

Oria Coliving
HR B- (G)
Stable Outlook

€73m Term Loan
HR B- (G)
Stable Outlook
E7832@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
Oria Coliving S.L.U.	Assigned	Long Term Rating	HR B- (G) / Stable Outlook
€73m Term Loan	Assigned	Long Term Rating	HR B- (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 is based in accordance with the following methodologies established by the rating agency:



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- 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

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.

It is important to mention that the rating incorporates one negative notch related to the project risk due to the construction process of the Project.

- 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 Spain, the country where the Project will operate. Spain has a rating equivalent to HR A- (G), which has a six-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 of 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 in construction and therefore, is not yet generating income. For this reason, HR Ratings decided to give a negative notch due to the uncertainty risk this represents for the rating.

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.

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:

- €73,000k Facility Agreement (October 2024) provided by a third party.
- Valuation Advisory Report (September 2024) by Jones Lang LaSalle (JLL) España, S.A, provided by a third party.
- Construction Reports Progress (No. 1) issued by WSP Spain provided by a third party.
- Fixed Rate Letter provided by a third party.
- Margin Letter provided by a third party.
- Interest Shortfall and Required Equity Funding Guarantee provided by a third party.
- Credit Investment Memo provided by a third party.
- Senior Loan Cash Flow Model.
- Mezzanine Facility Agreement 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 and will not be fully operational until 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:
 - **Spain Sovereign rating.** If Spain's sovereign rating, or its outlook, 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.
 - **Delay in Dates.** A delay in both the expected completion date and stabilization of the Project could deteriorate the estimated FCF for the rating period. If the observed amount is €5,797k on a weighted average basis for 2027-2033 (compared to €6,900k baseline scenario), this could result in a Years of Payment of 16.6 for 2027-2033 (vs. 13.0 years in base scenario), which may lead to a moderate negative impact in the 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 moderate negative impact.
 - **Higher FCF.** If the Project stabilizes faster than expected, FCF levels could benefit. If the weighted average Years of Payment for 2027-2033 is 12.3 years, the rating could have a minimum positive impact.
2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:
 - **Higher Competition.** If the Project performs its operations in a more competitive environment, this could reduce the expected occupation rate affecting the FCF generation, and if this results in a weighted average DSCR with Cash of 1.7x for the 2027-2033 period. 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)



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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.

- **Total Revenue.** Based on the most recent Monthly Progress Report provided by the third party, we assume that the Property will be completed in 4Q26 and will begin to be fully operational by 2027. As we assume the Project will not perceive revenue until 2027, we assume the 519 residential will begin been leased at a vacancy rate of 10.0% and reach stabilization in 2028. We also anticipate an average monthly rent of €1,775 for 2033. As a result, we expect a 3.5% revenue Compound Annual Growth Rate (CAGR) for 2027-2033.
- **NOI and NOI Margin.** Our estimates for operating expenses are based on Jones Lang LaSalle España (JLL) appraisal figures. We anticipate annual increases in operating expenses in line with the Project's operation (~3.3% annually). The former will result in a weighted average NOI margin of 74.2% for the 2027-2033 period.
- **FCF Levels.** With regard to FCF, we project minimal working capital requirements, with growth in NOI as the primary driver. We anticipate that FCF will reach €7,740k by 2033 (vs. €5,318k in 2027).



- **Debt Refinancing.** We anticipate the refinancing of the €73,000k in October 2028 together with the Mezzanine debt of €27,392k in a one new credit facility of €100,392k under slightly better conditions (-100 bps vs. the original construction loan's spread) and a 5-year maturity instead of the 4-year maturity of the original term loan.
- **Equity Injections.** We assume the guarantor will inject additional EUR€9,200k to fund interest payments and preserve cash levels that will contribute to the expected increase in cash of €17,245k at the end of 2033. These projections will be reflected in our metrics, resulting in an average DSCR and DSCR with cash of 1.3x and 2.6x for 2027-2033, respectively. Additionally, our metrics of Years of Payment and Loan to Value will have an average value of ~13.0 years and ~81.7%, respectively, for the projected period (2027-2033).

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

- Under a stress scenario, in which the Company will present a weaker revenue generation mostly in the residential segment as a result of experiencing lower rental rate growth (2.0% vs. 3.0% against our base estimations), primarily in the 2027 period. In addition to a higher vacancy rate of 14.3% during the projected period (compared to 7.4% in the baseline scenario). It could result in a projected revenue of €9,802k in 2033 (compared to €10,872k in the baseline scenario) and an 11.1% deviation in revenue levels from our baseline scenario through 2027-2033. This could have a negative impact on the rating.
- In a stress scenario in which the Company could have higher operating expenses due to reduced efficiency and deviations from their projections, it could result in a NOI of €6,925k in 2033 and a cumulative difference of -15.4% compared to the baseline scenario. Regarding NOI margins, we could expect an average NOI margin of 70.6% for the 2027-2033 period (compared to 74.2% in the baseline scenario). Therefore, this could impact negatively on the rating.
- In a scenario in which the Company will present a decline in NOI and elevated working capital requirements, mostly due to an increase in account receivables average days to 40 days (compared to 30 days in the baseline scenario) and a substantial decrease in the average Suppliers days to 30 days (compared to 45 days in the base scenario). We could estimate a cumulative difference of -16.0% in the FCF generation between the baseline and stress scenarios. This could have a negative impact on the rating.
- In case the Company presented a lower revenue generation, we could expect the Company to refinance a higher amount of debt of €102,392k in 4Q28 and again in 4Q33, which is larger than the €100,392k expected in the base scenario. If, together with an assumed higher pricing of SOFR + 4.5% (+100bps vs. the spread projected in the base scenario), it could impact negatively on the rating.
- Under a stress scenario, in which the Company presented an average DSCR and DSCR with cash through 2027-2033 of 1.0x and 1.7x respectively. Meanwhile, a Years of payment to FCF of 16.6 years in 2033 (vs. 13.0 years in the baseline scenario) and a Loan to Value metric of 86.6% (vs. 81.7% in our base scenario) as a result of lower operating results, as well as for a deteriorated FCF generation, the rating could have a negative impact.



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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.



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Credit Rating Attestation

I, Elizabeth Martínez, 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, March 5, 2025

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



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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 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.

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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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