HE4 Park Royal

HE4 Park Royal 1 Limited Partnership

HR Ratings® | Credit Rating Agency

Corporates
October 9, 2026
*A NRSRO Rating**

HE4 Park Royal 1 Limited Partnership	£28.6m Term Loan
HR B (G)	HR B (G)
Negative CreditWatch	Negative CreditWatch
	G4228*AA9

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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 Park Royal 1	Downgraded	Long Term Rating	HR B (G) / Negative CreditWatch
£28.6m Term Loan	Downgraded	Long Term Rating	HR B (G) / Negative CreditWatch

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 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:

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 maintains a negative notch related to the Project risk due to the construction process of the Project. The rating also maintains a negative adjustment derived from tenant concentration, given that 100% of the revenue generation is dependent on a single leased unit. As of the date of this report, the Project does not have a signed lease agreement.

- 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:

- HE4 Park Royal 1 - Utilisation Request #10 - 2026.06.16
- Park Royal G&T PR08 Jun 2026 1.0
- 20260910 Park Royal DD13 letter
- HE4 Park Royal 1 - Utilisation Request #12 - 2026.08.17
- Park Royal Structure Chart (certified).pdf
- Side Letter Required Completion Date 04.09.26

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 is still in construction and will not be generating income up to late 2028. 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:

- **Delay in the Leasing of the Property.** A longer marketing period than anticipated, or the granting of incentives more onerous than those considered in our base scenario, would postpone the generation of FCF. If the weighted average DSRC for 2028-2034 is 0.4x, compared to 0.8x in our base scenario, which may lead to moderate negative impact on the rating.
- **Increased FCF.** If the Project stabilizes more quickly than anticipated, FCF levels could improve. If the weighted average Years of Payment for 2028-2034 is 10.0 years, the rating could have a positive impact.
- **Non-Compliance with the Remedial Plan.** A further delay in the connection of the HV electrical supply that results in non-compliance with the milestones agreed with the lenders would constitute an event of default under the credit agreement, 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 Generation.** We project the Development to generate a total income of £2.6m by 2034. We assume Practical Completion in 4Q26, followed by a void period of three quarters through 3Q27, and a lease commencing in 4Q27 with a rent-free period of twelve months, followed by an eighteen-months period at 50.0% of the contracted rent and thereafter the full contracted rent from 2Q30, at a rate of £33.5 per sq ft over a Gross Leasable Area of 71,536 sq ft. Accordingly, the Project would begin to receive rental income in 4Q28, compared to 2028 under our initial rating.

- **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 £2.6m in 2034.
- **Free Cash Flow Generation.** Regarding Free Cash Flow, we expect it to reach £2.6m by 2034. This project is based on the assumption of minimal working capital requirements, consistent with the expected operation of the Property. Our assumptions consider 30 days for accounts receivable and 45 days for accounts payable to suppliers. Free Cash Flow levels are primarily driven by projected EBITDA levels.
- **Financing Structure.** The facility was sized to capitalized interest and commitment fees from inception until maturity, and we therefore anticipate that the £28.6m credit facility would be drawn by the time it matures in 2Q28, with no principal amortization during the construction and lease-up period. We assume it would be refinanced through a new loan with a margin of 2.75% for an additional 48 months until 2Q32, obtaining an additional £3.0m primarily to cover interest payments, resulting in a gross debt of £31.1m.
- **Debt Metrics.** We estimate a weighted average DSCR, DSCR with Cash, Years of Payments and LTV of 0.8x, 1.5x, 32.8 years and 77.1% respectively for 2028 to 2034.

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 20.8%.
- 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 downward if the Project reports a weighted average FCF of £1.5m or less for 2028 to 2034.
- Our scenarios assume a slight deleveraging towards 2034 due to the higher level of FCF. If the Company takes on additional debt, which we do not include in our base scenario, resulting in an increase in total debt and net debt to end in 2034 at £35.1m and £34.1m, respectively, the rating could be revised downward
- If the Company registered weighted average DSCR and DSCR with Cash for the stress scenario of 0.4x and 0.6x, respectively, LTV of 85.5% from 2028 to 2034 and Years of Payment of 41.9 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 9 2026

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

*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.

**For further information regarding this methodology(ies), please visit https://hrratings.com/methodology/

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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