

CANARY WHARF FINANCE II PLC

Registered Number: 03929593

30 JUNE 2025 HALF YEARLY FINANCIAL REPORT

CANARY WHARF FINANCE II PLC

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CANARY WHARF FINANCE II PLC

INTERIM MANAGEMENT STATEMENT

This interim management statement relates to the 6 months ended 30 June 2025 and contains information that covers the period from 1 January 2025 to 8 September 2025, the date of publication of this interim management statement.

BUSINESS REVIEW

The Company is a subsidiary of Canary Wharf Group plc, Canary Wharf Group Investment Holdings plc, and its ultimate parent undertaking Stork Holdco LP, an entity registered in Bermuda.

The Company is a finance vehicle that issues securities which are backed by commercial mortgages over properties within the Canary Wharf Estate. The Company is engaged in the provision of finance to the Canary Wharf Group, comprising Canary Wharf Group Investment Holdings plc, and the wider group subsidiaries. The group owns, manages and develops the Canary Wharf Estate (the 'Estate') in East London. All activities take place within the United Kingdom. The Company plans to continue trading in the same manner for the foreseeable future.

At 30 June 2025, the Company had loan notes with a nominal value of £1,032,200,530 (31 December 2024 – £1,041,472,487) listed on the London Stock Exchange and had lent the proceeds to a fellow subsidiary undertaking, CW Lending II Limited ('the Borrower') under a loan agreement ('the Intercompany Loan Agreement'). The notes are secured on a pool of properties at Canary Wharf, owned by fellow subsidiary undertakings, and the rental income therefrom.

Going Concern

Having made the requisite enquiries and assessed the resources at the disposal of the Company, the directors have a reasonable expectation that the Company will have adequate resources to continue its operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Results for the period

As shown in the company's Income Statement, the Company's loss after tax for the 6-month period was £5,053,553 (period ended 30 June 2024 – loss of £5,086,693).

This loss included hedge reserve recycling recognised in the Income Statement of £5,062,483 (period ended 30 June 2024 – £5,042,960). Including the hedge reserve recycling impact in other comprehensive income, the profit for the period was £8,930 (period ended 30 June 2024 – loss of £43,733).

The balance sheet shows the Company's financial position at the period end and indicates that net assets were £5,851,202 (31 December 2024 – £5,842,272).

The weighted average maturity of the Company's securitised debt is 8.35 years (31 December 2024 – 8.77 years). The weighted average interest rate of the securitised debt is 6.0% (31 December 2024 – 6.1%).

CANARY WHARF FINANCE II PLC

INTERIM MANAGEMENT STATEMENT (Continued)

In the opinion of the Board, these Financial Statements enable shareholders to make an informed assessment of the results and activities of the Company for the period ended 30 June 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces several principal risks and uncertainties that could significantly impact its business model and financial performance, primarily centred around market and financing risks.

Market Risk

Market risk is a key risk, as the ability of the Company with the support of group companies to meet debt obligations relies on generating sufficient rental income. In recent years, businesses have re-evaluated their office space requirements considering remote working trends and changing business models, leading to a decrease in demand for traditional office spaces. Despite this, the office assets that fund the Company's securitisation have maintained a high occupancy rate in recent years with credit worthy tenants. To further navigate these challenges, a proactive approach is adopted in managing our property portfolio. This involves closely monitoring market trends, identifying emerging demand patterns, and adapting our properties to meet evolving tenant demands. Additionally, fostering strong tenant relationships, offering flexible leasing terms, and enhancing the amenities and services within our office buildings and estate helps to differentiate our properties in a competitive market environment.

Financing Risk

Financing risk is another risk given the Company has issued debenture finance in sterling at both floating and fixed rates of interest. The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields, which can lead to fluctuations in interest payments. To manage this risk, the Company uses derivative financial instruments in the form of interest rate swaps to manage its exposure to interest rate fluctuations and does not enter into these arrangements for speculative purposes. All of the Company's borrowings are fixed after taking account of interest rate hedges. All borrowings are denominated in sterling and the Company has no intention to borrow amounts in currencies other than sterling.

The Company is not subject to externally imposed capital requirements, however the Company's securitisation is subject to a maximum loan minus cash to value ('LMCTV') ratio covenant. The maximum LMCTV ratio is 100.0%. Based on the 30 June 2025 valuations of the properties upon which the Company's notes are secured, the LMCTV ratio at the interest payment date in July 2025 was 47.5%. The securitisation is not subject to a minimum interest coverage ratio. A breach of certain financial covenants can be remedied by depositing eligible investments (including cash).

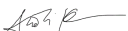
CANARY WHARF FINANCE II PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

The board of directors, comprising Sheikh Khalifa Al-Thani, Theodor Berklayd, Shoaib Z Khan, Katy J Kingston (alternate director to Shoaib Z Khan) and Rebecca J Worthington, confirms to the best of its knowledge that:

- the condensed set of financial statements on pages 6 to 15 which has been prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Rule 4.2.4 of the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority (the 'DTRs');
- the interim management statement includes a fair review of the information required by Rule 4.2.7 of the DTRs (indication of important events during the first 6 months and description of principal risks and uncertainties for the remaining 6 months of the year). The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Signed on behalf of the board by:

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S Z Khan
Director
8 September 2025

CANARY WHARF FINANCE II PLC

INDEPENDENT REVIEW REPORT TO CANARY WHARF FINANCE II PLC

Conclusion

We have been engaged by Canary Wharf Finance II PLC (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the half-yearly financial report. We have read the other information contained in the half-yearly financial report which comprises of management's interim statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with Financial Reporting Standard 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with Financial Reporting Standard 104 'Interim Financial Reporting'.

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE 2410 (UK), however future events or conditions may cause the entity to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including events arising from macro-economic uncertainties such as changing rates of inflation and interest. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

CANARY WHARF FINANCE II PLC

INDEPENDENT REVIEW REPORT TO CANARY WHARF FINANCE II PLC (Continued)

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with Financial Reporting Standard 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

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Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 London, UK

8 September 2025

CANARY WHARF FINANCE II PLC

STATEMENT OF COMPREHENSIVE INCOME for the 6 months ended 30 June 2025

		Unaudited 6 months ended 30 June 2025 £	Unaudited 6 months ended 30 June 2024 £
	Note		
Administrative expenses		(30,035)	(70,600)
OPERATING LOSS		(30,035)	(70,600)
Interest receivable	2	29,799,890	31,352,117
Interest payable	3	(34,823,408)	(36,368,210)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,053,553)	(5,086,693)
Tax on loss on ordinary activities	5	–	–
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD		(5,053,553)	(5,086,693)
OTHER COMPREHENSIVE INCOME			
Hedge reserve recycling		5,062,483	5,042,960
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		5,062,483	5,042,960
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD		8,930	(43,733)

The Notes on pages 9 to 15 form an integral part of this Half Yearly Financial Report.

CANARY WHARF FINANCE II PLC

STATEMENT OF FINANCIAL POSITION as at 30 June 2025

		Unaudited 30 June 2025 £	Audited 31 December 2024 £
	Note		
CURRENT ASSETS			
Debtors:			
Amounts falling due after one year	6	963,296,790	951,493,272
Amounts falling due within one year	6	33,325,952	33,575,660
Cash at bank		3,057,556	3,017,545
		<u>999,680,298</u>	<u>988,086,477</u>
Creditors: Amounts falling due within one year	7	(30,532,304)	(30,750,933)
NET CURRENT ASSETS		<u>969,147,994</u>	<u>957,335,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		969,147,994	957,335,544
Creditors: Amounts falling due after more than one year	8	(963,296,792)	(951,493,272)
NET ASSETS		<u>5,851,202</u>	<u>5,842,272</u>
CAPITAL AND RESERVES			
Called up share capital		50,000	50,000
Hedging reserve		(101,836,826)	(106,899,309)
Retained earnings		107,638,028	112,691,581
SHAREHOLDER'S FUNDS		<u>5,851,202</u>	<u>5,842,272</u>

The Notes on pages 9 to 15 form an integral part of this Half Yearly Financial Report.

Approved by the board on 8 September 2025 and signed on its behalf by:

DocuSigned by:

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S Z Khan
 Director

CANARY WHARF FINANCE II PLC

STATEMENT OF CHANGES IN EQUITY for the 6 months ended 30 June 2025

	Called up share capital £	Hedging reserve £	Retained earnings £	Total £
At 1 January 2024	50,000	(116,994,893)	122,675,691	5,730,798
Loss for the period	–	–	(5,086,693)	(5,086,693)
Other comprehensive income	–	5,042,960	–	5,042,960
Total comprehensive expense	–	5,042,960	(5,086,693)	(43,733)
At 30 June 2024	50,000	(111,951,933)	117,588,998	5,687,065
Loss for the period	–	–	(4,897,417)	(4,897,417)
Other comprehensive income	–	5,052,624	–	5,052,624
Total comprehensive income	–	5,052,624	(4,897,417)	155,207
At 31 December 2024	50,000	(106,899,309)	112,691,581	5,842,272
Loss for the period	–	–	(5,053,553)	(5,053,553)
Other comprehensive income	–	5,062,483	–	5,062,483
Total comprehensive income	–	5,062,483	(5,053,553)	8,930
At 30 June 2025	50,000	(101,836,826)	107,638,028	5,851,202

The Notes on pages 9 to 15 form an integral part of this Half Yearly Financial Report.

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025

1. ACCOUNTING POLICIES

The year end statutory accounts have been prepared in accordance with Financial Reporting Standard (FRS) 102 “The Financial Report Standard applicable in the UK and Republic of Ireland”. Accordingly, this condensed set of financial statements has been prepared in accordance with FRS 104 “Interim Financial Reporting”.

The accounting policies applied in the preparation of this Interim Report are consistent with those that will be adopted in the statutory accounts for the year ending 31 December 2025. The full accounting policies of the Company, set out in the 2024 statutory accounts, have been applied in preparing this Interim Report.

The financial information relating to the 6 months ended 30 June 2025 and 30 June 2024 is unaudited.

A copy of the statutory accounts for the year ended 31 December 2024 has been delivered to the Registrar of Companies. The auditor’s report on those accounts was not qualified, did not contain any reference to any matters which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

In accordance with FRS 102, the Company will be exempt from presentation of a cash flow statement in its next annual financial statements as it will be included in the consolidated financial statements of Canary Wharf Group Investing Holdings plc, and accordingly the Company has taken an equivalent exemption in preparing these condensed interim financial statements.

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	Unaudited 6 months ended 30 June 2025 £	Unaudited 6 months ended 30 June 2024 £
Bank interest receivable	3,240	17,612
Interest receivable from Group undertakings	29,796,650	31,334,505
	29,799,890	31,352,117

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Unaudited 6 months ended 30 June 2025 £	Unaudited 6 months ended 30 June 2024 £
Interest payable on securitised debt (Note 8)	29,760,925	31,325,250
Hedge reserve recycling	5,062,483	5,042,960
	34,823,408	36,368,210

Included within interest payable on securitised debt is £763,715 (June 2024 – £828,773) amortisation of issue premium. The hedge reserve recycling relates to the release of accumulated historic fair value movements on derivative financial instruments that were part of an effective cash flow hedge.

4. FAIR VALUE ADJUSTMENTS

	Unaudited 6 months ended 30 June 2025 £	Unaudited 6 months ended 30 June 2024 £
Derivative financial instruments (Note 8)	6,208,936	(40,622,650)
Securitised debt (Note 8)	16,634,945	35,483,466
Loan to fellow subsidiary undertaking (Note 6)	(22,843,881)	5,139,184
	–	–

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

5. TAXATION

	Unaudited 6 months ended 30 June 2025 £	Unaudited 6 months ended 30 June 2024 £
Tax charge		
Current tax chargeable to income	–	–
	<u>–</u>	<u>–</u>
Tax reconciliation		
Loss on ordinary activities before taxation	(5,053,553)	(5,086,693)
	<u> </u>	<u> </u>
Tax on loss at UK corporation tax rate of 25.0% (30 June 2024: 25.0%):	(1,263,388)	(1,271,673)
Effects of:		
Fair value movements	1,265,621	1,260,740
Group relief (claim) /surrender	(2,233)	10,933
	<u> </u>	<u> </u>
	<u>–</u>	<u>–</u>

6. DEBTORS

	Unaudited 30 June 2025 £	Audited 31 December 2024 £
Due within one year:		
Loan to fellow subsidiary undertaking	18,543,912	18,543,910
Accrued interest on loan to fellow subsidiary undertaking	11,881,280	12,140,191
Amounts owed by fellow subsidiary undertakings	2,900,760	2,891,559
	<u>33,325,952</u>	<u>35,575,660</u>
Due after more than one year:		
Loan to fellow subsidiary undertaking	963,296,790	951,493,272
	<u>963,296,790</u>	<u>951,493,272</u>

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

6. DEBTORS (Continued)

The loan to a fellow subsidiary undertaking comprises:

	Unaudited 30 June 2025 £	Audited 31 December 2024 £
Brought forward	970,037,182	1,280,561,787
Repaid in period	(9,271,956)	(325,526,905)
Amortisation of issue premium	(763,715)	(1,348,326)
Accrued financing expenses	(1,004,690)	(2,027,194)
Fair value adjustment	22,843,881	18,377,820
Carried forward	<u>981,840,702</u>	<u>970,037,182</u>
Receivable within one year or on demand	18,543,912	18,543,910
Receivable after more than one year	963,296,790	951,493,272
	<u>981,840,702</u>	<u>970,037,182</u>

The loans to a fellow subsidiary undertaking bear fixed rates of interest between 5.41% and 7.07% and are repayable in instalments between 2005 and 2037.

Other amounts owed by Group companies are non-interest bearing and repayable on demand.

The A7, B3 C2 and D2 tranches of the intercompany loan are carried at fair value. The A1, A3 and B tranches are carried at amortised cost (see Note 8). The total fair value of the loans to fellow subsidiary undertakings at 30 June 2025 was £975,816,060 (31 December 2024 – £973,174,715), calculated by reference to the fair values of the Company's financial liabilities. In the event that the Company were to realise the fair value of the securitised debt and the derivative financial instruments, it would have the right to recoup its losses as a repayment premium on its loans to CW Lending II Limited. As such, the fair value of the loans to Group undertakings is calculated to be the sum of the fair value of the securitised debt and the fair value of the derivative financial instruments. The carrying value of financial assets represents the Company's maximum exposure to credit risk.

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

7. CREDITORS: Amounts falling due within one year

	Unaudited 30 June 2025 £	Audited 31 December 2024 £
Securitised debt (Note 8)	18,543,912	18,543,912
Accruals and deferred income	11,988,042	12,199,521
Trade creditors	350	7,500
	30,532,304	30,750,933

Amounts owed to group undertakings are interest free and repayable on demand.

8. CREDITORS: Amounts falling due after more than one year

	Unaudited 30 June 2025 £	Audited 31 December 2024 £
Securitised debt	922,762,371	917,167,787
Derivative financial instruments	40,534,421	34,325,485
	963,296,792	951,493,272

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

8. CREDITORS: Amounts falling due after more than one year (Continued)

The amounts at which borrowings are stated comprise:

	Unaudited 30 June 2025 £	Audited 31 December 2024 £
Brought forward	935,711,699	1,197,018,834
Repaid in period	(9,271,956)	(325,526,905)
Amortisation of issue premium	(763,715)	(1,348,326)
Accrued financing expenses	(1,004,690)	(2,027,194)
Loan fair value adjustment	16,634,945	67,595,290
Carried forward	<u>941,306,283</u>	<u>935,711,699</u>
Payable within one year or on demand	18,543,912	18,543,912
Payable after more than one year	922,762,371	917,167,787
	<u>941,306,283</u>	<u>935,711,699</u>

The principal terms of the Company's borrowings are:

Tranche	Principal £m	Interest	Hedged rate	Repayment
A1	62.9	6.455%	–	By instalment 2009-2033
A3	208.0	5.952%	–	By instalment 2024-2037
A7	222.0	SONIA+0.594%	5.399%	January 2035
B	96.8	6.800%	–	By instalment 2005-2030
B3	77.9	SONIA+0.819%	5.583%	January 2035
C2	239.6	SONIA+1.494%	6.267%	January 2035
D2	125.0	SONIA+2.219%	7.061%	January 2035
	<u>1,032.2</u>			

The class A1, A3 and B notes were issued at a premium which is being amortised to the income statement on a straight-line basis over the life of the relevant notes. At 30 June 2025 £7,002,013 (31 December 2024 – £7,765,728) remained unamortised.

The notes are secured on 5 properties at Canary Wharf, owned by fellow subsidiary undertakings, and the rental income stream therefrom. The 5 properties are 1 Canada Square, 33 Canada Square, 20 Bank Street, 40 Bank Street and 20 Cabot Square/10 South Colonnade.

The Company uses interest rate swaps to hedge exposure to the variability in cash flows on floating rate debt caused by movements in market rates of interest. The hedged rates of the floating notes, including the margins, are between 5.40% and 7.06%.

CANARY WHARF FINANCE II PLC

NOTES TO THE INTERIM REPORT for the 6 months ended 30 June 2025 (Continued)

8. CREDITORS: Amounts falling due after more than one year (Continued)

The floating rate notes are carried at fair value through profit or loss. The fixed rate notes are carried at amortised cost. The total fair value of the securitised debt at 30 June 2025 was £935,281,639 (31 December 2024 – £938,849,230). The fair values of the sterling denominated notes have been determined by reference to prices available on the market on which they are traded.

At 30 June 2025, the fair value of the interest rate derivatives resulted in the recognition of a liability of £40,534,421 (31 December 2024 – £34,325,485). The fair values of the derivative financial instruments have been determined by reference to the market values provided by a third-party valuer.

The securitisation continues to have the benefit of an arrangement with AIG which covers the rent in the event of a default by the tenant of 33 Canada Square over the entire term of the lease. At 30 June 2025, AIG had posted £25,035,205 as cash collateral in respect of this obligation.

9. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Company had given security over all its assets, including security expressed as a first fixed charge over its bank accounts, to secure the notes referred to in Note 8.

10. CONTROLLING PARTY

The Company's immediate parent undertaking is Canary Wharf Finance Holdings Limited. As at 30 June 2025, the smallest group of which the Company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The largest group of which the Company is a member for which group financial statements are drawn up is the consolidated financial statements of Stork Holdco LP, an entity registered in Bermuda and the ultimate parent undertaking and controlling party. Stork Holdco LP is registered at 73 Front Street, 5th Floor, Hamilton, HM12, Bermuda.

Stork Holdco LP is controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.