HE4 Swanley

HE4 Swanley 1 Limited Partnership

HR Ratings® | Credit Rating Agency

Corporates
October 20, 2026
*NRSRO Rating**

HE4 Swanley 1 Limited Partnership
HR BB+ (G)
Positive Outlook

£29.0m Term Loan
HR BB+ (G)
Positive Outlook
G4223#AA0

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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
HE4 Swanley 1	Upgraded	Long Term Rating	HR BB+ (G) / Positive Outlook
£29.0m Term Loan	Upgraded	Long Term Rating	HR BB+ (G) / Positive 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 are based in accordance with the following methodologies established by the rating agency:

- Corporate Credit Risk Evaluation, October 2026
https://www.hrratings.com/docs/metodologia/Report_Corporate_Credit_Risk_Evaluation_2026s.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 Credit Risk Evaluation:

This methodology describes the process used to assess the ability and willingness of issuers1 to meet corporate debt payment obligations in a full and timely manner in accordance with contractual provisions. The process consists of a quantitative analysis based on four financial metrics followed by an analysis allowing for qualitative adjustments. The document also describes the process for rating commercial real estate (CRE) transactions.

The corporate methodology involves the creation of financial models based on HR Ratings projections and 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 available cash; (iii) years to payment, which measures the ratio between net debt and annual free cash flow; and (iv) the ratio between a market value estimate of corporate assets and liabilities.

The weighted average for each of the four metrics is calculated under the Base and Stress scenarios. The weighted averages are then converted into numerical ratings, which is equivalent to both scenarios, for each rating metric. Subsequently, and for each scenario, the weighted average of the metric numerical ratings is calculated. The final numerical rating is the weighted average of the two scenarios. If historical information is available and considered relevant, this process generally considers two reported and three projected years. However, the methodology considers the possibility of using alternative data periods, with fewer reported years if required.

Transactions involving CRE fall within two distinct situations. The first, and most common, involves a rating based on the ability of cashflows generated by lease agreements to meet debt obligations of the lessor associated with the leased property. For these cases, the analysis is similar to the process described above, except for the fourth metric being replaced by the Loan to Value ratio (LTV) and the use of a seven-year rating period. The second situation refers to a specific legal structure involving Credit Tenant Leases (CTLs) and Ground Leases (GLs), where cashflow is generated through a lease agreement, and the rated lessee's lease obligations are designed to match the debt obligation of the lessor. In these cases, the rating is based on the credit rating of the lessee. Absent the appropriate legal structure and/or the tenant's rating, the rating will be based on the general CRE rating process.

Following the quantitative analysis, that rating can be adjusted positively or negatively by applying qualitative notches, which are divided into two categories: Environmental, Social and Governance (ESG) factors and General Adjustments. The application of ESG notches assumes that the related advantages or disadvantages could affect the issuer's quantitative rating over time. General adjustments refer to other factors that also could impact the quantitative rating, especially when HR Ratings concludes that these factors cannot be adequately incorporated into the quantitative models.

Finally, the ratings that are generated from this methodology are on a “local scale”, which means that they are not impacted by the credit risk of the sovereign(s) in which the issuer operates. Global scale ratings incorporate the evaluation of such risks. The conversion of a local scale rating to a global scale rating is detailed in our General Methodological Criteria.

The rating incorporates one negative adjustment related to the uncertainty over the Property’s stabilization, as three of the four units remain available for lease and the majority of the income projected over the rating period is not yet supported by contracted rent. This adjustment would be reassessed as the remaining units are contracted under terms consistent with our expectations.

- Based on the General Methodological Criteria:

Local and Global Scales

Any credit rating for a borrower or debt instrument is initially assigned on a Local Scale. HR Ratings Local Scale represents the different rating levels in which the results of a rating process can be categorized as set out in the appropriate methodology. This rating on the scale reflects the results of standardized processes, which are applicable in any political jurisdiction. The global scale considers the risks associated with the sovereign in question and faced by the borrower or debt instrument. This includes the convertibility, degradation and transferability risks for each country in a global scenario.

HR Ratings will use the global rating of the applicable sovereign, as an indicator for country risk, to convert the local credit ratings for borrowers and/or debt instruments into global credit ratings. The applicable sovereign rating may refer to one particular sovereign or a group of sovereigns depending on the case. In general terms, the downgrade will be equal to the difference, in terms of notches, between HR AAA (G) and the applicable sovereign’s global rating. However, in some cases it may be appropriate not to take as a basis for the downgrade only the difference in the applicable sovereign’s global rating from HR AAA (G). For example, when HR Ratings judges that the global credit rating of an applicable sovereign, or sovereigns, implies a greater or lesser degree of country risk for purposes of the conversion of local rated entities and debt. Also, when the analysis for a specific debtor or debt instrument suggests that its characteristics are such that its rating on the global scale should receive a modified rating differential.

A set of factors is used to determine the applicable jurisdiction or sovereign for assigning a global scale rating. The simplest case is that of a borrower operating in only one country and using only that country’s currency. In such cases the global rating of sovereign of the country in which the borrower operates will be used as the basis for conversion. In other cases, an entity may have substantial operations in several jurisdictions, it would be appropriate to determine a weighted average of relevant sovereigns and apply a weighted sovereign differential notch to make the local to global conversion.

To include the sovereign risk of the United Kingdom (UK) into the global scale rating, the rating incorporates a two-notch adjustment as UK has a rating equivalent to HR AA (G).

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 suffers 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 consider third-party due diligence information 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.

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:

- Certificate of Practical Completion Swanley
- Breakdown Debt Swanley (September 2026)
- Swanley G&T PR12 April 26 1.1
- HE4 Swanley 1 LP - Utilisation Request Draw #12 and #13 signed
- HE4 Swanley 1 LP - Management Accounts Q1 and Q2 2026
- 26_02291_DETAIL-KCC_ACCEPTANCE_EMAIL-4123571
- 26_02291_DETAIL-COVERING_LETTER-4123559

- Swanley - Enquiries 2026.06
- HE4 UK Enterprises 22 - Structure Chart Certified - 2025.01.08
- Lease dated 29 April 2026 - Unit 2 Swanley - signed by Hillwood (763738612.1)
- HE4 UK Enterprises 22 - SMBC Trade Confirmation and Incumbency Certificate (100386334.1)

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 solely projected due to the Project still in construction and will not be generating income up to early 2027. 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:

- **Refinancing Conditions.** 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 strong negative impact.
- **Increased FCF.** If the Project stabilizes more quickly than anticipated, FCF levels could improve. If the weighted average Years of Payment for 2027-2033 declines to 10.0 years, the rating could have a minimum positive impact.
- **Slower than Expected Lease-up.** A delay in the leasing of the three available units, or incentive package deeper than those currently assumed, could deteriorate the estimate Free Cash Flow for the rating period. If the observed amount is £1.3m on a weighted average basis for 2027-2033, this could result in a weighted average Years of Payment of 27.5 for 2027-2033, which may lead to moderate negative impact on the rating.
- **United Kingdom Sovereign rating.** If UK's equivalent 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:

- **Interest rate increases.** Since the debt has a variable interest rate tied to SONIA, any change in the interest rate may directly impact on the DSCR and DSCR with Cash metrics, resulting in a minimum to strong negative 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.

- **Revenue Expectations.** We estimate the Property will generate total revenue of £3.0m in 2033, compared with £0.4m in 2027, the first year in which rental income is expected to be collected. As of the date of this report one of the four units has been leased and is occupied by its tenant, and under our base scenario we assume the Property reaches full occupancy by 3Q28. In addition to the nine-month rent-free period, each unit would pay 50.0% of the contractual rent over the following 18 months, meaning that each lease requires approximately 27 months form signature before contributing its full rent to the Property's cash flow.
- **Net Operating Income (NOI).** As outlined in the report, the asset is not considered an operating asset, and therefore no expenses associated with its operation are expected. Consequently, the rental income generated is equivalent to the NOI, and we expect the Project to reach £3.0m in 2033.
- **Free Cash Flow Expectations.** We expect Free Cash Flow to reach £3.0m in 2033, increasing in line with EBITDA levels, as we anticipate minimal working capital requirements consistent with the operation of this type of asset and no material capital expenditure, given that the maintenance obligations rest with the tenants. Our assumptions consider 30 days of accounts receivable and 45 days of financing through suppliers.
- **Debt expectations.** We expect the Company to maintain the debt balance reached upon completion of construction, with the only increases up to the first refinancing corresponding to the capitalization of interest and commitment fees. The loan matures in 3Q27, and we assume it would be refinanced at that date with a margin of 3.0% for an additional 48 months, until 3Q31. From 3Q27 onwards we do not anticipate any additional debt issuance, so gross debt would remain at £24.5m through 2033, while net debt would gradually decline to £20.7m.
- **Debt Metrics.** We estimate a weighted average DSCR, DSCR with Cash, Years of Payments and LTV of 1.1x, 2.7x, 15.1 years and 57.8% respectively for 2027 to 2033.

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

- In the event that the rental income or the gross leasable area falls short of initial projections, the revenue generation may be adversely affected. Similarly, if the Project's operations begin after our estimate, the revenue level may be adversely affected. It is important to note that this could have a negative impact on the rating if revenues show a weighted deviation of 37.0%.
- If the Project were to begin recording operating expenses that are not included in the NOI calculation, the NOI would deviate from our estimates and could have a negative impact on the rating.
- The rating could be revised downwards if the Project reports a weighted average FCF of £1.3m or less for 2027 to 2033.
- If the Company takes on additional debt (not included in our base scenario), which would increase the 2027-2033 weighted average total debt and net debt to £25.9m and £24.2m respectively, the rating could be revised downward.

- If the Company registered weighted average DSCR and DSCR with Cash for the stress scenario of 0.5x and 1.3x, respectively, LTV of 63.8% from 2027 to 2033 and Years of Payment of 27.5 years, the rating could be revised downward

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 any of the credit ratings listed in this disclosure form.

Credit Rating Attestation

I, Elizabeth Martínez, Corporates / ABS Associate Director 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, October 20, 2026

/s/ Elizabeth Martínez
Corporates / ABS Associate Director
HR Ratings

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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 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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