



Madrid, 8 October 2025

Millenium Hospitality Real Estate, SOCIMI, S.A., under the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 228 of the revised text of the Stock Market Act, approved by Royal Legislative Decree 4/2015 of 23 October, and related provisions, as well as Circular 3/2020 of the BME Growth segment of BME MTF Equity ("BME Growth"), hereby reports the following

OTHER RELEVANT INFORMATION

- Limited Review Report on the Consolidated Abridged Interim Financial Statements for the six-month period ending 30 June 2025.
- Consolidated Abridged Interim Financial Statements and Consolidated Interim Management Report for the six-month period ending 30 June 2025.
- Individual Interim Balance Sheet and Profit and Loss Account for the six-month period ending 30 June 2025.

The above documentation is also available to the market on the Company's website (www.mhre.es).

In accordance with the provisions of BME Growth Circular 3/2020, it is hereby stated that the information communicated herein has been prepared under the sole responsibility of the Company and its directors

We remain at your disposal for any further clarifications you deem appropriate.

Sincerely,

Borja Escalada

CEO

MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI SA

Report on Limited Review

MILLENIUM HOSPITALITY REAL
ESTATE SOCIMI, S.A. AND
SUBSIDIARIES

Interim Condensed Consolidated
Financial Statements and Interim
Consolidated Management Report
for the six-months ended
June 30, 2025



The better the question.
The better the answer.
The better the world works.



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REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Translation of a report and condensed consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A, at the request of the Directors

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements of MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. (from now on, the Parent) and subsidiaries (from now on, the Group), which consists of the consolidated statement of financial position, the separate interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated cash flow statement and the explanatory notes to the interim condensed consolidated financial statements for the 6-months period ended June 30, 2025. The directors are responsible for the preparation of the Company's interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed consolidated financial information and for such internal control as they determine is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on said interim condensed consolidated financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited 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 limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain 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 on the accompanying interim condensed consolidated financial statements.

Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim condensed consolidated financial statements for the six-months ended at June 30, 2025 are not prepared, in all material respects, in conformity with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed consolidated financial statements.



Emphasis of matter

We draw attention to the matter described in accompanying explanatory note 2.1, which indicates that the abovementioned interim condensed consolidated financial statements do not include all the information that would be required for complete financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and therefore, the accompanying interim condensed consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2024. This matter does not modify our conclusion.

Other information

The accompanying interim consolidated management report for the six months ended June 30, 2025, contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on the interim condensed consolidated financial statements. We have checked that the accounting information included in the aforementioned interim consolidated management report agrees with the interim condensed consolidated financial statements for the six months ended June 30, 2025. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. and its subsidiaries.

Other matters

This report was prepared at the request of the Board of Directors of the parent in connection with the publication of the semi-annual financial report required by Circular 3/2020 of Bolsas y Mercados Españoles Sistemas de Negociación, S.A. (BME Growth) on "Information to be provided by expanding companies incorporated for trading in the segment BME Growth of BME MTF Equity".

We will not accept any responsibility from any third parties different to the addressees of this report.

ERNST & YOUNG, S.L.

(signed on the original version In Spanish)

María Teresa Pérez Bartolomé

October 8, 2025



MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. AND SUBSIDIARIES

Interim condensed consolidated financial statements and interim consolidated management report for the six-month period ended June 30, 2025

**Interim consolidated statement of financial position at
June 30, 2025**

(In euros)

ASSETS	Notes	6/30/2025	12/31/2024
NON-CURRENT ASSETS		567,712,569	695,015,228
Intangible assets	7	72,362	78,424
Goodwill	7	931,841	931,841
Property, plant, and equipment	7	4,238,832	18,228,386
Investment properties	8	557,325,367	670,529,277
Financial investments	9	2,998,071	3,099,052
Trade receivables	9	2,146,096	2,148,248
CURRENT ASSETS		233,163,174	86,439,001
Inventories	10	511,162	1,670,262
Trade and other receivables		5,527,081	6,152,653
Trade receivables	9	4,485,230	4,176,256
Other receivables	9	411,060	294,995
Receivable from public administrations	15	630,791	1,681,402
Financial investments	9	9,883,703	4,805,712
Other current assets	9	877,622	682,911
Cash	11	40,839,041	21,127,463
Cash equivalents		-	52,000,000
Assets held for sale	6	175,524,565	-
TOTAL ASSETS		800,875,743	781,454,229
EQUITY AND LIABILITIES		6/30/2025	12/31/2024
EQUITY		574,702,438	545,495,579
Capital and reserves		575,807,397	546,397,878
Share capital	12.1	116,032,487	116,032,487
Share premium	12.2	341,887,362	341,887,362
Reserves and retained earnings	12.3	89,695,721	78,589,212
Shares of the Parent company	12.4	(1,241,736)	(1,265,321)
Profit for the period attributed to the Parent company		29,433,563	11,154,138
Unrealized gains (losses) reserve	12.5	(1,104,959)	(902,299)
NON-CURRENT LIABILITIES		173,247,186	167,361,729
Borrowings		172,967,281	164,847,435
Bank borrowings	13.1	166,225,508	158,032,026
Finance lease payables	13.1	-	18,542
Derivatives	13.1	234,225	-
Other financial liabilities	13.2	6,507,548	6,796,867
Deferred tax liabilities	15	279,905	2,514,294
CURRENT LIABILITIES		52,926,119	68,596,921
Borrowings		27,289,092	45,698,106
Bank borrowings	13.1	26,886,636	45,299,294
Finance lease payables	13.1	-	4,812
Other financial liabilities	13.2	402,456	394,000
Trade and other payables		11,174,154	22,702,027
Suppliers and other payables	13.3	8,645,207	17,544,553
Employee benefits payable (remuneration pending payment)	13.3	1,141,673	3,168,022
Payables to public administrations	15	958,157	846,413
Customer advances	13.3	429,117	1,143,039
Other current liabilities	13	150,616	196,788
Liabilities associated with assets held for sale	6	14,312,257	-
TOTAL EQUITY AND LIABILITIES		800,875,743	781,454,229

The accompanying Notes 1 to 20 are an integral part of the interim consolidated statement of financial position at June 30, 2025.

**Separate interim consolidated statement of profit or loss for the
six-month period ended June 30, 2025**

(In euros)

	Notes	6/30/2025	6/30/2024 (*)
Continuing operations			
Revenue		13,351,431	9,908,102
Lease income	8.4 & 17.1	11,054,362	8,444,471
Rendering of services	17.1	2,297,069	1,463,631
Cost of sales		(357,443)	(184,548)
Other operating income		860,736	508,928
Work performed by the Group and capitalized	8	361,473	-
Employee benefits expense	17.2	(2,295,448)	(3,628,645)
Other operating expenses		(3,830,226)	(3,610,107)
External services	17.3	(2,832,426)	(2,583,023)
Taxes (other than income tax)	17.4	(997,800)	(1,027,083)
Impairment losses on accounts receivable	9.1	(198,296)	65,639
Change in fair value of investment properties	8	30,028,860	3,578,445
Depreciation and amortization	7	(279,452)	(87,599)
Impairment losses and gains (losses) on disposal of non-current assets		-	(1,477,097)
Impairment and losses		-	(1,093)
Gains (losses) on disposals		-	(1,476,003)
Other gains (losses)		37,686	189,450
OPERATING PROFIT		37,679,321	5,262,568
Finance income	17.5	648,879	432,216
From marketable securities & other financial instruments		648,879	432,216
Finance costs	17.6	(3,328,395)	(3,634,968)
Third-party borrowings		(3,328,395)	(3,634,968)
Changes in fair value of financial instruments	9.2 & 13.4	(84,501)	229,657
Exchange gains (losses)		4,413	2,851
Impairment and gains (losses) on disposal of financial instruments	9.2	(2,255)	278,667
FINANCE COST		(2,761,859)	(2,691,576)
PROFIT BEFORE TAX		34,917,462	2,570,992
Corporate income tax	15	-	-
PROFIT FOR THE PERIOD		34,917,462	2,570,992
DISCONTINUED OPERATIONS		(5,483,899)	(491,347)
Profit (loss) for the period from discontinued operations	6	(5,483,899)	(491,347)
Profit for the period attributed to the Parent company		29,433,563	2,079,645
Profit for the period attributed to non-controlling interests		-	-
EARNINGS PER SHARE			
Basic earnings per share	5	0.25	0.02

(*) Restated figures (Note 2.5)

The accompanying Notes 1 to 20 are an integral part of the separate interim consolidated statement of profit or loss for the six-month period ended June 30, 2025.

**Interim consolidated statement of comprehensive income for
the six-month period ended June 30, 2025**

(In euros)

	Notes	6/30/2025	6/30/2024
Consolidated profit for the period (I)		29,433,563	2,079,645
Income and expense recognized directly in consolidated equity			
From cash flow hedges	9.2 & 13.4	(202,660)	75,730
Total income and expense recognized directly in consolidated equity (II)		(202,660)	75,730
Amounts transferred to the separate consolidated statement of profit or loss			
From cash flow hedges		-	-
Total amounts transferred to the separate consolidated statement of profit or loss (III)		-	-
Total consolidated income and expense recognized (I+II+III)		29,230,903	2,155,375
Total consolidated income and expense recognized and attributed to the Parent company		29,230,903	2,155,375
Total consolidated income and expense recognized and attributed to non-controlling interests		-	-

The accompanying Notes 1 to 20 are an integral part of the interim consolidated statement of comprehensive income for the six-month period ended June 30, 2025.

**Interim consolidated statement of changes in equity
for the six-month period ended
June 30, 2025**

(In euros)

	Share capital (Note 12.1)	Share premium	Reserves and retained earnings (Note 12.2)	Shares of the Parent company (Note 12.3)	Profit (loss) for the period attributed to the Parent company	Unrealized gains (losses) reserve (Note 9.2)	Total
Balance at December 31, 2023	116,032,487	341,887,362	82,511,971	(1,101,380)	(2,926,723)	(789,738)	535,613,979
Consolidated income and expense recognized	-	-	-	-	2,079,645	75,730	2,155,375
Transactions with partners or owners:	-	-	(64,436)	(40,966)	-	-	(105,402)
Transactions with shares of the Parent company (net)	-	-	(64,436)	(40,966)	-	-	(105,402)
Other changes	-	-	(883,515)	-	-	-	(883,515)
Other changes in equity	-	-	(2,926,723)	-	2,926,723	-	-
Balance at June 30, 2024	116,032,487	341,887,362	78,637,297	(1,142,346)	2,079,645	(714,008)	536,780,437
Balance at December 31, 2024	116,032,487	341,887,362	78,589,212	(1,265,321)	11,154,138	(902,299)	545,495,579
Consolidated income and expense recognized	-	-	-	-	29,433,563	(202,660)	29,230,903
Transactions with partners or owners:	-	-	(47,629)	23,585	-	-	(24,044)
Transactions with shares of the Parent company (net)	-	-	(47,629)	23,585	-	-	(24,044)
Other changes in equity	-	-	11,154,138	-	(11,154,138)	-	-
Balance at June 30, 2025	116,032,487	341,887,362	89,695,721	(1,241,736)	29,433,563	(1,104,959)	574,702,438

The accompanying Notes 1 to 20 are an integral part of the interim consolidated statement of changes in equity for the six-month period ended June 30, 2025.

Interim consolidated cash flow statement for the six-month period ended June 30, 2025

(In euros)

	Notes	6/30/2025	6/30/2024 (*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		29,433,563	2,079,645
Profit for the period from continuing operations		34,917,462	2,570,992
Profit (loss) for the period from discontinued operations	6	(5,483,899)	(491,347)
Adjustments to profit		(26,826,941)	422,739
Depreciation and amortization (+)	7	279,452	87,599
Impairment losses on accounts receivable	9.1	198,296	(65,639)
Gains (losses) from derecognition and disposal of financial instruments (+/-)	9.2	2,255	(278,667)
Gains (losses) from derecognition and disposal of non-current assets (+/-)		-	1,477,097
Finance income (-)	17.5	(648,879)	(432,216)
Finance costs (+)	17.6	3,328,395	3,634,968
Exchange gains (losses) (+/-)		(4,413)	(2,851)
Change in fair value of financial instruments (+/-)	9.2 & 13.4	84,501	(229,657)
Change in fair value of investment properties (+/-)	8	(30,028,860)	(3,578,445)
Other income and expenses (-/+)		(37,688)	(189,450)
Change in working capital		(1,076,417)	(2,323,105)
(Increase) decrease in inventories		875,244	(239,129)
(Increase) decrease in trade and other receivables		(1,322,926)	(3,777,143)
(Increase) decrease in other current assets		607,439	571,650
(Increase) decrease in trade and other payables		(474,299)	755,501
(Increase) decrease in other current liabilities		438,215	366,016
Other non-current assets and liabilities (+/-)		(1,200,090)	-
Other cash flows from operating activities		(4,242,016)	(3,435,495)
Interest paid (-)		(3,014,016)	(3,332,664)
Other payments (receipts) (-/+)		(1,228,000)	(102,831)
Cash flows from operating activities		(2,711,811)	(3,256,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments (-)		(22,284,192)	(38,373,729)
Intangible assets	7	(2,606)	(25,781)
Property, plant, and equipment	7	(37,089)	
Investment properties	8	(6,470,398)	(37,787,555)
Other financial assets		(5,044,966)	(560,393)
Non-current assets held for sale		(10,729,133)	-
Proceeds from disinvestments (+)		-	34,568,416
Other financial assets		-	4,668,416
Non-current assets held for sale		-	29,900,000
Cash flows from (used in) investing activities		(22,284,192)	(3,805,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		(24,044)	(988,917)
Acquisition of own equity instruments (-)		(24,044)	(988,917)
Proceeds from and payments of financial liability instruments		30,486,025	(1,265,235)
Issues		30,486,025	(1,265,235)
Bank borrowings (+)		30,486,025	(1,939,726)
Other borrowings (+)		-	674,491
Repayment and redemption of		(37,754,400)	(3,660,781)
Bank borrowings (-)		(37,754,400)	(3,153,599)
Other borrowings (-)		-	(507,182)
Cash flows from financing activities		(7,292,419)	(5,914,933)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(32,288,422)	(12,976,462)
Cash and cash equivalents at beginning of period	11	73,127,463	33,126,747
Cash and cash equivalents at end of period	11	40,839,041	20,150,285

(*) Restated figures (Note 2.5)

The accompanying Notes 1 to 20 are an integral part of the interim consolidated cash flow statement for the six-month period ended June 30, 2025.



MILLENNIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. AND SUBSIDIARIES

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

1. GENERAL INFORMATION ON THE GROUP

MILLENNIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. ("the Parent" or "MHRE") and subsidiaries ("the Group" or "the MHRE Group") comprise a group of companies mainly engaged in the following activities:

- a. The acquisition and promotion of urban properties for their leasing, including refurbishment activities on buildings on the terms established in Law 37/1992 of December 28, on Value Added Tax;
- b. The holding of shares or participation units in the capital of other Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI"- Spanish REIT) or in the capital of other non-resident companies in Spain which have the same corporate purpose as the SOCIMIs and are subject to a regime similar to the one established for SOCIMIs as far as legally required or bylaw-stipulated policies regarding distribution of profits are concerned;
- c. The holding of shares or participation units in the capital of other resident or non-resident entities in Spain whose main corporate purpose is the acquisition of urban properties for their leasing, and which are subject to the same regime as the SOCIMIs as far as legally required or bylaw-stipulated policies regarding distribution of profits are concerned, and which fulfill the investment requirements established in article 3 of Law 11/2009 of October 26, regulating SOCIMIs (Note 1.1);
- d. The holding of shares or participation units in Collective Property Investment Institutions regulated by Law 35/2003 of November 4, or the regulations which replace said law in the future; and
- e. Other activities complementary to the above, understood as those which taken as a whole represent less than 20% of the Group's revenue in each tax period.

These business activities are at present carried out in Spain.

The Parent was incorporated on June 6, 2017 as a private limited company, under protocol number 2.919. Its registered business and tax address has been calle Velazquez 47, 28001, Madrid, since January 9, 2025 (previously located at Paseo de la Castellana 102, 28046, Madrid).

On June 30, 2025, the shareholders in general meeting, amongst other matters, approved the modification of the Parent's name from Millenium Hospitality Real Estate SOCIMI, S.A. to Hotei Properties Group SOCIMI, S.A. This change had not yet been filed at the Mercantile Registry at the date of authorization of these interim condensed consolidated financial statements.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

The subsidiaries which together with the Parent form a part of the consolidation scope at June 30, 2025 are broken down as follows:

Company	Registered address	Business activity	Group company owning the interest	% of direct ownership interest	Auditor	Consolidation method	Functional currency
Varia Pza Magdalena, S.L.U.	Calle Velazquez 47, Madrid	(*)	MHRE	100%	Ernst & Young, S.L.	Full consolidation	Euros
Alcaidesa Holding, S.A.U. (a)	Calle Velazquez 47, Madrid	(**)	MHRE	100%	Ernst & Young, S.L.	Full consolidation	Euros
MHRE San Roque, S.L.U. (a)	Calle Velazquez 47, Madrid	(*)	MHRE	100%	Ernst & Young, S.L.	Full consolidation	Euros
Hotel Villa Miraconcha, S.L.U.	Avenida de la Libertad 25, San Sebastián	(****)	MHRE	100%	Unaudited	Full consolidation	Euros
Global Kioto, S.L.U.	Calle Velazquez 47, Madrid	(****)	MHRE	100%	Unaudited	Full consolidation	Euros
GreenShank, S.L.	Calle Velazquez 47, Madrid	(***)	MHRE	77%	Unaudited	Full consolidation	Euros

(*) Acquisition and promotion of urban investment properties for leasing activities

(**) Acquisition, holding, use, and transformation of properties as well as other related activities; all types of transactions relating to urban properties and the organization of appropriate services for such purposes; the performance of those leisure, sports, and recreational activities or the rendering of services which contribute to the commercial development of the aforementioned operations; as well as the construction, holding, administration, management, control, and operation of golf courses, including advisory services.

(***) The incorporation, direct or indirect investment in the management and control of other companies or enterprises. The acquisition, disposal, holding, and exploitation of investment properties.

(****) The operation of an accommodation and lodging services business in the form of a hotel.

(a) Sold on July 31, 2025.

The breakdown of the consolidation scope at December 31, 2024 and the corresponding movements during 2024 are disclosed in Note 1 to the consolidated financial statements for FY 2024.

The subsidiaries use the same reporting periods as the Parent.

The Parent and all its subsidiaries (except for Global Kioto, S.L.U., Hotel Villamiraconcha, S.L.U., and Greenshank, S.L.) are regulated by Law 11/2009 of October 26, modified by Law 16/2012 of December 27, and Law 11/2021 of July 9, regulating SOCIMIs (Note 1.1).

Given the Group's activity, it has no environmental expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position or results. Thus, specific environmental disclosures are not provided in the interim condensed consolidated financial statements.

The Group's functional currency is the euro as this is the currency of the primary economic area in which the Group companies operate.



MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. AND SUBSIDIARIES

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

1.1. SOCIMI regime (Spanish REIT)

At June 30, 2025, the Parent and its subsidiaries (except for Global Kioto, S.L.U. Hotel Villamiraconcha, S.L.U., and Greenshank, S.L.) are regulated by Law 11/2009 of October 26, modified by Law 16/2012 of December 27, and Law 11/2011 of July 9, regulating SOCIMIs ("the SOCIMI Law").

The information relating to the application of the SOCIMI tax regime by each Group company is disclosed in Note 1.1 to the consolidated financial statements for FY 2024.

Article 3 of the SOCIMI Law establishes the following investment requirements for this type of company:

- The SOCIMIs must invest at least 80% of their assets in urban properties dedicated to rental activities or land dedicated to the promotion of properties which will be used for that purpose, provided that the promotion is initiated within the three years following acquisition; or in stakes held in the share capital or equity of the other entities referred to in section 1 of article 2 of the aforementioned SOCIMI Law.

The value of the assets shall be determined in accordance with the average of the consolidated quarterly balances of the year. When calculating said amount, the SOCIMI can opt to substitute carrying amounts with the market value of the items making up said balances, applicable to all consolidated balances of the year. For these purposes, this calculation does not include the money or credit rights arising from the transfers of said properties or stakes carried out in the same year or prior years, provided that, in the latter case, the reinvestment period to which article 6 of the SOCIMI Law refers has not elapsed.

- Likewise, at least 80% of income generated during the tax period corresponding to each year, excluding revenue arising from the transfer of stakes and urban properties dedicated to fulfilling the corporate purpose, once the maintenance period to which the next section refers has elapsed, must arise from property leasing and dividends or shares in profit arising from said stakes.

This percentage shall be calculated over the consolidated results, should the SOCIMI be the parent of a group as per the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated financial statements. Said group will exclusively be made up of SOCIMIs and the remaining entities to which section 1 of article 2 of the SOCIMI Law refers.

- The investment properties which make up the assets of the SOCIMI must be leased during at least three years. For purposes of calculation, the time periods for which the properties have been offered for leasing will be added up to a maximum of one year. The time period shall be calculated as follows:

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

- In the case of investment properties which make up the equity of the SOCIMI before availing itself of the regime, from the date of initiating the first tax period in which the special tax regime will be applied as established in the SOCIMI Law, provided that at said date it is being leased or is being offered for leasing. Otherwise, the following will apply:
- In the case of investment properties promoted or acquired subsequently by the SOCIMI, from the date on which they were leased or offered for leasing for the first time.
- In the case of shares or participation units in entities to which section 1 of article 2 of the SOCIMI Law refers, they must be maintained as assets of the SOCIMI for at least three years counting from the acquisition date or, if applicable, from the beginning of the first tax period in which the special tax regime established in the SOCIMI Law is applied.

In addition, the SOCIMI Law establishes the following obligations:

- The shares of the SOCIMI must be admitted to trading on a regulated market or a multilateral trading system (a requisite which is not applicable to a sub-SOCIMI).
- The minimum capital required amounts to 5 million euros, the shares must be bearer shares and there can only be one type of share (a requisite which is not applicable to a sub-SOCIMI).
- The SOCIMI is obliged to distribute profits obtained during the year in the form of dividends to its shareholders, once the corresponding mercantile obligations have been fulfilled, and must agree upon the distribution within six months subsequent to the closing of each reporting period, as indicated in Note 3.

Failure to comply with the requirements established in the SOCIMI Law for applying said regime will result in the SOCIMI filing its tax return under the general regime for companies starting from the tax period in which said non-compliance occurs, unless corrected in the subsequent year. In addition, the SOCIMI is obliged to pay, together with the tax payable for said tax period, the difference between the amount resulting from applying the general tax regime and the amount paid which resulted from applying the special tax regime for previous periods, without prejudice to any late payment interest, surcharges and fines which may be applicable.

The corporate income tax rate for SOCIMIs is fixed at 0%. However, when the dividends distributed by the SOCIMI to its shareholders with a stake greater than 5% are exempt or file taxes at a rate less than 10%, the SOCIMI will be subjected to a special rate of 19%, which will be considered the corporate tax rate, on the amount of the dividend distributed to said shareholders. Should it be applicable, this special tax must be settled by the SOCIMI within two months from the date on which the dividends were distributed. In addition, effective for the tax periods starting from January 1, 2022, in accordance with the modification introduced



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

by the second final provision of Law 11/2021, of July 9, the SOCIMI shall be subject to a special tax rate of 15% on the amount of profits obtained during the year which are not used for distribution, provided that the revenue was not taxed at the general corporate income tax rate and the revenue is not subject to the regulated reinvestment period in letter b) of section 1 in article 6 of the SOCIMI Law. Said tax rate shall be considered as the corporate income tax rate.

At June 30, 2025, the Parent and the subsidiaries to which it is applicable, fulfill the requirements established in the SOCIMI Law (same situation as at December 31, 2024).

2. BASIS OF PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1. Financial reporting framework applicable to the Group

The interim condensed consolidated financial statements of the Group for the six-month period ended June 30, 2025 were prepared in accordance with the regulatory framework for financial information as established in:

- The International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Standards Committee (IFRIC) adopted by the EU, in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and Council and subsequent modifications (together, "the IFRS-EU")
- Law 11/2009 of October 26, which regulates SOCIMIs with respect to disclosure requirements in the explanatory notes
- Circular 3/2020 of Bolsas y Mercados Españoles (Spanish Exchanges and Stock Markets -"BME" in its Spanish acronym) on "Information to be provided by companies listed on the BME Growth segment of BME MTF Equity"
- The Spanish Commercial Code and remaining applicable Spanish mercantile legislation.

The accompanying interim condensed consolidated financial statements were prepared by the directors of the Parent and reviewed by Ernst & Young, S.L. for their publication in accordance with Circular 3/2020 of the BME on "Information to be provided by companies listed on the BME Growth segment of BME MTF Equity" and the International Accounting Standard (IAS) 34 on Interim Financial Reporting.

In keeping with IAS 34, the interim financial information has been prepared solely for the purpose of providing an update with respect to the last complete set of annual consolidated financial statements authorized for issue and accordingly focuses on new activities, events and circumstances arising in the period. It does not, therefore, duplicate the information previously reported in the annual consolidated financial statements. Thus, the interim condensed consolidated financial statements at June 30, 2025 do not include all the information required for complete consolidated financial statements prepared in accordance with IFRS-EU, so that the accompanying interim condensed consolidated financial

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

statements must be read together with the Group's annual consolidated financial statements for the year ended December 31, 2024, which were audited by Ernst & Young, S.L. and approved by the ordinary and extraordinary general shareholder meeting held on June 30, 2025.

2.2. Changes in accounting policies

a) Standards and interpretations approved by the European Union and applied for the first time during the current reporting period

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended December 31, 2024, as none of the standards, interpretations or amendments that are effective for the first time in the current year have had any impact on the Group's accounting policies.

b) Standards and interpretations issued by the IASB not yet applicable in the current reporting period

The Group intends to apply the standards, interpretations, and amendments to standards issued by the IASB, not mandatory in the European Union, when they become effective and to the extent applicable. Although the Group is still in the process of analyzing their impact, based on the analysis performed to date, it estimates that their initial application will not have a significant impact on its interim condensed consolidated financial statements.

2.3. True and fair view

The interim condensed consolidated financial statements have been prepared based on the auxiliary accounting records of the companies included in the consolidation scope in accordance with prevailing accounting legislation to give a true and fair view of the Group's consolidated equity and consolidated financial position at June 30, 2025, and consolidated results, consolidated changes in equity, and consolidated cash flows corresponding to the six-month period then ended.

All figures included in the interim condensed consolidated financial statements are expressed in euros, unless stated otherwise.

2.4. Critical issues concerning the measurement and estimation of uncertainty

The directors of MHRE have prepared the Group's interim condensed consolidated financial statements using estimates to determine the carrying amounts of certain assets, liabilities, income, and expenses, as well as related disclosures. Those estimates were made on the basis of the best available information at the reporting date. However, given the uncertainty inherent in these estimates, future events could oblige the Group to modify them in subsequent periods. Any such modifications would be done prospectively, as established in IAS 8.



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

In addition to other relevant information regarding estimation of uncertainty at the closing date for the period, the key assumptions regarding the future which represent a considerable risk that the carrying amounts of assets and liabilities may require significant adjustments in the next period, are as follows:

- Compliance with the SOCIMI tax regime (Note 1.1)
- Valuation of investment properties (Note 8)

2.5. Comparison of information

In accordance with IFRS-EU, for comparative purposes, for each of the items included in the interim consolidated statement of financial position for the year ended December 31, 2024, and for each of the items included in the separate interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, and the interim consolidated cash flow statement, the corresponding figures for the same period in the prior year are also presented.

As indicated in Note 6, due to the sale of the assets associated with Alcaidesa Holding, S.A.U. relating to golf activities, included in the "*other activities*" segment, at June 30, 2025, the income and expenses associated with said segment were classified under "*Profit (loss) for the period from discontinued operations*" in the separate interim consolidated statement of profit or loss. Thus, the figures for the six-month period ended June 30, 2024 were restated in order to make the separate interim consolidated statements of profit or loss and the interim consolidated cash flow statements comparable.

2.6. Consolidation principles

The consolidation and measurement standards used by the Group to prepare its interim condensed consolidated financial statements are the same as those disclosed in Note 2.6 to the consolidated financial statements for FY 2024.

2.7. Seasonal nature of Group transactions

Given the nature of the activities performed by the Group companies, the transactions carried out are not especially cyclical or seasonal in nature. Consequently, the notes to the accompanying interim condensed consolidated financial statements for the six-month period ended June 30, 2025 do not include specific seasonality disclosures.

2.8. Recognition and measurement standards

The accounting policies applied in the accompanying interim condensed consolidated financial statements at June 30, 2025 are consistent with those applied in the preparation of the consolidated annual financial statements at December 31, 2024, details of which are included in Note 4 to said consolidated annual financial statements, except for the recognition and measurement policy relating to discontinued operations, which is described below.



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

2.8.1 Discontinued operations

The business line relating to the golf activity which the Group decided to discontinue and dispose of is classified under "Discontinued operations." Income and expenses from this business activity are included as a one-line item under "*Profit (loss) for the period from discontinued operations.*"

3. DISTRIBUTION OF RESULTS AND CAPITAL MANAGEMENT

As indicated in Note 1.1, MHRE and other Group companies have availed themselves of the special tax regime established in the SOCIMI Law. In accordance with said Law, the SOCIMIs are obliged to distribute gains obtained during the year to their shareholders in the form of dividends, once the corresponding mercantile obligations have been fulfilled, and must agree upon the distribution within the six months subsequent to the closing of each reporting period, as follows:

- a) 100% of the gains arising from dividends or profit-sharing based on interests held in other SOCIMIs or other interests whose main corporate purpose is the acquisition of urban properties.
- b) At least 50% of the gains arising from transfer of properties and shares or participation units to which section 1 of article 2 of the SOCIMI Law refers, realized once the deadlines have elapsed to which section 3 of article 3 of this Law refers, relating to compliance with the main corporate purpose. The remaining gains must be reinvested in other properties or interests relating to compliance with the corporate purpose within three years subsequent to the transfer date. In default thereof, said gains must be distributed in their entirety together with the gains, if any, which arise in the year in which the reinvestment period ends. If the items subject to reinvestment are transferred within the holding period, any corresponding gains must be distributed in their entirety together with the gains, if any, which arise from the year in which they were transferred. The obligation to distribute does not affect the portion of those gains attributable to years in which the Group did not file taxes under the special tax regime established in the SOCIMI Law.
- c) At least 80% of the remaining gains obtained.

When the distribution of dividends is performed with a charge against reserves arising from gains obtained during a year in which the special tax regime was applied, the distribution will obligatorily be adopted with the agreement to which the previous section refers.

MHRE is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of share capital. Unless the balance of this reserve exceeds said amount, it cannot be distributed to shareholders.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

In accordance with the stipulations of the SOCIMI Law, MHRE's bylaws do not establish any other restricted reserve apart from the legal reserve (Note 12.3).

4. CALCULATION OF FAIR VALUE

The Group applies the criteria disclosed in Note 4.20 to the consolidated financial statements for FY 2024 when calculating fair value for assets and liabilities.

The disclosures relating to the fair value of financial instruments and non-financial assets measured at fair value or for which fair value is disclosed, are included in the following notes:

- Investment properties (Note 8)
- Financial investments (Notes 9.2 and 13.4)

The following table shows the fair value hierarchy for the Group's assets:

	Date of measurement	Fair value measurement used (Euros)			
		Total	Quoted value on active markets (Level 1)	Significant observable variables (Level 2)	Significant unobservable variables (Level 3)
6/30/2025					
Assets measured at fair value					
Investment properties					
Operational hotels (Note 8)	6/30/2025	411,700,000	-	-	411,700,000
Hotels under development (Note 8)	6/30/2025	145,625,367	-	-	145,625,367
Assets held for sale (Note 6)	6/16/2025	161,992,154	-	-	161,992,154
Financial investments					
Derivative financial instruments (Note 9.2)	6/30/2025	326,476	-	326,476	-
Investment funds (Note 9.2)	6/30/2025	4,257,096	-	4,257,096	-
Financial liabilities measured at fair value					
Financial investments					
Derivative financial instruments (Note 13.4)	6/30/2025	234,225	-	234,225	-

There were no transfers between Levels 1 and 2 during the six-month period ended June 30, 2025.

The table which presents the fair value hierarchy for the Group's assets and liabilities at 2024 year end is included in Note 4.20 to the consolidated financial statements for FY 2024.



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

5. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to the ordinary shareholders of MHRE by the weighted average number of ordinary shares circulating during the period, excluding treasury shares.

	6/30/2025	6/30/2024
Profit (loss) for the period attributable to shareholders of MHRE (euros)	29,433,563	2,079,645
Weighted average number of shares circulating (shares)	115,793,164	115,741,592
Basic earnings per share (euros)	0.25	0.02

Diluted earnings per share

Diluted earnings per share are calculated by adjusting profit for the year attributable to holders of MHRE's equity instruments and the weighted average number of ordinary shares circulating with all the dilutive effects inherent to potential ordinary shares, that is, as though all potentially dilutive ordinary shares had been converted.

As MHRE does not have different classes of potentially dilutive ordinary shares, no diluted earnings per share were calculated.

6. DISPOSAL GROUPS OF ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On June 16, 2025, the Board of Directors of the Parent unanimously approved the formalization of a purchase-sale contract for the sale and transfer of all shares in Alcaidesa Holding, S.A. U. and ownership interest in MHRE San Roque, S.L.U., companies which own the golf courses known as "La Hacienda Links Golf Resort" and the Fairmont La Hacienda hotel complex. Consequently, the Group classified the assets and liabilities associated with said companies under "Assets held for sale" and "Liabilities associated with assets held for sale," respectively. The income and expenses associated with the assets and liabilities of Alcaidesa Holding, S.A.U. were classified within the "other activities" segment, which is why they were classified under "Profit (loss) for the period from discontinued operations" in the separate interim consolidated statement of profit or loss at June 30, 2025.



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The breakdown of the main headings for assets and liabilities classified as held for sale at June 30, 2025 is as follows:

(Euros)	6/30/2025
Non-current assets	
PP&E (Note 7)	9,047,256
Investment properties (Notes 4 and 8)	161,992,154
Financial investments (Note 9.2)	632,451
Trade receivables	108,033
Current assets	
Inventories	283,856
Trade and other receivables	770,417
Payables to public administrations	597,786
Financial investments	6,076
Accruals	219,300
Cash and cash equivalents	1,867,236
Assets classified as held for sale	175,524,565
Non-current liabilities	
Borrowings	2,775,652
Bank borrowings (Note 13.1)	2,097,736
Finance lease payables	16,352
Other financial liabilities	661,564
Deferred tax liabilities (Note 15)	2,172,389
Current liabilities	
Borrowings	819,019
Bank borrowings (Note 13.1)	813,165
Finance lease payables	4,510
Other financial liabilities	1,344
Trade and other payables	8,060,810
Suppliers and other payables	6,897,768
Employee benefits payable	22,467
Payables to public administrations	953,417
Customer advances	187,158
Accruals	484,387
Liabilities associated with assets held for sale	14,312,257

On July 16, 2025, the shareholders of the Parent in general meeting agreed to approve the subscription of the purchase-sale contract. Subsequently, on July 31, 2025 the sale and transfer of all the shares of Alcaidesa Holding, S.A.U. and ownership interest in MHRE San Roque, S.L.U. was carried out (Note 20).

PP&E includes the elements linked to the golf courses of La Hacienda Alcaidesa Links Golf Resort, amounting to 9,047 thousand euros (Note 7).

The investment properties amounting to 161,992 thousand euros (Note 8) include the following properties:



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

Investment property	Location	Status
Alcaidesa – Casa Club (Azotea)	San Roque, Cádiz	Operating
Alcaidesa – Hoyo 10 Restaurant	San Roque, Cádiz	Operating
Hotel & Villas La Hacienda	San Roque, Cádiz	Operating

Said investment properties are leased to third parties via operating lease contracts which are described below:

- Lease of the restaurant at the Club House for the golf courses of the La Hacienda Alcaidesa Links Golf Resort for an initial obligatory duration of 7 years, including an automatic renewal of 5 years, provided the lessee fulfills the objectives for certain economic metrics at the end of the initial term. Revenue from this premise is made up of a fixed component and a variable component referenced to the operating results obtained by the restaurant.
- Lease of the Hacienda San Roque complex consisting of a hotel with 15 villas and 32 Branded Residences. The contract was subscribed for a duration of 20 years, the first 5 of which are obligatory counting from the opening date (February 21, 2025). The contract will be renewed automatically for periods of 5 years, provided the lessee complies with certain economic variables at the end of each 5-year period. Lease income from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the net operating results generated by the hotel. The lease of the Branded Residences will accrue variable income together with a minimum guaranteed amount.

The income from the aforementioned operating lease contracts amounted to 4,797,759 euros for the six-month period ended June 30, 2025 (2,315,603 euros for the same period in 2024).

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

The results corresponding to the "golf activity" were as follows:

(Thousands of euros)	6/30/2025	6/30/2024
Revenue	2,935,687	2,315,603
Operating expenses		
Cost of sales	(146,233)	(146,319)
Other operating income	30,783	39,695
Employee benefits expense	(1,160,296)	(1,117,270)
Other operating expenses	(1,209,542)	(1,051,209)
Change in fair value of investment properties (Note 8)	(1,224,474)	-
Depreciation and amortization	(247,558)	(307,626)
Impairment losses and gains (losses) on disposal of non-current assets (Note 7)	(4,461,044)	(120,241)
Finance income	83	-
Finance costs	(63,305)	(103,980)
Profit (loss) before tax	(5,545,899)	(491,347)
Corporate income tax	62,000	-
Profit (loss) for the period from discontinued operations	(5,483,899)	(491,347)

7. INTANGIBLE ASSETS, GOODWILL ON CONSOLIDATION, AND PP&E

The breakdown and movements of the different items which make up intangible assets and goodwill for the six-month period ended June 30, 2025 are as follows:

(Euros)	12/31/2024	Additions/ Allowances	Derecognitions/ Amounts applied	Transfers	6/30/2025
Cost					
Goodwill on consolidation	932,934	-	-	-	932,934
Computer software	104,586	2,606	-	-	107,192
	1,037,520	2,606	-	-	1,040,126
Accumulated amortization					
Computer software	(26,162)	(8,668)	-	-	(34,830)
	(26,162)	(8,668)	-	-	(34,830)
Impairment losses					
Goodwill on consolidation	(1,093)	-	-	-	(1,093)
	(1,093)	-	-	-	(1,093)
Net carrying amount	1,010,265				1,004,203

No significant additions were recognized during the 6-month period ended June 30, 2025.

The movements in intangible assets and goodwill during 2024 are included in Note 6 to the consolidated financial statements for FY 2024.

In accordance with the accounting policy described in Note 4.2 to the consolidated financial statements for FY 2024, at the end of each annual reporting period, or earlier if there are any indications of impairment, the Group verifies whether goodwill has suffered any impairment losses.

**Explanatory notes to the Interim condensed consolidated financial
statements of the six-month period ended June 30, 2025**

The movements in PP&E during the six-month period ended June 30, 2025 were as follows:

(Euros)	12/31/2024	Additions/ Allowances	Derecognitions/ Amounts applied	Transfers (Note 6)	6/30/2025
Cost					
Land	2,443,368	-	-	(2,443,368)	-
Buildings	16,316,265	8,057	-	(16,324,322)	-
Machinery	167,555	4,307	-	(171,862)	-
Plant	728,289	3,473	-	(402,306)	329,456
Furniture	165,122	14,481	-	(101,196)	78,407
Data processing equipment	91,339	6,771	-	(51,086)	47,024
Transport equipment	42,442	-	-	(42,442)	-
Right-of-use assets	5,172,173	-	-	-	5,172,173
PP&E under construction	31,334	-	-	(31,334)	-
	25,157,887	37,089	-	(19,567,916)	5,627,060
Accumulated depreciation					
Buildings	(1,483,252)	(201,714)	-	1,684,966	-
Machinery	(166,935)	(7,228)	-	174,163	-
Plant	(211,005)	(53,812)	-	221,908	(42,909)
Furniture	(78,087)	(17,792)	-	72,497	(23,382)
Data processing equipment	(57,431)	(8,185)	-	28,780	(36,836)
Transport equipment	(6,357)	-	-	6,357	-
Right-of-use assets	(1,055,489)	(229,612)	-	-	(1,285,101)
	(3,058,556)	(518,343)	-	2,188,671	(1,388,228)
Impairment losses					
Buildings	(3,870,945)	(4,461,044)	-	8,331,989	-
	(3,870,945)	(4,461,044)	-	8,331,989	-
Net carrying amount	18,228,386	(4,942,298)	-	(9,047,256)	4,238,832

The balance recognized for PP&E at June 30, 2025 mainly corresponds to the Group's office facilities and right-of-use assets (IFRS 16).

The transfers for the six-month period ended June 30, 2025 correspond to PP&E items linked to the golf courses of La Hacienda Alcaidesa Links Golf Resort, to which the Hoyo 10 Restaurant is associated, in the municipality of San Roque, Cádiz, classified under "Assets held for sale" (Note 6).

The movements in PP&E during 2024 are disclosed in Note 6 to the consolidated financial statements for FY 2024.

Since August 15, 2024, the Group has been leasing its offices at calle Velázquez 47, Madrid by virtue of an agreement which will last until August 14, 2026. Likewise, the Parent is leasing two premises on the ground floor of the building located at Carrera de San Jerónimo no. 9 in Madrid, where the Hotel JW Marriott Madrid is located, for estimated terms of 35 and 25 years. Said premises are partially used for the aforementioned hotel and partially for restaurant areas.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

The lease payments made in connection with said contracts amounted to 204,554 euros in the first half of 2025 (2024: 213,737 euros).

8. INVESTMENT PROPERTIES

At June 30, 2025, the Group held the following investment properties:

Investment property	Location	Status
Hotel Meliá Bilbao	Lehendakari Leizaola 29, Bilbao	Operating
Hotel Radisson Collection Sevilla	Plaza de la Magdalena 1 and c/ Rioja 26, Seville	Operating
Hotel Radisson Collection Bilbao	Gran Vía de Don Diego López de Haro 4, Bilbao	Operating
Hotel Nômade Madrid	Gran Vía 11, Madrid	In development
Hotel JW Marriott Madrid	Carrera de San Jerónimo 9-11, Madrid	Operating
Hotel Mercer Plaza Sevilla	Plaza San Francisco 11-12, Seville	Operating
Hotel Nobu San Sebastián	Miraconcha 32, San Sebastián	Operating
Hotel El Autor Autograph Collection Madrid	Zorrilla 19, Madrid	Operating
Alcaidesa – Parcela R1H1	San Roque, Cádiz	In development
Alcaidesa - Deportivo	San Roque, Cádiz	In development
Hotel Nobu Madrid	Alcalá 26, Madrid	In development



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Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

8.1. Movements during the period

The breakdown and movements for investment properties at June 30, 2025 are as follows:

(Euros)	12/31/2024	Additions	Derecognitions	Transfers (Note 6)	Changes in fair value	6/30/2025
Operational hotels	402,000,000	-	(210,771)	(12,310,277)	22,221,048	411,700,000
Hotels in development	264,962,000	20,184,688	-	(147,329,133)	7,807,812	145,625,367
Alcaidesa Golf - Club House Restaurant	3,567,277	9,941	-	(2,352,744)	(1,224,474)	-
TOTAL	670,529,277	20,194,629	(210,771)	(161,992,154)	28,804,386	557,325,367

The additions during the period mainly correspond to costs capitalized in connection with the construction and refurbishment work performed for various hotels and villas, amounting to a total of 19,050 thousand euros (December 31, 2024: 59,298 thousand euros). The main capex for the year corresponds to the assets under development: Nobu Madrid, Nômade Madrid, and "Fairmont la Hacienda Hotel & Villas." In addition, during the first half of 2025, a balance of 361 thousand euros corresponding to employee expenses associated with construction personnel, and a balance of 783 thousand euros in finance expenses accrued by hotels under development (December 31, 2024: 857 thousand euros) were capitalized (Note 13.1).

The changes in fair value at June 30, 2025 correspond to the impairment and/or restatement of assets as a consequence of the valuations carried out at the end of the reporting period by independent experts, as well as the sales agreement subscribed for the assets associated with Alcaidesa Holding, S.A.U. and MHRE San Roque, S.L.U. (Note 8.3). The positive changes in fair value amounting to 30,029 thousand euros correspond to the hotels in operation and under development, while the negative changes amounting to 1,224 thousand euros correspond to the impairment loss recognized for the Club House and the Hoyo 10 Restaurant, which were transferred to "Assets held for sale" (Note 6).

The breakdown and movements for investment properties at December 31, 2024 are included in Note 7.1 to the consolidated financial statements for FY 2024.

8.2. Other disclosures on investment properties

At June 30, 2025, the investment properties were mortgaged with different financial entities in guarantee of loans, the balance of which totaled 195,780,769 euros (December 31, 2024: 178,945,694 euros) (Note 13.1).

All properties are located in Spain and are covered by insurance policies for the amount required to reconstruct and refurbish them.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

At June 30, 2025, the Group was committed to making investments in the investment properties amounting to 17 million euros (June 30, 2024: 12 million euros).

8.3. Valuation of investment properties

The fair value indicated for each of the properties corresponds to the estimated market value based on the appraisals performed by independent experts at June 30, 2025 in accordance with the valuation standards published by the Royal Institute of Chartered Surveyors (RICS) in Great Britain. In order to calculate said fair value, discount rates acceptable for a potential investor were used, in line with those applied in the market for assets with similar characteristics and locations. Further, in order to calculate the residual value of an asset for the last year of the forecasts made regarding cash flows, a net exit *yield* is applied. The valuation model is in accordance with the recommendations of the "International Valuation Standards Committee" and is consistent with the principles established in IFRS 13. In addition, for the calculation of the fair value of the properties transferred to "Assets held for sale," and prior to their classification under this heading in the balance sheet, the values used in the sales agreement for Alcaidesa Holding S.A.U. and MHRE San Roque S.L.U. were taken into account (Note 6).

The breakdown of the net exit *yields* considered and the rate used for discounting projected cash flows is as follows:

June 30, 2025	Net exit yields	Discount rate
Operational hotels	4.75% - 7.00%	7.50% - 9.00%
Hotels in development	5.25% - 7.00%	8.50% - 13.00%

June 30, 2024	Net exit yields	Discount rate
Operational hotels	4.75% - 7.00%	7.50% - 10.00%
Hotels in development	4.75% - 7.25%	8.00% - 14.00%
Alcaidesa Golf - Club House Restaurant and Tenth Hole	10.50% - 11.00%	11.50% - 12.00%

A change of a quarter percentage point in net exit yields has the following impact on the valuations used by the Group for determining the fair value of its operational properties:

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

(Euros)	Carrying amount	-0,25% in net exit yields	+0,25% in net exit yields
Properties being operated at 6/30/2025	411,700,000	424,400,000	400,000,000
Properties being operated at 12/31/2024	405,567,277	417,960,000	393,609,000

In contrast, a change of two and a half percentage points in the estimated construction costs for its properties under development has the following impact on the valuations used by the Group for determining the fair value of said properties:

(Euros)	Carrying amount	-2.5% in construction costs	+2.5% in construction costs
Properties in development at 6/30/2025	145,625,367	147,076,000	142,440,000
Properties in development at 12/31/2024	264,962,000	267,467,000	262,278,000

8.4. Leasing investment properties

The investment properties owned by the Group are leased to third parties via operating lease contracts as described below:

- Lease of the Hotel Meliá de Bilbao, the purpose of which includes the F&B space of November 10, 2023 in addition to the hotel, with an initial duration which finalizes on December 31, 2028. After this period, the contract will be automatically renewed for three additional periods of five years each, with a maximum duration until December 31, 2043. Revenue from this contract is comprised of a fixed component which is referenced to annual CPI and a variable component referenced to the annual operating income obtained by the hotels. The contract included the condition that work begin to upgrade the property during the first months of 2024 and for a duration of four and a half months, after which the hotel was opened on May 21, 2024.

In addition, with respect to the Hotel Meliá de Bilbao, MHRE has contracted the following operating lease agreements with third parties, with respect to which it was subrogated upon acquisition of the property:

- o Four contracts ceding use of space on the rooftop terrace of the Hotel Meliá Bilbao for the installation of telecommunications antennas, maturing in September 30, 2036 in accordance with the contracts signed in July 2021. In all cases the revenue agreed upon is fixed and referenced to annual CPI.
- Lease of the Hotel Radisson Collection Sevilla for an initial obligatory period from June 25, 2021 (delivery date for the hotel) to December 31, 2026, including three automatic renewals for a duration of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each period. Lease income from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the operating results obtained by the leased hotel. These

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conditions were agreed upon in the addendum to the contract signed on June 25, 2021.

On July 18, 2024, the Parent signed an addendum to the contract, by virtue of which a space leased to third parties would be leased by Radisson, payment of which is composed of a fixed component and a variable component as established for the remaining items in the contract.

In addition, with respect to the building located in Seville at calle Rioja N.º 26, where part of the Hotel Radisson Collection Sevilla is located, the Group has arranged the following operating leases with third parties:

- Lease of restaurant space for an initial obligatory duration of 5 years, including automatic and successive renewals of 5 years, if none of the signing parties objects. Revenue from this space is composed of a fixed component and a variable component referenced to the operating results obtained by the restaurant.
- Lease of commercial premises for a duration of 5 years, which can be renewed once for an additional 5 years, provided that none of the signing parties objects. The revenue from this lease agreement is fixed and referenced to annual CPI.
- Lease of the Hotel Radisson Collection Bilbao for an initial obligatory period from March 15, 2022 (delivery date for the hotel) to December 31, 2027, including three automatic renewals for a duration of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each period. Lease income from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the operating results obtained by the hotel. These conditions were agreed upon in the addendum to the contract signed on March 15, 2022, which also regulated lease income for 2022.
- Lease of the Hotel Mercer Plaza Sevilla, for which MHRE signed a 20-year operating lease contract on May 14, 2019, counting from the hotel delivery date once the refurbishment work finalized. However, on January 26, 2023 an agreement was reached with the lessee for early termination of this contract.

Subsequently, on March 8, 2023 the Company signed a lease contract for this property with the Spanish Mercer hotel chain. The lease was contracted for a period of 20 years counting from April 21, 2023 (the hotel delivery date), with the first 5 years of the contract established as obligatory for the lessee. The agreement also includes three automatic renewals for a duration of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each 5-year period. Lease revenue from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the operating results obtained by the hotel.



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- Lease of the Hotel JW Marriott Madrid for a period of 25 years counting from March 27, 2023 (hotel delivery date), with the first 5 years of the contract established as obligatory for the lessee. The agreement also includes four automatic renewals for a duration of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each 5-year period. Lease income from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the operating results obtained by the hotel. The delivery and opening dates for this hotel were in March 2023.

With respect to the property located at Carrera de San Jerónimo 9 and 11 in Madrid, the site of the Hotel JW Marriott, the following lease contracts were signed for restaurant space:

- o On March 25, 2022, MHRE signed a lease contract for a period of 20 years counting from March 25, 2023 (restaurant delivery date), with the first 5 years of the contract established as obligatory for the lessee. The agreement also includes three automatic renewals for a duration of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each 5-year period. Revenue from these premises is composed of a fixed component and a variable component referenced to the volume of invoices issued by the restaurant. On July 29, 2025, the Parent signed an addendum to the lease agreement modifying the minimum guaranteed installments following the incorporation of a new F&B space once the corresponding work was completed.
 - o On July 22, 2022, MHRE signed a sublease contract for restaurant space at the Hotel JW Marriott together with the lessee of said hotel. The lease was arranged for a period of 20 years counting from March 27, 2023 (the hotel opening date), the first 5 years of which are obligatory for the sub-lessee. Revenue from this premise is made up of a fixed component and a variable component referenced to the operating results obtained by the restaurant. On October 30, 2024, MHRE, Hotel Project Mastia and Coquetto World signed an addendum which temporarily modified the terms of the sublease in connection with the restaurant at the JW Madrid Hotel.
- Lease of the Hotel Nobu de San Sebastián, together with the subsidiary Hotel Villa Miraconcha, for a duration of 20 years counting from the hotel's opening date, with the first 5 years of the contract established as obligatory for the lessee. The agreement includes a maximum of 3 automatic renewals for successive periods of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each period. Lease revenue from this hotel, to be accrued starting from the date on which the hotel opens, is composed of a fixed component and a variable component referenced to the operating results obtained by the hotel. This hotel was opened on August 10, 2023. Following the inclusion of Hotel Villa Miraconcha, S.L.U. in the consolidation scope, this agreement is no longer effective at a consolidated level.

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- In connection with the future Hotel Nobu Madrid, on February 4, 2022 MHRE signed a 20-year operating lease agreement for this property. The first 5 years of the contract were established as obligatory for the lessee. The remaining term consists of three automatic renewals for successive periods of 5 years each, provided the lessee fulfills the objectives for certain economic metrics at the end of each 5-year period. Lease income from this hotel, to be accrued starting from the date on which the hotel opens, is composed of a fixed component and a variable component referenced to the operating results obtained by the hotel. Following the inclusion of Global Kioto, S.L.U. in the consolidation scope, said contract no longer had any effect at the consolidated level.
- Lease of the Hotel Nômade Madrid: On January 4, 2024, MHRE signed a contract with NMD Gran Vía, S.L. for operation of the future Hotel Nômade Madrid. During 2024, the former tenant, Iberostar, returned possession of the hotel upon initiation of the renovation and adaptation work on the property, which will be converted into a 5-star category hotel with 93 rooms, of which 16 correspond to the category of suites, as well as spacious common areas including different spaces and restaurant themes, a "Members club," a spa and wellness area, and a large and luxurious rooftop. The new lease contract was arranged for a duration of 20 years and is based on variable income with a guaranteed minimum, which will allow for a significant increase in the asset's profitability. In addition, in connection with the Hotel Nômade Madrid, MHRE entered into an agreement ceding use of space on the rooftop terrace of the Hotel Nômade Madrid for the installation of telecommunications antennas, maturing on September 30, 2027, including an automatic renewal for a duration of 5 years, should neither of the parties object. The revenue from this lease agreement is fixed and referenced to annual CPI.

In addition, with respect to the Hotel Nômade Madrid, MHRE is party to the following operating lease agreements, with respect to which it was subrogated upon acquisition of the property:

- o Ceding use of space on the rooftop terrace of the Hotel Nômade Madrid for the installation of telecommunications antennas, maturing on September 30, 2027, including an automatic renewal for a duration of 5 years, should neither of the parties object. The revenue from this lease agreement is fixed and referenced to annual CPI.
- Lease of the Hotel El Autor by Autograph Collection Madrid for a duration of 25 years, the first 5 years of which are mandatory counting from the date of formal delivery (November 26, 2024). The contract will be renewed automatically for periods of 5 years, provided the lessee complies with certain economic variables at the end of each 5-year period. Lease income from this hotel is composed of a fixed component scaled progressively and a variable component referenced to the net operating results generated by the hotel. The F&B space is operated by means of a sublease, signed on July 12, 2024 between MHRE (landlord), Belagua Madrid, S.L.U. (sublessor), and Goxua Restauración S.L. (sublessee), under the brand name "El Pimiento Verde."



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The initial duration is 5 years, renewable up to 20 years, with revenue including a fixed component as well as a variable component; the fixed income will increase progressively until it is adjusted by CPI in 2027; the variable income corresponds to a percentage of invoicing, also increasing progressively.

The income from all operating lease contracts described in this Note and Note 6, and which do not correspond to the discontinued operations (Note 6), amounted to 11,054,362 euros for the six-month period ended June 30, 2025 (8,506,423 euros for the same period in 2024; Note 17.1).

The expenses associated with the investment properties that generated this income are broken down as follows:

(Euros)	6/30/2025	6/30/2024
Utilities	27,159	46,396
Taxes (other than income tax)	493,651	662,670
Other operating expenses	124,226	65,856
Impairment losses/net reversals on accounts receivable (Note 9.1)	198,296	(65,639)
TOTAL	843,332	709,283

The breakdown of future minimum collections from the non-cancelable operating lease contracts (without including the contracts relating to hotels under development as they are not yet in force) is as follows:

(Euros)	6/30/2025	6/30/2024
Within one year	15,119,159	12,178,825
Between one and five years	43,040,597	52,022,560
More than five years	2,724,890	7,214,311
TOTAL	60,884,646	71,415,696

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9. FINANCIAL ASSETS

The breakdown of financial assets by category and class is as follows:

(Euros)	Equity instruments		Loans, derivatives, and other		Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
Non-current financial assets						
Financial assets designated at fair value through other comprehensive income, without recycling accumulated gains or losses upon disposal						
Hedging derivatives	-	-	319,040	390,937	319,040	390,937
Financial assets at amortized cost	-	-	4,825,127	4,856,363	4,825,127	4,856,363
	-	-	5,144,167	5,247,300	5,144,167	5,247,300
Current financial assets						
Financial assets at fair value through profit or loss	4,257,096	4,207,667	-	-	4,257,096	4,207,667
Hedging derivatives	-	-	-	32,993	-	32,993
Financial assets at cost	-	-	11,400,519	5,719,214	11,400,519	5,719,214
	4,257,096	4,207,667	11,400,519	5,752,207	15,657,615	9,959,874
TOTAL	4,257,096	4,207,667	16,544,686	10,999,507	20,801,782	15,207,174

These amounts are included in the following headings of the consolidated statement of financial position:

(Euros)	Equity instruments		Loans, derivatives, and other		Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
Non-current financial assets						
Financial investments (Note 9.2)	-	-	2,998,071	3,099,052	2,998,071	3,099,052
Trade receivables (Note 9.1)	-	-	2,146,096	2,148,248	2,146,096	2,148,248
	-	-	5,144,167	5,247,300	5,144,167	5,247,300
Current financial assets						
Trade receivables (Note 9.1)	-	-	4,485,230	4,176,256	4,485,230	4,176,256
Other receivables	-	-	411,060	294,995	411,060	294,995
Financial investments (Note 9.2)	4,257,096	4,207,667	5,626,607	598,045	9,883,703	4,805,712
Other current assets	-	-	877,622	682,911	877,622	682,911
	4,257,096	4,207,667	11,400,519	5,752,207	15,657,615	9,959,874
TOTAL	4,257,096	4,207,667	16,544,686	10,999,507	20,801,782	15,207,174

The carrying amounts of the financial assets at amortized cost do not differ significantly from their fair value.



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9.1. Trade receivables

The non-current balance for trade receivables includes provisions for income accrued but yet to be invoiced, mainly associated with the payment deferrals agreed upon with the lessees of the operational hotels due to the health crisis linked to COVID-19 and scaled income. At the closing date for the first six months of the 2025, a balance of 108 thousand euros was transferred to "Assets held for sale," corresponding to income accrued and pending invoice in connection with MHRE San Roque S.L.U. (Note 6).

The breakdown for current balances corresponding to trade receivables is as follows:

(Euros)	6/30/2025	12/31/2024
Trade receivables	1,278,561	1,250,374
Invoices pending issue	3,206,669	2,925,882
TOTAL	4,485,230	4,176,256

The balance recognized for "Invoices pending issue" includes provisioned income from accrued rental payments yet to be invoiced as well as invoices pending issue for the variable income generated by certain hotels.

At June 30, 2025, a balance of 770 thousand euros was transferred to "Assets held for sale" corresponding to invoices pending issue with respect to Alcaidesa Holding, S.A.U. and MHRE San Roque S.L.U. (Note 6).

In addition, the balance for "Trade receivables" was recognized net of an impairment loss allowance which had the following movements during the period:

(Euros)	6/30/2025	12/31/2024
Opening balance	603,780	(734,265)
Amounts provisioned	198,296	(182,122)
Reversals	-	285,500
Amounts applied	(17,017)	27,107
Closing balance	784,998	603,780

The breakdown of movements in impairment loss allowances for accounts receivable in 2024 is included in Note 8.1 to the consolidated financial statements corresponding to said year.

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9.2. Current and non-current financial investments

The breakdown of these headings is as follows:

(Euros)	6/30/2025	12/31/2024
Non-current financial investments		
Hedging derivatives	319,040	390,937
Guarantees	2,679,031	2,708,115
Loans to companies	-	-
TOTAL	2,998,071	3,099,052
Current financial investments		
Investment funds	4,257,096	4,207,667
Hedging derivatives	7,434	32,993
Security deposits	5,165,995	128,625
Guarantees	453,178	436,427
TOTAL	9,883,703	4,805,712

Non-current

The non-current balance recognized in the amount of 319,040 euros for hedging derivatives (2024: 390,937 euros) and the current balance amounting to 7,434 euros recognized for hedging derivatives (2024: 32,993 euros) correspond to two hedging contracts:

- The first of these, amounting to 198,974 euros at June 30, 2025, was formalized on March 24, 2023 with Caixabank as a CAP to cover against changes in the interest rate (Euribor) to which the financing obtained in connection with Hotel Nômade Madrid is subject (Note 13.1). On May 23, 2025, the hedge was modified, replacing the CAP with a combination of collar options.
- On June 5, 2023, a CAP derivative was formalized with Unicaja to cover against changes in the interest rate (Euribor) to which the financing obtained in connection with the Hotel Mercer Plaza Sevilla is subject, amounting to 120,066 euros at the end of the reporting period for the first half of 2025 (Note 13.1).

The premiums paid for these hedging contracts amounted to a total of 1,651,900 euros, with a profit of 31,565 euros recognized in equity (2024: 112,561 euros) (Note 12.5). In addition, during the first half of 2025 the Group recognized a loss arising from amortization of the premium for said derivatives under "Changes in fair value of financial instruments" in the separate interim consolidated statement of profit or loss, amounting to 103,462 euros (same amount at December 31, 2024).

The non-current guarantees amounting to 2,679,031 euros mainly relate to amounts deposited with the corresponding public authorities in connection with the property leases and the work being performed on some of said properties. Likewise, the amount recognized under "Guarantees" includes a balance of 899 thousand euros (848 thousand euros of which are non-current and 51 thousand euros current) paid in 2024 and corresponding to an



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indemnity agreed upon with the previous tenant of the Hotel Nômade Madrid, formerly called Iberostar Las Letras, relating to early termination of the contract, which will be taken to profit or loss over the term of the new lease agreement.

In addition, during the first six months of 2025 a guarantee was extended for the rental of the Odissey Hotel and villas, corresponding to MHRE San Roque, S.L.U. and amounting to 597 thousand euros, as well as 35 thousand euros corresponding to long-term guarantees extended for the associated assets, all of which were transferred to "Assets held for sale" by virtue of the transaction described in Note 6.

Current

The investment funds amounting to 4,257,096 euros (2024: 4,207,115 euros) correspond to investments made, which the Group expects to recover in the short term given that they are intended as temporary investments of cash surpluses. At June 30, 2025, the valuation of the fund generated a profit of 49,429 euros (December 31, 2024: a loss of 495,763 euros), which was recognized as "Interest on bank balances" under "Finance income" in the separate interim consolidated statement of profit or loss. In addition, the Group obtained profit during 2024 from the partial purchase and sale of these funds amounting to 922,713 euros at December 31, 2024.

The current security deposits recognized at June 30, 2025 mainly correspond to a deposit arranged during the first half of 2025 in guarantee of completing the purchase-sale of Alcaidesa Holding, S.A.U. and MHRE San Roque, S.L.U., amounting to 5,000,000 euros. These security deposits were filed with a public notary.

The balance recognized under "Loans to companies" includes a loan granted to a lessee, amounting to a total of 133,236 euros and corresponding to the restaurant premises located at the Hotel JW Marriott. Interest accrued during 2025 amounts to 2,255 euros (Note 17.5), with a balance of 14,357 euros pending collection at June 30, 2025. The loan was arranged at a fixed rate for a duration of one year. Since an addendum to the contract was signed establishing a new payment schedule which had not been met at June 30, 2025, the entire amount is impaired.



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10. INVENTORIES

The breakdown of this heading is as follows:

(Euros)	6/30/2025	12/31/2024
Goods for resale	72,891	194,605
Prepayments to suppliers	438,271	1,475,657
TOTAL	511,162	1,670,262

The Group did not recognize a corresponding provision for impairment losses during the first half of 2025 (neither did it during the first half of 2024).

11. CASH AND CASH EQUIVALENTS

This heading reflects the current accounts held by the Group, some of which bear interest at market rates, and whose balance at June 30, 2025 totals 40,839 thousand euros (December 31, 2024: 21,127 thousand euros). There were no restrictions on the availability of this balance at either June 30, 2025 or December 31, 2024.

At December 31, 2024, "Other cash equivalents" included one-month deposits arranged with CaixaBank, S.A. and Banco de Sabadell, S.A. for amounts of 49,000,000 euros and 3,000,000 euros, respectively, at an annual nominal interest rate ranging from 2.59% and 2.86% and an effective annual rate ranging from 2.63% to 2.90%. The deposits were arranged during December 2024 and were reimbursed in January 2025, generating gains in the separate interim consolidated statement of profit or loss at June 30, 2025 amounting to 448,253 euros, recognized under "Finance income - From marketable securities & other financial instruments of third parties" in the separate interim consolidated statement of profit or loss for at June 30, 2025 (December 31, 2024: 25,317 euros).

The Group generally places cash and cash equivalents at financial institutions with high credit ratings.

12. EQUITY

The breakdown of consolidated equity and related movements are shown in the interim consolidated statement of changes in equity.

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12.1. Share capital

At June 30, 2025, MHRE's share capital consisted of 116,032,487 shares (December 31, 2024: 116,032,487 shares) with a nominal value of 1 euro each. All the shares are of the same class, grant the same rights, and are listed on BME Growth. The breakdown of shareholders holding ownership interest in the share capital of MHRE greater than 5% is as follows:

Shareholder	% of ownership interest
CL MH Spain S.à. (controlled by Castlelake)	49.72%
Arconas International	8.03%
Mutualidad General de Previsión de la Abogacía	5.05%

12.2. Share Premium

The share premium can be freely distributed.

There were no movements in the share premium during 2025, which amounted to 341,887,362 euros at June 30, 2025.

There were no movements in the share premium during 2024, which amounted to 341,887,362 euros at December 31, 2024.

12.3. Reserves and retained earnings

The breakdown and movements in the items recognized under this heading are as follows:

(Euros)	Balance at 12/31/2024	Appropriation of profit	Other changes	Balance at 6/30/2025
Legal reserve	3,040,560	-	-	3,040,560
Reserves in consolidated companies	49,241,552	-	(2,926,723)	46,314,829
Voluntary reserves	29,233,823	-	(47,629)	29,186,194
	81,515,935	-	(2,974,352)	78,541,583
Retained earnings	(2,926,723)	11,154,138	2,926,723	11,154,138
TOTAL	78,589,212	11,154,138	(47,629)	89,695,721



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(Euros)	Balance at 12/31/2023	Appropriation of profit	Other changes	Balance at 6/30/2024
Legal reserve	3,040,560	-	-	3,040,560
Reserves in consolidated companies	37,454,776	-	11,786,776	49,241,552
Voluntary reserves	30,229,859	-	(947,951)	29,281,908
	70,725,195	-	10,838,825	81,564,020
Retained earnings	11,786,776	(2,926,723)	(11,786,776)	(2,926,723)
TOTAL	82,511,971	(2,926,723)	(947,951)	78,637,297

Legal reserve

The balance of this heading corresponds entirely to the Parent. In accordance with the consolidated text of the Corporate Enterprises Act, until the legal reserve exceeds the limit of 20% of share capital, it cannot be distributed to shareholders and can only be used to offset losses, if no other reserves are available for this purpose. This reserve can also be used to increase share capital by the amount exceeding 10% of the new capital after the increase.

Voluntary reserves

The balance of these freely distributable reserves corresponds entirely to the Parent. However, at June 30, 2025 these reserves include a balance of 9,707,248 euros (December 31, 2024: 9,707,248 euros) which can only be used under the same conditions as required for the capital reduction approved at the general ordinary and extraordinary shareholder meeting held on May 10, 2019.

12.4 Shares of the Parent company

During the six-month period ended June 30, 2025, MHRE acquired 71,526 treasury shares (94,344 treasury shares during the same period in 2024) at an average price of 2.52 euros per share (2.58 euros per share during the same period in 2024) and sold 61,506 treasury shares (53,333 treasury shares during the same period in 2024) at an average price of 2.65 euros per share (2.61 euros per share during the same period in 2024). The difference between the cost price and the sales price for the shares, totaling a net amount of 41,806 euros (64,436 euros for the same period in 2024) was recognized under "Voluntary reserves" (Note 11.2).

At June 30, 2025, MHRE held a treasury share portfolio comprised of 226,094 treasury shares, representing 0.19% of its share capital (December 31, 2024: 373,951 treasury shares, representing 0.3% of its share capital).

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12.5 Unrealized gains (losses) reserve

The breakdown and movements in this heading at June 30, 2025 and December 31, 2024 are as follows:

(Euros)	Balance at 12/31/2024	Income (expense) recognized directly in consolidated equity (Note 9.2)	Tax effect of income (expense)	Transfers to the separate consolidated statement of profit or loss	Tax effect of transfers	Balance at 6/30/2025
Cash flow hedges	(902,299)	(202,660)	-	-	-	(1,104,959)
TOTAL	(902,299)	(202,660)	-	-	-	(1,104,959)

(Euros)	Balance at 12/31/2023	Income and expense recognized directly in consolidated equity	Tax effect of income (expense)	Transfers to the separate consolidated statement of profit or loss	Tax effect of transfers	Balance at 12/31/2024
Cash flow hedges	(789,738)	(112,561)	-	-	-	(902,299)
TOTAL	(789,738)	(112,561)	-	-	-	(902,299)

13. FINANCIAL LIABILITIES

The breakdown of financial liabilities by category is as follows:

(Euros)	6/30/2025	12/31/2024
Non-current financial liabilities		
Financial liabilities at amortized cost		
Bank borrowings (Note 13.1)	166,225,508	158,032,026
Finance lease payables	-	18,542
Derivatives (Note 13.4)	234,225	-
Other financial liabilities (Note 13.2)	6,507,548	6,796,867
	172,967,281	164,847,435
Current financial liabilities		
Financial liabilities at amortized cost		
Bank borrowings (Note 13.1)	26,886,636	45,299,294
Finance lease payables	-	4,812
Other financial liabilities (Note 13.2)	553,072	590,788
Trade and other payables (Note 13.3)	10,215,997	21,855,614
	37,655,705	67,750,508
TOTAL	210,622,986	232,597,943

The breakdown of maturities for financial liabilities at June 30, 2025, without taking into account debt arrangement expenses amounting to 3,195,884 euros, is as follows:

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(Euros)	Current		Non-current					Total non-current	Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years			
Bank borrowings	26,939,112	45,705,842	6,017,753	7,245,292	7,694,522	102,705,507	169,368,916	196,308,027	
Other financial liabilities	553,072	1,040,897	492,245	467,945	143,396	4,363,065	6,507,548	7,060,620	
Trade and other payables	10,215,997	-	-	-	-	-	-	10,215,997	
Derivatives	-	-	-	-	-	234,225	234,225	234,225	
TOTAL	37,708,181	46,746,739	6,509,998	7,713,237	7,837,918	107,302,797	176,110,689	213,818,869	

The breakdown of maturities for financial liabilities at December 31, 2024, without taking into account debt arrangement expenses amounting to 2,170,216 euros, is as follows:

(Euros)	Current		Non-current					Total non-current	Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years			
Bank borrowings	45,343,803	27,751,452	46,778,924	7,911,043	7,466,515	70,249,799	160,157,733	205,501,536	
Other financial liabilities	590,788	335,560	919,129	133,026	135,762	5,273,390	6,796,867	7,387,655	
Finance lease payables	4,812	18,542	-	-	-	-	18,542	23,354	
Trade and other payables	21,855,614	-	-	-	-	-	-	21,855,614	
TOTAL	67,795,017	28,105,554	47,698,053	8,044,069	7,602,277	75,523,189	166,973,142	234,768,159	

13.1. Bank borrowings

The breakdown for bank borrowings at December 31, 2024 is included in Note 12.1 to the consolidated financial statements for FY 2024.

During the first half of 2025, the following financing was obtained:

- On May 7, 2025, a mortgage financing contract linked to the Hotel Nobu Madrid was signed with Abanca. The total amount agreed upon in the contract amounts to 27,000 thousand euros with a term of seven years from the date of signing, that is, until June 1, 2032. The balance drawn down on said loan at June 30, 2025 amounted to 8,699 thousand euros.
- On March 24, 2023, a mortgage financing agreement for a total amount of 35,000 thousand euros was signed with Caixabank, linked to the Hotel Nômade Madrid, of which a balance of 28,000 thousand euros had been drawn on Tranche A at June 30, 2025, with a balance of 7,000 thousand euros thus available on Tranche B, for purposes of covering the *capex* relating to the planned refurbishment of said hotel. This financing was arranged for a duration of 10 years at a variable interest rate of Euribor + 2.00%, and includes a 2-year grace period. On May 23, 2025, a novation agreement was arranged for this contract by virtue of which the amount corresponding to Tranche B was increased by an additional 10,000 thousand euros and the term was extended for an additional 24 months, while the grace period was also extended until March 24, 2027.

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- On January 28, 2021, a mortgage financing agreement linked to the Hotel Radisson Collection Sevilla was signed with Banco Santander for an amount of 18,634 thousand euros. This contract was set to mature on June 5, 2025. On May 28, 2025, said loan was amortized early and a new mortgage financing agreement linked to the same hotel was signed with Banco Sabadell for an amount of 24,000 thousand euros. The duration of the agreement is seven years, that is, until May 28, 2032, and the applicable interest rate was established at 3.54% per annum. At June 30, 2025, the loan had been fully drawn down.

In contrast, during the six-month period ended June 30, 2025, borrowings from credit entities accrued finance costs amounting to 3,781 thousand euros (3,331 thousand euros during the same period in 2024), of which 783 thousand euros were capitalized in connection with hotels under development (0 thousand euros during the same period in 2024) (Note 8).

The mortgage loans related to the Hotel Radisson Collection Sevilla, the Hotel Radisson Collection Bilbao, the Hotel Meliá Bilbao, the Hotel JW Marriot Madrid, the Hotel Nômade Madrid, the Hotel Mercer Plaza Sevilla, and the Hotel El Autor Autograph Collection include the obligation to comply with a series of financial ratios in some cases, applicable once the corresponding hotel has been operating for a given period of time. The loans can be called ahead of maturity in the event of failure to meet the ratios. At June 30, 2025, the Group was in compliance with the financial ratios applicable at that date (at December 31, 2024 the Group was also in compliance with said ratios).

The outstanding principal on the mortgage loans associated with the hotel assets amounts to 195,780,769 euros at June 30, 2025 (Note 8.2).

13.2. Other financial liabilities

The breakdown of this heading is as follows:

(Euros)	6/30/2025	12/31/2024
Other non-current financial liabilities		
Security deposits received	2,669,750	2,746,675
Lease liabilities	3,837,798	4,050,192
TOTAL	6,507,548	6,796,867
Other current financial liabilities		
Lease liabilities	360,456	350,656
Other	192,616	240,132
TOTAL	553,072	590,788

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

The non-current guarantees received are associated with the leasing contracts the Group has arranged for the properties it owns (Note 8.4). The maturities of said guarantees are the same as those for the corresponding lease agreements.

The lease liabilities are linked to the right-to-use associated with the offices occupied by MHRE and two commercial premises on the ground floor where the Hotel JW Marriott Madrid is located (Note 7.1). Further, "Security deposits received" under non-current liabilities also includes a balance of 913 thousand euros at June 30, 2025 (December 31, 2024: 976 thousand euros) contributed by the Marriott group at the beginning of the Hotel JW Marriott lease as a contribution ("key money") for delivering the hotel in accordance with JW Marriott quality standards. This amount was contributed by the Marriott group as a non-refundable contribution in the event of early termination of the lease agreement. The Parent is obliged to return the proportional part based on the term elapsed of the lease, the duration of which is until March 2048. In this context, a current balance of 42 thousand euros was recognized at June 30, 2025 under "Other," while a balance of 21 thousand euros was allocated to the separate interim consolidated statement of profit or loss at June 30, 2025. This heading also includes advance collections recognized in the amount of 150 thousand euros at June 30, 2025 (December 31, 2024: 196 thousand euros).

13.3. Trade and other payables

The breakdown of financial liabilities included under this heading is as follows:

(Euros)	6/30/2025	12/31/2024
Suppliers and other payables	8,645,207	17,544,553
Remuneration pending payment to employees	1,141,673	3,168,022
Customer advances	429,117	1,143,039
TOTAL	10,215,997	21,855,614

Remuneration pending payment to employees at June 30, 2025 mainly includes provisions for bonuses amounting to 221 thousand euros (December 31, 2024: 499 thousand euros), indemnities accrued in 2024 pending payment at June 30, 2025 in the amount of 850 thousand euros (December 31, 2024: 2,513,889 euros), and remuneration amounting to 70 thousand euros pending payment in connection with the Hotel Villa Miraconcha. Further, during the first six months of 2025 additional indemnities amounting to 42 thousand euros were accrued (Note 17.2), recognized under "Employee benefits expense" and fully settled at June 30, 2025.

Customer advances mainly correspond to payments received in advance from the clients of the Hotel Villa Miraconcha in connection with subscription fees for the coming year.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

13.4. Derivatives

The derivative amounting to 234 thousand euros corresponds to an interest rate swap (IRS) arranged on October 8, 2024, with Banco Sabadell to cover against changes in the interest rate (Euribor) to which the financing obtained in connection with the Hotel El Autor by Autograph Madrid is subject (Note 13.1). A loss of 234 thousand euros was recognized in equity (Note 12.5).

In addition, during the first half of 2025 the Group recognized a gain amounting to 18,961 euros under "Changes in fair value of financial instruments" in the separate interim consolidated statement of profit or loss (December 31, 2024: 32,993 euros).

14. PROVISIONS AND CONTINGENCIES

14.1. Provisions

There were no provisions at June 30, 2025 (same situation at December 31, 2024).

14.2. Contingencies

There were no contingencies at June 30, 2025 (same situation at December 31, 2024) (Note 20).

15. TAX SITUATION

The breakdown of the balances relating to tax assets and tax liabilities is as follows:

(Euros)	6/30/2025	12/31/2024
Tax credits		
Other receivables from public administrations		
VAT	69,258	1,428,649
Withholdings on corporate income tax	561,533	252,753
TOTAL	630,791	1,681,402
Tax liabilities		
Deferred tax liabilities	279,905	2,514,294
Other payables to public administrations		
VAT	448,550	280,492
Withholdings	434,515	438,088
Social security	75,092	127,833
TOTAL	1,238,062	3,360,707



Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities or until the four-year inspection period has expired. The Group companies are open to inspection of all taxes to which they are liable for the last four years. MHRE's directors and tax advisors consider that in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to transactions carried out by Group companies.

The change in "Deferred tax liabilities" with respect to December 31, 2024 arose from transferring a balance of 2,172 thousand euros corresponding to the assets associated with Alcaidesa Holding, S.A.U. to "Liabilities associated with assets held for sale."

15.1. Corporate income tax

As stated in Note 1.1, MHRE and some of its subsidiaries are subject to the special regime established in the SOCIMI Law. In accordance with said special tax regime for the SOCIMIs, the returns generated by their activities which fulfill the stipulated requirements are exempt from taxation. Thus, during the six-month period ended June 30, 2025 the Group did not accrue any expenses or income related to corporate income tax (neither did it during the same period in 2024).

The reconciliation between income tax expense (income) and the result of multiplying total recognized income and expenses by applicable tax rates is not presented given that the tax rate applicable to the Group companies in 2025 is 0% (2024: 0%).

15.2. Disclosure requirements arising from the condition of SOCIMI for the Group companies. Law 11/2009, modified by Law 16/2012, and Law 11/2021 ("the SOCIMI Law")

The disclosure requirements established by article 11 of the SOCIMI Law relating to Group companies which avail themselves of said special tax regime is provided in Note 14.3 to the consolidated financial statements for FY 2024.

16. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed, discussed, and assessed by the Group's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Group management has categorized its activity in accordance with the business segments described below, based on the type of assets acquired and managed:



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- Leasing of hotels: investment activities relating to properties leased for hotel and accessory businesses.
- Other activities: covers other activities relating to hotels under management.

Income and expenses which cannot be attributed to a business segment or which affect the Group in general are attributed to the Parent, as the "Corporate Unit."

The Real Estate Executive Committee is responsible for taking decisions and monitors the operating results of its business units separately so as to be able to make decisions regarding allocation of resources and performance evaluation. Segment performance is evaluated based on profit or loss before taxes and is measured consistently with profit or loss before taxes in the interim condensed consolidated financial statements. However, taxes on profits are managed at the Group level and are not assigned to operating segments.

The transfer prices between operating segments are similar to those applied to transactions with third parties.

Information by segment is provided below for the period:

	Hotel leases		Other activities		Corporate Unit		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	11,054,362	8,444,471	2,297,069	1,463,631	-	-	13,351,431	9,908,102
Cost of sales	-	-	(357,443)	(184,548)	-	-	(357,443)	(184,548)
Other operating income	860,736	508,928	-	-	-	-	860,736	508,928
Work performed by the Group and capitalized	361,473	-	-	-	-	-	361,473	-
Employee benefits expense	-	-	(982,860)	(732,467)	(1,312,588)	(2,896,178)	(2,295,448)	(3,628,645)
Other operating expenses	(743,325)	(3,195,269)	(742,499)	(414,838)	(2,344,402)	-	(3,830,226)	(3,610,107)
Impairment losses on accounts receivable	-	-	-	-	(198,296)	65,639	(198,296)	65,639
Change in fair value of investment properties	30,028,860	3,578,445	-	-	-	-	30,028,860	3,578,445
Depreciation and amortization	-	(8,600)	(1,876)	(1,830)	(277,576)	(77,169)	(279,452)	(87,599)
Impairment losses on fixed assets	-	-	-	-	-	(1,477,097)	-	(1,477,097)
Other gains (losses)	-	189,450	41,996	-	(4,310)	-	37,686	189,450
OPERATING PROFIT (LOSS)	41,562,106	9,517,425	254,387	129,948	(4,137,172)	(4,384,805)	37,679,321	5,262,568
Finance income and expenses (net)	(3,253,442)	(3,287,278)	-	-	491,583	595,702	(2,761,859)	(2,691,576)
PROFIT (LOSS) BEFORE TAX	38,308,664	6,230,147	254,387	129,948	(3,645,589)	(3,789,103)	34,917,462	2,570,992
Total assets	613,567,599	685,569,276	769,082	15,351,170	11,014,497	39,699,269	625,351,178	740,619,715
Total liabilities	206,869,167	192,845,323	882,231	9,064,095	4,109,650	1,929,860	211,861,048	203,839,278
Other disclosures								
Acquisitions of intangible assets and PP&E	-	-	2,606	69,823	37,089	38,402	39,695	108,225
Acquisitions of investment properties	20,194,630	37,787,555	-	-	-	-	20,194,630	37,787,555

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

17. INCOME AND EXPENSES

17.1. Revenue

The amount recognized under this heading corresponds to income obtained from the leasing of hotels owned by the Group in the amount of 11,054,362 euros (8,444,471 euros in the first half of 2024; Note 8.4), and income generated by the operation of the Hotel Villamiraconcha amounting to 2,297,069 euros (1,463,631 euros during the first half of 2024).

The distribution of Group revenue by geographical markets is as follows:

(Euros)	6/30/2025	6/30/2024
Madrid	4,528,362	4,445,611
Alicante	-	359,463
Bilbao	2,638,427	1,443,539
Cádiz	1,862,072	-
Seville	2,025,501	2,078,859
San Sebastián	2,297,069	1,580,630
TOTAL	13,351,431	9,908,102

17.2. Employee benefits expense

The breakdown of this heading is as follows:

(Euros)	6/30/2025	6/30/2024
Wages and salaries	1,651,825	2,386,360
Indemnities (Note 13.3)	42,171	-
Provision for bonuses and other remuneration items (Note 13.3)	228,399	868,482
Social security payable by the company	371,240	373,803
Other employee benefits expense	1,813	-
TOTAL	2,295,448	3,628,645

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

The breakdown by category of the Group's employees is as follows:

Categories	Number of persons employed at end of the period			Average of persons employed the period	Average number of persons with a of disability >33% employed during the period
	Men	Women	Total		
6/30/2025					
Chief Executive Officer	-	-	-	-	-
Remaining management team	4	1	5	4	-
Department directors	5	2	7	7	-
Other employees	81	56	137	115	1
TOTAL	90	59	149	126	1
6/30/2024					
Chief Executive Officer	1	-	1	1	-
Remaining management team	4	1	5	5	-
Department directors	6	3	9	9	-
Other employees	70	60	130	128	1
TOTAL	81	64	145	143	1

17.3. External services

The breakdown of this heading is as follows:

(Euros)	6/30/2025	6/30/2024
Leases and royalties	5,839	66,769
Repairs and maintenance	74,167	67,142
Independent professional services	1,938,058	1,904,045
Transportation	562	4,168
Insurance premiums	137,440	115,794
Banking and similar services	51,190	12,182
Publicity, advertising, and public relations	228,947	207,657
Utilities	248,097	75,597
Other services	148,126	129,669
TOTAL	2,832,426	2,583,023

17.4. Other taxes

This heading mainly includes the property tax on the real estate assets owned by the Group. The corresponding expense is recognized in the separate interim consolidated statement of profit or loss at the beginning of the year at the amount corresponding to the total expense for said tax during the year, in accordance with IFRIC 21 - Levies.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

17.5. Finance income

The breakdown of this heading is as follows:

(Euros)	6/30/2025	6/30/2024
Interest on bank balances	579,574	243,246
Interest from loans to companies (Note 9.2)	2,255	6,202
Other finance income	67,050	182,768
TOTAL	648,879	432,216

17.6. Finance costs

The breakdown of this heading is as follows:

(Euros)	6/30/2025	6/30/2024
Interest on bank borrowings (Note 13.1)	2,998,539	3,331,633
Other finance costs	329,856	303,335
TOTAL	3,328,395	3,634,968

18. TRANSACTIONS WITH RELATED PARTIES

Related parties with which the Group carried out transactions during the six-month period ended June 30, 2025, and the nature of the relationship, are as follows:

Related party	Nature of the relationship
Vouching, S.L. (Sancus Capital Group) Members of the Board of Directors of MHRE	Entity related to Board members Directors

The related party transactions correspond to normal Group business operations and are carried out on an arm's length basis in a manner similar to transactions with unrelated parties.

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18.1. Related parties

The breakdown of the transactions carried out with related parties is as follows:

(Euros)	Entities related to Board members	
	6/30/2025	6/30/2024
Professional services	(1,000,000)	-
TOTAL	(1,000,000)	-

On November 11, 2024, the Parent signed a contract with Vouching, S.L. (Sancus Capital Group, the management entity) for the provision of management and strategic consulting services. This contract establishes fixed annual remuneration, which at June 30, 2025 amounts to 1,000,000 euros, and long-term incentives which accrue when the value of the Group increases by more than 10%, granting all shareholders the possibility of realizing the value of their investment. These incentives did not accrue any amounts during the six-month period ended June 30, 2025. This agreement was ratified at the general shareholder meeting held on December 16, 2024. At said general shareholder meeting, Mr. Francisco Borja Escalada Jiménez waived his remuneration as CEO of the Parent.

18.2. Directors and senior management

The shareholder meeting held on June 30, 2025 approved the reduction of MHRE Board members to six persons (four men and two women). At December 31, 2024, MHRE's Board of Directors consisted of 10 members (7 men and 3 women).

The breakdown of remuneration earned by members of the MHRE Board of Directors and senior management during the six-month period ended June 30, 2025 is as follows:

(Euros)	6/30/2025	6/30/2024
Directors		
Salaries	132,000	123,333
Per diems	145,000	126,000
	277,000	249,333
Senior management		
Salaries	-	303,333
Bonus	-	350,000
	-	653,333
TOTAL	277,000	902,666

The Group had not contracted any commitments for pension plans with respect to former or current directors of MHRE at June 30, 2025 or December 31, 2024.

At June 30, 2025 and December 31, 2024, the Group had not granted any loans or advances to former or current directors of MHRE, nor had it pledged any guarantees on their behalf.



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The Group considers senior management to be those persons performing contractually established duties and functions related to its general objectives, such as planning, management, and control of its activities. Given that the Group's strategic decisions are made by the Real Estate Executive Committee, which is made up entirely of directors of the Parent, the Group does not have any employees who could be considered senior management.

The general shareholders meeting held on December 16, 2024 resolved to exempt Mr. Francisco de Borja Escalada Jiménez from the obligation not to engage in activities on his own behalf or on behalf of others that involve effective competition, whether actual or potential, with the Company or that, in any other way, place him in a permanent conflict of interest with respect to the interests of the Company, as set forth in article 229. 1.f) of Royal Legislative Decree 1/2010, of July 2, which approves the revised text of the Spanish Corporate Enterprises Act, with this exemption relating exclusively to the holding of ownership interest and the exercise of any responsibility or holding of any position by Mr. Francisco de Borja Escalada Jiménez in (i) the Hotel Rosewood Villamagna Madrid and the Hotel Bless Madrid, both located in Madrid (the "Exempt Hotels"); (ii) the companies which own the Exempt Hotels; (iii) the companies of the group to which the Exempt Hotels belong and the companies which own the Exempt Hotels; and (iv) any residences linked to the Exempt Hotels or under the brand name of the Exempt Hotels.

At June 30, 2025, in accordance with article 229 of Spain's Corporate Enterprises Act, the remaining former and current directors of the Parent stated that they were not party to any conflicts with respect to the interests of MHRE, except for those disclosed in the previous paragraph.

During the six-month period ended June 30, 2025, the Group settled a balance of 51,895 euros corresponding to civil liability insurance premiums on behalf of former and current MHRE directors to cover potential damages caused in the course of carrying out their duties (75,098 euros during the same period in 2024).

19. RISK MANAGEMENT POLICIES

The Group manages its capital and financial structure with a view to ensuring it can meet current payment obligations, investment commitments, and debts, while maximizing returns generated for its shareholders.

The management policies for financial risk within the sector in which the Group operates are fundamentally determined by the analysis of investment projects, management of building occupancy, and the situation of financial markets:

- **Credit risk:** the Group's credit risk mainly arises from the risk of non-payment of rental installments by the tenants of their properties. The Group manages said risk by careful selection of tenants and requesting security deposits or guarantees in the contracts to be signed. During the first half of 2025, impairment loss allowances for accounts receivable were recognized in the amount of 198,296 euros (net reversals amounting to 65,639 euros during the same period in 2024) (Note 9.1).

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2025

- **Liquidity risk:** this risk reflects the possibility that the Group will have insufficient funds or lack access to sufficient funds at an acceptable cost to meet its payment obligations at any point in time. At June 30, 2025, the Group presented a loan to value ratio (LTV), defined as financial debt divided by the fair value of the assets, of 26.9% (December 31, 2024: 29.7%). If the cash balance of 42.7 million euros together with the balance of surplus cash which the Parent dedicates to short-term temporary investments amounting to 4.3 million euros (December 31, 2024: 77.1 million euros) is taken into account for calculation of net financial debt, the LTV would be reduced to 20.5% (December 31, 2024: 18.4%). In addition, at June 30, 2025 the Group's working capital amounted to 180 million euros (December 31, 2024: 17.8 million euros). Thus, in light of its financial position at June 30, 2025, the directors of MHRE consider that the Group will be able to meet its payment obligations in the short term.
- **Market risk:** this represents one of the main risks to which the Group is exposed as a consequence of low property occupancy or downward renegotiation of expiring lease agreements. Materialization of this risk would decrease Group revenue and negatively affect the valuation of assets. Taking into account the location of the Group's properties and the duration of the lease agreements (Note 8.4), the directors of MHRE consider this a moderate risk.
- **Interest rate risk:** at June 30, 2025, approximately 35.9% of the Group's bank borrowings bears interest at a fixed rate (December 31, 2024: 56%). Though remaining bank borrowings are referenced to Euribor, 26.7% of total bank borrowings are covered by interest rate hedges ("CAPs") which were contracted to limit the upside for interest rate hikes (December 31, 2024: 21%). Given the current situation, the directors of MHRE consider this a moderate risk.

20. EVENTS AFTER THE REPORTING DATE

The following significant events took place between June 30, 2025, and the date of authorization for issue of the accompanying interim condensed consolidated financial statements:

- On July 16, 2025, an extraordinary general shareholder meeting was held in which the sale of Alcaidesa Holding S.A.U. and MHRE San Roque S.L.U. was approved, together with the distribution of an extraordinary dividend charged against the share premium in the amount of 167.5 million euros, corresponding to a gross amount of 1.44 euros per share, subject to the effective sale of said companies. On August 8, 2025, payment of said dividend was executed in the amount of 167.5 million euros.
- On July 31, 2025, the sales transaction for the assets and liabilities linked to Alcaidesa Holding, S.A.U. and MHRE San Roque, S.L.U. described in Note 6 was executed. The purpose of the agreement reached with a third party is the sale and transfer of all the assets of Alcaidesa Holding and MHRE San Roque for an amount of 175 million euros, under the terms and conditions described in the Parent's privileged information disclosure dated June 16, 2025. A series of price adjustments were applied to this



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amount, as is customary in this type of transaction, for the sale and transfer of all the ownership interest/shares held by the Parent in these companies.

- On September 17, 2025, the Parent was notified of a lawsuit and an extension thereof challenging thirty (30) corporate resolutions adopted in the Parent's ordinary and extraordinary general shareholder meetings held during 2024 and 2025. Specifically, the following matters were challenged: (i) all of the resolutions approved by the general shareholder meetings held on June 21, 2024, September 12, 2024, and September 16, 2024; (ii) the third, fifth, sixth, and eighth resolutions approved by the general shareholder meeting of June 30, 2025; and (iii) the first and second resolutions approved by the general shareholder meeting held on July 16, 2025; alleging violation of the shareholders' right to information as grounds for nullity together with the alleged abuse of the majority position, and the alleged damage to corporate interests.

These challenges were presented by a minority group of shareholders holding between 1.1% and 2.7% of the share capital, depending on the resolutions being challenged, acting under the legal representation of the law firm Cremades y Calvo Sotelo.

All of the resolutions challenged were in the Parent's corporate interests and were adopted with the favorable vote of a qualified majority of the share capital present and represented (ranging from 60% to 79%, depending on the respective resolutions), after making all the information required by applicable regulations available to the shareholders and the market, and responding in a timely manner to all requests for information. In the opinion of the Board of Directors and its legal advisors, without prejudice to the inherent uncertainty of any judicial procedure, the Group has sufficient factual and legal grounds to argue that the lawsuit should be dismissed in its entirety and that the challenged resolutions are fully valid and effective. The Group's lawyers have been mandated to take whatever legal action they deem necessary in defense of the Group.



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Situation of the market in which the Group performs its activity

During the first half of 2025, tourism activity exceeded all sector performance forecasts, including even the most optimistic, in spite of the situation abroad, that is, the consequences of the war against Ukraine and resurgence of the conflict in Gaza. According to data presented by the Spanish National Institute of Statistics ("INE" in its Spanish acronym), during the first half of 2025 overnight stays in hotels increased by 5.4% as compared to the first half of the previous year. Likewise, Spain has seen a new record number of international tourists, reaching 44.5 million in the first half of 2025 (+4.7% as compared to the first half of 2024). The average expenditure per tourist amounted to 1,376 euros, representing an increase of 3.5%. Further, the average daily expenditure increased by 6.5% up to 209 euros.

According to INE data, the average daily room rate (ADR) in 5-star hotels amounted to 307 euros during the first half of 2025 (+8.5% as compared to the first half of 2024) and average revenue per available room (RevPar) amounted to 227 euros (+12% as compared to the first half of 2024).

During the first half of 2025, according to the Hotel Sector Barometer compiled by STR and Cushman & Wakefield, Spain maintained solid growth in the main hotel performance indicators. Hotel occupancy in Spain is in line with the European average. However, the most notable difference can be observed in the ADR, with Spain presenting a year-on-year increase of 6.5%, well above the 1% achieved by Europe as a whole. In addition, RevPAR in Spain grew by 6.9% as compared to 1.5% for Europe, making the Spanish market one of the most profitable and dynamic on the continent.

The positive momentum in the Spanish tourism market continues to be solid and robust, and the outlook for growth remains positive. In this regard, according to Collier's Hotel Investment Report for the first half of 2025, said 6-month period closed with notable investment activity in the Spanish hotel sector, reaching a volume of 1.766 billion euros, representing an increase of 20% as compared to the same period in 2024. This is not only the best result since the outbreak of the pandemic, but also the third highest historical record for the first six months of a year. If we broaden the focus to the cumulative total for the last 12 months (July 2024 - June 2025), investment exceeds 3.6 billion euros, consolidating the appeal of this asset class as compared to other asset classes, and evidencing the high buying pressure in the market. The 4- and 5-star segments accounted for 74% of the total volume invested, reflecting a clear commitment by capital to upgrade facilities and attract guests with greater purchasing power.

Spain continues to attract higher-end tourists, while also reducing seasonal fluctuations in the hotel sector.

Investors continue showing significant commitment to quality assets, including the luxury segment. This is evidenced in hotel investment, which maintains and increases interest in higher-end assets. The tourism sector continues to focus on attracting tourists with greater purchasing power, with a significant impact on average room rates in luxury and ultra-luxury



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hotels.

According to Collier's report, in line with this trend, during the first half of 2025 the average price per room transacted continued its upward trend, reaching 188 thousand euros (+12% as compared to the post-COVID average), driven by the growing weight of higher-end assets and those located in more prime destinations.

During the first six months of the year, 12 transactions were closed in the luxury segment.

The outlook for the second half of the year remains in line with that of the first half, with transactions expected to exceed 2 billion euros.

One of the most significant transactions in the sector during the first half of the year was MHRE's sale in July 2025 for a transaction value of 175 million euros of the Fairmont la Hacienda luxury hotel complex in Cadiz, together with two golf courses, to Flame Hotel & Golf Holding and Flame Hotel & Golf Equity, owned by funds managed by Activum SG.

The sale was carried out within the framework of the Group's strategy to maintain a portfolio focused solely on 100% consolidated luxury and ultra-luxury tourist areas, reinforce the defensive nature of its portfolio, and provide liquidity to shareholders.

Business performance and situation of the Group

In this context, during the first half of 2025 the Group obtained a positive result of 29.4 million euros (2 million euros during the first half of 2024), as a consequence of the following: (i) EBITDA increased to 8,128 thousand euros, which is 2.5 times higher than in the first half of 2024, thanks to the increase in revenue, mainly as a consequence of the contribution of seven assets in the full half-year, the Hotel El Autor Autograph Collection and Fairmont La Hacienda contributed throughout the half-year compared to the first half of 2024, as well as the contribution made to consolidated results by Hotel Villa Miraconcha for the full six months. In addition, the cost reduction process implemented by the Group over the last six months and (ii) the positive impact of the valuations of the portfolio assets.

In addition, during the first half of 2025 a positive change arose in the fair value of real estate assets, which presented a profit of 29.8 million euros (3.6 million euros for the same period in 2024), while impairment losses on the golf courses were recognized in an amount of 4 million euros (0.1 million euros for the same period in 2024). Finally, losses of 2.8 million euros were recognized for the financial results (in line with the first half of 2024).

The positive result for FY 2024 enabled the Group to propose the distribution of a dividend by the Parent amounting to 13.55 million euros (0.116 euros per share), which was the first dividend distribution in the Group's history, demonstrating its firm commitment to shareholder remuneration. This dividend was fully paid out on July 11, 2025.



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Subsequently, during August the Parent carried out a second dividend distribution corresponding to an extraordinary dividend charged against the share premium reserve in the amount of 1.44356123 euros for each of the existing shares, that is, 167.5 million euros, resulting from the sale and transfer of all the shares of Alcaidesa Holding, S.A.U. and ownership interest in MHRE San Roque, S.L.U., companies that own the Fairmont La Hacienda hotel complex and the golf courses known as “La Hacienda Links Golf Resort.”

With respect to the Group's investments, during the first half of 2025 the Group did not carry out any acquisitions, though it did incur costs for the performance of construction and refurbishment work mainly relating to three assets, the future Hotel Nômade Madrid and Hotel Nobu Madrid as well as the Hotel & Villas La Hacienda complex which opened during the month of February in 2025, amounting to a total of 19.4 million euros, which together with the positive change in fair value of these assets led to a 6.4% increase in GAV for the Group's real estate portfolio, from 684.3 million euros at 2024 year end to 728.3 million euros at June 30, 2025. Of this amount, 9 million euros correspond to the golf courses at the La Hacienda Alcaidesa Links Golf Resort (14.1 million euros at 2024 year-end), accounted for as PP&E.

The Group's *Net Asset Value* (NAV) as of June 30, 2025, calculated based on the recommendations issued by the European Public Real Estate Association (“NAV EPRA NTA”), is broken down as follows:

(Euros)	6/30/2025	12/31/2024
EQUITY	574,702,438	545,495,579
<u>Adjustments:</u>		
Intangible assets	(72,362)	(78,424)
Fair value of derivative financial instruments	1,104,959	902,299
Deferred tax related to investment properties	1,226,147	1,257,147
Goodwill	(931,841)	(931,841)
EPRA NAV	576,029,341	546,644,760
Total shares circulating	116,032,487	116,032,487
EPRA NAV / share	4.96	4.71

The Group's main objective for coming months is to complete the work in progress in order to continue increasing the profitable asset portfolio; it plans to open the Hotel Nômade Madrid and Hotel Nobu Madrid during the first half of 2026, as well as achieve profitability for its entire asset portfolio. The Group, in the ordinary course of its business, will assess potential new acquisitions of hotel assets as well as property rotation which will allow for optimization of profitability for the 5-star hotel asset portfolio. This will allow the Group to consolidate its portfolio, consequently increasing income.

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Description of the main risks and uncertainties facing the Group

The risk factors which can affect the Group, as well as the policies implemented to mitigate them, are described below:

- **Credit risk:** the Group's credit risk mainly arises from the risk of non-payment of rental installments by the tenants of their properties. The Group manages said risk by careful selection of tenants and requesting security deposits or guarantees in the contracts to be signed. During the first half of 2025, impairment loss allowances for accounts receivable were recognized in the amount of 198,296 euros (net reversals amounting to 65,639 euros during the same period in 2024) (Note 9.1).
- **Liquidity risk:** this risk reflects the possibility that the Group will have insufficient funds or lack access to sufficient funds at an acceptable cost to meet its payment obligations at any point in time. At June 30, 2025, the Group presented a loan to value ratio (LTV), defined as financial debt divided by the fair value of the assets, of 26.9% (December 31, 2024: 29.7%). If the cash balance of 42.7 million euros together with the balance of surplus cash which the Parent dedicates to short-term temporary investments amounting to 4.3 million euros (December 31, 2024: 77.1 million euros) is taken into account for calculation of net financial debt, the LTV would be reduced to 20.5% (December 31, 2024: 18.4%). In addition, at June 30, 2025 the Group's working capital amounted to 180 million euros (December 31, 2024: 17.8 million euros). Thus, in light of its financial position at June 30, 2025, the directors of MHRE consider that the Group will be able to meet its payment obligations in the short term.
- **Market risk:** this represents one of the main risks to which the Group is exposed as a consequence of low property occupancy or downward renegotiation of expiring lease agreements. Materialization of this risk would decrease Group revenue and negatively affect the valuation of assets. Taking into account the location of the Group's properties and the duration of the lease agreements (Note 8.4), the directors of MHRE consider this a moderate risk.
- **Interest rate risk:** at June 30, 2025, approximately 35.9% of the Group's bank borrowings bears interest at a fixed rate (December 31, 2024: 56%). Though remaining bank borrowings are referenced to Euribor, 26.7% of total bank borrowings are covered by interest rate hedges ("CAPs") which were contracted to limit the upside for interest rate hikes (December 31, 2024: 21%). Given the current situation, the directors of MHRE consider this a moderate risk.

In light of the changing environment, the directors and Management of MHRE are constantly monitoring the developing situation with a view to successfully dealing with the possible impacts which may arise.

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Research and development activities

The Group did not engage in any R&D activity during the first half of 2025.

Treasury shares

During the six-month period ended June 30, 2025, MHRE acquired 71,526 treasury shares (94,344 treasury shares during the same period in 2024) at an average price of 2.52 euros per share (2.58 euros per share during the same period in 2024) and sold 61,506 treasury shares (53,333 treasury shares during the same period in 2024) at an average price of 2.65 euros per share (2.61 euros per share during the same period in 2024). The difference between the cost price and the sales price for the shares, totaling a net amount of 41,806 euros (64,436 euros for the same period in 2024) was recognized under "Voluntary reserves" (Note 11.2).

At June 30, 2025, MHRE held a treasury share portfolio comprised of 226,094 treasury shares, representing 0.19% of its share capital (December 31, 2024: 373,951 treasury shares, representing 0.3% of its share capital).

Use of financial instruments

The non-current balance recognized in the amount of 319,040 euros for hedging derivatives (2024: 390,937 euros) and the current balance amounting to 7,434 euros recognized for hedging derivatives (2024: 32,993 euros) correspond to two hedging contracts:

- The first of these, amounting to 198,974 euros at June 30, 2025, was formalized on March 24, 2023 with Caixabank as a CAP to cover against changes in the interest rate (Euribor) to which the financing obtained in connection with Hotel Nômade Madrid is subject (Note 13.1). On May 23, 2025, the hedge was modified, replacing the CAP with a collar option.
- On June 5, 2023 a CAP derivative was formalized with Unicaja to cover against changes in the interest rate (Euribor) to which the financing obtained in connection with the Hotel Mercer Plaza Sevilla is subject, amounting to 120,066 euros at the end of the reporting period for the first half of 2025.

The premiums paid for these hedging contracts amounted to a total of 1,651,900 euros, with a profit of 31,565 euros recognized in equity (2024: 112,561 euros). In addition, during the first half of 2025 the Group recognized a loss arising from amortization of the premium for said derivatives under "Changes in fair value of financial instruments" in the separate interim consolidated statement of profit or loss, amounting to 103,462 euros (same amount at December 31, 2024).

The derivative amounting to 234 thousand euros corresponds to an interest rate swap (IRS) arranged on October 8, 2024 with Banco Sabadell to cover against changes in the interest



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rate (Euribor) to which the financing obtained in connection with the Hotel El Autor by Autograph Madrid is subject. A loss of 234 thousand euros was recognized in equity.

In addition, during the first half of 2025 the Group recognized a gain amounting to 18,961 euros under "Changes in fair value of financial instruments" in the separate interim consolidated statement of profit or loss (December 31, 2024: 32,993 euros).

Events after the reporting date

No additional events occurred after the reporting date other than those disclosed in Note 20 to the interim condensed consolidated financial statements.



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At the meeting of the Board of Directors of MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A., held on September 30, 2025, its members authorized the interim condensed consolidated financial statements together with the interim consolidated management report of MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. and subsidiaries for the six-month period ended June 30, 2025, consisting of the documents attached above, initialed by the Secretary of the Board of Directors for purposes of identification, with all of the members of the Board of Directors signing this last page.

(Signed in the Spanish version)

Javier Martínez-Piqueras Barceló
Chairman

(Signed in the Spanish version)

Javier Martínez-Piqueras Barceló (in
representation of **Francisco Borja Escala
Jiménez**) (*)
Chief Executive Officer

(Signed in the Spanish version)

Javier Martínez-Piqueras Barceló (in
representation of **Pablo Castellano
Vázquez**) (*)
Board member

(Signed in the Spanish version)

Javier Martínez-Piqueras Barceló (in
representation of **Ricardo de Armas**) (*)
Board member

(Signed in the Spanish version)

María Isabel Dutilh Carvajal
Board member

(Signed in the Spanish version)

Pilar Muñoz Sanz
Board member

(*) The Board members Mr. Pablo Castellano Vázquez, Mr. Ricardo de Armas, and the CEO Mr. Francisco Borja Escala Jiménez did not attend the Board meeting, having expressly empowered Mr. Javier Martínez-Piqueras Barceló to authorize the interim condensed consolidated financial statements and interim consolidated management report corresponding to the six-month period ended June 30, 2025, and sign this sheet on their behalf, as stated in the minutes to the Board meeting.



MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A.

Financial information (Interim balance sheet and Interim statement of profit or loss)
on stand-alone basis for the six-month period ended June 30, 2025

Interim balance sheet at June 30, 2025

(In euros)

ASSETS	06/30/25 (*)	12/31/24
NON-CURRENT ASSETS	438,653,690	600,324,059
Intangible assets	42,347	49,138
Property, plant, and equipment	351,760	374,978
Investment properties	416,640,279	408,594,356
Investments in group companies	16,821,780	186,537,868
Financial investments	2,747,005	2,812,868
Trade receivables	2,050,519	1,954,851
CURRENT ASSETS	223,645,981	72,162,290
Non-current assets held for sale	169,210,835	-
Inventories	392,985	620,125
Trade and other receivables	4,111,981	4,169,361
Trade receivables	3,135,090	2,784,062
Trade receivables from group companies and associates	325,809	898,373
Other receivables	-	774
Receivable from public administrations	651,082	486,152
Investments in group companies	-	2,959,852
Financial investments	9,614,895	4,546,917
Other current assets	549,084	193,904
Cash and cash equivalents	39,766,201	59,672,131
Cash	39,766,201	7,672,131
Cash equivalents	-	52,000,000
TOTAL ASSETS	662,299,671	672,486,349
EQUITY AND LIABILITIES		
EQUITY	480,594,024	475,044,000
Capital and reserves	481,698,983	475,946,299
Share capital	116,032,487	116,032,487
Share premium	341,887,362	341,887,362
Reserves	19,249,984	4,236,201
Shares of the company	(1,241,736)	(1,265,320)
Profit (loss) for the period	5,770,886	15,055,569
Financial assets at fair value with changes in equity	(1,104,959)	(902,299)
NON-CURRENT LIABILITIES	145,888,577	157,220,463
Financial liabilities	145,888,577	157,220,463
Bank borrowings	143,252,335	154,796,432
Derivates	234,225	-
Other financial liabilities	2,402,017	2,424,031
CURRENT LIABILITIES	35,817,070	40,221,886
Financial liabilities	26,370,756	28,802,465
Bank borrowings	26,328,756	28,760,465
Other financial liabilities	42,000	42,000
Trade and other payables	9,300,334	11,222,634
Suppliers	6,874,746	6,105,663
Other payables	696,118	1,648,406
Employee benefits payable	1,071,622	3,089,780
Payables to public administrations	587,487	308,424
Customer advances	70,361	70,361
Other current liabilities	145,980	196,787
TOTAL EQUITY AND LIABILITIES	662,299,671	672,486,349

(*) Non audited

Interim statement of profit or loss for the six-month period ended June 30, 2025

(In euros)

	06/30/25 (*)	06/30/24 (*)
Continuing operations		
Revenue	8,000,174	6,840,833
Lease income	8,000,174	6,840,833
Other operating income	784,271	480,689
Work performed by the Group and capitalized	361,473	-
Employee expense	(1,312,588)	(2,896,178)
Salaries and wages	(1,145,479)	(2,660,274)
Employee benefits expense	(167,109)	(235,904)
Other operating expenses	(2,758,701)	(2,765,690)
External services	(2,119,047)	(2,207,561)
Taxes (other than income tax)	(441,358)	(623,768)
Impairment losses on receivables	(198,296)	65,639
Depreciation and amortization	(1,634,510)	(1,732,456)
Impairment losses and gains (losses) on disposal of non-current assets	-	8,865,605
Other income (loss)	(4,237)	193,843
OPERATING PROFIT (LOSS)	3,435,882	8,986,646
Finance income	5,308,463	4,915,957
From equity investments	574,308	425,773
From marketable securities & other financial instruments	4,734,155	4,490,184
Finance costs	(3,614,316)	(3,237,507)
Third-party borrowings	(3,614,316)	(3,237,507)
Finance costs capitalized in fixed assets	723,582	-
Changes in fair value of financial instruments	(84,501)	229,657
Fair value with changes in profit and loss	(84,501)	229,657
Foreign exchange gains (losses)	4,031	-
Impairment losses and gains (losses) on disposal of financial instruments	(2,255)	(4,165,319)
Impairment and losses	(2,255)	(4,165,319)
FINANCE PROFIT (LOSS)	2,335,004	(2,257,212)
PROFIT (LOSS) BEFORE TAX	5,770,886	6,729,434
Corporate income tax	-	-
PROFIT (LOSS) FOR THE PERIOD	5,770,886	6,729,434

(*) Non audited