

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 2023

01 December 2023

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 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

Further details on the estate itself can be found on the British Land website at <https://www.britishland.com/our-places/broadgate>

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/strategic-partnerships/broadgate-financing-plc>

Asset Performance

For period ended:	30 September 2023
Valuation:	£2.740 billion
Net Initial Yield (topped up):	5.6% ¹
Gross Passing Rent per annum:	£139.4m
Gross Contracted Rent per annum:	£144.4m
Average contracted rent psf (office space/ excluding vacancies):	£54.48 psf
Average headline ERV psf (office space):	£66.68 psf
Vacancy rate:	2.7%

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

6 month period to 30 September 2023

New Lettings

At The Broadgate Tower:

- Hitachi Vantara have taken a 10 year lease with a break after 5 years on 12,900 sq ft on Level 14 at a rent of £68 psf. The tenant benefits from 9 months rent free up front and a further 10 months if they do not break.
- Skidmore Owings Meril have taken a new 10 year lease on 13,000 sq ft on Level 6, at £62.50 psf with 25 months rent free. This is an expansion from their previous space on Level 4 where they completed a short term lease extension to facilitate the move.

At 155 Bishopsgate:

- Steamship Mutual exchanged an agreement for lease to take 25k sq ft on part Level 6 on a 15 year lease with a break after 10 years. This is at a rent of £72.50 psf with 25 months rent free plus a further 12 months rent free if they do not break.

At 1 Finsbury Avenue

- A new letting was agreed on the café kiosk in the central atrium to Bloomsyard. The kiosk is let on a 3 year lease with 6 months rent free at an initial rent of 10% of turnover. At the end of each year, the base rent will be calculated as 80% of the previous year's rent, with the 10% turnover payable as a top up.
- A new letting was agreed on Unit 7b to Pall Mall Barbers for a 10 year term for 237 sq ft at a rent of £84.40 psf with a 9 month rent free.

Lease Renewals and Restructurings

At the Broadgate Tower:

- Gill Jennings have agreed a 10 year reversionary lease on 12,800 sq ft on Level 9 with a break after 7 years. The tenant receives 17 months rent free prior to the break and a further 8 months if not activated. The rent is set at £67 psf but if certain works are carried out this increases to £72 psf.

At 201 Bishopsgate

- The Bank of Nova Scotia have agreed a 10 year reversionary lease on 38,600 sq ft on Level 6 at a rent of £64 psf with a break in the 5th year. The tenant receives 7 months rent free on commencement of the reversionary term and a further 12 months if they do not break.

At 155 Bishopsgate

- In the Storey space, Levin have been granted a 2 year lease extension to December 2026 at a day 1 rent of £2.33m p/a (a £430k uplift) in exchange for a 1 month rent free and a 1 month rent deferral.

At 199 Bishopsgate

- RBB Economics have agreed a 5 year lease with a 3 year break on 9,200 sq ft on Level 11 at a rent of £70 psf. The tenant receives 6 months rent free at the commencement of the lease with a further 4.5 months rent free if they do not break.
- Dorsey and Whitney agreed a 10 year lease with a break at 7 years on 10,800 sq ft on Level 10. The rent payable is £70 psf and the tenant benefits from 18 months rent free up front and a further 7 months rent free if they do not break.

Lease Surrenders and Breaks

At Broadgate Tower:

- An agreement for surrender was reached with Gill Jennings of their Level 10 space as part of the regear of their Level 9 lease. A surrender premium equating to 1 year of rent will be payable in December at which point the lease will be surrendered.

At 201 Bishopsgate:

- Landesbank Baden Wurttemberg and Legg Mason have both vacated their space at Level 7 on expiry of their leases, and we are delivering Storey, our flexible workspace offering, on the whole floor.

At 199 Bishopsgate:

- SAS Software have vacated their space at Level 7 on expiry of their lease.

Rent Reviews

As part of the regear with Scotiabank in 201 Bishopsgate, their outstanding rent review was settled at a nil uplift.

Additional Information

We are making good progress on asset management initiatives to improve the sustainability credentials of several buildings on the campus. At 10 Exchange Square, LED lighting has been installed bringing the building's EPC rating to B and at 201 Bishopsgate, the installation of all electric heating has improved the building's EPC rating to B. Looking ahead to the next six months, we are targeting an EPC B rating at 199 Bishopsgate, where we have taken the opportunity to incorporate energy efficient interventions at little incremental cost since they are part of the wider refurbishment.

Financial Summary

Market Value of Mortgaged Properties ¹	£2.740bn
Annual Rents receivable ^{1, 2}	£139.4m

Debt Outstanding³

Class	£'m
A	543.9
B	365.0
C	187.8
Total	1,096.7

Interest Payable⁴

	£'m
A	26.3
B	18.2
C	9.6
Total	54.1

Amortisation Payable⁴

	£'m
A	0.0
B	21.9
C	2.9
Total	24.8

Interest Cover Ratios⁴

A	4.17
B	2.70
C	2.28

DSCR Ratios⁴

A	4.17
B	1.90
C	1.62

LTV Ratios

A	19.85%
B	33.18%
C	40.03%

1. Market values and annual rents receivable are as at 30 September 2023. Market values are provided by Cushman & Wakefield, external valuer to Broadgate Financing PLC.
2. Annual rents receivable comprises Gross Passing Rent per annum as at 30 September 2023.
3. Debt outstanding is at 5 October 2023, the last interest payment date.
4. Interest in respect of Fixed Rate Bonds is annualised based on interest paid on the last interest payment date, 5 October 2023.

Amortisation for the bonds represents the actual amortisation to be paid over the four interest payment dates subsequent to the 5 October 2023 interest payment date.