

Broadgate Financing PLC

£315,000,000 Class A2 4.949 per cent. Bonds due 2031

£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 2019

04 December 2019

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 <http://www.britishland.com/our-places/find-a-place#/detail/BROAD>

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. <http://www.britishland.com/investors/strategic-partnerships/broadgate-financing-plc.aspx>

Asset Performance

For period ended:	30 September 2019
Valuation:	£3.813 billion
Net Initial Yield (topped up):	4.8% ¹
Gross Passing Rent per annum:	£103.7m ²
Gross Contracted Rent per annum:	£169.4m ^{2,3}
Average contracted rent psf (office space/ excluding vacancies):	£51.68 psf ^{1,4}
Average headline ERV psf (office space):	£62.50 psf
Vacancy rate:	2.2% ^{1,4}

¹ Assumes top up of rent free periods, after purchasers' costs, excluding refurbishments / developments at 100 Liverpool Street and 135 Bishopsgate

² Includes £0.2m of 10 Exchange Square capital payments held in securitisation to be released as rental income on January 2020 and April 2020 interest payment dates.

³ Includes £41.8m contracted rent at 100 Liverpool Street and 135 Bishopsgate

⁴ As at 30 September 2019; excluding 100 Liverpool Street and 135 Bishopsgate (see Additional Information).

Overview of the 6 month period to 30 September 2019

New Lettings

At 100 Liverpool Street, we have exchanged an Agreement for Lease with BMO for 60,000 sq ft on Level 6 (15 years / £75 psf / 33 months RF).

Further space has also been taken by the office tenants who were already committed, with SMBC exercising their option to take the remainder of the 5th floor and Milbank Tweed confirmed that they will take the Level 7 option.

The retail leasing has had great success over the period, with Agreements for Lease exchanging with; Charbonnel et Walker, Gant, Body Shop, Kiehls, Waterstones, Dune and Reiss.

We exchanged the final two Agreements for Lease for office space at 1 Finsbury Avenue, on Levels 6 and 7. Workday have signed an Agreement for Lease for 30,000 sq ft on Level 7 (10 years with 5-year break / £77.50 / 2 months RF from Feb 2020). Product Madness have completed a 10 year lease on Level 6 for 30,000 sq ft (5-year break / £71.50 / 12 months rent free spread over 4 years).

Retail leasing has continued at pace, with lettings to high quality grab and go lunch operators Farmer J, Nyokee and Butterscotch and Baraka, a Turkish-style restaurant and bar in the half.

At Broadwalk House, Monzo have signed an Agreement for Lease to take 122,000 sq ft over Levels 6-8 (6 years / £49.00 / 11 months RF) following the expiry of Ashurst LLP's leases.

In addition, Credit Agricole have agreed to take a further 5,500 sq ft on Level 3. This leaves c. 20,000 sq ft of space on part ground and part level 3 to let.

Lease Renewals and Restructurings

At Broadgate Tower, Regus have renewed their lease for 5 years on Level 12 in exchange for taking the lease outside the 1954 Act and relaxing restrictions on delivering alternative flexible office provisions within the building.

Lease Surrenders and Breaks

At Broadgate Tower, Itochu have agreed to remove their December 2020 break option over 29,500 sq ft in exchange for the surrender of c 2,000 sq ft of space on the Pt 18th floor.

Both AR Dickson (Level 13) and Gill Jennings (Levels 9 and 10) have not elected to serve their break notices

Falcon Wealth have surrendered the part 9th floor of 10 Exchange Square due to a sale of the business and subsequent process of liquidation.

At 199 Bishopsgate Dornsey and Whitney's break option has passed, as has Legg Mason at 201 Bishopsgate with both now contracted to remain until 2023.

At 155 Bishopsgate, Bank of Scotland's lease on c78,000 sq ft of space on Levels 6 and 7 has expired.

Rent Reviews

At Broadgate Tower the 2018 Levels 7 and 8 rent reviews with Hill Dickinson have been settled at £1,332,500, reflecting an uplift of £205,894 p/a.

At 199 Bishopsgate, RBB Economics' rent review has been settled at £520,000 reflecting a £36,423 p/a uplift.

Additional Information

We reached practical completion at 1 Finsbury Avenue (287,000 sq ft) at the end of March 2019 and are now 97% let or under offer by ERV.

We are 77% let or under offer at 100 Liverpool Street (520,000 sq ft), following commitments in the half from Bank of Montreal and SMBCE. The building is on track to achieve a BREEAM excellent rating, a Well Gold certification for Wellbeing and a WiredScore platinum rating for internet connectivity. Sustainability has been integral to the design and delivery of this building; by retaining half of the existing structure we have saved 7,200 tonnes of embodied carbon and are on track to save a further 4,100 tonnes through carbon-efficient design and use of low-carbon materials. More than half of the construction spend has been invested in the City and neighbouring boroughs, ensuring local people benefit from our development.

At 135 Bishopsgate (335,000 sq ft), we went under offer on a further 30,000 sq ft in the 6 months to September 2019, so we are now 97% let or under offer by ERV, with just 7,000 sq ft remaining.

Financial Summary

Market Value of Mortgaged Properties ¹	£3,813m
Annual Rents receivable ^{1,2}	£103.7m

Debt Outstanding³

Class	£'m
A	724.9
B	365.0
C	199.2
Total	1,289.1

Interest Payable⁴

	£'m
A	35.3
B	18.2
C	10.2
Total	63.7

Amortisation Payable⁴

	£'m
A	12.1
B	0.0
C	2.9
Total	15.0

Interest Cover Ratios⁴

A	2.91
B	1.93
C	1.62

DSCR Ratios⁴

A	2.17
B	1.57
C	1.31

LTV Ratios

A	19.01%
B	28.58%
C	33.81%

1. Market values and annual rents receivable are as at 30 September 2019. Market values are provided by Cushman & Wakefield, external valuer to Broadgate Financing PLC.
2. Annual rents receivable includes £0.2m of 10 Exchange Square capital payments held in securitisation to be released as rental income on January 2020 and April 2020 interest payment dates, and excludes 100 Liverpool Street and 135 Bishopsgate.
3. Debt outstanding is at 7 October 2019, 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, 7 October 2019.

Amortisation for the bonds represents the actual amortisation to be paid over the four interest payment dates subsequent to the 7 October 2019 interest payment.