

## **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 2021**

**02 December 2021**

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 2021
Valuation:	£3.382 billion
Net Initial Yield (topped up):	4.6% <sup>1</sup>
Gross Passing Rent per annum:	£129.5m
Gross Contracted Rent per annum:	£141.7m
Average contracted rent psf (office space/ excluding vacancies):	£51.74 psf
Average headline ERV psf (office space):	£63.85 psf
Vacancy rate:	3.8%

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<sup>1</sup> Assumes top up of rent free periods, after purchasers' costs

**Note:** 100 Liverpool Street was removed from the securitisation on 30 June 2021. See Additional Information for further details

## Overview of the 6 month period to 30 September 2021

### New Lettings

All 5 available retail units at 155 Bishopsgate were leased within the period:

- Honi Poke took a 10 year lease at £500k per annum with a 10% turnover provision and 9 months rent free period.
- Neat Burger, took a 10 year lease at £130k per annum with 8% turnover rent and 17 months rent free period.
- Urban Pubs and Bars have completed a 10 year lease trading as Nest and will pay £200k per annum. The lease is subject to annual rent increases in line with RPI (cap and collar at 2% and 3%) and the tenant will pay a turnover top up of 8% of any turnover in excess of £2m per annum. They received 21 months rent free.
- Black Sheep Coffee have taken 2 units, operating the reception kiosk as well as a stand alone unit. Black Sheep will pay £80k per annum plus a 9% turnover top up on the standalone unit, and turnover only on the kiosk.

In terms of office leasing:

- At 1 Finsbury Avenue, BIG Partners have taken a 10 year lease with a 5 year break over 15.5k sq ft across the ground and lower ground floor. This was at a passing rent of c£600k per annum with a 22 month rent free.
- At The Broadgate Tower, Coyle Personnel Ltd have taken a lease of 6,600 sq ft on the part level 18. This was a 10 year lease at £64psf, with a 13 month rent free period.

### Lease Renewals and Restructurings

No existing leases were renewed or regeared within the period.

## **Lease Surrenders and Breaks**

None

## **Rent Reviews**

At 201 Bishopsgate, the Henderson October 2018 rent reviews were settled delivering an overall uplift of £361k per annum.

At The Broadgate Tower, the September 2020 rent reviews on levels 9 and 10 with Gill Jennings were agreed, representing an overall uplift of £127k per annum.

## **Additional Information**

On 30 June 2021, Holdings disposed of the Property Company owning 100 Liverpool Street and 8-12 Broadgate, releasing these assets from the securitisation. The purchaser of these properties was PHC 3 Parent Limited. A notice was issued to Bondholders on 3 June 2021 for the redemption in full of the Class A2 4.949% Bonds, and partial redemption of the Class A3 4.851% Bonds, totalling £106,929,270 principal amount of bonds. These Bonds were redeemed by the Issuer on the Interest Payment Date falling on 5 July 2021. Further details are available at the following link:

<https://www.londonstockexchange.com/news-article/85QW/notice-of-a2-redemption-and-a3-partial-redemption/15003709>

Following the redemption in full of Class A2 bonds, and partial redemption of Class A3 bonds, the Liquidity Facility Commitments have been reduced to £52,080,000.00 and the Cash Reserves have been reduced to £3,826,000.00.

## *Refurbishment schemes*

We continue to invest in our buildings to modernise our spaces and are on site with asset management initiatives across the campus, the largest of which is at 155 Bishopsgate. Other projects include partial refurbishments of Exchange House and 10 Exchange Square. This investment ensures that existing as well as new space is well positioned to benefit as occupiers increasingly focus on the best space. Improving the energy efficiency of our buildings to target a minimum EPC B rating is integral to that approach and over the next eight years we will deliver energy efficient interventions identified through our net zero carbon audits. We are also on site improving the public realm at Exchange Square, which will deliver 1.5 acres of green space, including amphitheatre style seating and outside events space which will be open to all and a range of tree and plant life to support biodiversity.

## Financial Summary

Market Value of Mortgaged Properties <sup>1</sup>	£3.382bn
Annual Rents receivable <sup>1, 2</sup>	£129.5m

## Debt Outstanding<sup>3</sup>

Class	£'m
A	543.9
B	365.0
C	193.5
Total	1,102.4

## Interest Payable<sup>4</sup>

	£'m
A	26.3
B	18.2
C	9.9
Total	54.4

## Amortisation Payable<sup>4</sup>

	£'m
A	0.0
B	0.0
C	2.9
Total	2.9

## Interest Cover Ratios<sup>4</sup>

A	4.35
B	2.70
C	2.24

## DSCR Ratios<sup>4</sup>

A	4.35
B	2.70
C	2.13

## LTV Ratios

A	16.08%
B	26.88%
C	32.60%

1. Market values and annual rents receivable are as at 30 September 2021. 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 2021.
3. Debt outstanding is at 5 October 2021, 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 2021.

Amortisation for the bonds represents the actual amortisation to be paid over the four interest payment dates subsequent to the 5 October 2021 interest payment date.