

Broadgate Financing PLC

£175,000,000 Class A3 4.851 per cent. Bonds due 2033

£400,000,000 Class A4 4.821 per cent. Bonds due 2036

£365,000,000 Class B 4.999 per cent. Bonds due 2033

£215,000,000 Class C2 5.098 per cent. Bonds due 2035

Semi-annual Update as at 30 September 2024

5 December 2024

This semi-annual update is not, and is not accompanied by, an invitation to underwrite, subscribe or otherwise acquire or dispose of any investment, and does not advise any person to engage in one of those activities.

This semi-annual update does not, and is not accompanied by, an invitation to effect any transaction with any person, or make use of any services provided by any person.

This semi-annual update is not, and is not accompanied by, any inducement.

This semi-annual update does not refer to, and is not accompanied by, a reference to any price of any investments or any yield on any such investments.

Background

On 2 March 2005 Broadgate Financing PLC issued £2.080 billion of bonds backed by the rental income from Broadgate, the premier City of London estate.

Broadgate Financing PLC is an indirect subsidiary of Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2023 Limited, a wholly owned subsidiary of The British Land Company PLC.

Further details on the estate itself can be found on the website at <https://broadgate.co.uk>

Quarterly Report

Quarterly reports giving details of payments of principal and interest together with calculations of gross and net coverage ratios are provided on the British Land website. <https://www.britishland.com/investors/debt-investors/joint-venture-secured-debt/broadgate-financing-plc>

Asset Performance

For period ended:	30 September 2024
Valuation:	£2.630 billion
Net Initial Yield (topped up):	5.3% ^{1, 2}
Gross Passing Rent per annum:	£116.9m ³
Gross Contracted Rent per annum:	£126.8m ³
Average contracted rent psf (office space/ excluding vacancies):	£51.01 psf
Average headline ERV psf (office space):	£68.07 psf
Vacancy rate:	1.3% ²

¹ Assumes top up of rent free periods, after purchasers' costs

² Excludes 1 Appold St and the Broadgate Club, and Broadgate Tower levels subject to Asset Management Initiatives

³ Includes £3.7m of lease surrender receipts to be recognised as securitisation rental income over the next 4 quarters subsequent to the 7 October 2024 interest payment date

6 month period to 30 September 2024

New Lettings

At 155 Bishopsgate:

- New letting to Spectron Services Limited on Part Level 3 (21k sq ft) for 11.5 years at a rent of £62.50 psf, with 26 months' rent free
- An Agreement for Lease has exchanged with Akin Gump to take a minimum of 77k sq ft across levels 9-12 (with options over L8). This is at an average rent of £83.50 psf. Works are underway and the target lease commencement date is 1st September 2025. All floors are on 15 years leases with a break after 10 years, except L12 which has an additional break in the 5th year. They will receive 24 months' rent free (12 on Level 12).
- We have completed a 4 year lease with Pico in the Storey space, unit C (3.7k sq ft) at £67 psf.

Lease Renewals and Restructurings

At 155 Bishopsgate:

- A long term regear was secured with Spectron Services committing to 10 additional years on level 5 and part level 4 (total 54k sq ft), as well as taking a new lease over the vacant part L3 (see above). These leases all run to October 2035. The reversionary leases over both level 5 and part L4 are at £65 psf with 20 months' rent free.

At Broadgate Tower:

- We completed a short-term lease extension at existing rent levels, to 22 July 2024 with Reed Smith on Levels 3 and 30-33

Lease Surrenders and Breaks

At Broadwalk House:

- Vorboss vacated their space on L3 in June 2024 following their relocation and upsize to 10 Exchange Square (see March 2024 Annual Report).

At Broadgate Tower:

- Reed Smith vacated their space on L3 and L25-33 in July 2024.
- Regus vacated their space at L12 in July 2024.
- Trading Hub vacated their space in September 2024.
- Itochu have decided not to renew (L15, 16 & Part L18). We are currently negotiating a short term extension with them to stay until mid 2026.

Exchange House

- Zego (15k sq ft on Part L7) have served their break notice to vacate 31 March 2025

At 135 Bishopsgate:

- McCann chose not to exercise their 2025 break option on L8, thereby continuing their occupation to at least the next break date in 2030.
- Symphony chose not to exercise their January 2025 break option on L12, thereby continuing their occupation to January 2026.

Rent Reviews

At 201 Bishopsgate

- The outstanding rent review for Mayer Brown (135k sq ft on levels 1-4) completed at £50.91 psf.

Additional Information

We are making good progress on asset management initiatives to improve the sustainability credentials of several buildings on the campus. At 199 Bishopsgate, following completion of Net Zero Carbon works, and fully de-gassing the building, the EPC has been reassessed as an 'A'. At 155 Bishopsgate, we have committed to undertake Net Zero Carbon works to improve the EPC rating to 'B'.

A planning application has been submitted in respect of the Broadgate Tower, to reposition the building and capture the increased rental values for high quality tower office space. This is in addition to planned Asset Management Initiatives on several floors at the Broadgate Tower.

Financial Summary

Market Value of Mortgaged Properties ¹	£2.630bn
Annual rents receivable ^{1, 2}	£126.8m

Debt Outstanding³

Class	£'m
A	543.9
B	343.1
C	184.9
Total	1,071.9

Interest Payable⁴

	£'m
A	26.3
B	17.7
C	9.5
Total	53.5

Amortisation Payable⁴

	£'m
A	0.0
B	43.8
C	2.9
Total	46.7

Interest Cover Ratios^{4, 5}

A	4.82
B	2.88
C	2.37

DSCR Ratios^{4, 5}

A	3.87
B	1.35
C	1.19

LTV Ratios

A	20.7%
B	33.7%
C	40.8%

- Market values and annual rents receivable are as at 30 September 2024. Market values are provided by Cushman & Wakefield, external valuer to Broadgate Financing PLC.
- Annual rents receivable comprises Gross Contracted Rent per annum as at 30 September 2024.
- Debt outstanding is at 7 October 2024, the last interest payment date.
- Interest in respect of Fixed Rate Bonds is annualised based on interest paid on the last interest payment date, 7 October 2024.

Amortisation for the bonds represents the actual amortisation to be paid over the four interest payment dates subsequent to the 7 October 2024 interest payment date.

- Reported ratios per the most recent Borrower Quarterly Report on 7 October 2024:

Net Coverage Ratio:	121%
Gross Coverage Ratio:	135%
Class A Interest Cover Ratio:	489%