

13 October 2020

Derwent London plc (“Derwent London” / “the Group”)
SEPTEMBER 2020 RENT COLLECTION

We provide below a summary of our September Quarter Day rent collection to date, an update for the June and March quarters and progress on lease regears and new lettings since June 2020.

The Group has currently collected 80% of its September Quarter Day rent, which is higher than both the June and March 2020 quarters at an equivalent time. We have continued to receive rent in relation to those earlier quarters, June rent collected is now 84% compared with 70% when first announced on 7 July, with an additional 8% still to be received from agreed payment plans.

Our Q3 business update is due to be published on 5 November 2020.

September Quarter Day

- To date the Group has received 83% of office rents, an 11% improvement over the equivalent figures released on 7 July for the June quarter and 6% higher than March. A further 7% is due later in the quarter with an additional 5% under agreed plans payable in 2021
- We have now received 80% of the total rent demanded with 8% due later in the quarter and another 5% in 2021
- Rent free periods have been granted on 1% of total rents, mainly in the retail and hospitality sectors
- September quarter receipts include rent deposits of £46k
- 88% of service charges for the quarter have been received so far

Current position	September quarter		
	Office	Retail/Hospitality	Total
Received to date	83%	40%	80%
Due later in the quarter*	7%	18%	8%
Payment plans 2020	0%	0%	0%
Payment plans 2021	5%	0%	5%
Outstanding	4%	31%	6%
Rent free granted	1%	11%	1%
Total	100%	100%	100%
	£42.0m	£3.2m	£45.2m

*Principally monthly receipts

June and March Quarters updated

Since we reported on 7 July 2020, rents agreed to be paid later within the June quarter have been received. Consequently, we have now received 84% of the June quarter rents, with another 8% subject to agreed payment plans. This represents an improvement on the March quarter where we have now received 82% of rents with another 10% subject to payment plans.

	September quarter	June quarter		March quarter	
Total quarter's rent	Current position	Announced 7 July	Current position	Announced 8 April	Current position
Received to date	80%	70%	84%	73%	82%
Due later in the quarter*	8%	9%	0%	6%	0%
Payment plans 2020	0%	1%	1%	7%	3%
Payment plans 2021	5%	8%	7%	5%	7%
Outstanding	6%	8%	3%	5%	2%
Rent free granted	1%	4%	5%	4%	6%
Total	100%	100%	100%	100%	100%
	£45.2m	£43.5m	£43.8m	£43.3m	£43.1m

*Principally monthly receipts

Update on lease regears and second half lettings

In August we reported that we were negotiating to regear leases with c.£10m of passing rent due to expire in 2020 and 2021. We have now signed on c.£8m, of which £7m related to expiries or breaks in 2021 equivalent to 16% of the expiries due that year. In addition, we are in active negotiations on a further £6m of income.

Since June we have completed £1.9m of new lettings. This includes the remaining 5,100 sq ft of offices at Soho Place W1, where Apollo Group has taken up its option on the original terms increasing its space to c.88,000 sq ft. In addition, UCL has taken a further 14,100 sq ft at 88-94 Tottenham Court Road W1.

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Notes to editors

Derwent London plc

Derwent London plc owns 83 buildings in a commercial real estate portfolio predominantly in central London valued at £5.4 billion (including joint ventures) as at 30 June 2020, making it the largest London-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via development or refurbishment, effective asset management and capital recycling.

We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design.

Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

As part of our commitment to lead the industry in mitigating climate change, in October 2019, Derwent London became the first UK REIT to sign a Green Revolving Credit Facility. At the same time, we also launched our Green Finance Framework and signed the Better Buildings Partnership's climate change commitment. The Group is a member of the 'RE100' which recognises Derwent London as an influential company, committed to 100% renewable power by purchasing renewable energy, a key step in becoming a net zero carbon business. Derwent London is one of only a few property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative (SBTi).

Landmark schemes in our 5.6 million sq ft portfolio include 80 Charlotte Street W1, Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2019, the Group won several awards including EG Offices Company of the Year, the CoStar West End Deal of the Year for Brunel Building, Westminster Business Council's Best Achievement in Sustainability award and topped the real estate sector and was placed ninth overall in the Management Today 2019 awards for 'Britain's Most Admired Companies'. In 2013 the Company launched a voluntary Community Fund and has to date supported over 100 community projects in the West End and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

For further information see www.derwentlondon.com or follow us on Twitter at @derwentlondon

Forward-looking statements

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.