Project NOVVA

NOVVA SLC COMMON	NOVVA SLC NORTH	NOVVA SLC EAST	NOVVA SLC WEST	US$250.0m Term Loan
HR BBB- (G)	HR BBB- (G)	HR BBB- (G)	HR BBB- (G)	HR BBB- (G)
Stable Outlook	Stable Outlook	Stable Outlook	Stable Outlook	Stable Outlook
				67022@AA9

2025
HR BBB- (G)
Stable Outlook

Credit Rating Agency

Corporates
June 26, 2025
*A NRSRO Rating***



Elizabeth Martinez
Corporates Manager
Lead Analyst
elizabeth.martinez@hrratings.com



Aaron Rose
Analyst
aaron.rose@hrratings.com



Heinz Cederborg
Corporates / Sr. Executive Director
heinz.cederborg@hrratings.com

HR Ratings assigned the rating of HR BBB- (G) with a Stable Outlook for Project Novva entities and its associated debt

The assignment of the rating for Project Novva entities and its associated debt is based on the Project's expected Free Cash Flow (FCF), which expect will reach US$202.1m in 2032, compared to US$51.1m in 2026, showing an average of US$162.5m throughout the forecasted period. FCF estimates would be primarily driven by rental income, utility recoveries income, and fixed power charge income derived from the development of the Project, which would be stabilized by 2028. Project Novva will be a three-building data center, with around 416,000 sqft of data space. The Project is expected to be 100.0% occupied considering the project's lease agreement was signed by a sole tenant, Oracle, which would use the Project to increase its ability to expand its Oracle Cloud platform. The Project is located on 6377, 6381, 6477 and 6593 West Wells Park Road, in West Jordan, a suburb of Salt Lake City, Utah. Currently, SLC North is currently in operation, while SLC East and West are projected to be in operation within the next two years. To fund the Project, the Company acquired US$2,000.0m of debt, which included a US$1.5bn Term Loan and US$500.0m Mezzanine Loan. We assume that the Company would draw down the entire credit facility from 1Q25 to 1Q28. The term loan maintains an interest rate of SOFR + 3.5% and a five-year maturity and the mezz loan accrues PIK interest at SOFR+8.0%. Once the refinance occurs in 1Q29, we anticipate both loans would be combined as one where we assume a 100bps benefit from the Senior debt pricing, resulting in a SOFR+2.5% interest rate as the Project construction would be over resulting in lower overall risk. In terms of metrics, DSCR would show an average of 1.1x, while DSCR with cash would show an average of 2.0x from 2026 to 2032. Years of Payment would show an average of 14.2 years, with an average LTV of 81.4%, during the same period. It's important to note that debt metrics would substantially be affected in 2029 as the debt amortization is included in the debt service for that year. Finally, the rating incorporates one negative notch adjustment for project risk, as the Project is still in the construction phase, meaning it could still face cost overruns and delays.

Forecasted Results and Metrics (Figures in Millions of US dollars)

	Base Scenario							Stress Scenario							Weighted Avg.*		Degree
Fiscal Year	2026	2027	2028	2029	2030	2031	2032	2026	2027	2028	2029	2030	2031	2032	Base	Stress	of Stress
Total Revenue	101.3	194.4	242.6	249.9	257.4	265.1	273.0	100.2	191.5	233.6	234.6	235.6	236.7	237.8	228.7	215.0	-6.0%
NOI	59.7	146.7	187.8	193.4	199.2	205.2	211.3	58.9	144.0	175.7	171.1	165.7	159.4	152.2	174.6	154.1	-11.7%
NOI Margin	59.0%	75.4%	77.4%	77.4%	77.4%	77.4%	77.4%	58.9%	75.2%	75.2%	72.9%	70.3%	67.4%	64.0%	75.3%	71.0%	-5.6%
Free Cash Flow	51.1	133.4	179.5	184.9	190.5	196.2	202.1	50.5	128.1	165.0	160.3	155.0	148.8	141.6	165.3	142.8	-13.6%
Debt Service	93.2	107.2	108.7	2,371.7	134.4	134.4	134.4	93.2	107.2	108.7	2,394.9	159.5	159.5	159.5	567.2	579.4	2.1%
Total Debt	2,094.3	2,165.6	2,244.9	2,150.0	2,150.0	2,150.0	2,150.0	2,094.3	2,165.6	2,244.9	2,200.0	2,200.0	2,200.0	2,200.0	2,170.5	2,195.5	1.2%
Net Debt	2,020.4	1,995.2	2,003.7	1,999.5	1,999.4	1,999.6	1,999.9	2,021.3	2,001.5	2,024.5	2,054.2	2,058.7	2,069.4	2,087.3	2,002.0	2,039.5	1.9%
DSCR	0.5x	1.2x	1.7x	0.1x	1.4x	1.5x	1.5x	0.5x	1.2x	1.5x	0.1x	1.0x	0.9x	0.9x	1.1x	0.9x	-17.6%
DSCR with Cash	0.8x	1.9x	3.2x	0.2x	2.5x	2.6x	2.6x	0.8x	1.9x	3.0x	0.2x	1.9x	1.8x	1.7x	2.0x	1.7x	-14.2%
Yrs. Of Payment	39.5	15.0	11.2	10.8	10.5	10.2	9.9	40.1	15.6	12.3	12.8	13.3	13.9	14.7	14.2	16.1	13.1%
LTV	88.8%	82.3%	80.7%	79.9%	79.9%	79.9%	79.9%	88.8%	82.5%	81.4%	82.0%	82.1%	82.4%	83.0%	81.4%	82.7%	1.7%

Source: HR Ratings assumptions based on the Company's information provided by a third party.

Project Overview

- **Project Description.** Project Novva is a real estate development site, located at 6477 Wells Park Road in West Jordan, Utah. Project NOVVA will consist of 174 megawatts (mw) data center space, alongside office and storage spaces, which will span across three buildings, SLC North, SLC East, and SLC West. In total, the Project would have 989,846 sqft, with 416,805 sqft used for data halls
- **Project Status.** Currently, both SLC East and SLC West have been affected by delays due to several reasons, according to the latest construction report by Marx Okubo, an architecture, engineering, and construction consulting firm, which were provided by a third party. SLC East presented delays as deliveries of significant items have not been received. Some of the items not received that are deemed critical to the project include chillers, electrical, aquatherm piping, among others.

Future Assumptions

- **Revenue Growth.** In 2032, we expect that the Company would reach total revenue of US$273.0m, compared to US$101.3m in 2026, growing at $CAGR_{26\text{-}32}$ of 18.0% and a 3.0% revenue $CAGR_{28\text{-}32}$. Growth in revenue would be primarily driven by the Project's stabilization, in which we estimate the total project would be operating by 2029. Total Revenue will be comprised of base rental revenue, fixed power charges, and utility recovery income.
- **Operating Income and Margins.** In 2032, we expect that NOI would reach US$211.3m with a NOI margin of 77.4% (vs. US$59.7m and a margin of 59.0% in 2026). Growth would be primarily driven by stabilization of the Project as revenue growth would outpace operating expenses.
- **Refinancing.** We expect full debt will be refinanced in 1Q29, and that the Company will start paying cash interest instead of accruing (for the mezz loan) under the new loan refinancing conditions. We also mention that we assume the refinancing of full debt proceeds under the senior credit facility interest rate minus a 100bps benefit (SOFR+2.50%) as for that period Project risk would be eliminated due to the construction completion.

Additional Factors Considered

- **Rating Period.** It is important to mention that the rating considers the metrics from 2026 to 2032 (a seven-year period rating) based on our methodology.
- **Project Risk.** Due to the potential risk of continued delays and cost overruns, which could lead to a longer than expected duration of the construction process. Therefore, the rating incorporates one negative adjustment.

Factors that could upgrade the rating

- **Higher DSCR.** In the event that the Project presents higher than expected FCF levels, resulting in an average DSCR of 1.4x, compared to an average DSCR of 1.1x, the would result in a rating upgrade.
- **Project Timing.** If the construction process ends on time and within budgeted costs, this would lead to a withdrawal of the negative quality adjustment.

Factors that could downgrade the rating

- **Lower DSCR.** If FCF generation is less than expected, leading to an average DSCR of 0.9x, compared to 1.1x in our base scenario, the rating could be downgraded.
- **Higher Years of Payment.** In the event that the Project presents a decrease in FCF generation, resulting in a Years of Payment metric above 17.5 years, the could result in a rating downgrade.

Project Description

Project Novva (or the Project) is a real estate development site, located at 6477 Wells Park Road in West Jordan, Utah. The Project will consist of 174 megawatts (mw) data center space, alongside office and storage spaces, which will span across three buildings, SLC North, SLC East, and SLC West. In total, the Project would have 989,846 sqft, with 416,805 sqft used for data halls. It is important to mention that the Project has been 100.0% leased to Oracle America, Inc, a technology firm that specializes in design, manufacturing, and networking computing services. The Project will be used as the Oracle Data Center Campus, in which Oracle will add to its cloud services infrastructure. Figure 1 below shows a unit mix of data centers, excluding infrastructure spaces.

Figure 1. Data Center Mix

Buildings	IT Load (MW)	SF	White Space	% of Total Space	Completion Date
SLC North	30.0	340,880	152,477	34.9%	Dec-24
SLC East	72.0	317,923	132,164	32.5%	Jul-26
SLC West	72.0	317,923	132,164	32.5%	Sep-27
Total	**174.0**	**976,726**	**416,805**	**100.0%**	**n.a.**

Source: HR Ratings based on the appraisal elaborated by Cushman & Wakefield, provided by a third party.

In addition to the three data centers, the total Project's lot will be equipped with two substations (one in construction process and one already complete) and a power plant, which would be adjacent. The complete substation will provide 30 MW of energy to SLC North, while the natural gas generators will provide around 72 MW of power solutions, which will be the primary source of power for SLC East and SLC West. The substation under construction will be capable of providing up to 300 MW of power. Due to the nature of operations, the Project will have an extreme level of security, which would include hundreds of security cameras, robotic security dogs, automated drones with heat detection, among other measures.

The Project is located in West Jordan, Utah, a suburb of Salt Lake City. The surrounding area is mainly comprised of residential and commercial developments. Salt Lake City is considered the Silicon Slopes, as the city has been a prominent business hub for technology and fintech, due to its development of big tech facilities and the proximity to Silicon Valley, California. As of 1Q25, Utah has around 39 data center facilities, with 26 located within Salt Lake City. Major companies with offices in Salt Lake City include Fidelity, Adobe, Amazon, Ebay, among others.

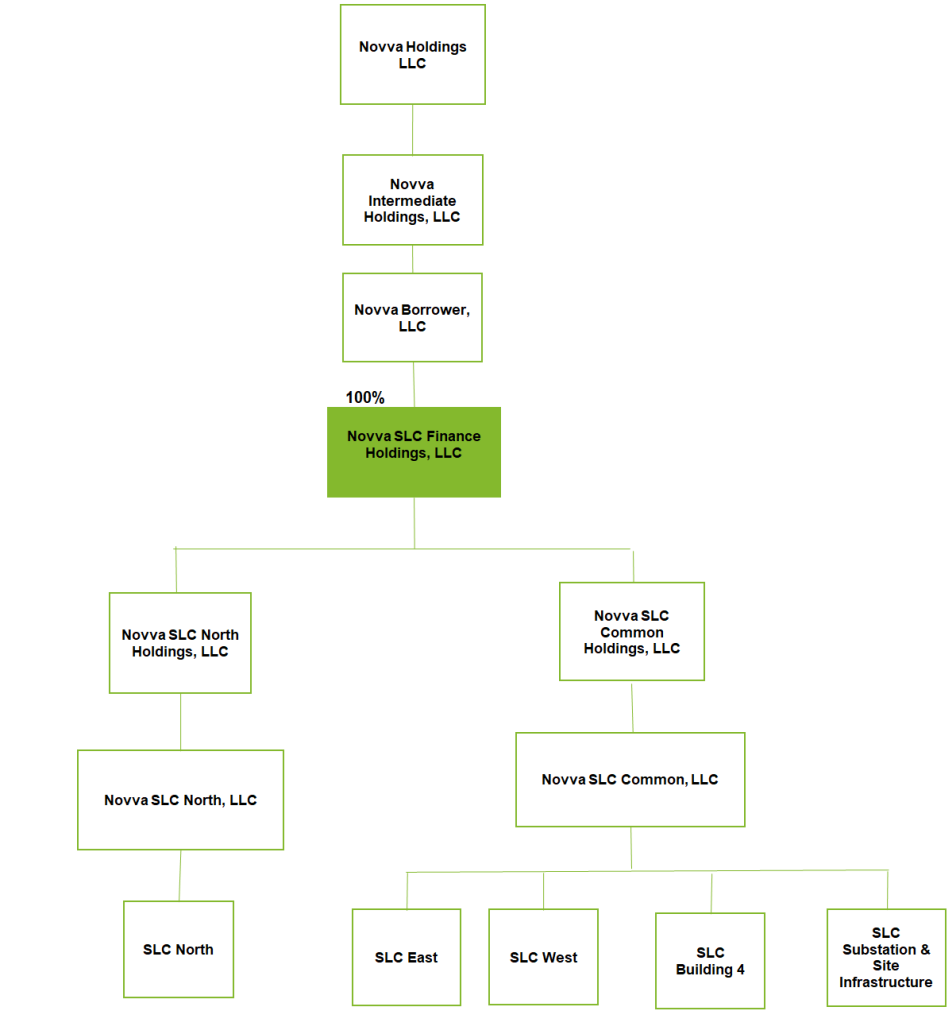
Corporate Structure

NOVVA SLC Common, LLC is the borrower of the credit facility, as well as the owner of the substations and power plant. NOVVA SLC North, LLC will be the co-borrower, as well as responsible for Building 1. It is important to mention that ownership is at follows: NOVVA SLC East, LLC will be responsible for SLC East (currently under construction), while SLC West (under construction as well) will be overseen by Novva SLC West, LLC. Each building will be 100% leased to Oracle, for a term of 15 years, with two 15-year extension options. The Project is backed by Novva Holdings.

The Sponsor specializes in the development and operations of wholesale data centers, with around six data centers within the United States. It also has built to suit offerings, in which NOVVA Holdings helps its clients improve its development times by three to four years. It is important to mention that NOVVA Holdings is a subsidiary company of CIM Group, with the intent to offer 1000 megawatts of data center capacity by 2027.

It is important to mention that the NOVVA team is led by CEO and Co-founder Wes Swenson, former CEO of C7 Data Centers, which is a data center platform located in Salt Lake City, Utah. CIM group is a real estate developer, investor, and management firm with over 30 years within the industry and US$30.7bn AUM. CIM Group has a diverse portfolio, which includes residential, retail, office, parking, among others. Additionally, CIM Group has previously acquired and developed data centers in Toronto, Canada and San Fransico, California. Figure 2 below shows a breakdown of the Corporate Structure.

Figure 2. Corporate Structure



Source: HR Ratings based on Company's information provided by a third party.

Construction Evolution and Budget

The construction process of the Project began in 2Q22, with full operations projected to start in 1Q28. It is important to mention that SLC North was completed in December 2024, with operations after completion. It is expected that the data centers will begin operations as they reach completion. As of 1Q25, the total Project is around 53.0% complete, with SLC North and the existing substation both in operations.

Currently, both SLC East and SLC West have observed some delays due to several reasons, according to the latest construction report by Marx Okubo, provided by a third party. SLC East presented delays as deliveries of significant items have not been received. Some of the items not received that are deemed critical to the project include chillers, electrical, aquatherm piping, among others. It is important to mention that until the products are received, the time of the delay is hard to determine. As of March 2025, the Project has been in discussions with other vendors, in hopes of finding quicker delivery times for the equipment. Currently, SLC East is expected to be completed in July of 2026, compared to the original completion time of December 2026. SLC West presented significant delays, which have been driven by the delivery issues, as well as delays of the tenant's white space. The general contractor is requesting a stop work notice from the Project in order to maintain the total project schedule. Currently, it is expected that SLC West will be completed in September of 2027, nine months after the original expected completion date.

The budget for Project NOVVA includes hard costs, softs costs, and financing costs. As of the latest status report, the total budget for the Project is US$2.3bn. As mentioned above, the Project went through some delays, however, the budget has not changed from the original budget at loan closing. Changes in the budget have all been paid through contingencies included in the original budget. Figure 3 below shows the Project's budget as of March 2025.

Figure 3. Budget Breakdown as of March 2025 (Figures in millions of US dollars)

Description	Original Budget	Changes	Current Budget	Spent to Date	Complete %
Acquisition Costs	68.9	0.0	68.9	68.9	100.0%
Hard Costs	1,928.4	0.0	1,928.4	932.4	48.4%
Soft Costs	186.8	0.0	186.8	123.2	66.0%
Financing Costs	90.1	0.0	90.1	81.7	90.7%
Total Project Cost	**2,274.2**	**-**	**2,274.2**	**1,206.3**	**53.0%**

Source: HR Ratings based on information provided by the investment fund.

Asset Details

Data Centers

As mentioned above, the Projects operations will primarily derive from the three data centers: SLC North, SLC West, SLC East. The data centers are built to support large computing structures, with the infrastructure to scale in the future. Due to the nature of the data centers, each building is equipped with advanced cooling systems and redundant power systems. SLC North will feature 152,477 of white space and a total critical IT Load of 30 MW. Power for SLC North will be sourced from Rocky Mountain

Power, a Salt Lake City local energy provider. As mentioned above, SLC North was completed in December 2024, being fully operational as of 1Q25. SLC East will be designed to accommodate 72 MW of critical IT load, with around 132,164 whitespaces.

As of the latest status report, dated March 25, 2025, SLC East has faced some issues, which has led to the building being delayed from April 2025 to July 2026. SLC West will handle a critical IT Load of 72 MW, with 132,164 white spaces. It is expected that SLC West will be delayed from December 2026 until September 2027, which is due to delays in delivery of materials. SLC East and West will both be powered by the power plant, which is on-site. The tenant will pay reimbursement costs for the usage at US$22.0 per kilowatt per month.

Sources of Funding

To fund the Project, the Company then entered into its Loan Agreement, which included a US$2.0bn credit facility, which is priced at SOFR+ 3.5%, with a floor of 3.75%. The credit facility includes a US$1.5bn Term Loan, alongside a US$500.0m Mezzanine Loan. It is important to mention that the Loan Agreement also acts as a second amendment to the Mezzanine Loan (acquired on November 27, 2024), as the loan was upsized US$25.0m from US$475.0m to US$500.0m. The credit facility will have an initial maturity date of February 9, 2029, with two extension options on May 9, 2029 and February 9, 2030. The facility will be obligated to make a payment of 0.13% of the total outstanding principal amount of the Loan, if extended. For our projections, we do not consider that the credit facility will be extended, as we expect the Company to refinance the credit facility in 1Q29.

The credit facility has cash interest, in which we expect interest payments of US$235.3m throughout the construction phase. Other uses include acquisition costs, hard costs, soft costs, and financing costs. It is important to mention that the credit facility has PIK interest, which we estimate to amount to US$245.0m. Based on the latest status report as of March 2025, the project has disbursed around 53.7% of debt and equity proceeds. In our forecast, we expect the Project will reflect an Investment Properties, which we expect to reach US$2,519.2m, considering investment of US$2,274.2m and PIK interest costs.

Figure 4. The Project's Sources and Uses (Figures in millions of US dollars)

Sources	US$m	%	Uses	US$m	%
Term Loan	1,500.0	59.5%	Acquisition Costs	68.9	2.7%
Mezzanine Loan	500.0	19.8%	Hard Costs	1,928.4	76.6%
Equity	519.2	20.6%	Soft Costs	186.8	7.4%
			Financing Costs	90.1	3.6%
			PIK Interest	245.0	9.7%
Total Sources	**2,519.2**	**100.0%**	**Total Uses**	**2,519.2**	**100.0%**

Source: HR Ratings based on information provided by the investment fund.

Industry Overview

The economics within a market area have a direct effect on Real Estate projects, due to the property's value not only being determined by the price paid or its cost of construction but by what buyers and sellers perceive of it. Consequently, the market

behavior towards the property reflects a possible performance trend. Also, since real estate projects are immobile assets, the economic trends of the market area and/or the specific neighborhood directly affect its value as an investment. Therefore, the next section of the report covers some possible economic trends in the country, region, and neighborhood that could directly influence the Project.

Vacancy Rate

With the emergence of new technologies, data centers have experienced relatively low vacancy rates, which are driven by increasing demand for AI and cloud services and AI infrastructure building within the US. As of 4Q24, the data center vacancy rate decreased to 2.6% compared to 3.6% in 2023, reflecting robust growth and demand as Critical IT Load demand continues to outweigh available supply. According to Cushman and Wakefield, over 80.0% of data center projects in the pre-development stage are 100.0% leased through pre-leasing, with most data center projects being built in Arizona, Texas, Utah, Virginia, and California. As of 1Q24, rent for turnkey data centers cost an average of US$143.6 per sqft. The AI and Cloud industries anticipate receiving higher growth as the US and other nations continue to increase its investments within the sector.

Artificial Intelligence

One of the biggest drivers of industry growth has been recent artificial intelligence (AI) developments. AI is mainly explained as technology which can perform tasks without human interaction, in most cases. AI can be used to learn, create, make decisions, as well as communicate with humans based on patterns and data. One of the most notable AI capabilities is generative and language AI models, which are seen in apps such as Chat GPT, Deepseek, and Google Gemini. Data Centers play a major role in the development of AI products, as the technology requires ample amount of energy, as well as processing chips and specific equipment, which most businesses aren't equipped to manage. Since the rise of language models, big tech and other players within the technology sector have aggressively increased investments in artificial intelligence, with the intent on having exposure within the emerging market.

Data Centers Overview

The data center industry has received a substantial increase in demand which has been primarily driven by several factors. During the pandemic shutdown, the nation was forced to increase its dependency on technology in terms of professional and personal life for needs, which led to increases in telehealth, communication platforms, groceries and food delivery, among others compared to pre-pandemic usage. Data centers provide the infrastructure needed to store, manage, and protect substantial amounts of data driven by all users, while offering global networking and enterprise platforms. As more operations look to improve and adapt their processes to the current landscape, it is expected that demand will continue to increase.

The data center industry has a global industry value of US$242.7m and is expected to grow at a $CAGR_{24\text{-}32}$ of 11.7%. Currently, the market is made up of larger players such as Meta, Amazon Web Services, Microsoft, Equinix, among others. It is important to mention that Oracle, the tenant, is well positioned to be a large player within the industry, as the Company has initiatives to drastically increase its footprint through expansion of additional data centers throughout North America, including the Project.

Utah Data Centers Overview

One of the biggest factors in Utah's data center market is its close proximity to east coast and west coast markets, with less risk and costs compared to competitor states like Texas, California, Illinois, and Virginia. Data Centers require ample amounts of energy, which leads to costly power expenses. As of 2024, Utah has one of the nation's lowest energy prices at around 6.2 cents per kilowatt hour. Utah offers stable energy infrastructure with low risk of volatility, less chances of natural disasters, as well as a regulated power grid, meaning that the state can import and export power if needed. The climate within Salt Lake City also allows for a cooler environment compared to other states within the west coast.

Overall, the Salt Lake City data center industry has received substantial demand, which has been driven by near 0% vacancy rates in data centers in close coastal states, as well as its presence of tech companies. The future outlook for data centers with Salt Lake City remain relatively high, as AI and Cloud supply remains scarce, while current leaders within the market have large backlogs of client looking for services. As of 2024, Some of the largest companies with data centers include Meta, Google, Data Bank, and Stack Infrastructure.

Tenant Overview

Founded in 1972, Oracle is among the largest companies within the technology sector. The Company mainly focuses on software engineering and enterprise solutions, in which the Company develops ERP systems, customer relationship management software, and data storage services, among many others. With the emergence of AI and Cloud Computing, Oracle has shifted its focus on building data centers with the intent of improving its Oracle cloud services. Oracle has a client base made up of Fortune 100 companies such as JP Morgan, UnitedHealth, Bank of America, Netflix, among others. As of LTM 1Q25, around 75.0% of revenue is derived from cloud services & license support.

As mentioned above, Project NOVVA will be fully leased to Oracle for a term of 15 years, with the option to have to extend the lease by 15 years twice. It is important to mention that all 3 leases will be separate, with no cross defaults within the three buildings. SLC North will have a starting rent of US$78,000 per megawatt, equivalent to US$28.1m annually. The lease for SLC North started its lease in June 2023. SLC East starting rent would be US$88,000 per megawatt with lease period beginning in September 2025, while SLC West would have a starting base rent of US$98,000 per megawatt with the lease beginning in July 2026. All leases will be equipped with rent abatement period, in which the first 3 months would be free, followed by 50% abatement in months 4-6, then 25% rent abatement from months 7-12.

Scenario Analysis

In 2032, we expect that the Company would reach total revenue of US$273.0m, compared to US$101.3m in 2026, growing at $CAGR_{26\text{-}32}$ of 18.0%. Total Revenue will be comprised of base rental revenue, fixed power charges, and utility recovery income, and we anticipate the total project would be operating by 2028. As mentioned above, the Project will be fully leased to Oracle, resulting in a 100% occupancy rate throughout the forecast period.

Monthly market rents for the Project are based on information in the appraisal provided by the third party. We consider annual growth based on the annual rent increase of 3.0%. Due to the latter, we expect that base rental revenue will increase to

US$220.6m in 2032, compared to US$66.8m in 2026. Rental Income would be driven by the operations of the data centers, which would each be paying rent based on usage of kilowatts. It is important to mention that SLC North began operations in 2024, with full rental payments starting 12 months after the first data bank was completed. Rents for SLC North started at US$76.0 per kilowatt with an annual increase of 3.0%. SLC East will begin rental payments at US$88.0 per kilowatt, with operations beginning in 3Q26. SLC West will begin rental payment at US$98.0 per kilowatt, with operations starting in 3Q27. SLC West and SLC East will both annually increase at 3.0% annually in 3Q27.

As mentioned above, the Company will also receive revenues from fixed power charges, in which SLC West and SLC East will reimburse the expenses of the power plant at US$22.0 per kilowatt, with annual increases of 3.0%. It is important to note that the cost is not tied to power expenses and is mainly to recover development costs of the power plant. Utility recovery income will be derived from SLC North power expenses, in which the Company will be paid through a power margin of 12.0%.

Figure 5. Revenue Breakdown, Base Scenario (Figures in millions of US dollars)

	Baseline Scenario						
Concept	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2031F**	**2032F**
Rental Revenue	**66.8**	**149.2**	**196.0**	**201.9**	**207.9**	**214.2**	**220.6**
SLC North Revenue	28.8	29.7	30.6	31.5	32.4	33.4	34.4
Avg Kw per month	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Avg Rent/Kw per month*	80.0	82.4	84.9	87.5	90.1	92.8	95.6
SLC East	38.0	77.2	79.5	81.9	84.3	86.9	89.5
Avg Kw per month	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Avg Rent/Kw per month*	88.0	89.3	92.0	94.8	97.6	100.5	103.5
SLC West	-	42.3	85.9	88.5	91.2	93.9	96.7
Avg Kw per month	-	72,000	72,000	72,000	72,000	72,000	72,000
Avg Rent/Kw per month*	-	98.0	99.5	102.5	105.5	108.7	112.0
Utility Recoveries	**24.9**	**25.7**	**26.4**	**27.2**	**28.0**	**28.9**	**29.8**
Fixed Power Charge	**9.5**	**19.6**	**20.2**	**20.8**	**21.4**	**22.0**	**22.7**
Total Revenue	**101.3**	**194.4**	**242.6**	**249.9**	**257.4**	**265.1**	**273.0**

Sources: HR Ratings projections are based on information provided by a third party.
*Figures in US dollars.

For our projections, we considered the status report and appraisals in the Cushman & Wakefield appraisal, which was provided by a third party. Similar to other data space projects, utilities are the largest operating expense, primarily consisting of power expenses associated with SLC North. As mentioned above, utility expenses will be recovered from the tenant at 12.0% of power costs in utility recovery income. Also, we estimate management fees as 3.0% of total revenue, as these are generally 1.0%-3.0% of total revenue. Other expenses will include common area maintenance, insurance, and real estate taxes, among others. As a result, Net Operating Income would reach US$211.3m in 2032, compared to US$59.7m in 2026, while NOI Margin would reach 77.4%, compared to 59.0% during 2026.

We expect Free Cash Flow to reach US$202.1m in 2032, compared to US$51.1m in 2026. EBITDA and FCF will be relatively similar because the Project will have minimal working capital requirements when operating at full capacity. We assume a 30-day turnover for accounts receivable and a 45-day turnover for accounts payable. We expect that working capital requirements will be higher when East and West buildings commence operations in the third quarter of 2026 and 2027, respectively. Nevertheless, we expect working capital requirements to decrease once the Project stabilizes.

Figure 6. FCF Breakdown, Base Scenario (Figures in millions of US dollars)

	Base Scenario							
	2026F	2027F	2028F	2029F	2030F	2031F	2032F	$CAGR_{26-32}$
Total Revenue	**101.3**	**194.4**	**242.6**	**249.9**	**257.4**	**265.1**	**273.0**	**18.0%**
Operating Expenses	41.6	47.8	54.8	56.5	58.2	59.9	61.7	6.8%
Net Operating Income (NOI)	**59.7**	**146.7**	**187.8**	**193.4**	**199.2**	**205.2**	**211.3**	**23.5%**
NOI Margin	*59.0%*	*75.4%*	*77.4%*	*77.4%*	*77.4%*	*77.4%*	*77.4%*	*n.a.*
Cash Flow From P&L	57.0	140.7	179.9	185.3	190.9	196.6	202.5	**23.5%**
Working Capital Requirements	(5.9)	(7.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	*n.a.*
Free Cash Flow (FCF)	**51.1**	**133.4**	**179.5**	**184.9**	**190.5**	**196.2**	**202.1**	**25.7%**

Source: HR Ratings' forecasts based on the Company's information provided by a third party.

Financing Structure

We expect that gross debt will be US$2,150.0m in 2032, compared to US$2,094.3m in 2026. Debt levels would be driven by the drawdown of resources required to complete the construction of the Project to cover development costs as previously mentioned in the budget section, as well as PIK interest of the Mezz Loan that would accrue until 4Q28. It is expected the final drawdown of debt resources will occur in 1Q28, in line with the expected completion time. The term loan will be priced at SOFR + 3.5%, with a floor of 3.75%, while the Mezzanine Loan is priced at SOFR + 8.0%.

The credit facility will be amortized at maturity in 1Q29, in which a bullet payment would be made. It is important to note that we estimate the Company will be able to refinance at a better rate compared to both current rates. Full debt payment would be refinanced during the same period, and the Company will start paying cash interest instead of accruing (for the mezz loan) under the new loan refinancing conditions. We also mention that we assume the refinancing of full debt proceeds under the senior credit facility interest rate minus a 100bps benefit (SOFR+2.50%) as for that period Project risk would be eliminated due to the construction completion, resulting in more favorable interest rate conditions. Nevertheless, if the refinancing interest rate results higher than SOFR+2.50% expected in 2029, it could have a negative impact on the interest payments, weakening the rating metrics and resulting in a possible rating downgrade.

Figure 7. Net Debt Evolution Base Scenario (Figures in millions of US dollars)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Free Cash Flow	**51.1**	**133.4**	**179.5**	**184.9**	**190.5**	**196.2**	**202.1**
Investment	-223.1	-97.3	-1.8	0.0	0.0	0.0	0.0
Net interest on the debt	-93.2	-107.2	-108.7	-126.8	-134.4	-134.4	-134.4
Cash change in equity	27.4	166.0	0.0	-54.0	-56.0	-62.0	-68.0
Chg. in cash bef. financing	**-237.8**	**94.9**	**69.0**	**4.2**	**0.1**	**-0.2**	**-0.3**
New net financing	288.9	1.6	1.8	-94.9	0.0	0.0	0.0
Change in cash	**51.1**	**96.5**	**70.8**	**-90.8**	**0.1**	**-0.2**	**-0.3**
New net financing	288.9	1.6	1.8	-94.9	0.0	0.0	0.0
PIK Interest	59.8	69.7	77.5	0.0	0.0	0.0	0.0
Change in gross debt	**348.8**	**71.4**	**79.3**	**-94.9**	**0.0**	**0.0**	**0.0**
Change in net debt	**297.6**	**-25.2**	**8.5**	**-4.2**	**-0.1**	**0.2**	**0.3**
Gross Debt	**2,094.3**	**2,165.6**	**2,244.9**	**2,150.0**	**2,150.0**	**2,150.0**	**2,150.0**
Net Debt	**2,020.4**	**1,995.2**	**2,003.7**	**1,999.5**	**1,999.4**	**1,999.6**	**1,999.9**

Source: HR Ratings based on information provided by a third party.

Stress Scenario

- We expect that total revenues would reach US$237.8m in 2032, compared to US$273.0m in our baseline scenario, representing a weighted average difference of 6.0%. Revenues would be pressured by lower rental increases than expected, as well as a smaller power margin.
- NOI would reach US$152.2m in 2032, compared to US$211.3m in our baseline scenario, which would be driven by market pressures, which would lead to higher operating expenses. This would result in NOI margin reaching an average of 69.1%, compared to 74.5% in our base scenario
- In 2032, Free Cash Flow would reach US$141.6m (vs. US$202.1m in our base scenario, representing a weighted average difference of 13.6%. The difference in FCF would be mainly driven by Lower NOI generation as the Project tends to have minimal working capital requirements.
- In our stress scenario, gross debt would reach US$2,200.0m in 2032, compared to US$2,150.0m in our baseline scenario, while net debt would reach US$2,087.3m, compared to US$1,999.9m in our base scenario. We also expect the refinancing in 2029; however, we do not expect an improvement in the spread of the refinancing rate.
- DSCR would reach an average of 0.9x from 2026 to 2032, compared to 1.1x in our baseline scenario. DSCR with cash would reach an average of 1.6x, compared to 2.0x in our baseline scenario.
- In 2032, we expect that Years of Payment would show an average level of 17.5 years, compared to 15.3 years in our baseline scenario.

ESG Analysis

Environmental Impact: *Average*

The Project will be equipped with renewable energy sources such as Solar and hydroelectric energy. The Project will also use a water-free cooling system, which will lead to 84% less water in comparison to similar projects in the region. Additionally, the tenant strives to reach net zero carbon emissions by 2050.

Social Impact: *Average*

In addition to the jobs created from the development, the project will create over 300 permanent full-time positions. In the other hand, the sponsors have both played a role in creating education programs and increasing community investment, helping equip residents with skills for tech roles.

Corporate Governance: *Average*

The Project is sponsored by CIM Group, with experience in the real estate and data center industry. The Project has substantially invested in cybersecurity and other IT services, to secure enterprise and personal information. Additionally, the tenant Oracle is a public technology firm with ample ESG oversight through board committees.

Base Scenario: Balance Sheet (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
TOTAL ASSETS	**2,359.1**	**2,630.2**	**2,780.9**	**2,690.7**	**2,691.5**	**2,691.9**	**2,692.3**
Short-Term Assets	**86.3**	**190.3**	**261.7**	**171.5**	**172.3**	**172.7**	**173.1**
Cash and Equivalents	73.9	170.4	241.3	150.5	150.6	150.4	150.1
Accounts Receivable from Clients	12.4	19.8	20.4	21.1	21.7	22.3	23.0
Long-Term Assets	**2,272.8**	**2,439.9**	**2,519.2**	**2,519.2**	**2,519.2**	**2,519.2**	**2,519.2**
Investment Properties	2,272.8	2,439.9	2,519.2	2,519.2	2,519.2	2,519.2	2,519.2
TOTAL LIABILITIES	**2,100.8**	**2,172.3**	**2,251.8**	**2,157.1**	**2,157.3**	**2,157.5**	**2,157.7**
Short-Term Liabilties	**6.5**	**6.7**	**2,251.8**	**7.1**	**7.3**	**7.5**	**2,157.7**
Short-Term Debt	0.0	0.0	2,244.9	0.0	0.0	0.0	2,150.0
Suppliers	6.5	6.7	6.9	7.1	7.3	7.5	7.7
Long-Term Liabilities	**2,094.3**	**2,165.6**	**0.0**	**2,150.0**	**2,150.0**	**2,150.0**	**0.0**
Long-Term Debt	2,094.3	2,165.6	0.0	2,150.0	2,150.0	2,150.0	0.0
EQUITY	**258.3**	**457.9**	**529.1**	**533.7**	**534.2**	**534.4**	**534.6**
Contributed Capital	334.7	500.7	500.7	500.7	500.7	500.7	500.7
Cumulative Earnings	(74.3)	(60.0)	9.9	19.6	18.7	17.4	16.1
Current Earnings	(2.1)	17.1	18.4	13.4	14.8	16.2	17.7
Total Debt	**2,094.3**	**2,165.6**	**2,244.9**	**2,150.0**	**2,150.0**	**2,150.0**	**2,150.0**
Net Debt	**2,020.4**	**1,995.2**	**2,003.7**	**1,999.5**	**1,999.4**	**1,999.6**	**1,999.9**
LTV (Total Debt / Total Assets)	**88.8%**	**82.3%**	**80.7%**	**79.9%**	**79.9%**	**79.9%**	**79.9%**

Sources: HR Ratings projections are based on information provided by a third party.

Base Scenario: Income Statement (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Net Sales	**101.3**	**194.4**	**242.6**	**249.9**	**257.4**	**265.1**	**273.0**
Rent Revenue	66.8	216.0	196.0	201.9	207.9	214.2	220.6
Utility Recoveries Income	24.9	25.7	26.4	27.2	28.0	28.9	29.8
Fixed Power Charge Income	9.5	19.6	20.2	20.8	21.4	22.0	22.7
Operating Expenses	41.6	47.8	54.8	56.5	58.2	59.9	61.7
Net Operating Income	**59.7**	**146.7**	**187.8**	**193.4**	**199.2**	**205.2**	**211.3**
Interest Expense[1]	93.2	107.2	108.7	126.8	134.4	134.4	134.4
Net Income (loss)	**(36.2)**	**33.5**	**71.2**	**58.6**	**56.5**	**62.2**	**68.1**
LTM Figures							
Occupancy Rate (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Change in Sales (%)	94.1%	92.0%	24.8%	3.0%	3.0%	3.0%	3.0%
NOI Margin	59.0%	75.4%	77.4%	77.4%	77.4%	77.4%	77.4%
Cost of Debt	8.5%	8.4%	8.5%	6.3%	6.3%	6.3%	6.3%

Sources: HR Ratings projections are based on information provided by a third party.

Base Scenario: Cash Flow Statement (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
OPERATING ACTIVITIES							
Earnings (Loss) before Taxes	**(36.2)**	**33.5**	**71.2**	**58.6**	**56.5**	**62.2**	**68.1**
Interest expense	93.2	107.2	108.7	126.8	134.4	134.4	134.4
Total Charges related to Financial Activities	**93.2**	**107.2**	**108.7**	**126.8**	**134.4**	**134.4**	**134.4**
Cash Flow from P&L before Taxes	**57.0**	**140.7**	**179.9**	**185.3**	**190.9**	**196.6**	**202.5**
Decrease (Increase) in Account Recievables	(12.4)	(7.4)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)
Increase (Decrease) in Suppliers	6.5	0.1	0.2	0.2	0.2	0.2	0.2
Net total change in working capital	**(5.9)**	**(7.3)**	**(0.4)**	**(0.4)**	**(0.4)**	**(0.4)**	**(0.4)**
Net cash flow from operating activities	**51.1**	**133.4**	**179.5**	**184.9**	**190.5**	**196.2**	**202.1**
INVESTING ACTIVITIES							
Net investment in Plant & Equipment	(223.1)	(97.3)	(1.8)	0.0	0.0	0.0	0.0
Net cash flow from investing activities	**(223.1)**	**(97.3)**	**(1.8)**	**0.0**	**0.0**	**0.0**	**0.0**
Cash needs related to financing activities	**(171.9)**	**36.1**	**177.7**	**184.9**	**190.5**	**196.2**	**202.1**
FINANCING ACTIVITIES							
Loans obtained from financial institutions	288.9	1.6	1.8	2,150.0	0.0	0.0	0.0
Amortization of loans	0.0	0.0	0.0	(2,244.9)	0.0	0.0	0.0
Interest paid	(93.2)	(107.2)	(108.7)	(126.8)	(134.4)	(134.4)	(134.4)
Third party Financing	**195.7**	**(105.6)**	**(106.9)**	**(221.7)**	**(134.4)**	**(134.4)**	**(134.4)**
Increase (decrease) in equity	27.4	166.0	0.0	0.0	0.0	0.0	0.0
Dividends to shareholders	0.0	0.0	0.0	(54.0)	(56.0)	(62.0)	(68.0)
Own Financing	**27.4**	**166.0**	**0.0**	**(54.0)**	**(56.0)**	**(62.0)**	**(68.0)**
Net cash flow from financing activities	**223.1**	**60.5**	**(106.9)**	**(275.7)**	**(190.4)**	**(196.4)**	**(202.4)**
Net Increase (decrease) in cash and cash equivalents	**51.1**	**96.5**	**70.8**	**(90.8)**	**0.1**	**(0.2)**	**(0.3)**
Cash and cash equiv. at the beginning of the period	22.8	73.9	170.4	241.3	150.5	150.6	150.4
Cash and cash equivalents at the end of the period	**73.9**	**170.4**	**241.3**	**150.5**	**150.6**	**150.4**	**150.1**
Last Twelve Months							
Free Cash Flow	**51.1**	**133.4**	**179.5**	**184.9**	**190.5**	**196.2**	**202.1**
Total Debt Amortizations	0.0	0.0	0.0	2,244.9	0.0	0.0	0.0
Voluntary pre-payments and automatic credit lines	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt Amortizations	0.0	0.0	0.0	2,244.9	0.0	0.0	0.0
Net Interest Pmts.	93.2	107.2	108.7	126.8	134.4	134.4	134.4
Net Debt Service	**93.2**	**107.2**	**108.7**	**2,371.7**	**134.4**	**134.4**	**134.4**
Debt Service Coverage Ratio (DSCR)	**0.5**	**1.2**	**1.7**	**0.1**	**1.4**	**1.5**	**1.5**
Cash and Equivalents at Beginning of Period	22.8	73.9	170.4	241.3	150.5	150.6	150.4
DSCR with cash	**0.8**	**1.9**	**3.2**	**0.2**	**2.5**	**2.6**	**2.6**
Net Debt to Free Cash Flow	**39.5**	**15.0**	**11.2**	**10.8**	**10.5**	**10.2**	**9.9**
Net Debt to EBITDA	**33.8**	**13.6**	**10.7**	**10.3**	**10.0**	**9.7**	**9.5**

Sources: HR Ratings projections are based on information provided by a third party.

Stress Scenario: Balance Sheet (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
TOTAL ASSETS	**2,358.0**	**2,623.5**	**2,759.1**	**2,684.5**	**2,680.1**	**2,669.5**	**2,651.7**
Short-Term Assets	**85.3**	**183.7**	**239.9**	**165.3**	**160.9**	**150.3**	**132.5**
Cash and Equivalents	72.9	164.1	220.4	145.8	141.3	130.6	112.7
Accounts Receivable from Clients	12.3	19.5	19.5	19.6	19.7	19.7	19.8
Long-Term Assets	**2,272.8**	**2,439.9**	**2,519.2**	**2,519.2**	**2,519.2**	**2,519.2**	**2,519.2**
Investment Properties	2,272.8	2,439.9	2,519.2	2,519.2	2,519.2	2,519.2	2,519.2
TOTAL LIABILITIES	**2,100.7**	**2,172.2**	**2,252.2**	**2,207.9**	**2,208.7**	**2,209.7**	**2,210.7**
Short-Term Liabilties	**6.5**	**6.6**	**2,252.2**	**7.9**	**8.7**	**9.7**	**2,210.7**
Short-Term Debt	0.0	0.0	2,244.9	0.0	0.0	0.0	2,200.0
Suppliers	6.5	6.6	7.2	7.9	8.7	9.7	10.7
Long-Term Liabilities	**2,094.3**	**2,165.6**	**0.0**	**2,200.0**	**2,200.0**	**2,200.0**	**0.0**
Long-Term Debt	2,094.3	2,165.6	0.0	2,200.0	2,200.0	2,200.0	0.0
EQUITY	**257.3**	**451.3**	**506.9**	**476.6**	**471.4**	**459.9**	**441.0**
Contributed Capital	334.7	500.7	500.7	500.7	500.7	500.7	500.7
Cumulative Earnings	(75.1)	(64.8)	(7.8)	(24.2)	(28.1)	(38.0)	(55.1)
Current Earnings	(2.3)	15.3	13.9	0.1	(1.3)	(2.8)	(4.7)
Total Debt	**2,094.3**	**2,165.6**	**2,244.9**	**2,200.0**	**2,200.0**	**2,200.0**	**2,200.0**
Net Debt	**2,021.3**	**2,001.5**	**2,024.5**	**2,054.2**	**2,058.7**	**2,069.4**	**2,087.3**
LTV (Total Debt / Total Assets)	**88.8%**	**82.5%**	**81.4%**	**82.0%**	**82.1%**	**82.4%**	**83.0%**

Sources: HR Ratings projections are based on information provided by a third party.

Stress Scenario: Income Statement (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Net Sales	**100.2**	**191.5**	**233.6**	**234.6**	**235.6**	**236.7**	**237.8**
Rent Revenue	66.1	213.4	190.3	190.7	191.0	191.4	191.9
Utility Recoveries Income	24.6	24.9	23.7	24.1	24.4	24.8	25.2
Fixed Power Charge Income	9.5	19.3	19.6	19.9	20.2	20.5	20.8
Operating Expenses	41.2	47.5	57.9	63.5	69.9	77.3	85.7
Net Operating Income (NOI)	**58.9**	**144.0**	**175.7**	**171.1**	**165.7**	**159.4**	**152.2**
Interest Expense	93.2	107.2	108.7	150.0	159.5	159.5	159.5
Net Income (loss)	**(36.9)**	**27.9**	**55.6**	**9.7**	**(5.2)**	**(11.5)**	**(18.8)**
LTM Figures							
Occupancy Rate (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Change in Sales (%)	93.1%	91.2%	22.0%	0.4%	0.4%	0.4%	0.5%
NOI Margin	58.9%	75.2%	75.2%	72.9%	70.3%	67.4%	64.0%
Cost of Debt	8.5%	8.4%	8.5%	7.3%	7.3%	7.3%	7.3%

Sources: HR Ratings projections are based on information provided by a third party.

Stress Scenario: Cash Flow Statement (*Figures in millions of US dollars*)

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
OPERATING ACTIVITIES							
Earnings (Loss) before Taxes	**(36.9)**	**27.9**	**55.6**	**9.7**	**(5.2)**	**(11.5)**	**(18.8)**
Interest expense	93.2	107.2	108.7	150.0	159.5	159.5	159.5
Total Charges related to Financial Activities	**93.2**	**107.2**	**108.7**	**150.0**	**159.5**	**159.5**	**159.5**
Cash Flow from P&L before Taxes	**56.3**	**135.1**	**164.3**	**159.7**	**154.3**	**148.0**	**140.7**
Decrease (Increase) in Account Recievables	(12.3)	(7.2)	0.0	(0.1)	(0.1)	(0.1)	(0.1)
Increase (Decrease) in Suppliers	6.5	0.1	0.6	0.7	0.8	0.9	1.0
Net total change in working capital	**(5.8)**	**(7.1)**	**0.7**	**0.6**	**0.7**	**0.8**	**1.0**
Net cash flow from operating activities	**50.5**	**128.1**	**165.0**	**160.3**	**155.0**	**148.8**	**141.6**
INVESTING ACTIVITIES							
Net investment in Plant & Equipment	(223.1)	(97.3)	(1.8)	0.0	0.0	0.0	0.0
Net cash flow from investing activities	**(223.1)**	**(97.3)**	**(1.8)**	**0.0**	**0.0**	**0.0**	**0.0**
Cash needs related to financing activities	**(172.6)**	**30.7**	**163.2**	**160.3**	**155.0**	**148.8**	**141.6**
FINANCING ACTIVITIES							
Loans obtained from financial institutions	288.9	1.6	1.8	2,200.0	0.0	0.0	0.0
Amortization of loans	0.0	0.0	0.0	(2,244.9)	0.0	0.0	0.0
Interest paid	(93.2)	(107.2)	(108.7)	(150.0)	(159.5)	(159.5)	(159.5)
Third party Financing	**195.7**	**(105.6)**	**(106.9)**	**(194.9)**	**(159.5)**	**(159.5)**	**(159.5)**
Increase (decrease) in equity	27.4	166.0	0.0	0.0	0.0	0.0	0.0
Dividends to shareholders	0.0	0.0	0.0	(40.0)	0.0	0.0	0.0
Own Financing	**27.4**	**166.0**	**0.0**	**(40.0)**	**0.0**	**0.0**	**0.0**
Net cash flow from financing activities	**223.1**	**60.5**	**(106.9)**	**(234.9)**	**(159.5)**	**(159.5)**	**(159.5)**
Net Increase (decrease) in cash and cash equivalents	**50.5**	**91.2**	**56.3**	**(74.6)**	**(4.5)**	**(10.7)**	**(17.9)**
Cash and cash equiv. at the beginning of the period	22.5	72.9	164.1	220.4	145.8	141.3	130.6
Cash and cash equivalents at the end of the period	**72.9**	**164.1**	**220.4**	**145.8**	**141.3**	**130.6**	**112.7**
Last Twelve Months							
Maintenance CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	**50.5**	**128.1**	**165.0**	**160.3**	**155.0**	**148.8**	**141.6**
Total Debt Amortizations	0.0	0.0	0.0	2,244.9	0.0	0.0	0.0
Voluntary pre-payments and automatic credit lines	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt Amortizations	0.0	0.0	0.0	2,244.9	0.0	0.0	0.0
Net Interest Pmts.	93.2	107.2	108.7	150.0	159.5	159.5	159.5
Net Debt Service	**93.2**	**107.2**	**108.7**	**2,394.9**	**159.5**	**159.5**	**159.5**
Debt Service Coverage Ratio (DSCR)	**0.5**	**1.2**	**1.5**	**0.1**	**1.0**	**0.9**	**0.9**
Cash and Equivalents at Beginning of Period	22.5	72.9	164.1	220.4	145.8	141.3	130.6
DSCR with cash	**0.8**	**1.9**	**3.0**	**0.2**	**1.9**	**1.8**	**1.7**
Net Debt to Free Cash Flow	**40.1**	**15.6**	**12.3**	**12.8**	**13.3**	**13.9**	**14.7**
Net Debt to EBITDA	**34.3**	**13.9**	**11.5**	**12.0**	**12.4**	**13.0**	**13.7**

Sources: HR Ratings projections are based on information provided by a third party.

Glossary

Free Cash Flow (FCF) is defined as cash flow from operating activities plus working capital requirements less a provision for maintenance capex plus dividends received, if any, less paid taxes and less charges for leasing contracts, including both amortization and interest. The calculation may include a Special Adjustment consideration if certain components of the listed accounts are regarded as not being appropriate for the measure (e.g., nonrecurrent, non-operational in nature.). The measure is based on annual basis.

Debt Service Coverage Ratio (DSCR) is defined as FCF divided by Debt Service. Debt Service for the purpose of this metric is defined as net cash interest expense (interest expense less interest income) plus obligatory debt amortization. Pre-payments are excluded as are payments from Excess Cash Flow Sweep (ECFS) covenants. Certain refinancing of debt may also be excluded from the debt service calculation. Capitalized interest from credit agreements originally contemplating such interest is also excluded. Capitalized interest from forced debt restructuring will not be excluded. Debt service is measured on an annual basis.

DSCR with Cash. This is the same as the previous metric with the exception that cash at the end of the previous trailing four quarter period is added to FCF, as is any cash reserved exclusively for the debt being rated.

Year of Payment is defined as net debt divided by FCF.

Loan to Value: Total Debt divided by Total Assets

These metrics have the following weights in the determination of our quantitative preliminary rating:

Metric Weights	
DSCR	20%
DSCR with cash	20%
Yrs. of PMT.	40%
LTV	20%

There rating period for this report consists of seven forecasted calendar year periods beginning in 2024. The periods are defined as follows with their respective weights.

Period Weights

2026	10%
2027	15%
2028	25%
2029	20%
2030	15%
2031	10%
2032	5%

Complementary information in compliance with section V, paragraph A), of Annex 1 of the General Provisions applicable to credit ratings agencies.

Methodologies used**	Corporate Debt Credit Risk, February 2024
Previous Rating	Initial
Date of previous rating	Initial
Period covered by the financial information used, including those provided by third parties	Construction Status reports and appraisal issued by Cushman and Wakefield, provided by a third party.
Ratings granted by other credit rating agencies that were used by HR Ratings	n.a.
HR Ratings considered the existence of mechanisms to align incentives between the issuer, servicer and guarantor and the potential purchasers of such securities (if any) when granting the rating or following up on the rating	n.a.
Ratings given by other credit ratings agencies to these securities (if any)	n.a.

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

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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.

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Media Contact

comunicaciones@hrratings.com