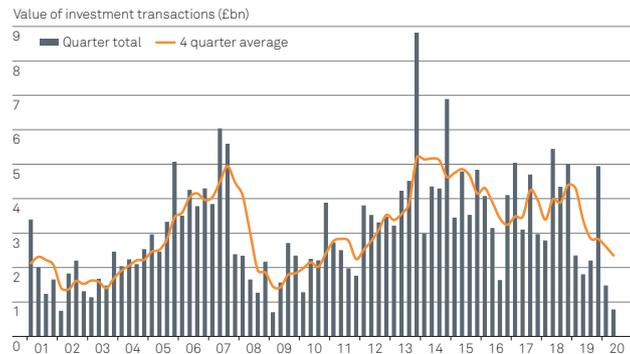
A "WAIT & SEE" MARKET

- Covid-19 saw market activity slow dramatically across both the occupier and investment markets
- Take-up and investment activity below long-term trends
- Central London office vacancy rate 5.3%, from 3.9% at the start of the year:
 - West End 3.9% and City 6.6%
 - 74% secondhand space
 - 30% grey space
- Rents down 2% pa at the half year and yields broadly unchanged on the limited activity
- Active demand 7.9m sq ft also below trend
- New supply likely to be constrained
- Considerable investment interest circling the central London office market

CENTRAL LONDON OFFICE TAKE-UP AND AVAILABILITY

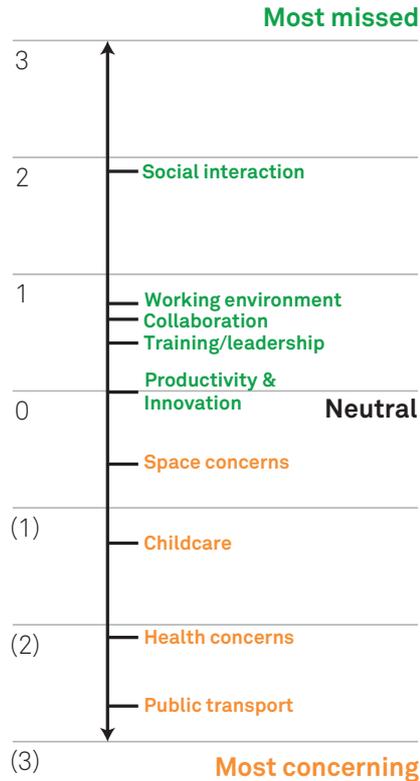


CENTRAL LONDON OFFICE INVESTMENT



THE RETURN TO OFFICES: TENANT SURVEY RESULTS

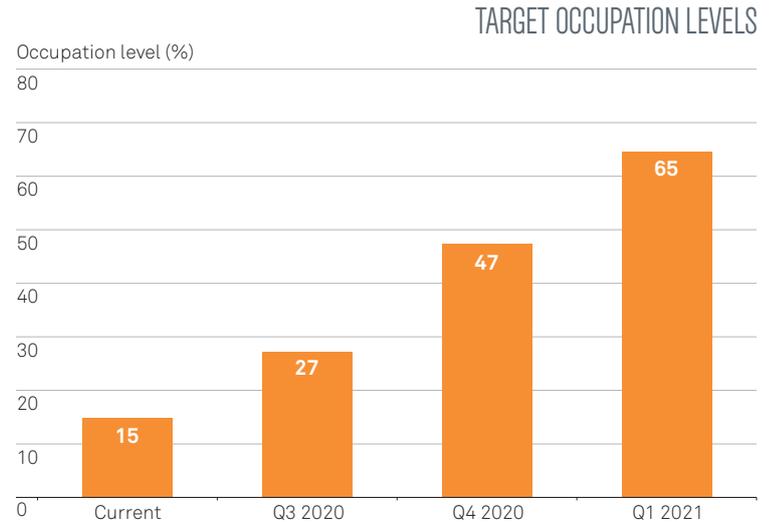
WHAT HAVE YOU MISSED FROM THE OFFICE?



WHAT STOPS YOU GOING BACK TO THE OFFICE?

Views of our top occupiers

- They miss social interaction, working environment and collaboration most
- Public transport and health remain the greatest concerns
- Overall occupation levels steadily growing but unlikely to recover fully until 2021



COVID-19 - ACCELERATING CHANGE



Cycles



Flexible leases



Furnished & flexible space



Working from home



Wellness



Sensors



Floor to ceiling height



Technology



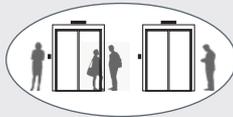
Terraces



Showers



Reception area



Cafés



Breakout space



NET ZERO

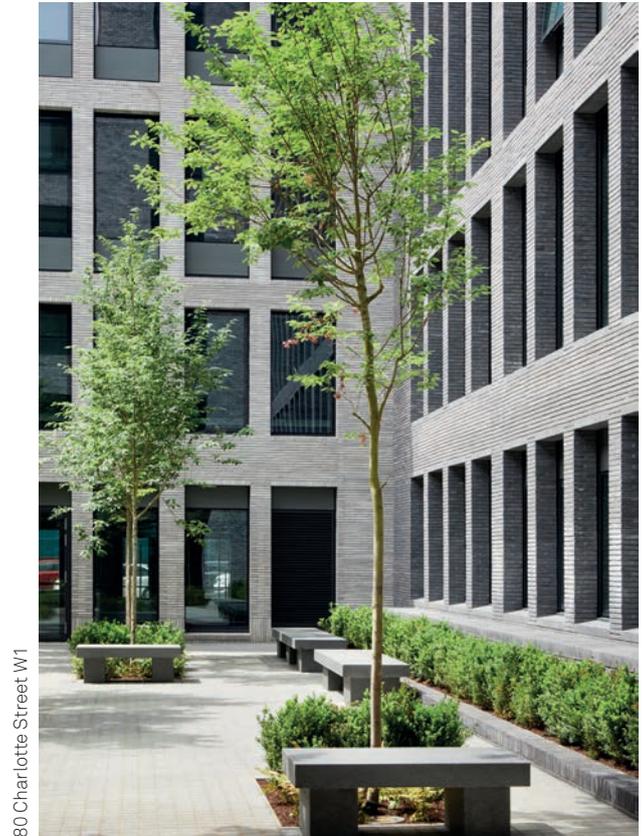
MARKET OUTLOOK

- Major challenges persist
- Offices:
 - Two-tier market
 - Rents to come under pressure
 - Vacancy rate to rise
 - Investment yields expected to remain firm for the right product
- Derwent London has the right product:
 - Adaptable spaces
 - Numerous amenities
 - Customer focus
 - West End and Tech Belt locations:
 - Mixed-use
 - Broader occupier demand
 - Few tall buildings
 - On Net Zero Carbon path
- Retail sector facing structural change

2 & 4 Soho Place W1



TURNING BROWN BUILDINGS GREEN

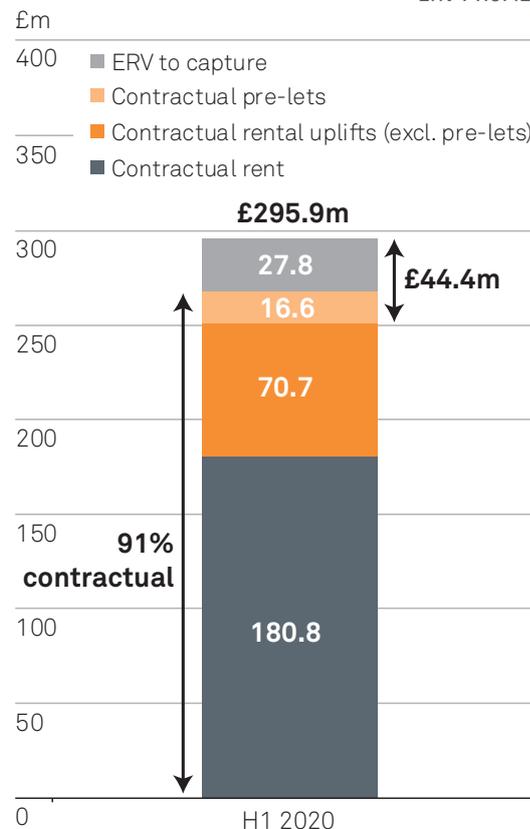


Further information available at: <https://www.derwentlondon.com/responsibility/environmental/net-zero>

DERWENT LONDON'S OPPORTUNITIES

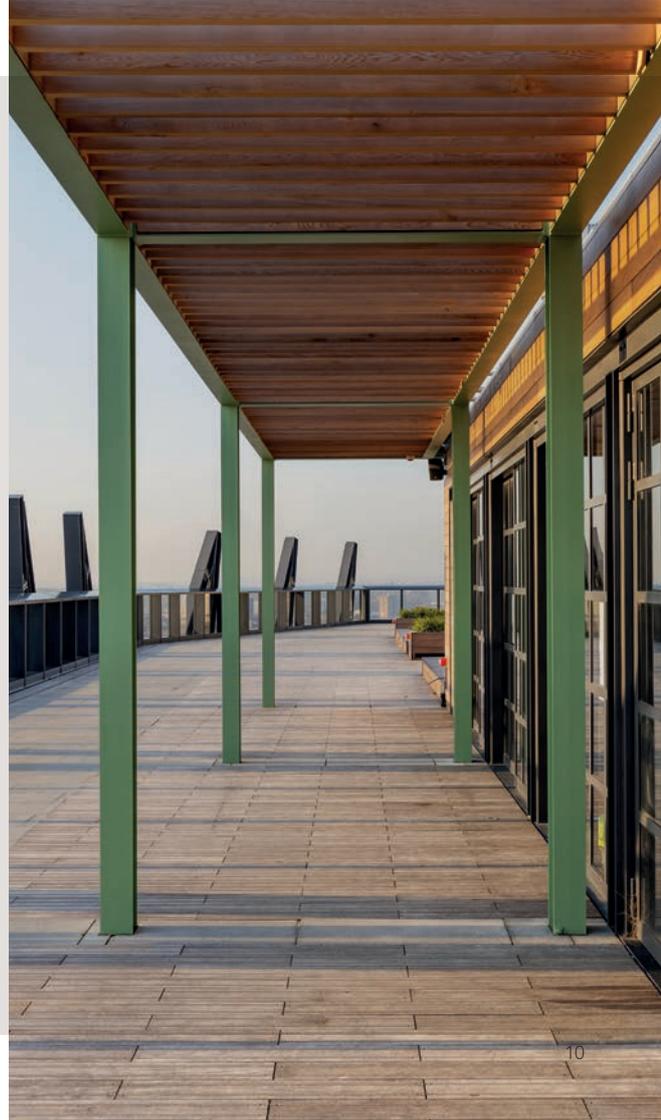
- Built-in growth from pre-lets:
 - £16.6m of rent from Soho Place W1 offices
- Opportunity from existing and future developments:
 - £8.1m of rent from The Featherstone Building EC1
 - Expect to commence 19-35 Baker Street W1 in 2021
- £337m capex to complete our three on-site developments
- Manage expiries:
 - Extend leases ahead of expiry
 - Phased developments to match market conditions
- Recent disposal of Soho Place W1 demonstrates good demand for the right product
- Strong financial position

ERV PROFILE



RESULTS AND FINANCIAL REVIEW

DAMIAN WISNIEWSKI



FINANCIAL HIGHLIGHTS

Total return

-0.1%

H1 2019: 3.3%
FY 2019: 6.6%

EPRA Earnings Per Share²

48.90p

H1 2019: 51.34p
-4.8%

Cash and undrawn facilities

£502m

Jun 2019: £495m
Dec 2019: £511m

EPRA NTA per share^{1,2}

3,900p

2019: 3,957p
-1.4%

Gross rental income

£97.8m

H1 2019: £93.1m
+5.0%

Interest cover ratio (ICR)

435%

H1 2019: 454%
FY 2019: 462%

EPRA NDV per share^{2,3}

3,792p

2019: 3,847p
-1.4%

Interim dividend per share

22.0p

2019: 21.0p
+4.8%

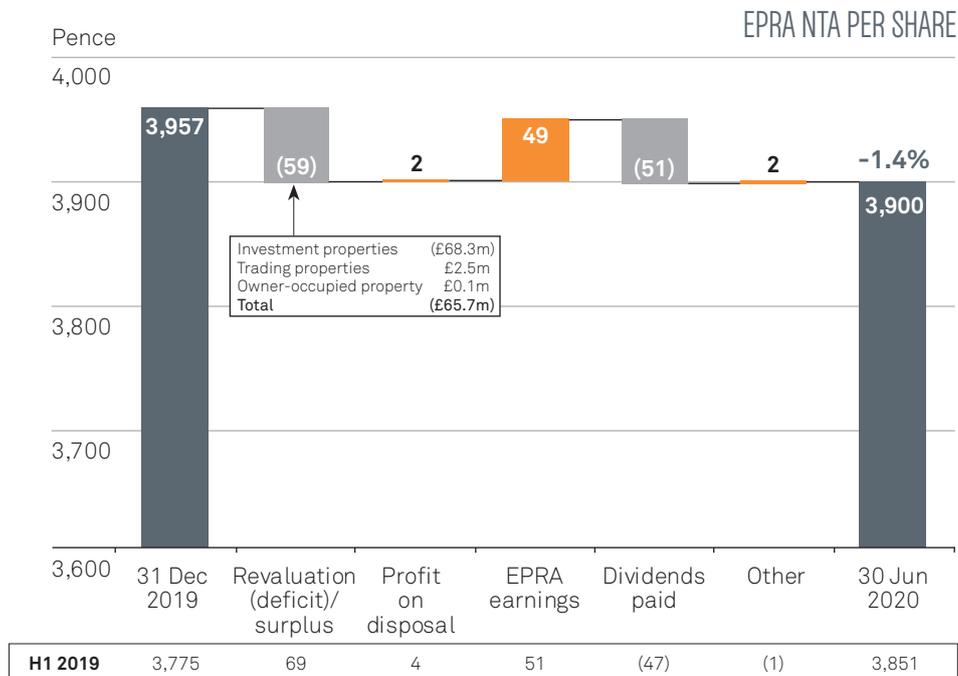
Loan-to-value (LTV) ratio

17.3%

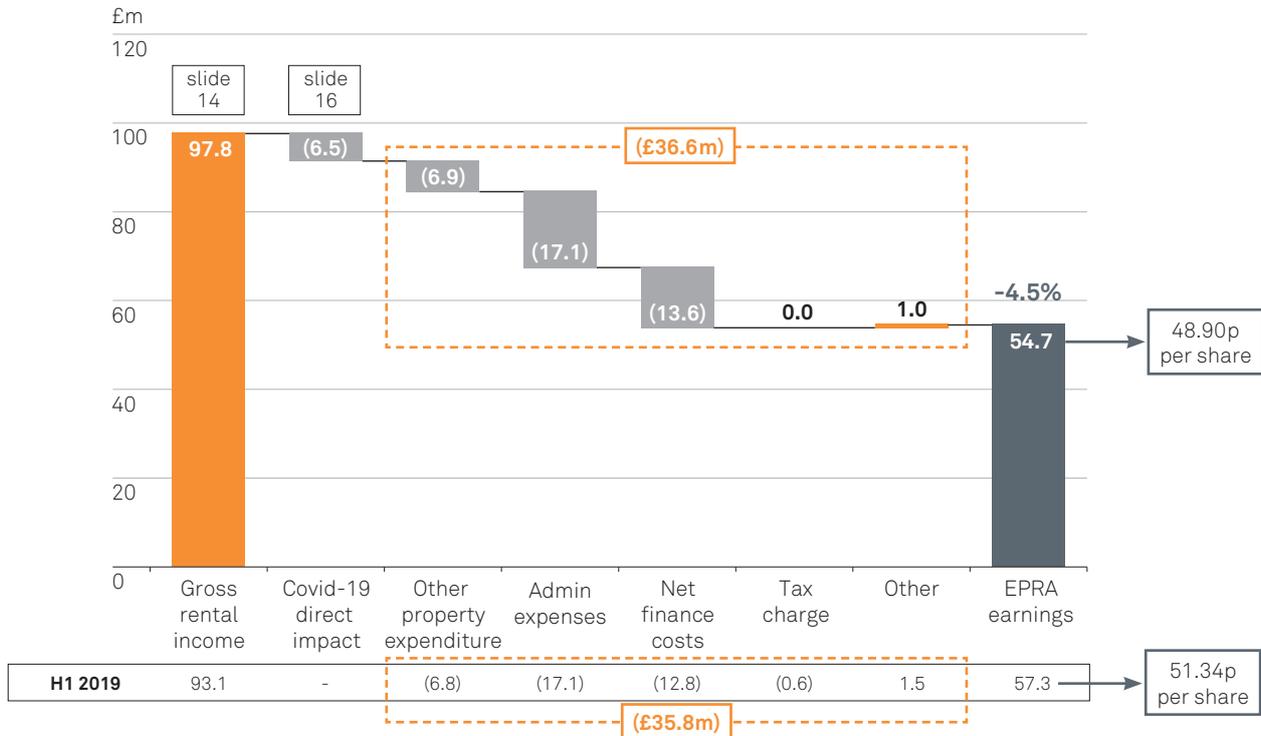
Jun 2019: 17.6%
Dec 2019: 16.9%

¹ EPRA Net Tangible Assets per share on a diluted basis ² Reconciliation to IFRS figures in Appendices 3 and 6 ³ EPRA Net Disposal Value per share on a diluted basis

EPRA NTA MOVEMENT



- EPRA Net Tangible Assets (NTA) now the key EPRA net asset metric, replacing EPRA Net Asset Value (NAV)
- EPRA NAV at Jun and Dec 2019 was 3,852p and 3,958p, respectively
- Revaluation deficit - developments contributed 18p per share, remaining portfolio down 77p per share



¹ An explanation of EPRA adjustments is provided in Appendix 6

GROSS RENTAL INCOME

- Lettings and asset management (AM) include:

	2020 lettings & AM £m	2019 lettings & AM £m
Brunel Building W2	0.4	6.3
80 Charlotte Street W1	1.5	-
Johnson Building EC1	0.4	0.3
90 Whitfield Street W1	-	0.5
Other	0.9	0.2
Total	3.2	7.3

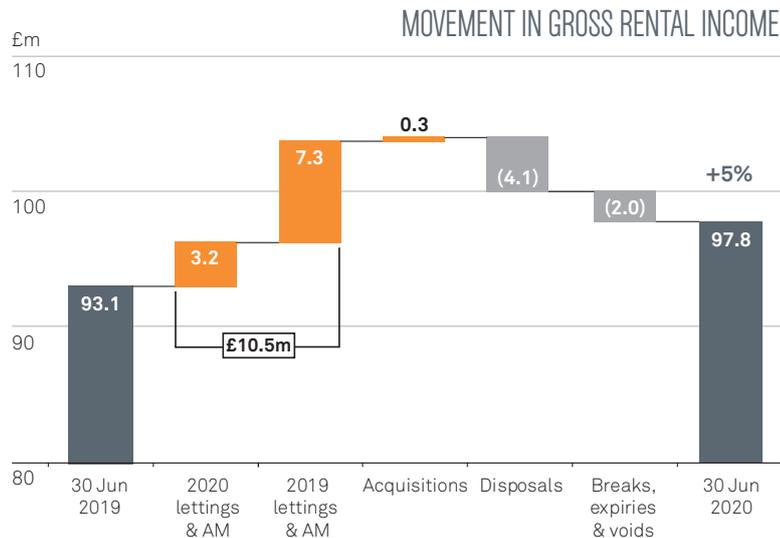
- Acquisition of Blue Star House SW9 added £0.3m of income in the period

- £4.0m of the income lost due to disposals related to The Buckley Building EC1 and 40 Chancery Lane WC2

- Breaks, expiries and voids include:

- £1.0m from The White Chapel Building E1
- £0.5m from 30 Gloucester Place W1

¹ See Appendix 8 for reconciliation of like-for-like income



Like-for-like gross rental income¹ up 1.5% compared with H1 2019, down 0.3% compared with H2 2019

COVID-19 IMPACT: RENT COLLECTION

- 81% of March quarter rents received with a further 11% due under payment plans
- 78% of June quarter rents received, 6% due by quarter end plus additional 9% covered by payment plans
- March quarter: agreed monthly payments received in full
- June quarter: agreed July payments received in full
- £1.4m of deposits drawn; £21.9m remaining
- Over 80% of rent free granted has been to support retail and hospitality occupiers

	June quarter			March quarter		
	Office %	Retail/ hospitality %	Total %	Office %	Retail/ hospitality %	Total %
Current position						
Received to date	82	31	78	86	25	81
Due later in the quarter ¹	6	1	6	-	-	-
Payment plans 2020	1	1	1	4	6	4
Payment plans 2021	8	2	8	7	13	7
Outstanding	2	22	3	1	5	2
Rent free granted	1	43	4	2	51	6
Total	100	100	100	100	100	100
	£39.7m	£3.8m	£43.5m	£39.3m	£3.8m	£43.1m

¹ Principally monthly receipts

COVID-19 IMPACT: NET RENTAL INCOME

- Impact on gross rental income:
 - £0.2m reduction as £2.5m of rent waivers spread over remaining lease terms
 - £3.5m due to 2 month Covid-19 related delay at 80 Charlotte Street W1
- £6.5m of direct costs arising from Covid-19:
 - 25% service charge waiver for March quarter, equivalent to £2.1m. 25% waiver for June quarter to be recognised in H2
 - £0.8m due from occupiers written off
 - Impairment provision increased by £3.6m to £4.0m, based on assessment of top 50 occupiers and those judged highest risk; others assessed by sector

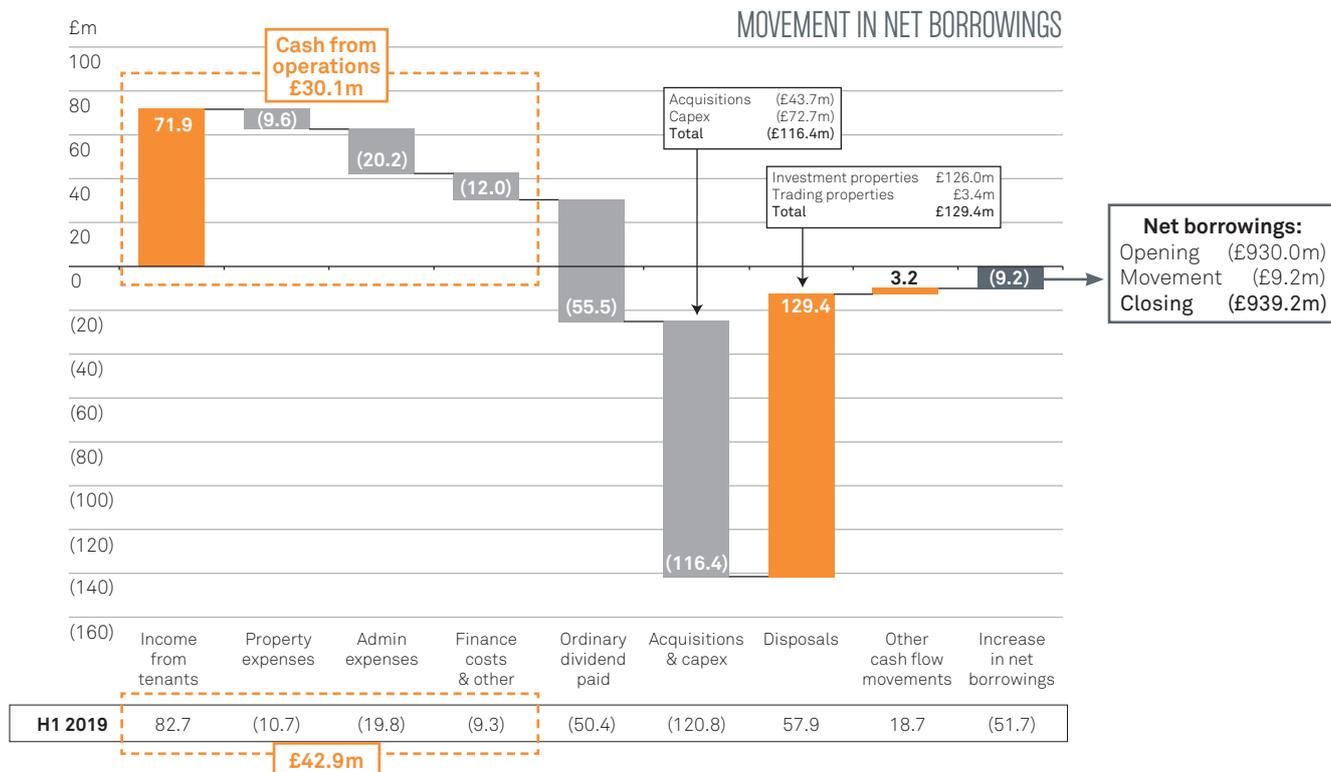
	H1 2020 £m	H1 2019 £m	Variance £m
Gross rental income	97.8	93.1	4.7
Property costs ¹	(6.9)	(6.8)	(0.1)
Net rental income pre-Covid-19	90.9	86.3	4.6
Service charge waiver	(2.1)	-	(2.1)
Write-off of receivables	(0.8)	-	(0.8)
Impairment of trade receivables	(0.7)	-	(0.7)
Impairment of lease incentive receivables	(2.9)	-	(2.9)
Covid-19 direct impact	(6.5)	-	(6.5)
Net rental income	84.4	86.3	(1.9)

EPRA Cost Ratio² from 23.3% in H1 2019 to 28.9%, or 22.2% without £6.5m Covid-19 direct impact

¹ Property costs includes £1.6m of irrecoverable service charge (H1 2019: £1.2m) ² EPRA Cost Ratio including direct vacancy costs

CASH FLOW AND MOVEMENT IN NET BORROWINGS¹

- Cash from operations 30% lower than in H1 2019 after agreements to defer £12.3m of rent to H2 2020 and 2021



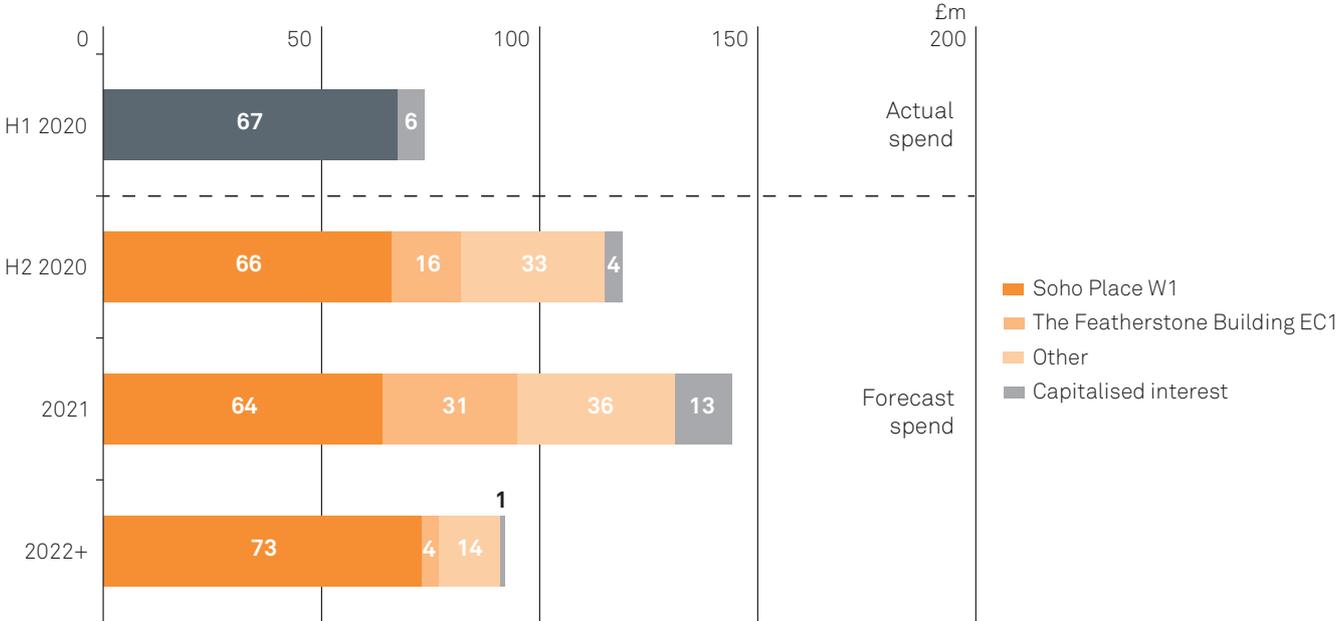
¹ Net borrowings = drawn facilities less cash

80 CHARLOTTE STREET W1 COMPLETION

- 377,000 sq ft:
 - 322,000 sq ft offices (100% pre-let)
 - 12,000 sq ft retail
 - 43,000 sq ft residential
- Total office rent:
 - £25.1m headline
 - £22.2m annualised accounting
- Returns:
 - 27% profit on cost
 - 6.9% development yield
- Valuation surplus:
 - £162m recognised
 - £65m fair value still to come



COMMITTED CAPITAL EXPENDITURE



- Potential capital expenditure at 19-35 Baker Street W1 (not yet committed) of c.£250m
- Further optionality relating to schemes currently under appraisal

PROFORMA IMPACT OF MAJOR PROJECTS AND DISPOSALS

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

	Jun 2020 ¹	PROFORMA IMPACT OF COMPLETED PROJECTS & DISPOSALS			PROFORMA IMPACT OF ON-SITE PROJECTS				
		80 Charlotte Street	Disposal of 40 Chancery Lane	Proforma 1	Capex and site acquisition cost ²	Disposal of 2 & 4 Soho Place ³	Contracted income	Void costs ⁴	Proforma 2
Gross property income	£196m	£19m	(£1m)	£214m			£14m		£228m
Net property income (adjusted)	£169m	£18m	(£1m)	£186m			£14m	(£4m)	£196m
Interest cost	£39m	£1m ⁵		£40m	£6m ⁵	(£1m) ⁵			£45m
Net interest cover ratio	435%			465%					436%
Portfolio fair value	£5,405m	£23m		£5,428m	£262m	(£38m)			£5,652m
Drawn debt net of cash	£933m	£23m		£956m	£262m	(£38m)			£1,180m
Loan-to-value ratio	17.3%			17.6%					20.9%

¹ First half annualised ² See Appendix 35 for capex. Includes remaining Soho Place site acquisition cost and profit share to Crossrail ³ After disposal costs

⁴ Void costs upon completion of project ⁵ Assuming a marginal interest rate of 2.25%

USE OF THE GREEN REVOLVING CREDIT FACILITY (RCF)

- £300m green tranche included within £450m RCF
- Green loan reporting and Green Finance Framework independently assured for compliance with LMA Green Loan Principles¹
- Current eligible green projects:
 - 80 Charlotte Street W1 (completed June 2020)
 - Soho Place W1
 - The Featherstone Building EC1
- At 30 June 2020:
 - H1 qualifying green expenditure £43.8m
 - Cumulative qualifying green expenditure £360.3m
 - Amounts drawn on green tranche £156.0m

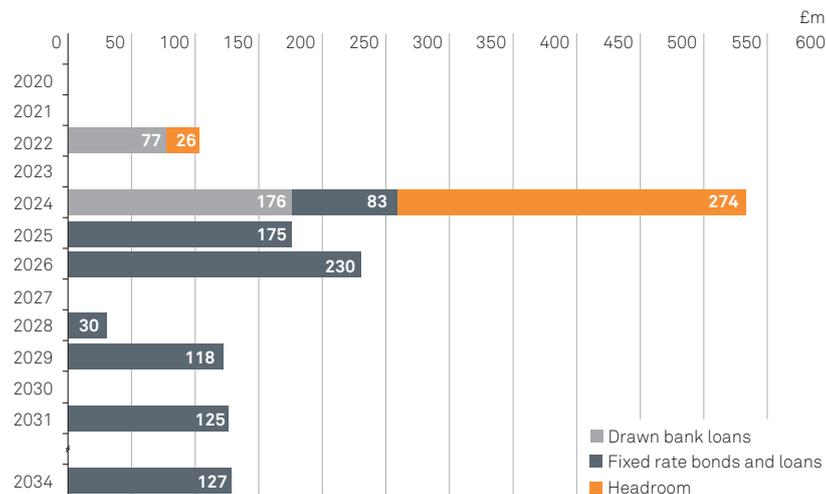


¹LMA – The Loan Market Association sets the standards and provides guidance for loan documentation for the EMEA region

DEBT SUMMARY

	Jun 2020	Dec 2019
Drawn facilities	£1,141m	£985m
Unutilised facilities	£300m	£456m
Total facilities	£1,441m	£1,441m
Unutilised facilities and cash	£502m	£511m
Uncharged properties	£4,363m	£4,423m
Average spot interest rate (cash basis)	3.19%	3.54%
Average spot interest rate (IFRS basis)	3.31%	3.68%
Marginal interest rate	0.83%	1.38%
Average maturity of facilities	6.3 years	6.8 years
Average maturity of borrowings	6.8 years	7.8 years

MATURITY PROFILE OF DEBT FACILITIES



Loan-to-value (LTV) ratio

17.3%

2019: 16.9%

NAV gearing

22.5%

2019: 21.9%

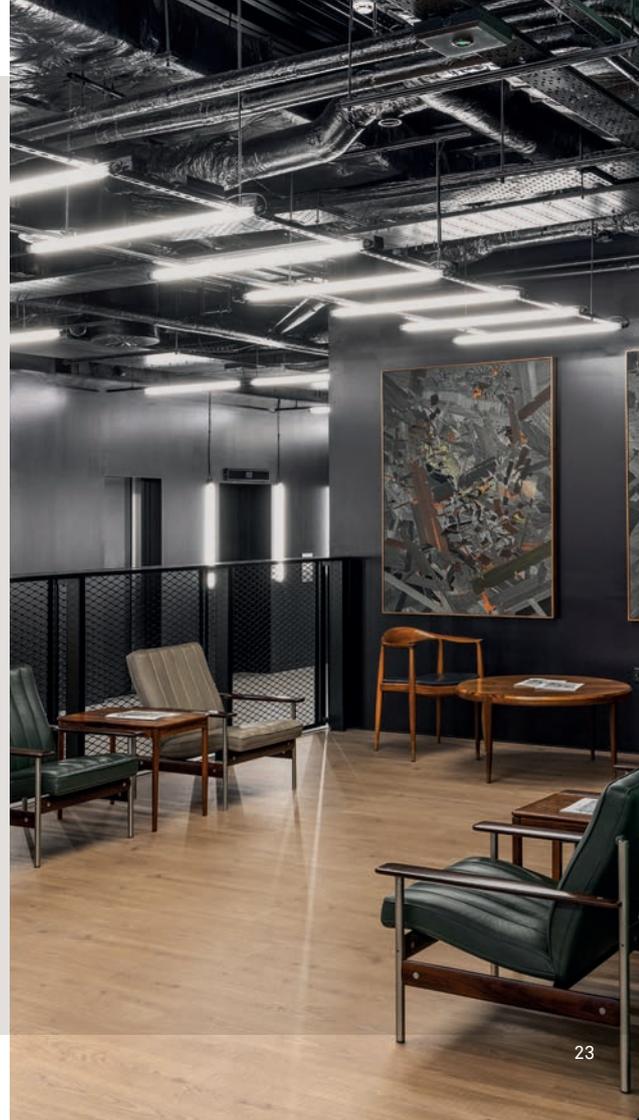
Net interest cover ratio

435%

2019: 462%

PROPERTY REVIEW

NIGEL GEORGE



VALUATION

Investment portfolio valued at £5.4bn

- Underlying capital growth -0.9% H2 2019: 1.9%:
 - West End -0.9% H2 2019: 1.9%
 - City Borders -0.7% H2 2019: 2.4%
- MSCI IPD Central London Offices¹ -2.3%
- Valuation themes:

	ERV	Yields	Values
Offices	↔	↔	↔
Retail and hospitality ²	↓	↑	↓

- Valuer's focus:
 - Market uncertainty clause
 - Tenant covenants and lease lengths
 - Impact on retail and hospitality

Three developments drove performance

- Valued at £0.79bn, uplift of 4.0%:
 - 80 Charlotte Street W1³ (96% let⁴) 3.9%
 - Soho Place W1 (86% pre-let) 5.1%
 - The Featherstone Building EC1 2.0%
- Excluding developments, portfolio down 1.7%

	Portfolio valuation £m	H1 2020 valuation movement %
West End	3,483.8	(0.9)
City Borders ⁵	1,799.3	(0.7)
Central London	5,283.1	(0.8)
Provincial	81.5	(5.3)
Underlying	5,364.6	(0.9)
Acquisitions	40.6	(6.9)
Investment portfolio	5,405.2	(1.0)

¹ Quarterly index ² 10% of portfolio by income, 8% by ERV ³ Completed in Q2 2020 ⁴ Excludes residential units ⁵ Principally properties in the Tech Belt - Appendix 37

RENTAL VALUE GROWTH AND YIELDS

- Underlying rental growth of -0.7% in H1:
 - Office -0.1%
 - Retail -7.7%
- Average office passing rent only £39.20 psf¹:
 - Average 'topped-up' office rent £57.48 psf¹ (Dec 2019: £57.47 psf)

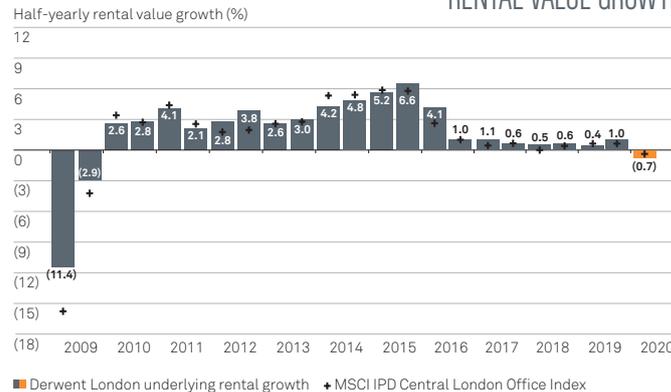
EPRA yields

- Yields unchanged:

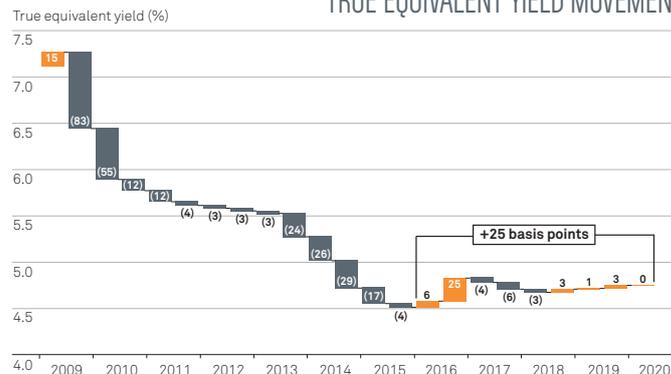
	Dec 2019 %	Jun 2020 %
Net initial yield	3.4	3.4
'Topped-up' net initial yield	4.7	4.7
True equivalent yield	4.77	4.77
Net reversionary yield	4.9	4.9

- Without the positive impact of 80 Charlotte Street W1 the true equivalent yield would have increased 4bp to 4.81%

RENTAL VALUE GROWTH



TRUE EQUIVALENT YIELD MOVEMENT²



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

BUILD-UP OF PORTFOLIO ERV

- Portfolio reversion of £115.1m¹:

- £70.7m (61%) contracted, including:
 - 80 Charlotte Street W1 £24.7m
 - Brunel Building W2 £11.1m
 - Horseferry House SW1 £5.2m
 - White Collar Factory EC1 £4.6m

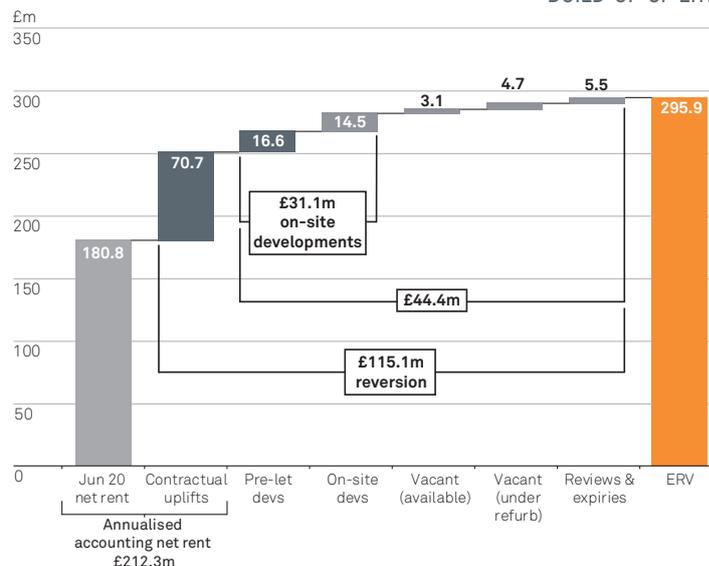
- £44.4m of further reversion:

- £16.6m of pre-lets on developments:

Developments	Let £m	Vacant £m	ERV £m
Soho Place W1	16.6	4.3	20.9
The Featherstone Building EC1	-	8.1	8.1
	16.6	12.4	29.0
Refurbishment			
6-8 Greencoat Place SW1	-	2.1	2.1
Total	16.6	14.5	31.1

- £22.3m from vacant and projects:
 - Under development/refurbishment £19.2m
 - Available £3.1m
- £5.5m from anticipated rent reviews and lease renewals

BUILD-UP OF ERV²



Dec 2019	169.1	65.7	40.9	15.7	2.1	0.5	9.0	303.0
Change	11.7	5.0	(24.3)	(1.2)	1.0	4.2	(3.5)	(7.1)

¹ Requires additional capex as set out in Appendix 35 ² Before lease incentives

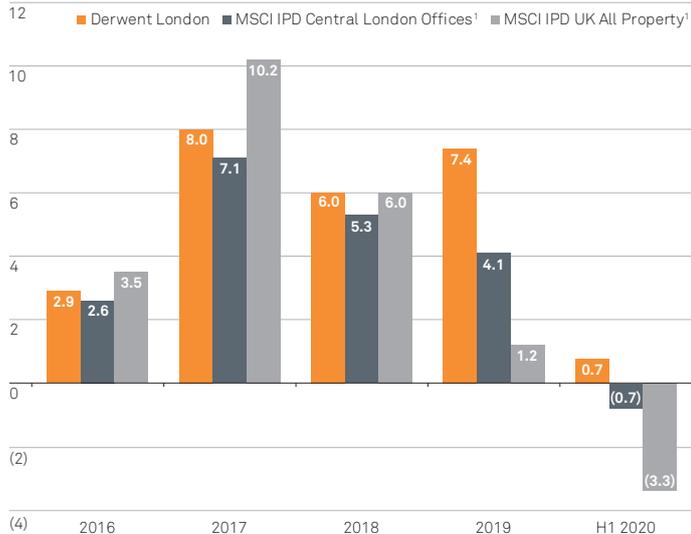
PROPERTY RETURN

Total property returns in H1 2020

- Derwent London +0.7%
- MSCI IPD Central London Offices¹ -0.7%
- MSCI IPD UK All Property¹ -3.3%

TOTAL PROPERTY RETURN PERFORMANCE

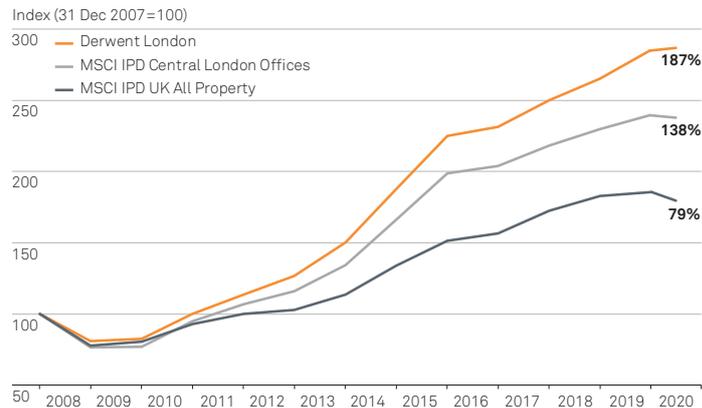
Total property return (%)



¹ Quarterly Index

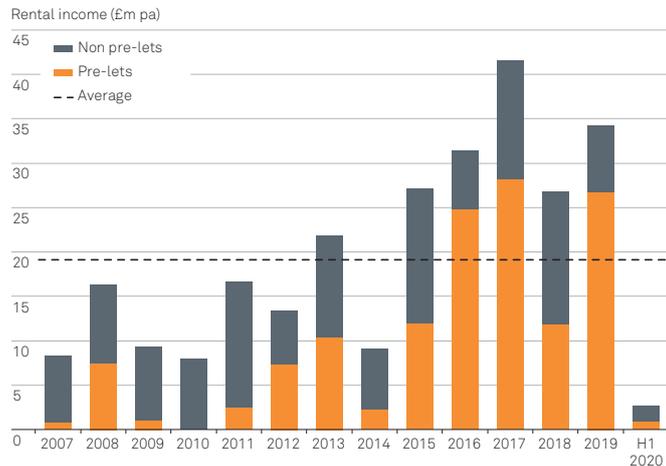
Derwent London plc - Interim Results 2020

CUMULATIVE TOTAL PROPERTY RETURN



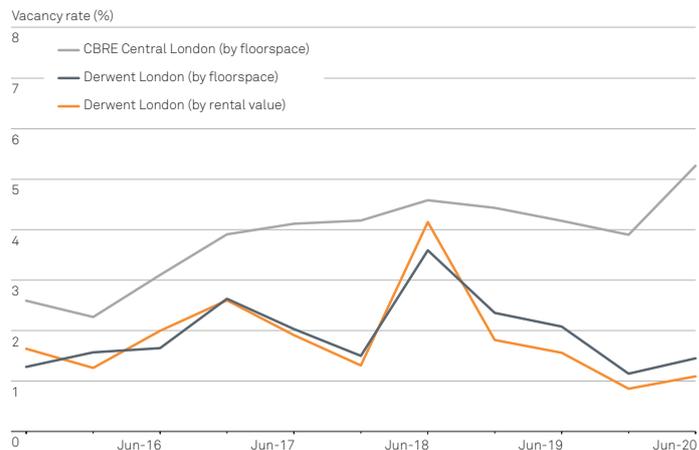
LETTING ACTIVITY AND VACANCY

LETTINGS H1 2020



- £2.6m of lettings on 60,700 sq ft in H1:
 - 4.3% above Dec 19 ERV
- Lettings included:
 - 80 Charlotte Street W1 - Lee & Thompson (£0.8m)
 - Tea Building E1 - Buckley Gray Yeoman (£0.3m)
 - Angel Building EC1 - Expedia (£0.3m)

EPRA VACANCY RATES

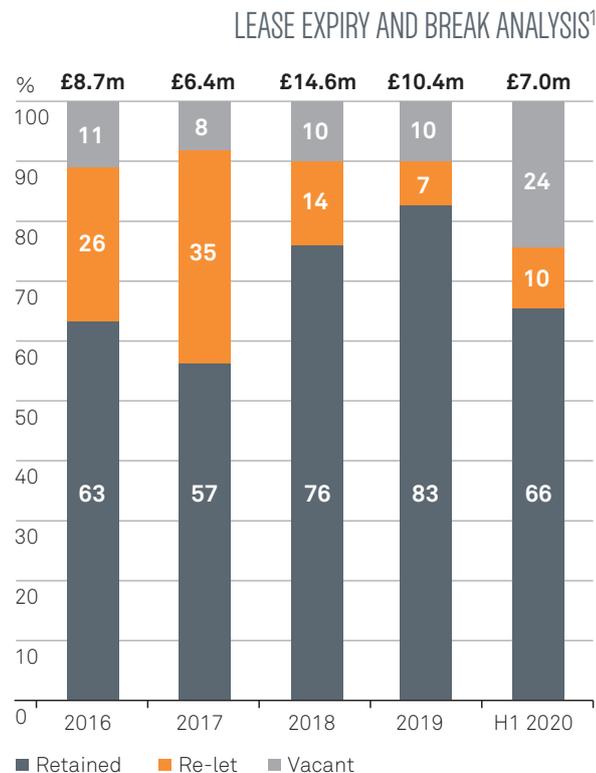


- EPRA vacancy rate¹ increased to 1.1% from 0.8%
- CBRE central London vacancy rate 5.3%

¹ Calculated as space immediately available to occupy

FIRST HALF ASSET MANAGEMENT ACTIVITY

- £9.1m of income subject to breaks/expiries in H1 2020:
 - £2.1m taken back for projects
 - £7.0m remaining:
 - 76% retained or re-let
 - 24% available to let in suites ranging from 500-8,000 sq ft
- First half activity:
 - 107,200 sq ft of rent reviews, renewals and regears completed:
 - Income up 8.8%, from £5.2m to £5.7m pa



¹ As at end of reporting period

LEASE EXPIRY PROFILE

- Average lease length 5.8 years
(Dec 2019: 5.8 years):
 - 8.0 years after adjusting for 'topped-up' rents and pre-lets (Dec 2019: 8.3 years)

EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

	H2 2020	2021	2022	2023	2024	Total
Expiries	2	11	3	3	2	21
Rolling breaks	2	4	-	-	-	6
Single breaks	0	9	6	6	6	27
Passing income	4	24	9	9	8	54
'Topped-up' income	3	17	6	6	7	39

- £44.7m of income subject to expiry or break in 2021:
 - 58% within future projects:
 - Includes 19-35 Baker Street W1, Angel Square EC1 and Network Building W1
 - Core income expiries spread across the portfolio:
 - The White Chapel Building E1 110,000 sq ft £48.61 psf²
 - Tea Building E1 79,000 sq ft £53.51 psf²
 - 1-2 Stephen Street W1 32,000 sq ft £56.65 psf²

	Future projects	Core income	Total
Passing income (%)	14	10	24
'Topped-up' income (%)	10	7	17
Average rent passing (£ psf)	40.70	51.26	44.67

¹ Based upon annualised contracted rental income of £180.8m ² Passing rent psf

MANAGING LEASE EXPIRIES

- A number of occupiers looking to remove uncertainty on 2020/21 expiries
- Negotiations on 200,000 sq ft with a rental income of £10m

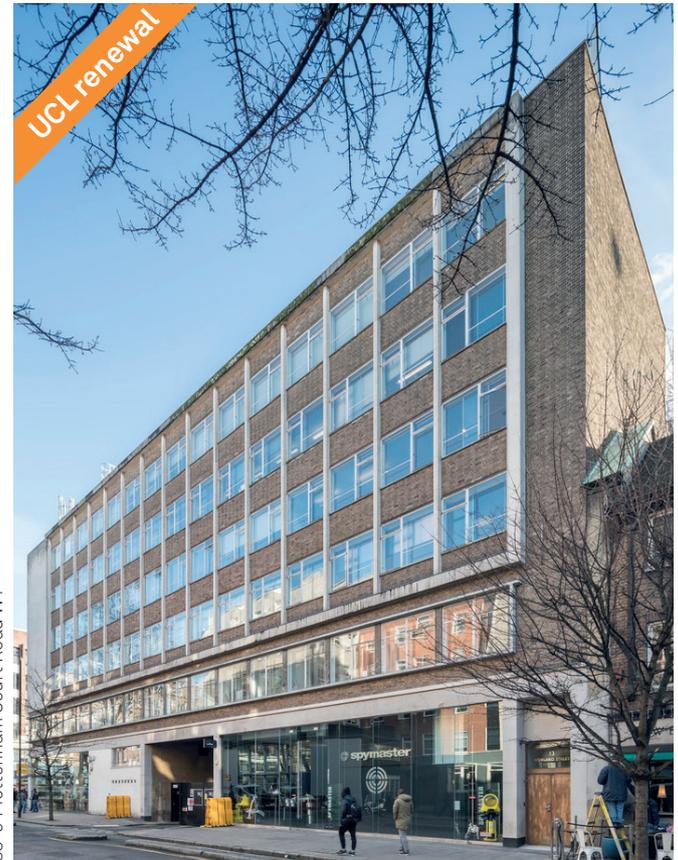
Case Study - Q3 2020 transaction

- University College London:

	Before	After
Area (sq ft)	23,300	37,400
Expiry	May 2021	June 2031/break 2026
Rent (£m/psf)	£1.14m/£48.95	£2.19m/£58.50
Rent free	-	12 months

- In conjunction with Net Zero Carbon Pathway:
 - Space upgrade, including conversion of heating from gas to electric
 - Expenditure qualifies for our Green Finance facility

NET ZERO



INVESTMENT ACTIVITY

Acquisitions



Blue Star House SW9

Size: 53,750 sq ft
Price: £38.1m before costs
Rent: £0.8m pa
Date: Q1 2020

Future redevelopment



6 Rathbone Place W1

Size: 1,670 sq ft (residential)
Price: £2.6m before costs
Rent: £0.1m pa
Date: Q1 2020

Site assembly

Disposals



40 Chancery Lane WC2

Size: 103,700 sq ft
Price: £121.3m before costs
Net yield to purchaser: 4.25%
Rent: £5.5m pa
Date: Q1 2020

Mature asset - recycling capital



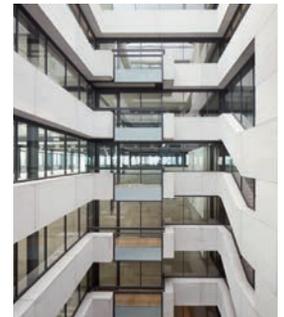
2 & 4 Soho Place W1

Size: 18,400 sq ft
Price: £40.5m before costs
Forward sale, no income
Date: Q3 2020

Opportunity to further de-risk the development

2020 COMPLETION: 80 CHARLOTTE STREET W1

- Completed June 2020
- 377,000 sq ft mixed-use scheme:
 - Offices: 100% let at £25.1m pa
 - Retail: 12,000 sq ft available
 - Residential: 14 out of 22 units sold or exchanged
- Profit on cost 27%



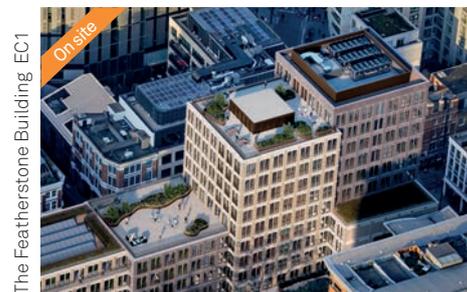
DEVELOPMENT UPDATE

Projects update

- Two developments on site for H1 2022 completion:
 - Soho Place W1 - 285,000 sq ft
 - The Featherstone Building EC1 - 125,000 sq ft
- Optionality on future schemes:
 - 19-35 Baker Street W1 - 293,000 sq ft - expected 2021 start
 - Holden House W1 - 150,000 sq ft - deferred start
- Near term refurbishments:
 - 6-8 Greencoat Place SW1 - 32,000 sq ft - on site
 - Francis House SW1 - 40,000 sq ft - 2021 start

Pandemic response

- Design reviews of our projects:
 - Key findings:
 - More generous spaces
 - Additional facilities
 - Focus on air quality/control
 - Touch free accessibility



The Featherstone Building EC1



19-35 Baker Street W1



6-8 Greencoat Place SW1

SOHO PLACE - WHAT WE DESIGNED



Lifts

- Touch free speedgates
- Destination control lift system

Outcome

- Contactless journey to occupiers' demise



Services

- 2 opening vents per 3 metres

Outcome

- Increased use of natural ventilation

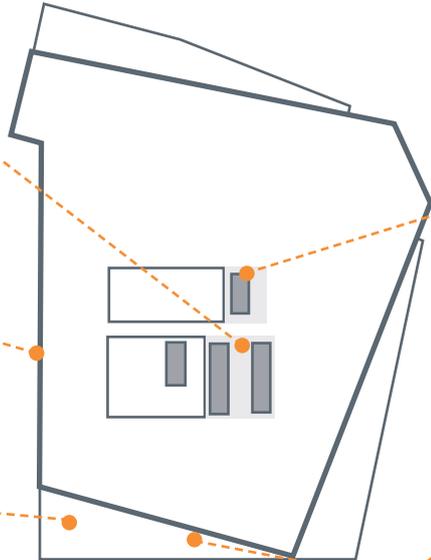


General

- Cycle storage, showers and lockers

Outcome

- Provision well above BCO/BREEAM/LEED recommendations



Stairs

- Generous high quality staircase

Outcome

- Touch free journey to occupiers' space



Entrances

- Touch-free doors to main entrance and cycle entrance

Outcome

- Touch free journey to occupiers' space



SOHO PLACE - WHAT WE ARE ADDING



Lifts

- Touch free speedgates
- Destination control lift system

Outcome

- Contactless journey to occupiers' demise



Services

- 2 opening vents per 3 metres
- Operational modifications possible (by tenant)

Outcome

- Increased use of natural ventilation



General

- Cycle storage, showers and lockers
- Space available for increased cycle storage and lockers

Outcome

- Provision well above BCO/BREEAM/LEED recommendations



Washrooms

- Introduction of sensor operated taps and WC flush

Outcome

- Improve overall hygiene



Stairs

- Generous high quality staircase

Outcome

- Touch free journey to occupiers' space



Circulation

- Automation on occupiers' doors

Outcome

- To provide fully contactless access



Entrances

- Touch-free doors to main entrance and cycle entrance

Outcome

- Touch free journey to occupiers' space



FUTURE OPPORTUNITIES

OPTIONALITY

Existing: 482,000 sq ft

Potential: 648,000+ sq ft

Uplift: 34%+



Holden House W1
Earliest start date 2023
150,000 sq ft consent



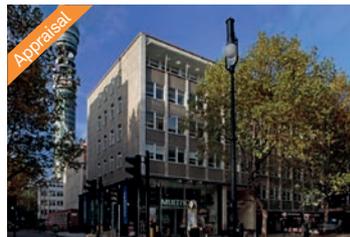
Francis House SW1
Earliest start date 2021
40,000 sq ft



Bush House WC2
Earliest start date TBC
108,000 sq ft



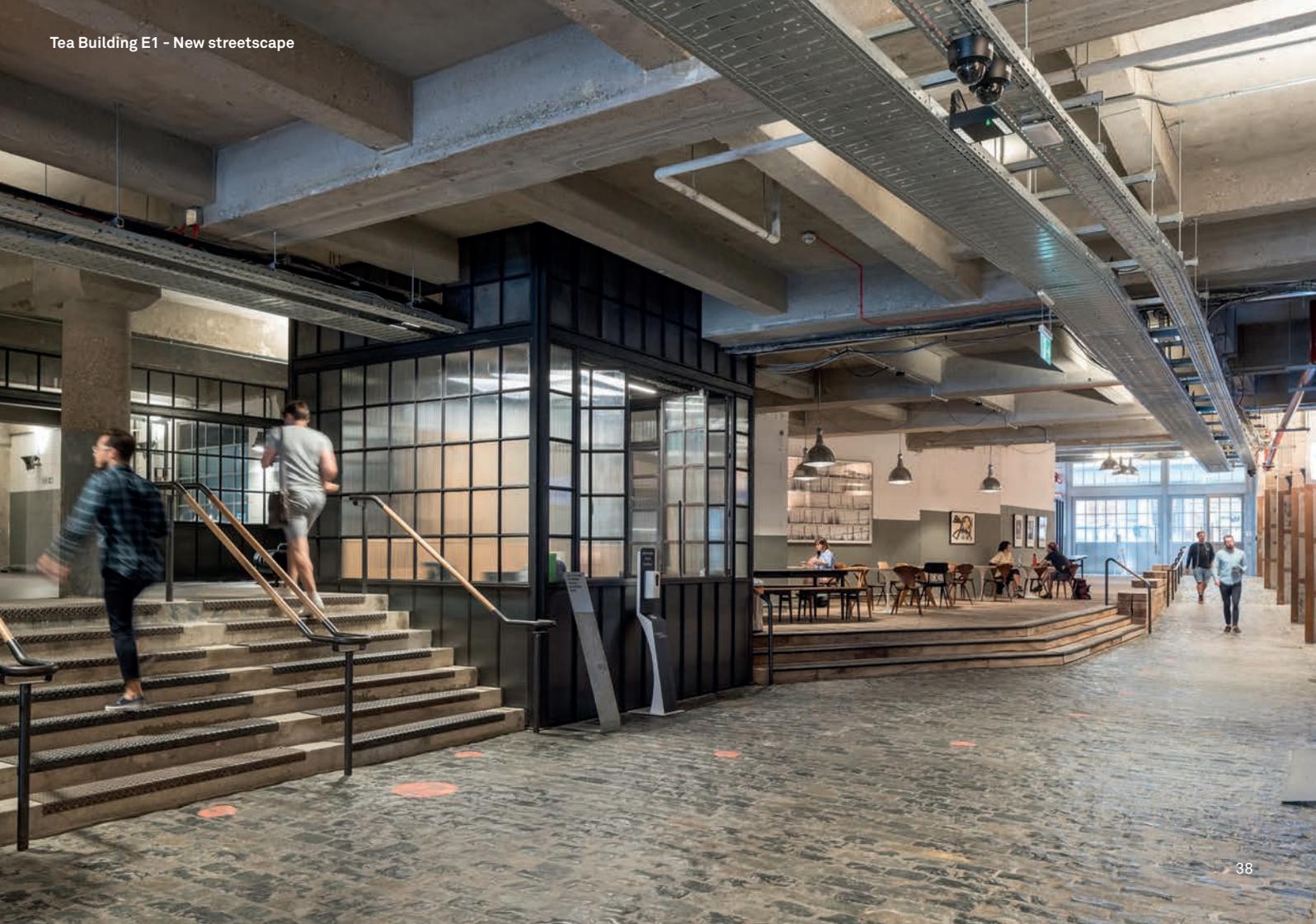
Angel Square EC1
Earliest start date 2021
126,000 sq ft



Network Building W1
Earliest start date 2021
64,000 sq ft



Blue Star House SW9
Earliest start date 2025
54,000 sq ft



SUMMARY

PAUL WILLIAMS



SUMMARY

OUR MARKET

- Outlook will depend on the shape of the downturn
- Accelerating changes in office use
- Rents under pressure and yields to remain firm
- Two-tier occupier and investment markets
- Office development activity likely to reduce

DERWENT LONDON

- Extend income and minimise vacancy rate
- Capture reversion, principally from developments
- Stay ahead of changing office use patterns
- Continue journey to Net Zero Carbon business
- Progress developments and consider fresh opportunities
- Maintain strong financial base

APPENDICES

APPENDICES

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APPENDIX 1 - HEADLINE NUMBERS

	Jun 2020	% change	Dec 2019	Jun 2019
Net asset value (NAV)	£4,404.7m	(1.6)*	£4,476.9m	£4,349.7m
EPRA Net Tangible Assets per share ^{1,2}	3,900p	(1.4)*	3,957p	3,851p
EPRA Net Disposal Value per share ^{1,2}	3,792p	(1.4)*	3,847p	3,758p
EPRA total return	(0.1%)	n/a	6.6%	3.3%
<hr/>				
Gross rental income	£97.8m	5.0	£191.7m	£93.1m
Net rental income	£84.4m	(2.2)	£178.0m	£86.3m
EPRA earnings per share ²	48.9p	(4.8)	103.09p	51.34p
(Loss)/profit for the period	(£13.2m)	(110.2)	£278.1m	£129.6m
Interim dividend per share ³	22.00p	4.8	21.00p	21.00p
<hr/>				
Net debt	£992.8m	1.1*	£981.6m	£1,003.5m
Loan-to-value (LTV) ratio	17.3%	n/a	16.9%	17.6%
NAV gearing	22.5%	n/a	21.9%	23.1%
Net interest cover ratio	435%	n/a	462%	454%

* Compared with Dec 2019

¹ On a diluted basis ² Reconciliations to IFRS figures in Appendices 3 and 6 ³ 2020 interim dividend subject to approval

APPENDIX 2 - GROUP BALANCE SHEET

	Jun 2020 £m	Dec 2019 £m	Jun 2019 £m
Investment property	5,219.1	5,174.3	5,179.0
Owner-occupied property	45.3	45.3	46.5
Investment in joint ventures	1.3	1.3	2.8
Other non-current assets	144.8	139.8	144.3
	5,410.5	5,360.7	5,372.6
Non-current assets held for sale	-	118.6	-
Other current assets and liabilities	(39.6)	(55.1)	(54.8)
Trading property	36.5	40.7	40.6
Cash and cash equivalents	201.8	54.5	31.5
Borrowings – current	-	-	(2.3)
	198.7	40.1	15.0
Borrowings – non-current	(1,134.2)	(976.6)	(971.0)
Other non-current liabilities	(70.3)	(65.9)	(66.9)
	(1,204.5)	(1,042.5)	(1,037.9)
Total net assets	4,404.7	4,476.9	4,349.7
Non-controlling interest	(52.0)	(55.7)	(58.8)
Attributable to equity shareholders	4,352.7	4,421.2	4,290.9

APPENDIX 3 - EPRA NET ASSET VALUE METRICS

	Jun 2020			Dec 2019		
	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	4,352.7	4,352.7	4,352.7	4,421.2	4,421.2	4,421.2
Revaluation of trading properties	4.5	4.5	4.5	2.3	2.3	2.3
Deferred tax on revaluation surplus	1.7	-	3.4	1.6	-	3.3
Fair value of derivative financial instruments	6.3	-	6.3	3.7	-	3.7
Less share of non-controlling interest	(0.4)	-	(0.7)	(0.4)	-	(0.8)
Fair value adjustment to secured bonds	10.0	10.0	10.0	10.6	10.6	10.6
Mark-to-market of fixed rate debt	-	(103.9)	-	-	(107.2)	-
Unamortised issue and arrangement costs	-	(10.4)	-	-	(11.5)	-
Purchasers' costs ⁴	-	-	367.6	-	-	372.3
NAV	4,374.8	4,252.9	4,743.8	4,439.0	4,315.4	4,812.6
Number of shares (m) - diluted	112.2	112.2	112.2	112.2	112.2	112.2
Per share measure (p) - diluted	3,900	3,792	4,229	3,957	3,847	4,290

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 2020 £m	Year ended Dec 2019 £m	Half year ended Jun 2019 £m
Gross property income	98.0	192.7	93.6
Profit on disposal of trading properties	0.8	-	-
Write-down of trading property	(0.4)	-	-
Other income	1.5	3.6	1.7
Write-off/impairment of receivables	(4.4)	-	-
Other property outgoings	(9.0)	(13.7)	(6.8)
Net property and other income	86.5	182.6	88.5
Administrative expenses	(17.1)	(37.0)	(17.1)
Revaluation (deficit)/surplus	(68.3)	156.4	75.0
Profit on disposal	1.7	13.8	4.7
Net finance costs	(13.6)	(26.5)	(12.8)
Bond redemption premium	-	(7.8)	(7.8)
Joint venture (JV) results	-	1.9	2.0
Derivatives fair value movement	(2.6)	(0.1)	(1.3)
Financial derivative termination costs	(0.6)	(2.7)	(1.2)
IFRS (loss)/profit before tax	(14.0)	280.6	130.0
Tax credit/(charge)	0.8	(2.5)	(0.4)
IFRS (loss)/profit for the period	(13.2)	278.1	129.6
Attributable to:			
Equity shareholders ¹	(9.5)	283.4	131.8
Non-controlling interest	(3.7)	(5.3)	(2.2)
	(13.2)	278.1	129.6

¹ A reconciliation of the IFRS profit attributable to shareholders to the EPRA earnings is shown in Appendix 5

APPENDIX 5 - IFRS LOSS AND EPRA EARNINGS

	Half year ended Jun 2020 £m	Year ended Dec 2019 £m	Half year ended Jun 2019 £m
IFRS (loss)/profit for the year attributable to shareholders	(9.5)	283.4	131.8
Revaluation deficit/(surplus)	68.3	(156.4)	(75.0)
JV revaluation surplus	-	-	(0.9)
Profit on disposal	(1.7)	(13.8)	(4.7)
Profit on disposal of share of associate's properties	-	(1.7)	(0.8)
Profit on disposal of trading properties	(0.8)	-	-
Write-down of trading property	0.4	-	-
Derivatives fair value adjustment	2.6	0.1	1.3
Financial derivative termination costs	0.6	2.7	1.2
Debt redemption premium	-	7.8	7.8
Tax adjustment	(0.8)	0.5	(0.2)
Non-controlling interest in respect of the above	(4.4)	(7.5)	(3.2)
EPRA earnings	54.7	115.1	57.3

APPENDIX 6 - EXPLANATION OF EPRA ADJUSTMENTS

	H1 2020 IFRS £m	Adjustments			H1 2020 EPRA basis £m	H1 2019 EPRA basis £m
		A £m	B £m	C £m		
Net property and other income	86.5	(0.8)	0.4		86.1	88.5
Administrative expenses	(17.1)				(17.1)	(17.1)
Revaluation deficit	(68.3)		68.3		-	-
Profit on disposal	1.7	(1.7)			-	-
Net finance costs	(13.6)				(13.6)	(12.8)
Derivatives fair value movement	(2.6)			2.6	-	-
Financial derivative termination costs	(0.6)			0.6	-	-
Share of results of joint ventures	-				-	0.3
Loss before tax	(14.0)	(2.5)	68.7	3.2	55.4	58.9
Tax credit/(charge)	0.8	(0.8)	-	-	-	(0.6)
Loss for the period	(13.2)	(3.3)	68.7	3.2	55.4	58.3
Non-controlling interest	3.7	-	(4.4)	-	(0.7)	(1.0)
Earnings attributable to equity shareholders	(9.5)	(3.3)	64.3	3.2	54.7	57.3
Earnings per share	(8.49p)				48.90p	51.34p

A – Disposal of investment properties and trading property 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 2020 £m	Year ended Dec 2019 £m	Half year ended Jun 2019 £m
Property income	71.9	171.5	82.7
Property expenses	(9.6)	(18.6)	(10.7)
Other income	0.6	3.6	1.9
Administrative expenses	(20.2)	(34.3)	(19.8)
Finance costs	(12.6)	(21.6)	(9.4)
Tax paid in respect of operating activities	-	(3.5)	(1.8)
Net cash from operating activities	30.1	97.1	42.9
Acquisitions and capex	(116.4)	(232.1)	(120.8)
Disposals	129.4	159.3	57.9
Payments from joint ventures	-	29.7	28.8
Other cash used in investing activities	3.6	(1.2)	(0.4)
Net cash from/(used in) investing activities	16.6	(44.3)	(34.5)
Movement in debt	156.5	66.7	64.9
Bond redemption premium	-	(8.5)	(8.5)
Ordinary dividend paid	(55.5)	(75.1)	(50.4)
Other cash from financing activities	(0.4)	0.3	(1.2)
Net cash from/(used in) financing activities	100.6	(16.6)	4.8
Increase in cash and cash equivalents during the period	147.3	36.2	13.2
Cash and cash equivalents at the beginning of the period	54.5	18.3	18.3
Cash and cash equivalents at the end of the period	201.8	54.5	31.5

APPENDIX 8 - RECONCILIATION OF LIKE-FOR-LIKE INCOME TO IFRS INCOME

	<i>Adjusted like-for-like movement to H1 2020¹</i>	<i>Like-for-like movement to H1 2020</i>	Adjusted like-for-like portfolio¹ £m	Covid-19 direct impact £m	Like- for-like portfolio £m	Development property £m	Acquisitions & disposals £m	Total £m
H1 2020								
Gross rental income			85.7		85.7	9.8	2.3	97.8
Other property expenditure			(6.0)		(6.0)	(0.7)	(0.2)	(6.9)
Write-off/impairment of receivables			-	4.2	(4.2)	(0.2)	-	(4.4)
Impact of service charge waiver			-	1.9	(1.9)	(0.2)	-	(2.1)
Net rental income			79.7	6.1	73.6	8.7	2.1	84.4
Other			1.6	-	1.6	(0.3)	0.8	2.1
Net property and other income			81.3	6.1	75.2	8.4	2.9	86.5
H1 2019								
Gross rental income	<i>1.5%</i>	<i>1.5%</i>	84.4		84.4	2.6	6.1	93.1
Property expenditure			(5.0)		(5.0)	(1.2)	(0.6)	(6.8)
Net rental income	<i>0.4%</i>	<i>(7.3%)</i>	79.4	-	79.4	1.4	5.5	86.3
Other			1.9		1.9	0.3	-	2.2
Net property and other income	<i>(0.0%)</i>	<i>(7.5%)</i>	81.3	-	81.3	1.7	5.5	88.5
H2 2019								
Gross rental income	<i>(0.3%)</i>	<i>(0.3%)</i>	86.0		86.0	7.4	5.2	98.6
Property expenditure			(5.7)		(5.7)	(1.5)	0.3	(6.9)
Net rental income	<i>(0.7%)</i>	<i>(8.3%)</i>	80.3	-	80.3	5.9	5.5	91.7
Other			2.1		2.1	0.3	-	2.4
Net property and other income	<i>(1.3%)</i>	<i>(8.7%)</i>	82.4	-	82.4	6.2	5.5	94.1

¹ An adjusted like-for-like performance has been presented that removes the direct costs arising from Covid-19

APPENDIX 9 - 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	49.0	26.0	75.0	July 2022
Club revolving credit - unsecured	176.0	274.0	450.0	October 2024
Committed bank facilities	253.0	300.0	553.0	
At 30 June 2020	1,141.0	300.0	1,441.0	

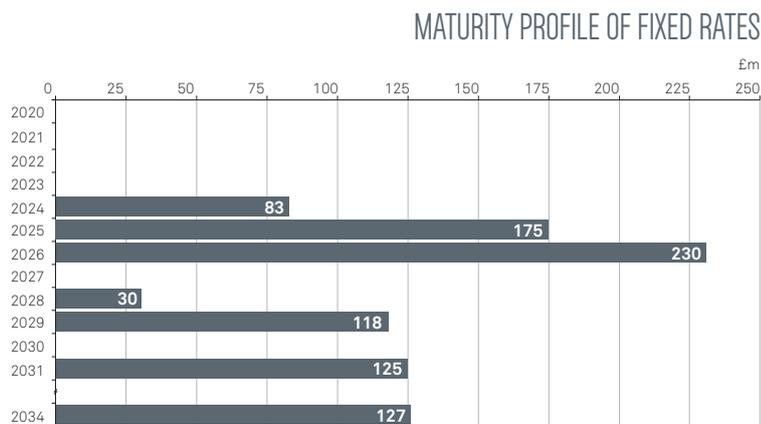
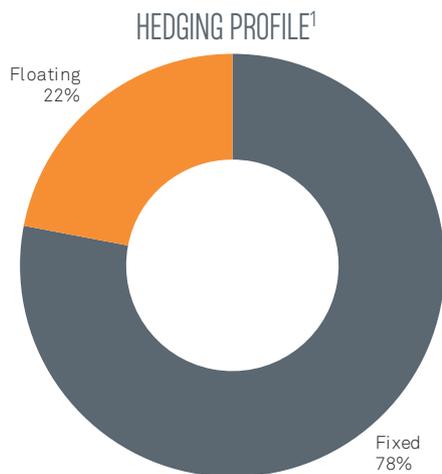
APPENDIX 10 - NET DEBT

	Jun 2020 £m	Dec 2019 £m
Borrowings	1,134.2	976.6
Acquired fair value of secured bonds less amortisation	(10.0)	(10.6)
Equity component of unsecured bonds	7.7	7.7
Unwinding of discount of unsecured bonds	(1.3)	(0.7)
Unamortised issue and arrangement costs	10.4	11.5
Facilities - drawn	1,141.0	984.5
Facilities - undrawn	300.0	456.5
Total debt facilities	1,441.0	1,441.0

	Jun 2020 £m	Dec 2019 £m
Borrowings	1,134.2	976.6
Leasehold liabilities	60.4	59.5
Cash and cash equivalents	(201.8)	(54.5)
Net debt	992.8	981.6

APPENDIX 11 - FIXED RATES AND HEDGING

	Jun 2020	Dec 2019
Proportion of drawn facilities at fixed rates or hedged	78%	93%
Weighted average duration of swaps ¹	-	0.2 years
Mark-to-market cost of swaps and forward-start swaps	£6.3m	£3.7m
Weighted average duration of fixed rate instruments	7.7 years	8.2 years



¹ Excludes the following forward-start swaps:

Principal £m	Rate %	Forward start date	Expiry date
40.0	2.45	July 2020	July 2022
75.0	1.36	July 2020	April 2025

APPENDIX 12 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Jun 2020 £m	Weighting Jun 2020 %	Valuation movement H1 2020 ¹ %
West End Central			
Fitzrovia ²	1,753.0	32	(1.7)
Victoria	466.7	9	(0.8)
Paddington	344.6	6	1.2
Soho/Covent Garden	213.0	4	4.5
Baker Street/Marylebone	148.5	3	(6.4)
Mayfair	97.1	2	0.0
	3,022.9	56	(1.0)
West End Borders			
Islington/Camden	463.4	8	(0.2)
Other	38.1	1	0.0
	501.5	9	(0.2)
West End	3,524.4	65	(0.9)
City Borders			
Old Street	633.0	12	0.1
Clerkenwell	542.3	10	(1.0)
Shoreditch/Whitechapel	446.4	8	(1.6)
Holborn	175.4	3	(0.7)
Other	2.2	0	0.0
City Borders	1,799.3	33	(0.7)
Central London	5,323.7	98	(0.8)
Provincial	81.5	2	(5.3)
Investment portfolio	5,405.2	100	(0.9)

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

APPENDIX 13 - RENTAL VALUE GROWTH AND AVERAGE RENTS

RENTAL VALUE GROWTH¹

	H1 2019 %	H2 2019 %	2019 %	H1 2020 %
West End	0.1	0.3	0.4	(0.6)
City Borders	0.9	1.8	2.7	(0.8)
Central London	0.4	1.0	1.4	(0.7)
Provincial	0.6	(0.6)	0.0	(3.1)
Underlying	0.4	1.0	1.4	(0.7)

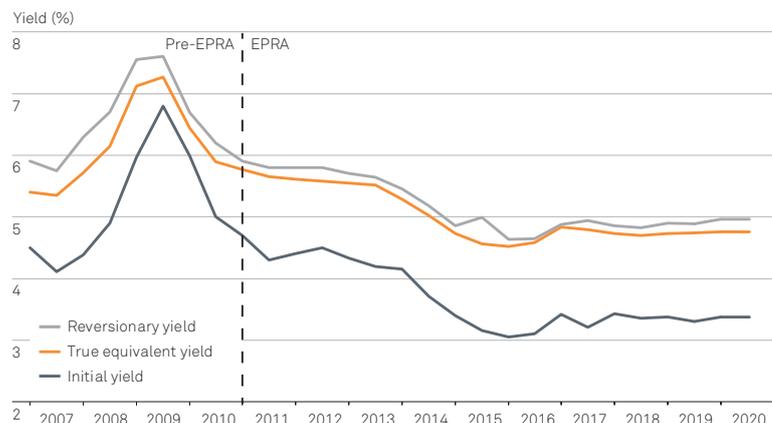
AVERAGE RENTS - CENTRAL LONDON OFFICES

	Portfolio % ²	Passing rent £ psf ³	'Topped-up rent £ psf ³	ERV £ psf ⁴
Core income	61	39.80	62.11	61.70
Potential projects	31	37.85	41.70	47.69
	92	39.20	55.86	57.26
On-site developments	7	-	92.84	81.61
On-site refurbishments	1	-	-	65.14
	8	-	92.84	80.08
Total	100	-	57.48	59.01

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

APPENDIX 14 - VALUATION YIELDS

YIELD PROFILE¹



EPRA INITIAL YIELDS

	Net initial yield %	'Topped-up' initial yield %
West End	3.0	4.5
City Borders	4.0	4.9
Central London	3.3	4.7
Provincial	8.5	8.7
EPRA portfolio	3.4	4.7

TRUE EQUIVALENT YIELDS²

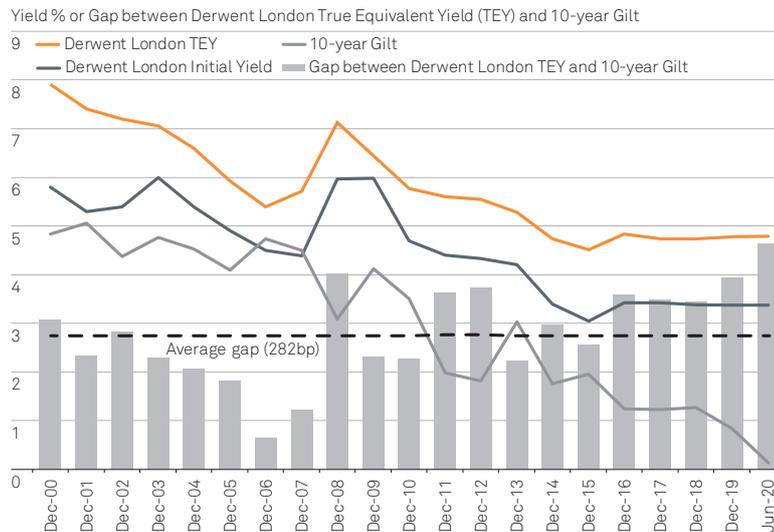
	Dec 2019 %	H1 2020 movement basis points	Jun 2020 %
West End	4.68	(2)	4.66
City Borders	4.79	4	4.83
Central London	4.72	-	4.72
Provincial	8.44	32	8.76
Underlying	4.77	-	4.77

¹Six-monthly data ² On EPRA portfolio

APPENDIX 15 - CONTEXT TO YIELD MOVEMENT

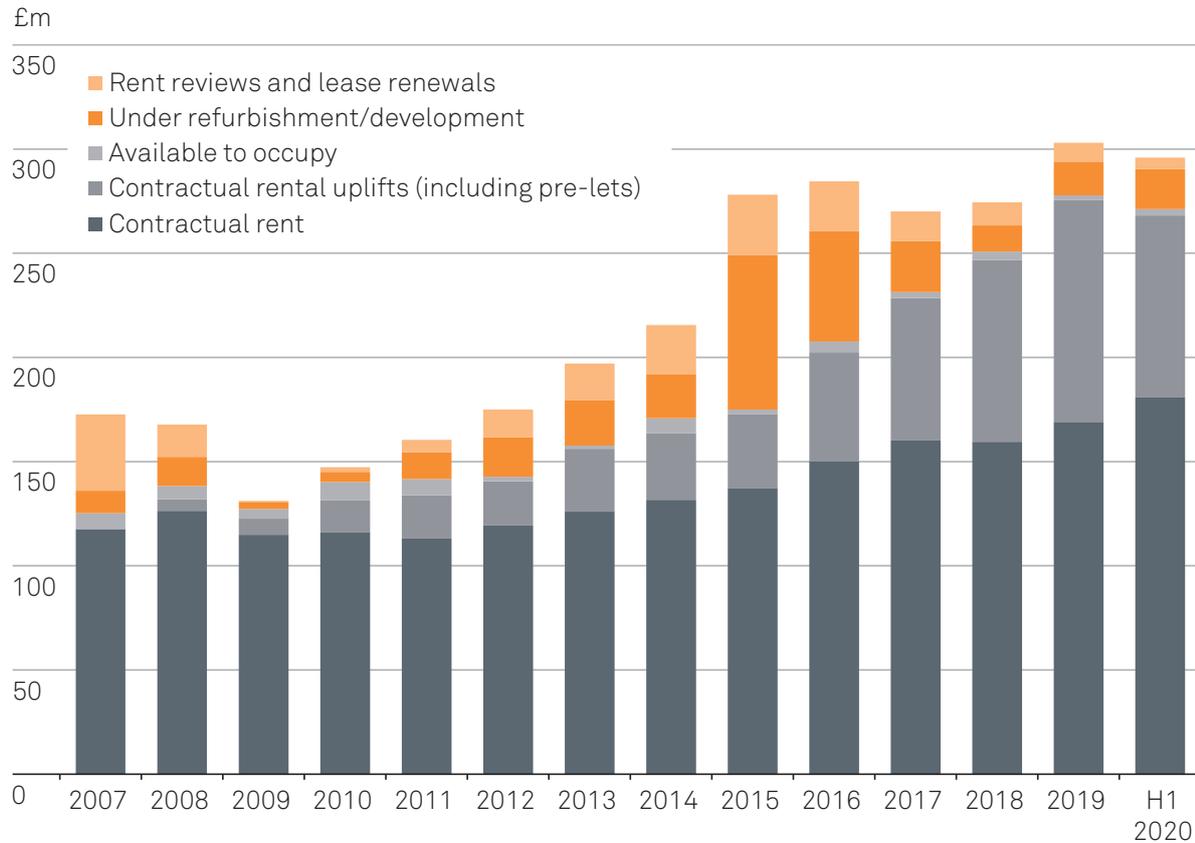
- Gilt yield declined from 0.83% at the start of the year to just 0.12% at the half year
- 465bp spread between the Derwent London true equivalent yield and the 10-year Gilt:
 - Largest gap in over 20 years
 - Average spread 282bp
- Capital values²:
 - Central London £1,052 psf:
 - West End £1,098 psf
 - City Borders £975 psf

VALUATION YIELDS¹



¹ Post H2 2010 portfolio on an EPRA basis ² Excludes 0.44m sq ft of on-site developments and on-site refurbishments - Appendix 35

APPENDIX 16 - EVOLUTION OF PORTFOLIO ERV



APPENDIX 17 - 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	1,753.0	32	1,395	76	49.8	38.09	3.1	34.8	37.9	87.7
Victoria	466.7	9	523	53	15.1	32.12	3.1	6.5	9.6	24.7
Paddington	344.6	6	243	-	6.3	26.41 ³	-	11.5	11.5	17.8
Soho/Covent Garden	213.0	4	393	40	-	-	4.3	16.6	20.9	20.9
Baker Street/Marylebone	148.5	3	194	35	6.2	38.79	1.9	1.3	3.2	9.4
Mayfair	97.1	2	43	-	1.5	35.40 ⁴	-	2.8	2.8	4.3
	3,022.9	56	2,791	204	78.9	30.73	12.4	73.5	85.9	164.8
West End Borders										
Islington/Camden	463.4	8	501	-	21.8	43.55	-	4.2	4.2	26.0
Other	38.1	1	53	8	0.8	16.91	0.3	0.4	0.7	1.5
	501.5	9	554	8	22.6	41.35	0.3	4.6	4.9	27.5
West End	3,524.4	65	3,345	212	101.5	32.58	12.7	78.1	90.8	192.3
City Borders										
Old Street	633.0	12	606	136	22.2	47.23	8.4	6.0	14.4	36.6
Clerkenwell	542.3	10	563	5	25.1	47.13	0.3	1.8	2.1	27.2
Shoreditch/Whitechapel	446.4	8	544	16	19.5	37.03	0.9	4.2	5.1	24.6
Holborn	175.4	3	192	-	7.6	39.63	-	2.5	2.5	10.1
Other	2.2	-	-	-	-	-	-	-	-	-
City Borders	1,799.3	33	1,905	157	74.4	43.28	9.6	14.5	24.1	98.5
Central London	5,323.7	98	5,250	369	175.9	36.41	22.3	92.6	114.9	290.8
Provincial	81.5	2	347	-	4.9	14.25	-	0.2	0.2	5.1
Investment portfolio	5,405.2	100	5,597	369	180.8	34.94	22.3	92.8	115.1	295.9

¹ Includes 0.44m 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 £104.16 psf after incentives ⁵ Contractual uplifts, rent review/lease renewal reversion and pre-lets

APPENDIX 18 - BUILD-UP OF PORTFOLIO ERV

	£m	Rent uplift pa £m	Rent pa £m
Contracted rental income, net of ground rents			180.8
Contractual rental uplifts			
80 Charlotte Street W1	24.7		
Brunel Building W2	11.1		
Horseferry House SW1	5.2		
White Collar Factory EC1	4.6		
1-2 Stephen Street W1	3.2		
60 Whitfield Street W1	2.7		
Other	19.2	70.7	
Vacant space¹			
Available to occupy	3.1		
Under refurbishment	4.7	7.8	
Lease reversions			
Anticipated rent reviews and lease renewals		5.5	84.0
			264.8
On-site developments (non-EPRA)²			
Pre-let element	16.6		
Available	14.5		31.1
Estimated rental value			295.9

¹ Detailed in Appendix 19 ² Capex to complete £337m excluding capitalised interest – see Appendix 35

APPENDIX 19 - AVAILABLE SPACE AND PROJECTS

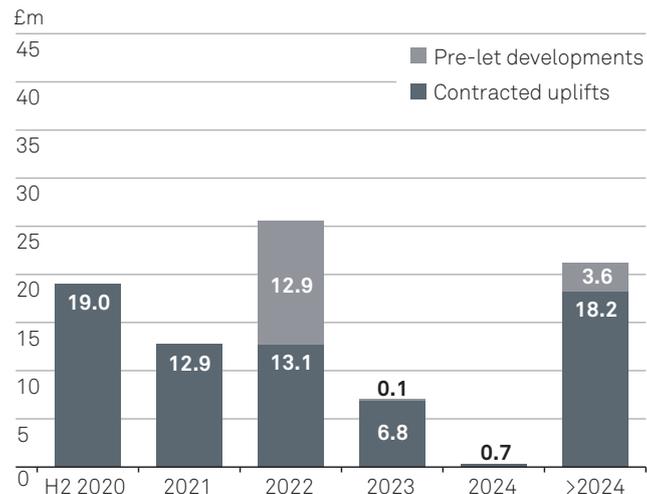
	Vacant area '000 sq ft	Pre-let area '000 sq ft	Total area '000 sq ft	Gross vacant ERV £m pa	Ground rent £m pa	Net vacant ERV £m pa	Pre-let net rent ERV £m pa	Total net ERV £m pa	Comment
Available to occupy									
80 Charlotte Street W1 ¹	39	-	39	1.3	-	1.3	-	1.3	
3-4 Hardwick Street EC1	5	-	5	0.3	-	0.3	-	0.3	
10 Rathbone Place W1	5	-	5	0.2	-	0.2	-	0.2	Let in Q3 2020 at £0.2m pa
Other	29	-	29	1.4	0.1	1.3	-	1.3	
	78	-	78	3.2	0.1	3.1	-	3.1	
Refurbishments									
Tea Building E1	16	-	16	0.9	-	0.9	-	0.9	
Francis House SW1	16	-	16	0.7	-	0.7	-	0.7	
Other	61	-	61	3.1	-	3.1	-	3.1	
	93	-	93	4.7	-	4.7	-	4.7	
On-site developments									
Soho Place W1	41	244	285	4.5	0.2	4.3	16.6	20.9	
The Featherstone Building EC1	125	-	125	8.1	-	8.1	-	8.1	
6-8 Greencoat Place SW1	32	-	32	2.1	-	2.1	-	2.1	
	198	244	442	14.7	0.2	14.5	16.6	31.1	
Total	369	244	613	22.6	0.3	22.3	16.6	38.9	

¹ Includes residential areas

APPENDIX 20 - TIMING OF THE REVERSION

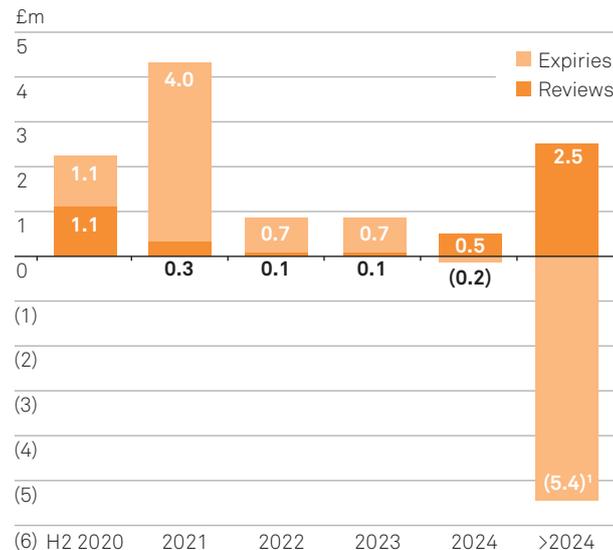
- £87.3m of the reversion contracted:
 - Contracted uplifts £70.7m
 - Pre-let developments £16.6m

CONTRACTUAL UPLIFTS AND PRE-LETS



- £5.5m of the reversion from reviews and expiries

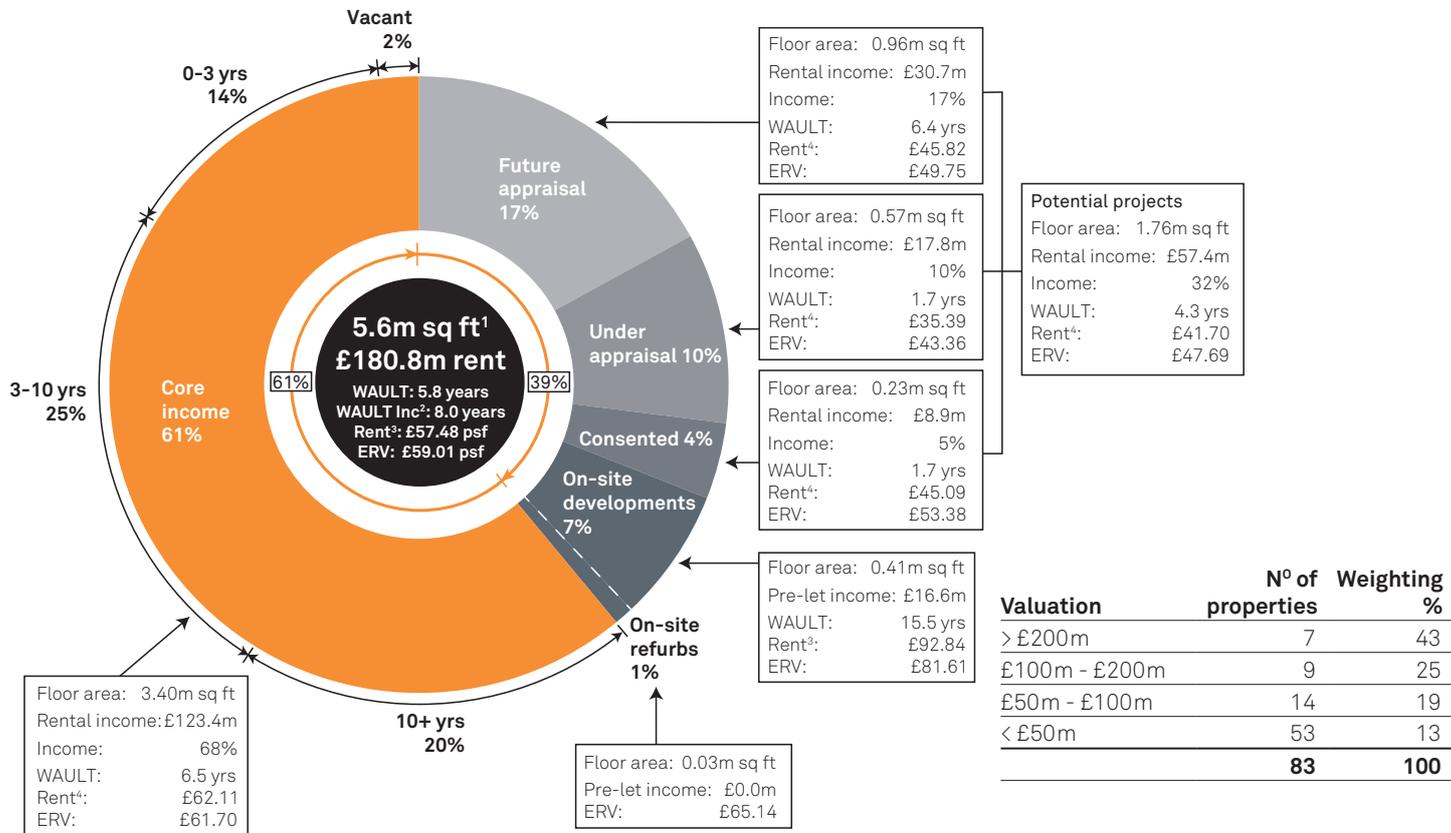
REVIEWS AND EXPIRIES



	H2 2020	2021	2022	2023	2024	>2024
Rent psf	£43	£52	£56	£50	£54	£61
ERV psf	£53	£59	£58	£56	£59	£55
Uplift %	23	13	4	12	9	(10)

¹ Predominantly due to contracted uplifts reverting to Jun 2020 ERV at lease expiry

APPENDIX 21 - PORTFOLIO SUMMARY



¹ Comprises 5.16m sq ft of existing buildings plus 0.44m sq ft of on-site developments and on-site refurbishments

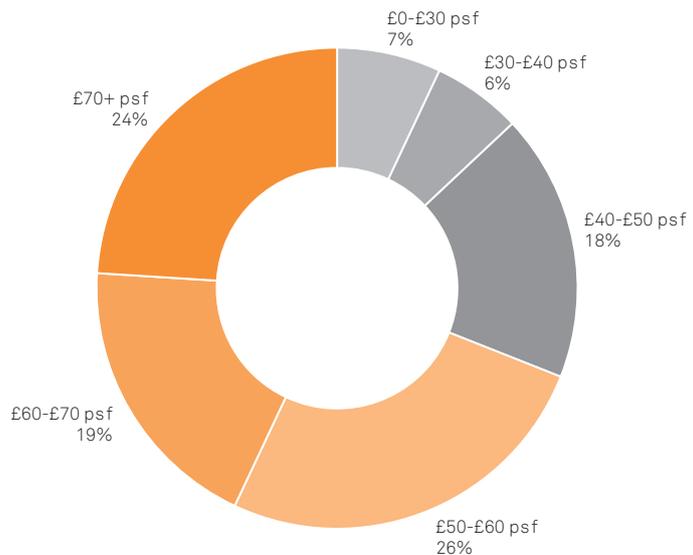
² After adjusting for 'topped-up' rents and pre-lets - Appendix 25

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

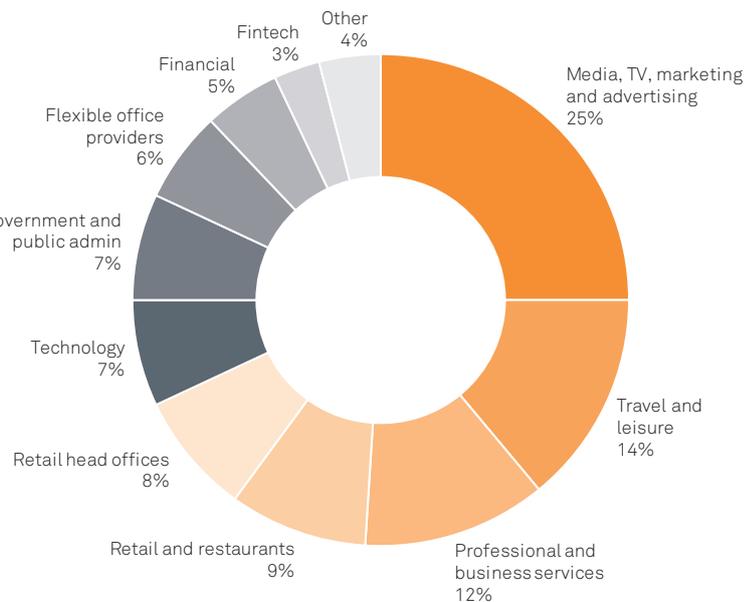
⁴ 'Topped-up' office rent

APPENDIX 22 - 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 23 - MAJOR TENANTS



BURBERRY

BCG



ARUP

THE
OFFICE
GROUP



FREMANTLEMEDIA
ENTERPRISES



WPP Group plc



THE DOCTORS
LABORATORY

splunk >

TelecityGroup*



ticketmaster*



KNOTEL

Pre-lets:

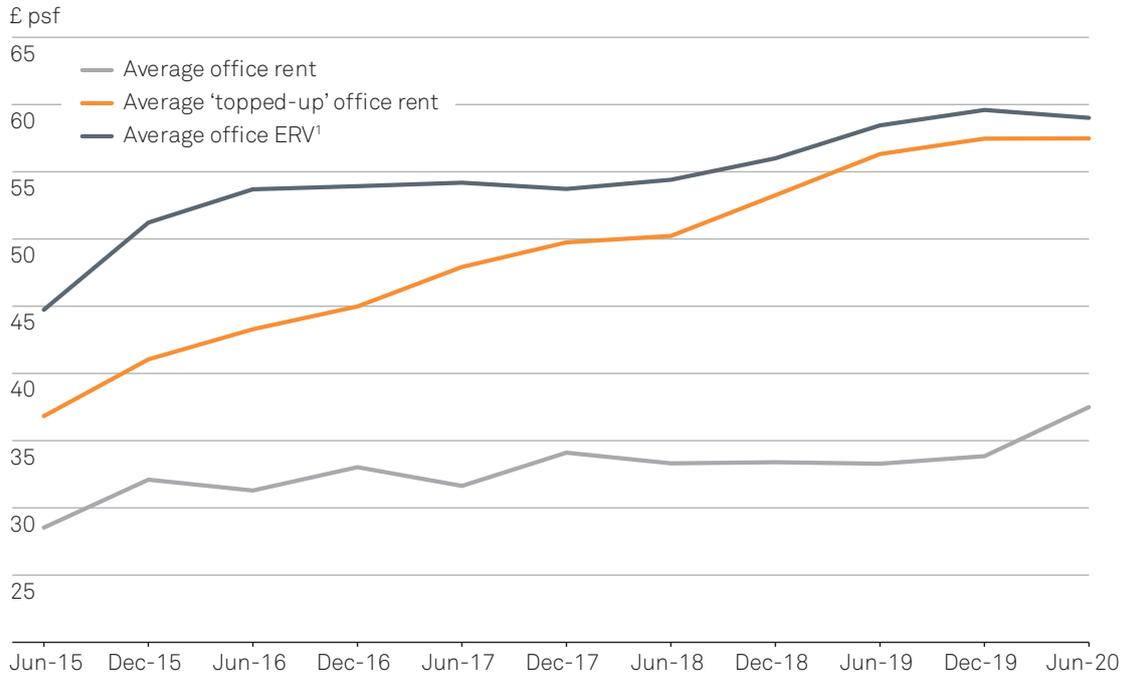


APOLLO

		'Topped-up' income ¹ %	
		Existing	Pre-let
01	Expedia	6.9	-
02	Burberry	5.4	-
03	Boston Consulting Group	5.1	-
04	G-Research	0.4	3.6
05	Government	3.7	-
06	Arup	3.7	-
07	Apollo	-	2.8
08	The Office Group	2.6	-
09	Sony Pictures	1.8	-
10	FremantleMedia Group	1.7	-
11	Publicis Groupe	1.5	-
12	WPP Group	1.5	-
13	VCCP	1.4	-
14	The Doctors Laboratory	1.4	-
15	Splunk	1.4	-
16	Telecity	1.2	-
17	Adobe	1.1	-
18	Ticketmaster	1.1	-
19	Mother London	1.1	-
20	Knotel	1.0	-
Total		50.4	

¹ Derwent London share

APPENDIX 24 - DERWENT LONDON CENTRAL LONDON OFFICE RENT PROFILE



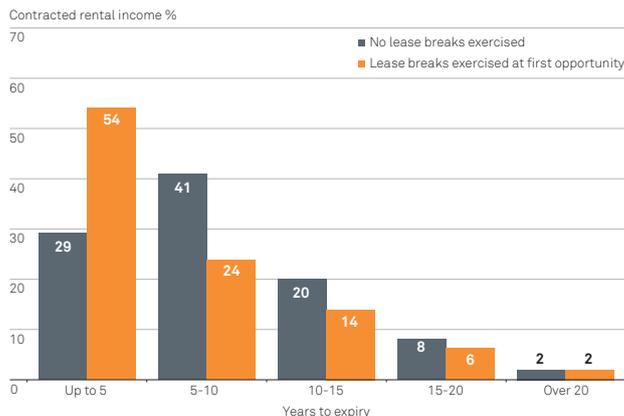
¹ Includes ERV of on-site schemes

APPENDIX 25 - LEASE EXPIRY PROFILE AND LEASE LENGTH

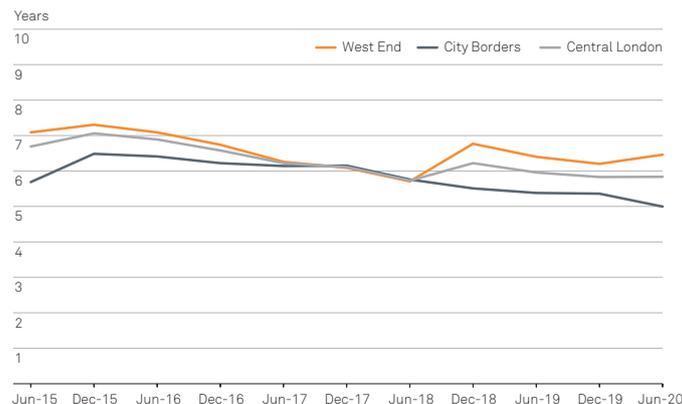
EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

	West End	City Borders	Provincial	H2 2020	2021	2022	2023	2024	Total
Expiries	1	1	-	2	11	3	3	2	21
Rolling breaks	2	-	-	2	4	-	-	-	6
Single breaks	-	-	-	-	9	6	6	6	27
	3	1	-	4	24	9	9	8	54

PROFILE OF RENTAL INCOME EXPIRY¹



AVERAGE UNEXPIRED LEASE LENGTH²

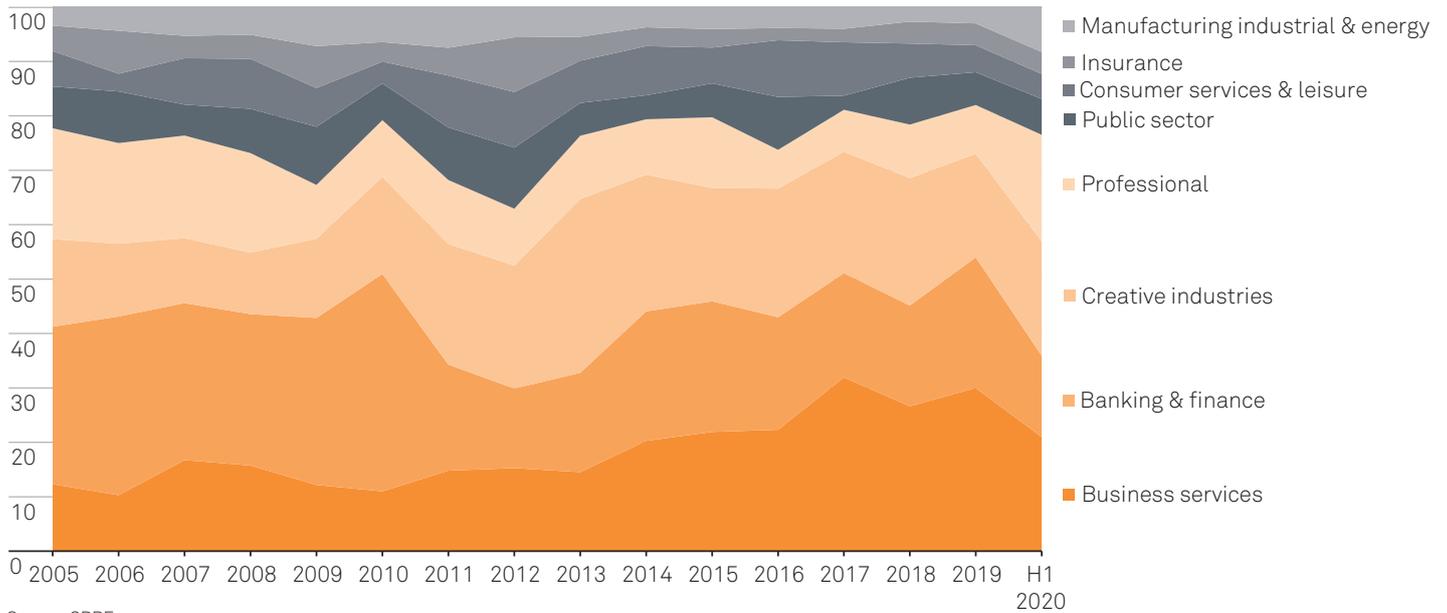


- Average lease length 5.8 years (Dec 2019: 5.8 years):
 - 8.0 years after adjusting for 'topped-up' rents and pre-lets (Dec 2019: 8.3 years)

¹ Based upon annualised contracted rental income of £180.8m ² Lease length weighted by rental income and assuming tenants break at first opportunity

APPENDIX 26 - TAKE-UP BY BUSINESS SECTOR

CLO take-up (% of total)



Source: CBRE

APPENDIX 27 - CENTRAL LONDON OFFICE DEMAND

Market statistics

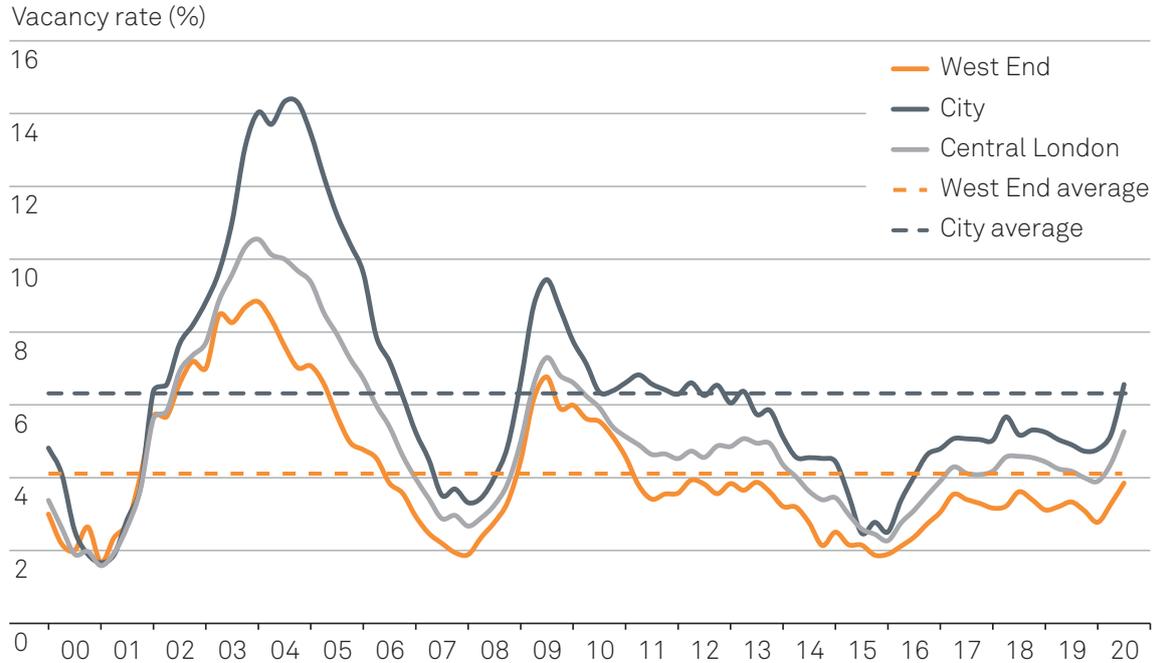
- Central London office take-up of 3.6m sq ft in H1 2020:
 - 43% below the half year average (2000-present)
 - 39% below H1 2019
 - 41% business & professional services, 21% creative industries, 15% banking & finance, 8% manufacturing industrial & energy, 7% public sector, 4% consumer services & leisure, and 4% insurance
- Under offers at the half year were 2.4m sq ft, down from 3.4m sq ft at the start of the year and below the 10-year average for the first time since 2018
- West End take-up totalled 1.0m sq ft in H1 2020:
 - 54% below the annual average
 - 49% below H1 2019

OFFICE TAKE-UP



Source: CBRE

APPENDIX 28 - CENTRAL LONDON OFFICE VACANCY RATES



Source: CBRE

APPENDIX 29 - CENTRAL LONDON OFFICE SUPPLY

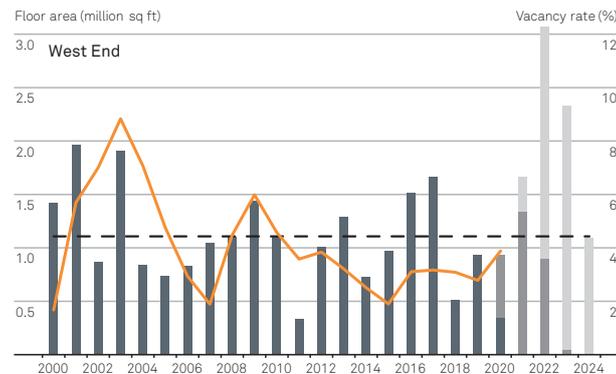
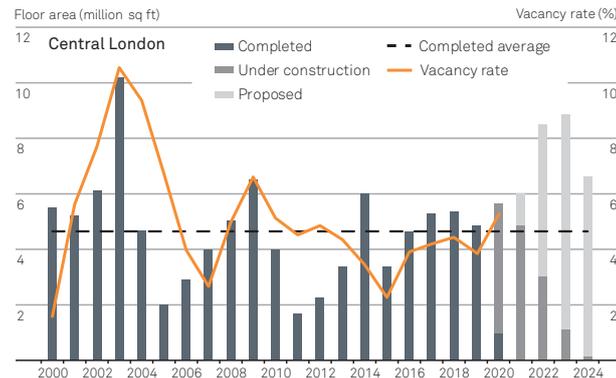
Existing supply

- Central London vacancy rate of 5.3%, 30 June 2020:
 - 3.9% at the start of the year, up 90bp in three months
 - The highest level since Q3 2010 and just above the long-term average (LTA) of 5.0%
- West End rate lower at 3.9% compared to 2.8% six months earlier and 3.3% at the end of Q1 2020 (4.1% LTA)
- City vacancy rate of 6.6% against 4.8% at the start of the year (6.3% LTA)
- Completions of 1.0m sq ft in H1 with a further 4.7m sq ft due to complete by year end (4.6m sq ft LTA)

Future supply

- 4.9m sq ft of committed schemes to complete in 2021 (53% pre-let or under offer) and 3.0m sq ft in 2022 (48% pre-let)
- Committed schemes to 2024 total 13.9m sq ft (50% pre-let)

OFFICE DEVELOPMENT PIPELINE



Source: CBRE

APPENDIX 30 - CENTRAL LONDON OFFICE RENTAL GROWTH

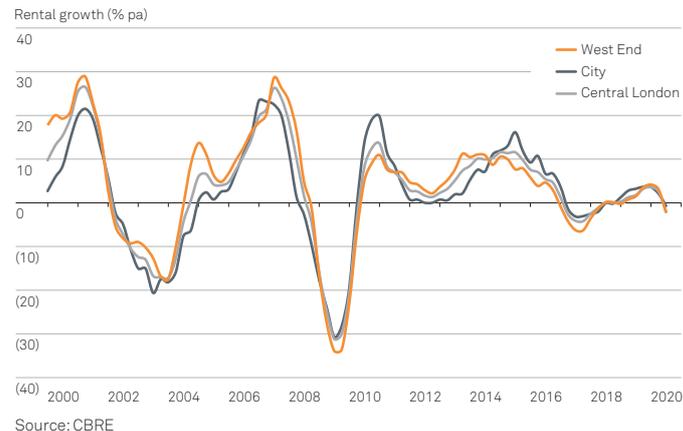
- CBRE reported prime office rental growth of -2.1% pa at 30 June 2020:

- West End: -2.3% pa (+4.2% pa at 31 Dec 2019)
- City: -0.7% pa (+3.6% pa at 31 Dec 2019)

- CBRE prime rents were unchanged in all 13 of central London's sub-areas in Q1 but downgraded in all but one area in Q2. Prime rents now stand at:

- Mayfair/St James' £105 psf (-2.3% pa)
- Soho £86 psf (-1.7% pa)
- Fitzrovia £83.50 psf (-1.8% pa)
- Midtown and King's Cross £78.50 psf (-1.9% pa)
- Paddington and Victoria £74 psf (-1.3% pa)
- City core £71.50 psf (-0.7% pa)
- Southbank £67.50 psf (+3.8% pa)
- Docklands £50 psf (+3.1% pa)

CENTRAL LONDON OFFICE RENTAL GROWTH



APPENDIX 31 - CENTRAL LONDON OFFICE INVESTMENT MARKET

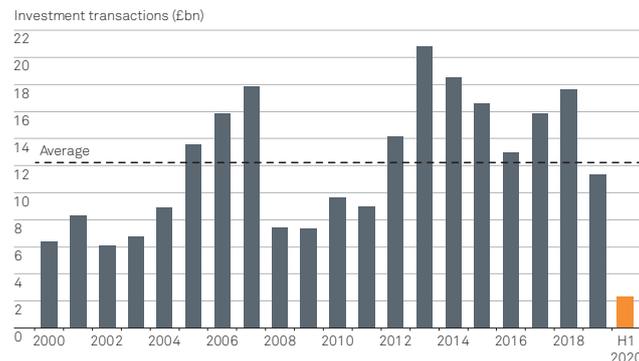
H1 2020 activity

- CBRE reported £2.3bn of central London transactions:
 - 62% below the half-year average (since 2000)
 - 68% lower than H2 2019 and 46% lower than H1 2019
 - European investors most active with 47% market share followed by UK at 40%
- Prime yields at 30 June 2020:
 - West End: 3.75%, unchanged for 4 years
 - City: 4.0%, unchanged for 3.5 years

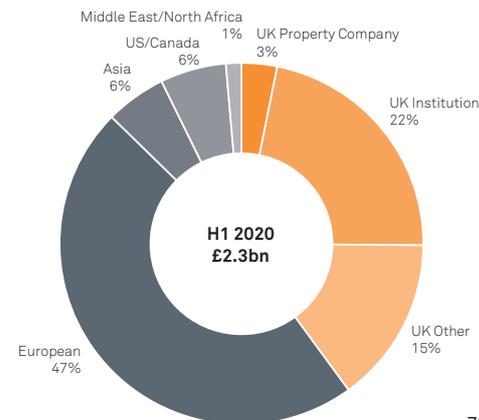
Supportive factors

- London remains a popular choice for investors and is good value compared to other key European cities
- Low supply of properties on the market
- Historic high gap between UK Gilts and property yields
- Low interest rates

CENTRAL LONDON OFFICE INVESTMENT



INVESTMENT ACTIVITY BY NATIONALITY



APPENDIX 32 - ACQUISITION: BLUE STAR HOUSE, BRIXTON SW9

- 53,750 sq ft 11-storey building:
 - 41,600 sq ft offices
 - 3,800 sq ft restaurant
 - 8,350 sq ft fitness centre
 - 0.7 acre site including surface car park
 - Immediately opposite Brixton O2 Academy
- Acquired for £38.1m before costs:
 - Low average rent of £14.50 psf on occupied offices
 - Rental income of £0.8m pa
 - Capital value of £710 psf
 - Sale completed February 2020
- Well connected with Brixton underground only a few minutes walk
- Vacant possession can be achieved in next few years and potential for a significant redevelopment



APPENDIX 33 - DISPOSAL: 40 CHANCERY LANE WC2

- 103,700 sq ft office and retail building
- Sold for £121.3m (gross) in February 2020
- Fully let to Publicis Groupe at £5.5m pa
- Net yield to purchaser 4.25%
- Mature asset - recycling capital



APPENDIX 34 - ON-SITE DEVELOPMENTS: PROFIT ON COST

Soho Place
W1



THE
FEATHERSTONE
BUILDING



Completion		H1 2022	H1 2022
Commercial area (sq ft)	410,000	285,000 ²	125,000 ³
Est. future capex (£m)	254	203	51
Total cost (£m) ¹	551	408	143
ERV (£ psf)	-	c.92.50	c.70.00
ERV (£m pa)	29.0	20.9	8.1
Pre-let/sold area (sq ft)	244,000	244,000 ⁵	-
Pre-let income (£m pa)	16.6	16.6 ⁶	-

Summary

End value	663
Less: Total cost ¹	551
Project surplus	112
Less: Booked to Jun 20	34
Surplus to come	78
Profit on total cost	20%
Profit to come on total cost	14%
Yield on cost	5.7%



Sensitivity⁴ - project surplus (£m)
and profit on cost (%)

		Valuation yield		
		+0.25%	Base	-0.25%
Rent	-£5.00 psf	£63m 11%	£91m 17%	£123m 22%
	Base	£82m 15%	£112m 20%	£145m 26%
	+£5.00 psf	£102m 19%	£133m 24%	£167m 30%

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 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 Sensitivity applied to non pre-let commercial floor areas ⁵ Includes 40,000 sq ft theatre ⁶ Long leasehold, net of 4% ground rent

APPENDIX 35 - PROJECT SUMMARY: CURRENT PROJECTS

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	H2 2020 capex £m	2021 capex £m	2022+ capex £m	Total capex to complete £m	Delivery date	Current office c.ERV psf
On-site developments									
Soho Place W1	-	107	285	66	64	73	203 ¹	H1 2022	£92.50
The Featherstone Building EC1	-	69	125	16	31	4	51	H1 2022	£70.00
6-8 Greencoat Place SW1	-	32	32	5	3	-	8	H1 2021	£67.50
	-	208	442	87	98	77	262		
Planning and design	-	-	-	5	8	2	15		
Other ²	-	-	-	23	25	12	60		
Total	-	208	442	115	131	91	337		
Capitalised interest	-	-	-	4	13	1	18		
Total including interest	-	208	442	119	144	92	355		

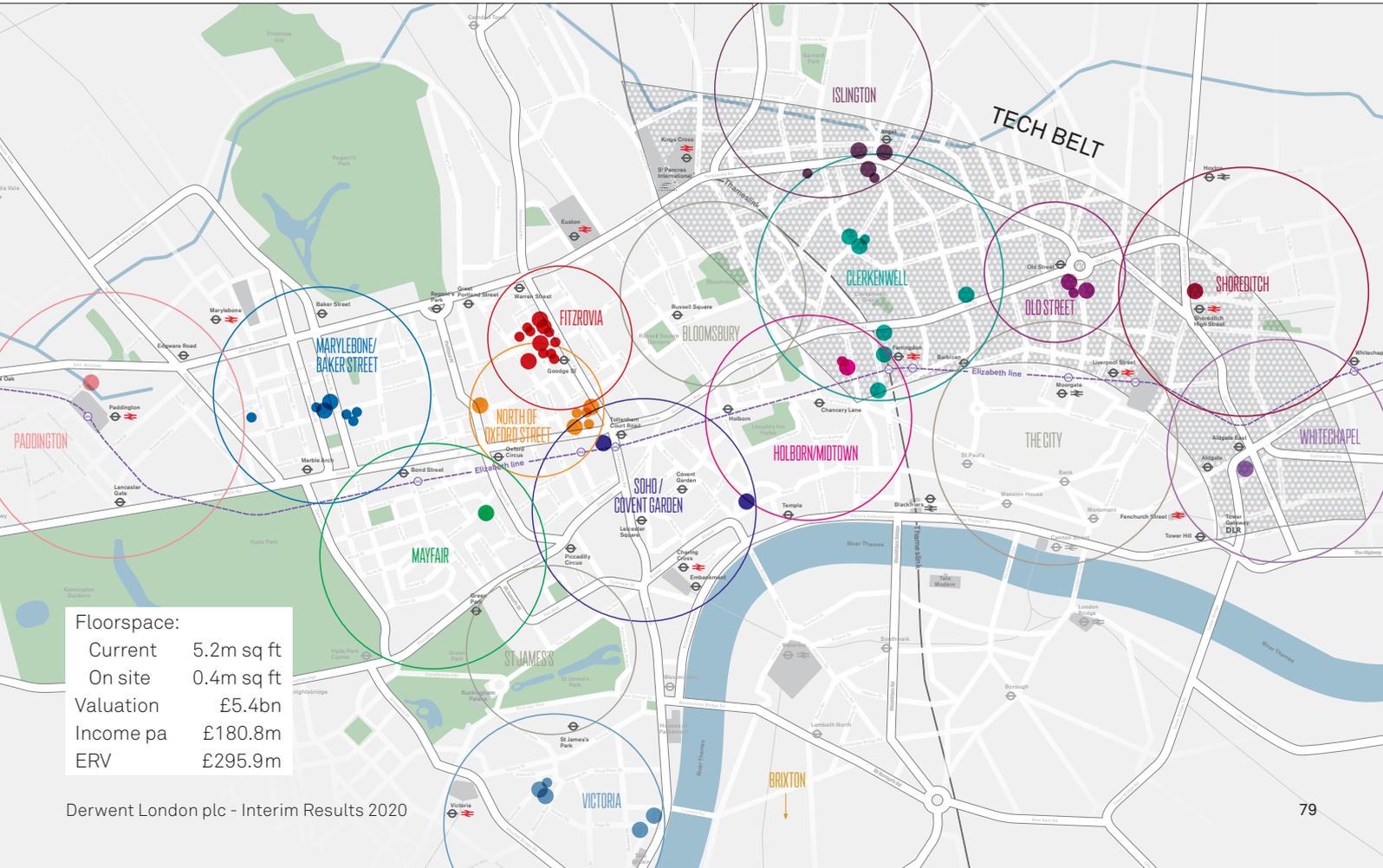
¹ Includes remaining site acquisition cost and 16% profit share payaway to freeholder Crossrail ² Includes 80 Charlotte Street W1 and Francis House SW1

APPENDIX 36 - 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					
19-35 Baker Street W1 ¹	3.5	143	293	2021	Currently Derwent 55%, The Portman Estate 45%
Holden House W1	5.4	90	150	2023	
	8.9	233	443		
Adjustment for JV	(1.6)	(64)	-		19-35 Baker Street W1
	7.3	169	443		
Under appraisal²					
Angel Square EC1	4.5	126	140	2021	Refurbishment
Network Building W1	4.1	64	100	2021	Redevelopment
Bush House WC2	-	108	108	TBC	Refurbishment
Francis House SW1	0.5	40	40	2021	Refurbishment
Blue Star House SW9	0.8	54	110	2025	Redevelopment
Other	7.9	179	179		Principally refurbishments at Johnson Building EC1 and 1 Oliver's Yard EC1
	17.8	571	677		
Consented and under appraisal	25.1	740	1,120		
On site	-	208	442		Appendix 35
Total	25.1	948	1,562		

¹ Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street ² Areas proposed are estimated from initial studies

APPENDIX 37 - PORTFOLIO MAP



Floorspace:	
Current	5.2m sq ft
On site	0.4m sq ft
Valuation	£5.4bn
Income pa	£180.8m
ERV	£295.9m

APPENDIX 38 - EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT

Executive Committee

Paul Williams	Chief Executive
Damian Wisniewski	Chief Financial Officer
Simon Silver	Property Director
Nigel George	Property Director
David Silverman	Property Director
David Lawler	Company Secretary
Richard Baldwin	Director of Development
Emily Prideaux	Director of Leasing
Rick Meakin	Group Financial Controller
Jennifer Whybrow	Head of Financial Planning & Analysis

Senior Management

Vasiliki Arvaniti	Head of Asset Management
Clive Johnson	Head of Health & Safety
Katy Levine	Head of Human Resources
Giles Sheehan	Head of Investment
Quentin Freeman	Head of Investor & Corporate Communications
Umar Loane	Head of Property Accounts
Victoria Steventon	Head of Property Management
Lesley Bufton	Head of Property Marketing
John Davies	Head of Sustainability
David Westgate	Head of Tax

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