EDYN (Wood Wharf B2)

Canary Wharf Group, PLC

HR Ratings® | Credit Rating Agency

Corporates
April 11, 2025
*A NRSRO Rating***

EDYN (Wood Wharf B2)	£81.0m Development Loan
HR BB+ (G)	HR BB+ (G)
Stable Outlook	Stable Outlook
	G2943@AA5

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Information Disclosure Form

Rule 17g-7

The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.

1. Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:

Entity/Instrument	Rating Action	Rating Type	Rating Code
EDYN (Wood Wharf B2)	Assigned	Long Term Rating	HR BB+ (G) / Stable Outlook
£81.0m Development Loan	Assigned	Long Term Rating	HR BB+ (G) / Stable Outlook

2. Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:

The rating assigned by HR Ratings to the entity and its associated debt is based in accordance with the following methodologies established by the rating agency:

- Corporate Debt Credit Risk Evaluation, February 2024. https://www.hrratings.com/docs/metodologia/Corporates_2024.pdf
- General Methodological Criteria, October 2024. https://www.hrratings.com/docs/metodologia/General_Methodological_Criteria_2024.pdf

3. Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- Based on the Corporate Debt Credit Risk Evaluation Methodology:

The methodology describes the process used to assess the ability and willingness to meet corporate debt payment obligations in a timely manner and as originally agreed, including dependent structured debt and real estate investment trusts. The process consists of a quantitative analysis based on four financial metrics (three for structured debt) and an analysis allowing for qualitative adjustments, including adjustments related to ESG factors.

The corporate methodology involves the creation of financial models based on HR Ratings projections and when relevant historical performance data. The projections are made under a Base and Stress scenario, both incorporating the relevant historical data. The formal rating period generally incorporates five years of information. The four metrics used in this analysis are: (i) debt service coverage; (ii) debt service coverage including end of previous period cash (iii) years to payment, which measures the ratio between annual free cash flow and net debt; and (iv) the ratio between a market value estimate of corporate assets and its total liabilities. For real estate companies, the fourth metric is replaced by the loan to value ratio.

For both the Base and Stress scenarios the annual weighted average of each metric value is calculated. These annual averages are converted into a numerical rating scale, which is the same for each metric. Subsequently, and for each scenario, the weighted average of the metric numerical ratings is calculated. The final quantitative score is the weighted average of the two scenarios. If historical information is available, this process generally considers two reported and three projected years. However, the methodology considers the possibility of using different rating or time periods, with fewer reported years, and in the case of real estate leasing companies with seven instead of five years.

The rating obtained through this quantitative analysis can be adjusted positively or negatively by applying qualitative notches, which are divided into two categories: general and ESG. General adjustments refer to factors that could over time affect the quantitative rating especially when HR Ratings concludes that these factors cannot be adequately incorporated into the quantitative models. This includes ESG factors that are analyzed to determine their significance for and potential influence on credit risk. The environmental factor analyzes the corporate's environmental approach and policies, considering its lines of business and daily operations, as well as exposure to natural phenomena and environmental regulations. For the social factor, the business approach is evaluated first then the corporate policies regarding all levels of employee benefits, career plans and ability to retain talent and inclusion are evaluated.

Finally, the corporate governance analysis considers five aspects: (i) internal regulations of the corporation, considering their scope, formality and mechanisms for continuous adaptation, (ii) quality of senior management and administration, considering their financial strategies and history of crisis management, (iii) transparency and quality of the information provided, as well as history of non-compliance, (iv) risk associated with the regulatory framework to which each corporation is susceptible and the risk associated with the macroeconomic environment, and (v) management and mitigation strategies associated with the entity's operational risk, as well as the technological tools available for performing daily operations.

The rating considers a negative qualitative adjustment due to project risk presented as the Project is still currently in the construction process.

- Based on the General Methodological Criteria Methodology:

HR Ratings' ratings may be assigned on a Local Scale and/or a Global Scale. The Local Scale refers to an issuer's or issue's credit quality within a specific country. In occasions, HR Ratings will rate entities that have cash flow that originate from multiple currencies. Moreover, ratings on the Global Scale include the Sovereign Risk, which refers to the risks associated with degradation, convertibility and transferability of the currencies involved in the entity's operation. To assign a rating on the Global Scale to an entity that only operates in one country, only uses the currency of that country and has only been assigned a rating on the Local Scale, the difference in terms of notches between the ratings on the Local Scale and the Global Scale assigned to the respective country will be applied to it.

The rating incorporates the sovereign risk of United Kingdom, the country where the Project will operate. United Kingdom has a rating equivalent to HR AA (G), which reflects on a two-notch adjustment on the final rating of the Company and its associated debt.

4. Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- HR Ratings does not validate, guarantee, or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue, or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer´s securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer´s securities or stock, or the possibility that this value suffer a deterioration.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The third party did not provide HR Ratings with audited or historical financial information due to the Project is still under construction and therefore is not generating income yet. This was not considered as lack of information.

6. Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

HR Ratings did not use third party due diligence services for the rating.

7. Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

HR Ratings did not use Servicer or Remittance Reports for the rating.

8. Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

Among the main information used for the rating is:

- Credit Agreement, provided by a third party.
- Letter of Agreement, Second Amendment, provided by a third party.
- Appraisal by CBRE, provided by a third party.
- December 2024 & January 2025 status reports issued by Gardiner & Theobald LLP, provided by a third party.
- Loan Utilization Requests, provided by a third party
- Debt Model, provided by a third party

9. Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

The financial information was purely projected due to the Project is still under construction. Nevertheless, the quality of the information provided by the entity is considered to be consistent with the quality observed in ratings that use a similar methodology.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

The aforementioned rating was not requested by the entity or issuer, or on its behalf. However, the rating was requested by an investor whose identity is kept confidential to the general public, therefore, HR Ratings has received from the investor the corresponding fees for the provision of its rating services. The following information can be found on our website https://www.hrratings.com/: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

HR Ratings was paid for services other than determining credit ratings during the most recently ended fiscal year by the person that paid to determine this credit rating.

11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7

1. Factors that are reasonably likely to lead to a change in the credit rating:

- **Lower Years of Payment.** In the event that FCF increases higher than expected, resulting in a lower Years of Payment metric on average of 9.5 years from 2027 to 2033, compared to 10.1 years in the base scenario for the same period, this would result in a positive minimum impact on the rating.
- **Refinancing Terms.** If the refinancing loan does not have better conditions compared to the building loan in terms of maturity and interest rate, the rating could have a minimum to moderate negative impact on the rating.
- **Lower FCF.** If FCF generation is less than expected, leading to Years of Payment metric on average of 14.9 years from 2027 to 2033, compared to 10.1 years on average in the base scenario, the rating could present a moderate negative impact.
- **United Kingdom Sovereign rating.** If UK's sovereign rating is modified, this would have a direct impact on the Company's and its associated debt rating having a positive or negative minimum to strong impact.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

- **Stressed economic conditions.** If the Project performs its operations under an adverse economic scenario, this could reduce the expected occupation rate affecting the FCF generation, and if this results in a weighted average DSCR of 0.6x for the 2027-2033 period (vs. 0.9x in our baseline scenario). This could have a negative moderate impact on the rating.

NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change

in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

Rating change impact	Number of notches
Minimum	(0-1)
Moderate	(2 - 3)
Strong	>3

12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

For historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides to the market participants the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at: https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml

13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

   HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

   - In 2033, the Project would reach total revenues of £17.9m, compared to £14.1m in 2027. Revenue growth would be driven by annual rent increases, as well as the Project reaching a stabilization phase by 2030 with a stabilized occupancy of 85.0%.

- We assume that the Projects' operating expenses will increase annually by the rate of 3.1%, which would result in NOI of £11.2m and a NOI Margin of 62.2% by 2033. This, along with the expected behavior of administrative expenses, which are non-operating, will result in an EBITDA of £8.6m and an EBITDA Margin of 48.2% by 2033.
- As a result of EBITDA growth, we expect that FCF would reach £8.6m in 2033, compared to £5.9m in 2027. We assume that the Project will maintain a 30 days accounts receivable turnover and 45 days accounts payable turnover. Nevertheless, FCF is mainly driven by EBITDA levels.
- Regarding net investment in the Project, we estimate it will achieve a total investment of £223.1m.
- We estimate that £62.1m of debt will be fully drawn down by 3Q26. Although the totality of the Credit Facility is £81.0m, our scenarios only consider the drawdown of £62.1m, based on the third-party guidance. Additionally, this credit facility has PIK interest, which we estimate to amount to £13.0m, and which together with the funding of commitment fees of £5.8m, would total £81.0m. In accordance with the terms of the Credit Agreement, we anticipate that the interest rate on the facility will be priced at a fixed rate of 9.7%. The initial maturity date for the loan is October 2027 and we expect that the Loan will be refinanced through a new loan with improved conditions (interest rate of 8.7% rather than 9.7%) for an additional five years (until 2032). As such, we expect the Company to achieve a total debt of £81.0m and net debt of £74.0m in 2033).

2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:

- Under a scenario where the weighted difference between the reported and the expected revenue is -11.9% or more, the rating could be negatively impacted.
- If the anticipated weighted EBITDA margin is 41.3% for 2027-2033, it may result in a negative effect on the Company's rating.
- The rating could be revised downwards if the Project reports a weighted average FCF of £5.9m or less for 2027 to 2033.
- The rating could be negatively impacted if the Company has a higher investment in the Investment Properties account, for the construction of the Project given a higher budget.
- Our scenarios assume a slight deleveraging towards 2033 due to the higher level of FCF. If the Company takes on additional debt, which we do not include in our base scenario, the key rating metrics could deteriorate. The rating could be revised downwards if the weighted average Years of Payment metric is 14.9 years or higher for 2027-2033.

14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7

The reporting of representations, warranties, and enforcement mechanisms does not apply to the rating.

Credit Rating Attestation

I, Elizabeth Martinez, Corporates Manager, have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities.
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, April 11, 2025

/s/ Elizabeth Martinez
Corporates Manager
HR Ratings de México, S.A. de C.V.

***HR Ratings, LLC (HR Ratings), is a Credit Rating Agency registered by the Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for the assets of public finance, corporates and financial institutions as described in section 3 (a) (62) (A) and (B) subsection (i), (iii) and (v) of the US Securities Exchange Act of 1934.**

The aforementioned rating was not requested by the entity or issuer, or on its behalf. However, the rating was requested by an investor whose identity is kept confidential to the general public, therefore, HR Ratings has received from the investor the corresponding fees for the provision of its rating services. The following information can be found on our website https://www.hrratings.com/: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

The ratings and/or opinions of HR Ratings de México S.A. de C.V. (HR Ratings) are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the rating methodologies of HR Ratings.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. HR Ratings' Code of Conduct, rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The fees HR Ratings receives from issuers generally range from US$1,000 to $1,000,000 (one million dollars, legal tender in the United States of America) (or the equivalent in another currency) per offering. In some cases, HR Ratings will rate all or some of a particular issuer's offerings for an annual fee. Annual fees are estimated to vary between $5,000 and US$2,000,000 (five thousand to two million dollars, legal tender in the United States of America) (or the equivalent in another currency).

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