



11 September 2026

Hotei Properties Group, SOCIMI, S.A. pursuant to the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 228 of the consolidated text of the Securities Market Law, 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 discloses the following

OTHER RELEVANT INFORMATION

- Limited Review Report on the Consolidated Abridged Interim Financial Statements for the six-month period ending 30 June 2026.
- Consolidated Abridged Interim Financial Statements and Consolidated Interim Management Report for the six-month period ending 30 June 2026.
- Individual Interim Balance Sheet and Profit and Loss Account for the six-month period ending 30 June 2026.

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

Hotei properties group, SOCIMI SA

Report on Limited Review

HOTEL PROPERTIES GROUP,
SOCIMI, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated
Financial Statements and Interim
Consolidated Management Report
for the six-months ended
June 30, 2026



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 HOTEI PROPERTIES GROUP 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 HOTEI PROPERTIES GROUP, SOCIMI, S.A. (the Parent) and subsidiaries (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, 2026. 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, 2026 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, 2025. This matter does not modify our conclusion.

Other information

The accompanying interim consolidated management report for the six months ended June 30, 2026, 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, 2026. 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 HOTEL PROPERTIES GROUP, SOCIMI, S.A. (the Parent) and subsidiaries (the Group).

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

September 11, 2026



**HOTeI PROPERTIES GROUP, SOCIMI, S.A. AND
SUBSIDIARIES**

Interim condensed consolidated financial statements and interim consolidated
management report for the six-month period ended
June 30, 2026

Interim consolidated statement of financial position at June 30, 2026

(In euros)

ASSETS	Notes	6/30/2026 (*)	12/31/2025
NON-CURRENT ASSETS		380,847,165	465,343,281
Intangible assets	7	110,052	63,610
Goodwill	7	931,841	931,841
Property, plant, and equipment	7	3,815,194	3,980,342
Investment properties	8	373,631,386	456,864,386
Financial investments	9	1,180,594	2,032,079
Deferred tax assets	15	120,060	-
Trade receivables	9	1,058,038	1,471,023
CURRENT ASSETS		193,316,877	147,982,486
Non-current assets held for sale	6	105,355,975	104,839,743
Inventories	10	234,048	714,663
Trade and other receivables		7,796,633	7,599,624
Trade receivables	9	4,082,121	4,398,316
Other receivables	9	333,698	278,451
Receivable from public administrations	15	3,380,814	2,922,857
Financial investments	9	244,761	4,703,792
Other current assets	9	192,615	413,260
Cash	11	79,492,845	29,711,404
TOTAL ASSETS		574,164,042	613,325,767
EQUITY AND LIABILITIES		6/30/2026 (*)	12/31/2025
EQUITY		381,431,620	383,838,594
Capital and reserves		381,989,585	384,621,310
Share capital	12.1	116,032,487	116,032,487
Share premium	12.2	174,944,707	174,944,707
Reserves and retained earnings	12.3	85,669,161	76,100,440
Shares of the Parent company	12.4	(1,032,282)	(1,006,165)
Profit for the period attributed to the Parent company		6,375,512	18,549,841
Unrealized gains (losses) reserve	12.5	(557,965)	(782,716)
NON-CURRENT LIABILITIES		96,408,415	167,465,194
Provisions		2,913,350	3,039,277
Borrowings		93,215,160	164,146,012
Bank borrowings	13.1	87,805,561	158,654,819
Derivatives	13.1	-	14,383
Other financial liabilities	13.2	5,409,599	5,476,810
Deferred tax liabilities	15	279,905	279,905
CURRENT LIABILITIES		96,324,007	62,021,979
Liabilities related to non-current assets held for sale	6	41,916,117	43,295,214
Borrowings		44,480,671	5,234,480
Bank borrowings	13.1	44,321,182	4,983,190
Derivatives	13.1	15,266	18,637
Other financial liabilities	13.2	144,223	232,653
Trade and other payables		9,910,043	13,492,285
Suppliers and other payables	13.3	7,539,770	12,083,669
Employee benefits payable (remuneration pending payment)	13.3	570,292	764,683
Payables to public administrations	15	1,257,268	372,395
Customer advances	13.3	542,713	271,538
Other current liabilities	13	17,176	-
TOTAL EQUITY AND LIABILITIES		574,164,042	613,325,767

(*) Unaudited data

The accompanying Notes 1 to 20 are an integral part of the interim consolidated statement of financial position at June 30, 2026.

Separate interim consolidated statement of profit or loss for the six-month period ended June 30, 2026

(In euros)

	Notes	6/30/2026 (*)	6/30/2025 (*)
Continuing operations			
Revenue		10,983,702	13,351,431
Lease income	8.4 and 17.1	8,227,772	11,054,362
Rendering of services	17.1	2,755,930	2,297,069
Cost of sales		(353,385)	(357,443)
Other operating income		524,725	860,736
Work performed by the entity and capitalized	8	276,358	361,473
Employee benefits expense	17.2	(2,499,904)	(2,295,448)
Other operating expenses		(4,006,916)	(3,830,226)
External services	17.3	(3,173,764)	(2,832,426)
Taxes (other than income tax)	17.4	(833,152)	(997,800)
Impairment losses on accounts receivable	9.1	(500,139)	(198,296)
Change in fair value of investment properties	8	5,406,137	30,028,860
Depreciation and amortization	7	(211,965)	(279,452)
Impairment losses and gains (losses) on disposal of non-current assets	6	(912,224)	-
Impairment and losses		(912,224)	-
Other gains (losses)		39,560	37,686
OPERATING PROFIT		8,745,949	37,679,321
Finance income	17.5	321,509	648,879
From marketable securities & other financial instruments		321,509	648,879
Finance costs	17.6	(2,641,938)	(3,328,395)
Third-party borrowings		(2,641,938)	(3,328,395)
Changes in fair value of financial instruments	9.2	(164,494)	(84,501)
Exchange gains (losses)		(5,574)	4,413
Impairment and gains (losses) on disposal of financial instruments	9.2	-	(2,255)
NET FINANCE RESULT		(2,490,497)	(2,761,859)
PROFIT BEFORE TAX		6,255,452	34,917,462
Corporate income tax	15	120,060	-
PROFIT FOR THE PERIOD		6,375,512	34,917,462
DISCONTINUED OPERATIONS		-	(5,483,899)
Profit (loss) for the period from discontinued operations	6	-	(5,483,899)
Profit for the period attributed to the Parent company		6,375,512	29,433,563
Profit for the period attributed to non-controlling interests		-	-
EARNINGS PER SHARE			
Basic earnings per share	5	0.06	0.25

(*) Unaudited data

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, 2026.

Interim consolidated statement of comprehensive income for the six-month period ended June 30, 2026

(In euros)

	Notes	6/30/2026 (*)	6/30/2025 (*)
Consolidated profit for the period (I)		6,375,512	29,433,563
Income and expense recognized directly in consolidated equity			
From cash flow hedges	9.2 and 12.5	224,751	(202,660)
Total income and expense recognized directly in consolidated equity (II)		224,751	(202,660)
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)		6,600,263	29,230,903
Total consolidated income and expense recognized and attributed to the Parent company		6,600,263	29,230,903
Total consolidated income and expense recognized and attributed to non-controlling interests			-

(*) Unaudited data

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, 2026.

Interim consolidated statement of changes in equity for the six-month period ended June 30, 2026

(In euros)

	Share capital (Note 12.1)	Share premium (Note 12.2)	Reserves and retained earnings (Note 12.3)	Shares of the Parent company (Note 12.4)	Profit (loss) for the period attributed to the Parent company	Unrealized gains (losses) reserve (Note 9.2)	Total
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
Balance at December 31, 2025	116,032,487	174,944,707	76,100,440	(1,006,165)	18,549,841	(782,716)	383,838,594
Consolidated income and expense recognized	-	-	-	-	6,375,512	224,751	6,600,263
Transactions with partners or owners:	-	-	5,693	(26,117)	(8,986,813)	-	(9,007,237)
Transactions with shares of the Parent company (net) (Note 12.4)	-	-	(21,441)	(26,117)	-	-	(47,558)
Distribution of dividends (Note 12.3)	-	-	27,134	-	(8,986,813)	-	(8,959,679)
Other changes in equity	-	-	9,563,028	-	(9,563,028)	-	-
Balance at June 30, 2026 (*)	116,032,487	174,944,707	85,669,161	(1,032,282)	6,375,512	(557,965)	381,431,620

(*) Unaudited data

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, 2026.

Interim consolidated cash flow statement for the six-month period ended June 30, 2026

(In euros)

	Notes	6/30/2026 (*)	6/30/2025 (*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before tax		6,255,452	29,433,563
Profit for the period from continuing operations		6,255,452	34,917,462
Profit (loss) for the period from discontinued operations	6	-	(5,483,899)
Adjustments to profit		(1,456,800)	(26,826,941)
Depreciation and amortization (+)	7	211,965	279,452
Impairment losses on accounts receivable	9.1	500,139	198,296
Gains (losses) from derecognition and disposal of financial instruments (+/-)	9.2	-	2,255
Gains (losses) from derecognition and disposal of non-current assets (+/-)	6	912,224	-
Changes in provisions		(125,928)	-
Finance income (-)	17.5	(321,509)	(648,879)
Finance costs (+)	17.6	3,664,938	3,328,395
Capitalized borrowing costs (-)	8	(1,023,000)	-
Exchange gains (losses) (+/-)		5,574	(4,413)
Change in fair value of financial instruments (+/-)	9.2 & 13.4	164,494	84,501
Change in fair value of investment properties (+/-)	8	(5,406,137)	(30,028,860)
Other income and expenses (-/+)		(39,560)	(37,688)
Change in working capital		1,940,856	(1,076,417)
(Increase) decrease in inventories		480,616	875,244
(Increase) decrease in trade and other receivables		(333,501)	(1,322,926)
(Increase) decrease in other current assets		5,302,117	607,439
(Increase) decrease in trade and other payables		(3,023,338)	(474,299)
(Increase) decrease in other current liabilities		17,176	438,215
Other non-current assets and liabilities (+/-)		(502,214)	(1,200,090)
Other cash flows from operating activities		(2,275,182)	(4,242,016)
Interest paid (-)		(2,275,182)	(3,014,016)
Other payments (receipts) (-/+)		-	(1,228,000)
Cash flows from operating activities		4,464,326	(2,711,811)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments (-)		(15,292,843)	(22,284,192)
Intangible assets	7	(58,730)	(2,606)
Property, plant, and equipment	7	(34,529)	(37,089)
Investment properties	8	(15,199,584)	(6,470,398)
Other financial assets		-	(5,044,966)
Non-current assets held for sale		-	(10,729,133)
Proceeds from disinvestments (+)		102,810,261	-
Investment properties	8	387,743	-
Non-current assets held for sale	6	102,422,518	-
Cash flows from (used in) investing activities		87,517,418	(22,284,192)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		(20,425)	(24,044)
Acquisition of own equity instruments (-)		(20,425)	(24,044)
Proceeds from and payments of financial liability instruments		(33,193,065)	30,486,025
Issues		-	30,486,025
Bank borrowings (+)		-	30,486,025
Repayment and redemption of		(33,193,065)	(37,754,400)
Bank borrowings (-)		(33,193,065)	(37,754,400)
Dividends paid and payments on other equity instruments		(8,986,813)	-
Dividends		(8,986,813)	-
Cash flows from financing activities		(42,200,303)	(7,292,419)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		49,781,441	(32,288,422)
Cash and cash equivalents at beginning of period	11	29,711,404	73,127,463
Cash and cash equivalents at end of period	11	79,492,845	40,839,041

(*) Unaudited data

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, 2026.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026**1. GENERAL INFORMATION ON THE GROUP**

HOTEL PROPERTIES GROUP, SOCIMI, S.A. ("the Parent" or "HOTEL") and subsidiaries ("the Group" or "the HOTEL 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.
- f. Operation of a lodging and accommodation business service in the form of hotels, hostels, boarding houses, pensions or any other form which is legally permitted, as well as the acquisition, purchase, and non-financial leasing of premises or real estate for such purposes.

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 Velázquez 47, 28001, Madrid, since January 9, 2025.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

On June 30, 2025, the general shareholders meeting, amongst other matters, approved a modification of the corporate name, Millenium Hospitality Real Estate SOCIMI, S.A., to the current version, Hotei Properties Group, SOCIMI, S.A., filing the change at the Mercantile Registry on October 19, 2025.

As from June 30, 2025, following the departure of Mr. Luis Basagoiti as executive chairman of the Parent, Mr. Francisco de Borja Escalada Jiménez was appointed as Chief Executive Officer of HOTEI.

The subsidiaries which together with the Parent form a part of the consolidation scope at June 30, 2026 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	(*)	HOTEI	100%	Ernst & Young, S.L.	Full consolidation	Euros
Hotel Villa Miracocha, S.L.U.	Avenida de la Libertad 25, San Sebastián	(**)	HOTEI	100%	Unaudited	Full consolidation	Euros
Global Kioto, S.L.U.	Calle Velazquez 47, Madrid	(**)	HOTEI	100%	Unaudited	Full consolidation	Euros
Greenlagoon Project, S.L.U.	Calle Velazquez 47, Madrid	Inactive	HOTEI	100%	Unaudited	Full consolidation	Euros

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

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

Changes in consolidation scope at June 30, 2026

On May 29, the Parent signed a purchase-sale contract to acquire all the participation units of Greenlagoon Project, S.L.U. for an amount of 3,000 euros.

The breakdown of the consolidation scope at December 31, 2025 and the corresponding movements during 2025 are disclosed in Note 1 to the consolidated financial statements for FY 2025.

The subsidiaries use the same reporting periods as the Parent.

The Parent and its subsidiary, Varia Pza Magdalena, S.L.U., 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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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

1.1. SOCIMI regime (Spanish REIT)

At June 30, 2025, the Parent and its subsidiary, Varia Pza Magdalena, S.L.U., are regulated by Law 11/2009 of October 26, modified by Law 11/2021 of July 9, regulating SOCIMIs.

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:
 - o 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

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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:

- o 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 3.1.

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 by the second final provision of Law 11/2021, of July 9, the SOCIMI shall be subject to a

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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.

The directors of the Parent will evaluate compliance with the SOCIMI regime at December 31, 2026 (December 31, 2025: the Parent and its investee, Varia Pza Magdalena, S.L.U., were in compliance with the corresponding requirements).

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, 2026 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

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

condensed consolidated financial statements at June 30, 2026 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 statements must be read together with the Group's annual consolidated financial statements for the year ended December 31, 2025, which were audited by Ernst & Young, S.L. and approved by the ordinary and extraordinary general shareholder meeting held on June 10, 2026.

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, 2025, 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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026**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, 2026, 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 HOTEI 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. These estimates were made on the basis of the best available information at the closing date. However, given the uncertainty inherent in these estimates, future events could require them to be modified in subsequent reporting periods. Any such modifications would be done prospectively, as established in IAS 8.

The key assumptions concerning the future and other relevant data on the estimation of uncertainty at the closing date which entail a considerable risk of significant changes in the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

- Compliance with the SOCIMI tax regime (Notes 1.1 and 15.2)
- 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, the corresponding figures for the year ended December 31, 2025 are also presented, while 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 and liabilities associated with Alcaidesa Holding, S.A.U. relating to the golf activity 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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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 2025.

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, 2026 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, 2026 are consistent with those applied in the preparation of the consolidated annual financial statements for the year ended December 31, 2025, and are disclosed in Note 4 to said consolidated annual financial statements.

3. DISTRIBUTION OF RESULTS AND CAPITAL MANAGEMENT

As indicated in Note 1.1, HOTEI and the subsidiary Varia Pza Magdalena, S.L.U. 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

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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 on the terms referred to in the previous section.

HOTEI 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.

In accordance with the stipulations of the SOCIMI Law, HOTEI'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 4.21 to the consolidated financial statements for FY 2025 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 (Note 9.2).

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

		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	Date of measurement					
Assets measured at fair value						
Investment properties						
Operational hotels (Note 8)	6/30/2026	301,400,000	-	-	301,400,000	
Hotels under development (Note 8)	6/30/2026	72,231,386	-	-	72,231,386	
Assets held for sale (Note 6)	6/30/2026	103,450,978	-	-	103,450,978	
Financial investments:						
Derivative financial instruments (Note 9.2)	6/30/2026	227,926	-	227,926	-	
Assets held for sale (Note 6)	6/30/2026	196,960	-	196,960	-	

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

There were no transfers between Levels 1 and 2 during the six-month period ended June 30, 2026.

The table which presents the fair value hierarchy for the Group's assets and liabilities at 2025 year end is included in Note 4.21 to the consolidated financial statements for FY 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 HOTEI by the weighted average number of ordinary shares circulating during the period, excluding treasury shares.

	6/30/2026	6/30/2025
Profit for the period attributable to shareholders of HOTEI (euros)	6,375,512	29,433,563
Weighted average number of shares circulating (shares)	115,852,835	115,793,164
Basic earnings per share (euros)	0.06	0.25

Diluted earnings per share

Diluted earnings per share are calculated by adjusting profit for the year attributable to holders of HOTEI'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 HOTEI does not have different classes of potentially dilutive ordinary shares, no diluted earnings per share were calculated.

6. NON-CURRENT ASSETS HELD FOR SALE, DISPOSAL GROUPS OF ASSETS HELD FOR SALE, AND DISCONTINUED OPERATIONS

On June 9, 2026, the Board of Directors of the Parent approved the acceptance of the binding offer received for the sale of Hotel Nômade Madrid, subject to approval by the general shareholder meeting as the asset is considered an essential asset.

On July 15, 2026, the extraordinary general shareholder meeting approved the acceptance of the binding offer and the subscription of the purchase-sale contract. The sales price for said asset was set at 105,000 thousand euros, plus a variable price (earn-out) of up to 10,000 thousand euros subject to the gross operating profit of the hotel exceeding certain thresholds during the three years following the sale.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

Consequently, at June 30, 2026 those assets and liabilities linked to said hotel which the Parent intends to recover via their sale rather than continued use were classified under "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale."

The breakdown of the main headings for assets and liabilities classified as held for sale at June 30, 2026 is as follows:

(Euros)	6/30/2026
Non-current assets	
Investment properties (Notes 4 and 8)	103,450,978
Financial investments	1,413,957
Current assets	
Trade and other receivables	246,160
Financial investments	243,682
Other current assets	1,198
Non-current assets held for sale	105,355,975
Non-current liabilities	
Borrowings	41,362,915
Bank borrowings	40,818,415
Other non-current financial liabilities	544,500
Current liabilities	
Borrowings	29,914
Bank borrowings	29,914
Trade and other payables	523,288
Suppliers and other payables	523,288
Liabilities related to non-current assets held for sale	41,916,117

The investment property is being leased to a third party by means of an operating lease contract signed on January 4, 2024 for a duration of 20 years. In addition, HOTEI 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. The revenue from this lease agreement is both fixed and variable, and referenced to annual CPI.

The income arising from this operating lease contract amounted to 207,140 euros during the six-month period ended June 30, 2026 (Note 17.1), and the expenses associated with the investment properties which generated such income correspond to the following:

(Euros)	6/30/2026
Taxes (other than income tax)	78,800
Other operating expenses	57,621
TOTAL	136,421

The non-current financial investments recognized under "Non-current assets held for sale" include the collar derivative contracted to hedge against changes in the Euribor interest rate

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

applicable to the financing obtained in connection with the investment property, amounting to 196,960 euros. In addition, the guarantees and deposits relating to the lease of the property are recognized in the amounts of 542,500 euros and 674,497 euros, respectively.

The bank borrowings recognized under "Liabilities related to non-current assets held for sale" in the amount of 40,848 thousand euros correspond to a mortgage loan that matures in 2035 and bears interest referenced to Euribor plus a spread or a fixed rate of 2.00%. The aforementioned mortgage loan requires compliance with a series of financial ratios. In the event of failure to meet the ratios, the loan contract can be called ahead of maturity. At June 30, 2026, the Company was in compliance with the financial ratios applicable at that date.

In addition, the breakdown of the annual maturities of the nominal amounts corresponding to the non-current liabilities classified under "Liabilities related to non-current assets held for sale" at June 30, 2026 is as follows:

(Thousands of euros)	Bank borrowings (excluding arrangement expenses)	Other non-current financial liabilities
6/30/2027	24,969	-
6/30/2028	307,949	-
6/30/2029	1,169,374	-
6/30/2030	2,034,961	-
6/30/2031	2,496,884	-
Subsequent years	35,580,599	544,500
	41,614,736	544,500

On July 22, 2026, the Parent signed the purchase-sale contract for Hotel Nômade Madrid. Subsequently, on September 10, 2026 the Group completed the sale of Hotel Nômade Madrid to GS Bacares Iberia, S.L., a company in which a majority stake is held by Nômade Partners SCSp and which belongs to the same group as the entity leasing the property from the Parent. This transaction was approved by the general shareholder meeting held on July 15, 2026.

The price for the sale of Hotel Nômade Madrid amounted to 105 million euros, plus a variable price (earn-out) of up to 10 million euros subject to the gross operating profit of Hotel Nômade Madrid exceeding certain thresholds during the three years following the sale. In addition, a partner of the purchasing company assumed the deferred payment of a penalty to the Parent amounting to 1 million euros as per the terms agreed upon. Said property was linked to a mortgage loan which was fully canceled in the amount of approximately 41.6 million euros (Note 20).

The breakdown of the main headings for assets and liabilities classified as held for sale at December 31, 2025 is as follows:

(Euros)	12/31/2025
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Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

Non-current assets	
Investment properties	103,585,100
Financial investments	858,333
Trade receivables	66,549
Current assets	
Trade and other receivables	285,926
Accruals	43,835
Non-current assets held for sale	104,839,743

Non-current liabilities	
Borrowings	21,624,407
Bank borrowings	20,752,742
Other financial liabilities	871,665
Current liabilities	
Borrowings	21,640,962
Bank borrowings	21,640,962
Trade and other payables	13,059
Suppliers and other payables	13,059
Accruals	16,786
Liabilities related to non-current assets held for sale	43,295,214

The investment properties were leased to third parties through operating lease contracts with initial maturity dates ranging from 2027 to 2028.

The income arising from these operating lease contracts amounted to 5,276,855 euros for the year ended December 31, 2025, while the expenses associated with the investment properties that generated said income break down as follows:

(Euros)	12/31/2025
Taxes (other than income tax)	403,279
Other operating expenses	55,558
TOTAL	458,837

The bank borrowings recognized as liabilities related to non-current assets held for sale in the amount of 42,394 thousand euros correspond to mortgage loans that mature from 2026 to 2036 and either bear interest rates referenced to Euribor plus a spread or fixed rates between 2.38% and 2.40%. The aforementioned mortgage loans required compliance with a number of financial ratios, in some cases applicable once the hotel had been in operation for a certain period of time. Failure to comply with said ratios can be considered cause for early termination of the loan contract. At December 31, 2025, the Group was in compliance with the financial ratios applicable at said date.

In addition, the breakdown for annual maturities corresponding to the nominal amounts of non-current liabilities classified under "Liabilities related to non-current assets held for sale" at December 31, 2025 was as follows:

(Thousands of euros)	Bank borrowings (excluding arrangement expenses)	Other non-current financial liabilities
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**Explanatory notes to the Interim condensed consolidated financial
statements of the six-month period ended June 30, 2026**

2026	21,656,971	-
2027	1,872,000	500,000
2028	1,872,000	358,333
2029	1,872,000	-
2030	1,872,000	-
Subsequent years	13,410,500	13,332
	42,555,471	871,665

These assets classified as "Non-current assets held for sale" at the closing for the year ended December 31, 2025 were sold during the six-month period ended June 30, 2026. On March 4, 2026, the Parent sold the Hotel Melia de Bilbao for an amount of 63 million euros. The transaction is part of the Group's strategy to rotate non-core assets for purposes of focusing solely on luxury and ultra-luxury assets. On May 11, 2026, the Parent sold the Hotel Radisson Bilbao for an amount of 42 million euros. Said sale generated a negative result amounting to 912 thousand euros recognized in the separate interim consolidated statement of profit or loss for the period ended June 30, 2026 under "Impairment losses and gains (losses) on disposal of non-current assets."

In addition, 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. was executed. The income and expenses associated with the assets and liabilities of Alcaidesa Holding, S.A.U. had been classified within the "other activities" segment, which is why they were classified under "Profit (loss) for the year from discontinued operations" in the consolidated separate statement of profit or loss at December 31, 2025. The result arising from the sale was included under "Profit (loss) for the year from discontinued operations (net of tax)" given that a separate segment was disposed of as a consequence of the assets and liabilities linked to Alcaidesa Holding, S.A.U.

Since the purchase-sale contract for the transfer of the aforementioned companies had already been formalized at June 30, 2025, the results from discontinued operations were recognized under "Profit (loss) for the period from discontinued operations" in the separate interim consolidated statement of profit or loss at June 30, 2025.

The results generated by the golf activity during the six-month period ended June 30, 2025 were as follows:

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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

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, 2026 are as follows:

(Euros)	12/31/2025	Additions/Allowances	Derecognitions/Amounts applied	Transfers	6/30/2026
Cost					
Goodwill on consolidation	932,934	-	-	-	932,934
Software	107,191	58,730	-	-	165,921
	1,040,125	58,730	-	-	1,098,855
Accumulated amortization					
Software	(43,581)	(12,288)	-	-	(55,869)
	(43,581)	(12,288)	-	-	(55,869)
Impairment losses					
Goodwill on consolidation	(1,093)	-	-	-	(1,093)
	(1,093)	-	-	-	(1,093)
Net carrying amount	995,451	46,442	-	-	1,041,893

No significant additions were recognized during the 6-month period ended June 30, 2026.

The movements in intangible assets and goodwill during 2025 are included in Note 6 to the consolidated financial statements for FY 2025.

In accordance with the accounting policy described in Note 4.2 to the consolidated financial statements for FY 2025, 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, 2026

The movements in PP&E during the six-month period ended June 30, 2026 were as follows:

(Euros)	12/31/2025	Additions/Allowances	Derecognitions/Amounts applied	Transfers (Note 6)	6/30/2026
Cost					
Machinery	28,348	-	-	-	28,348
Plant	354,141	-	-	-	354,141
Furniture	78,407	17,887	-	-	96,294
Data processing equipment	48,378	16,642	-	-	65,020
Right-of-use assets	5,020,534	-	-	-	5,020,534
	5,529,808	34,529	-	-	5,564,337
Accumulated depreciation					
Machinery	(569)	(3,264)	-	-	(3,833)
Plant	(76,457)	(34,564)	-	-	(111,021)
Furniture	(27,337)	(3,955)	-	-	(31,292)
Data processing equipment	(40,862)	(3,791)	-	-	(44,653)
Right-of-use assets	(1,404,241)	(154,103)	-	-	(1,558,344)
	(1,549,466)	(199,677)	-	-	(1,749,143)
Net carrying amount	3,980,342	(165,148)	-	-	3,815,194

The balance recognized for PP&E at June 30, 2026 mainly corresponds to the Group's office facilities and right-of-use assets (IFRS 16).

The movements in PP&E during 2025 are disclosed in Note 6 to the consolidated financial statements for FY 2025.

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, 2027. 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.

The lease payments made in connection with said contracts amounted to 107,206 euros in the first half of 2026 (2025: 204,554 euros).

8. INVESTMENT PROPERTIES

At June 30, 2026, the Group held the following investment properties:

Investment property	Location	Status
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Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

Hotel Radisson Collection Sevilla	Plaza de la Magdalena 1 and c/ Rioja 26, Seville	Operating
Hotel Nômade Madrid (*)	Gran Vía 11, Madrid	Operating
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

(*) Classified as "Non-current assets held for sale" (Note 6)

8.1. Movements during the period

The breakdown and movements for investment properties at June 30, 2026 are as follows:

(Euros)	12/31/2025	Additions	Derecognitions	Transfers	Changes in fair value	Non-current assets held for sale (Note 6)	6/30/2026
Operational hotels	298,100,000	7,381,606	(387,743)	94,000,000	5,757,115	(103,450,978)	301,400,000
Hotels in development	158,764,386	7,817,978	-	(94,000,000)	(350,978)	-	72,231,386
TOTAL	456,864,386	15,199,584	(387,743)	-	5,406,137	(103,450,978)	373,631,386

The additions during the period mainly correspond to costs capitalized in connection with the construction and refurbishment work performed for various hotels, amounting to a total of 13,901 thousand euros (December 31, 2025: 34,394 thousand euros). The main capex for the period corresponds to the assets which were under development during the six-month period ended June 30, 2026: Nobu Madrid and Nômade Madrid. In addition, during the first

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

half of 2026 a balance of 276 thousand euros (December 31, 2025: 361 thousand euros) corresponding to employee expenses associated with construction personnel, and a balance of 1,023 thousand euros in finance expenses accrued by hotels under development (December 31, 2025: 1,664 thousand euros) were capitalized (Note 13.1).

The net transfer amounting to 103,451 thousand euros corresponds to the property transferred to "Non-current assets held for sale" (Note 6).

The changes in fair value at June 30, 2026 correspond to the restatements 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 entered into for Hotel Nômade Madrid (Note 6).

The breakdown and movements for investment properties at December 31, 2025 are included in Note 7.1 to the consolidated financial statements for FY 2025.

8.2. Other disclosures on investment properties

At June 30, 2026, the investment properties were mortgaged with different financial entities in guarantee of mortgage loans, the balance of which totaled 133,459,323 euros (December 31, 2025: 165,970,237 euros) (Note 13.1).

All properties are located in Spain and are covered by insurance policies that provide coverage for their full replacement cost on a new-for-old basis.

At June 30, 2026, the Group was committed to making investments in the investment properties amounting to 1.7 million euros (June 30, 2025: 17 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, 2026 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 property transferred to "Non-current assets held for sale," and prior to its classification under this heading in the balance sheet, the value used in the sales agreement for the investment property, Hotel Nômade Madrid, was 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:

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

June 30, 2026	Net exit yields	Discount rate
Operational hotels	4.75% - 6.50 %	7.25% - 8.50%
Hotels in development	5.25% - 7.00%	8.50% - 13.00%

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%

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:

(Euros)	Carrying amount	-0,25% in net exit yields	+0,25% in net exit yields
Properties being operated at 6/30/2026	301,400,000	311,300,000	292,500,000
Properties being operated at 12/31/2025	298,100,000	304,400,000	292,100,000

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 6/30/2026	72,231,286	72,650,000	68,951,000
Properties in development at 12/31/2025	158,764,386	159,286,000	155,310,000

8.4. Leasing investment properties

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

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

- 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.

On July 18, 2024, the Group 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:

- o 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.
 - o 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.
- Regarding the Hotel Mercer Plaza Sevilla, the lease contract signed by the Spanish Mercer chain on March 8, 2023 has a duration of 20 years starting from April 21, 2023 (hotel delivery date), the first 5 years of which are obligatory for the lessee, and includes three automatic extensions of 5 years each.
- The lease associated with the Hotel JW Marriott has a duration of 25 years starting from March 27, 2023 (hotel delivery date), the first 5 years of which are obligatory for the lessee, and includes four automatic extensions of 5 years each.

In connection with this asset, there are also the following rental agreements for restaurant/catering spaces:

- o The lease contract has a duration of 20 years starting from March 25, 2023 (restaurant delivery date), the first 5 years of which are obligatory for the lessee, and includes three automatic extensions of 5 years each. On July 29, 2025, the Group 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 A sublease contract for restaurant space at the Hotel JW Marriott which has a duration of 20 years counting from March 27, 2023 (the hotel opening date), the first 5 years of which are obligatory for the sub-lessee. On October 30, 2024, an addendum was signed which temporarily modified the terms of the sublease for the restaurant at the Hotel JW Madrid.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

- Lease of the Hotel Nobu de San Sebastián for a duration of 20 years counting from August 10, 2023 (the hotel's opening date), with the first 5 years of the contract established as obligatory for the lessee and including a maximum of 3 automatic renewals for successive periods of 5 years each.
- Lease of the Hotel Nobu Madrid, signed on February 4, 2022 for a duration of 20 years, the first 5 years of which are obligatory for the lessee, while the remainder of the term consists of 3 automatic extensions for successive periods of 5 years.
- Lease of the Hotel El Autor by Autograph Collection Madrid for a period of 25 years, starting from November 26, 2024 (hotel delivery date), the first 5 years of which are obligatory, and subsequently includes automatic extensions for periods of 5 years. The F&B space is operated through a sublease, signed on July 12, 2024 under the "El Pimiento Verde" brand. The initial duration is 5 years, and can be extended up to 20 years.

All agreements consist of a fixed income component and a variable income component linked to the operating result obtained by the hotel and/or restaurant, if applicable.

The income arising from all the aforementioned operating lease contracts described in this Note and Note 6 amounted to 8,227,772 euros for the six-month period ended June 30, 2026, including the income generated by Hotel Nômade Madrid, which was transferred to "Non-current assets held for sale" as indicated in Note 6 (11,054,362 euros for the same period in 2025; Note 17.1).

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

(Euros)	6/30/2026	6/30/2025
Utilities	6,216	27,159
Taxes (other than income tax)	618,352	493,651
Other operating expenses	280,602	124,226
Impairment losses/net reversals on accounts receivable (Note 9.1)	(500,139)	198,296
TOTAL	405,031	843,332

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)	6/30/2026	6/30/2025
Within one year	10,700,584	15,119,159
Between one and five years	23,814,647	43,040,597
More than five years	-	2,724,890

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

TOTAL	34,515,231	60,884,646
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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	
	6/30/2026	12/31/2025	6/30/2026	12/31/2025	6/30/2026	12/31/2025
Non-current financial assets						
Financial assets designated at fair value through other comprehensive income, without recycling accumulated gains or losses upon disposal						
Hedging derivatives	-	-	227,926	317,981	227,926	317,981
Financial assets at amortized cost	-	-	2,010,706	3,185,121	2,010,706	3,185,121
	-	-	2,238,632	3,503,102	2,238,632	3,503,102
Current financial assets						
Financial assets at fair value through profit or loss	-	4,293,960	-	-	-	4,293,960
Financial assets at amortized cost	-	-	4,853,195	5,499,859	4,853,195	5,499,859
	-	4,293,960	4,853,195	5,499,859	4,853,195	9,793,819
TOTAL	-	4,293,960	7,091,827	9,002,961	7,091,827	13,296,921

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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

(Euros)	Equity instruments		Loans, derivatives, and other		Total	
	6/30/2026	12/31/2025	6/30/2026	12/31/2025	6/30/2026	12/31/2025
Non-current financial assets						
Financial investments (Note 9.2)	-	-	952,668	1,714,098	952,668	1,714,098
Hedging derivatives (Note 9.2)	-	-	227,926	317,981	227,926	317,981
Trade receivables (Note 9.1)	-	-	1,058,038	1,471,023	1,058,038	1,471,023
	-	-	2,238,632	3,503,102	2,238,632	3,503,102
Current financial assets						
Trade receivables (Note 9.1)	-	-	4,082,121	4,398,316	4,082,121	4,398,316
Other receivables	-	-	333,698	278,451	333,698	278,451
Financial investments (Note 9.2)	-	4,293,960	244,761	409,832	244,761	4,703,792
Other current assets	-	-	192,615	413,260	192,615	413,260
	-	4,293,960	4,853,195	5,499,859	4,853,195	9,793,819
TOTAL	-	4,293,960	7,091,827	9,002,961	7,091,827	13,296,921

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

9.1. Trade receivables

The non-current balance amounting to 1,058,038 euros (December 31, 2025: 1,471,023 euros) for trade receivables corresponds to 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.

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

(Euros)	6/30/2026	12/31/2025
Trade receivables	283,254	944,481
Invoices pending issue	3,798,867	3,453,835
TOTAL	4,082,121	4,398,316

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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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

(Euros)	6/30/2026	12/31/2025
Opening balance	(1,628,427)	(603,780)
Amounts provisioned	(628,558)	(1,179,056)
Reversals	128,419	90,086
Amounts applied	286,666	64,323
Closing balance	(1,841,900)	(1,628,427)

The breakdown of movements in impairment loss allowances for accounts receivable in 2025 is included in Note 8.1 to the consolidated financial statements corresponding to said year.

9.2. Non-current and current financial investments

The breakdown for these headings is as follows:

(Euros)	6/30/2026	12/31/2025
Non-current financial investments		
Hedging derivatives	227,926	317,981
Guarantees and deposits	952,668	1,714,098
TOTAL	1,180,594	2,032,079
Current financial investments		
Deposits	13,238	178,308
Guarantees	231,523	231,524
Investment funds	-	4,293,960
TOTAL	244,761	4,703,792

Non-current

The non-current balance recognized in the amount of 227,926 euros for hedging derivatives (2025: 317,981 euros) corresponds to two hedging contracts:

- 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 99,892 euros at the end of the reporting period for the first half of 2026.
- On October 8, 2024, an interest rate swap (IRS) was formalized with Sabadell exchanging a fixed rate for a variable rate on the nominal balance in euros of the financing obtained in connection with the Hotel El Autor (Madrid), amounting to 60,029 euros at June 30, 2026.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

- On February 4, 2026, the subsidiary Varia Pza Magdalena, S.L. contracted a new financial derivative instrument (IRS) with Banco de Sabadell, S.A. to hedge against changes in interest rates, effective as from February 27, 2026 and maturing on August 28, 2030. At June 30, 2026, the positive fair value of said derivative amounts to 68,005 euros.

The premiums paid for these hedging contracts amounted to a total of 1,651,900 euros, with a profit of 224,751 euros recognized in equity (2025: a loss of 202,660 euros) (Note 12.5). In addition, during the first half of 2026 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 164,494 euros (December 31, 2025: 243,776 euros).

The non-current guarantees amounting to 952,668 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 (2025: 1,714,098 euros, including the guarantee and deposit for Hotel Nômade Madrid classified under "Non-current assets held for sale" at June 30, 2026).

Current

At June 30, 2026, no balances corresponding to investment funds were recognized. At December 31, 2025, the balance amounted to 4,293,960 euros, corresponding to temporary investments of surplus cash balances. Said funds generated a profit of 12,241 euros (December 31, 2025: 86,293 euros), recognized as "Interest on bank balances" under the heading for finance income in the separate consolidated statement of profit or loss for FY 2025.

The short-term deposits at June 30, 2026 and December 31, 2025 correspond to the deposits relating to hotels under development.

10. INVENTORIES

The breakdown of this heading is as follows:

(Euros)	6/30/2026	12/31/2025
Goods for resale	82,375	107,938
Prepayments to suppliers	151,673	606,725
TOTAL	234,048	714,663

The Group did not recognize a corresponding provision for impairment losses during the first half of 2026 (neither did it during the first half of 2025).

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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, 2026 totals 79,493 thousand euros (December 31, 2025: 29,711 thousand euros). There were no restrictions on the availability of these balances at either June 30, 2026 or December 31, 2025.

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.

12.1. Share capital

At June 30, 2026, HOTEI's share capital consisted of 116,032,487 shares (December 31, 2025: 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 HOTEI greater than 5% at June 30, 2026 is as follows:

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

As communicated on June 9, 2026 under "Other relevant information" on the website of Spanish Stock Exchanges and Markets (BME Growth), PAINWICK PROJECT, S.L. announced the launch of a voluntary takeover bid for the shares of HOTEI PROPERTIES GROUP SPAIN, S.A. with a view to acquiring control over the Parent and achieving the highest possible ownership interest in its share capital. For this purpose, said company is offering all shareholders of HOTEI the acquisition of all the shares they hold in HOTEI.

The effectiveness of the offer is subject to the fulfillment or waiver of the suspensive conditions communicated by the Group.

12.2. Share premium

The share premium can be freely distributed.

There were no movements in the share premium during 2026, which amounted to

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

174,944,707 euros at June 30, 2026 (same amount as at December 31, 2025).

12.3. Reserves and retained earnings

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

(Euros)	Balance at 12/31/2025	Appropriation of profit	Other changes	Balance at 6/30/2026
Legal reserve	4,546,117	998,535	-	5,544,652
Reserves in consolidated companies	42,480,384	9,563,028	-	52,043,412
Voluntary reserves	29,073,939	-	5,693	29,079,632
	76,100,440	9,563,028	5,693	74,515,023
TOTAL	76,100,440	9,563,028	5,693	85,669,161

On June 18, 2026, the Parent distributed a dividend of 8,896,813 (0,07745084 euros per share) to its shareholders, as approved at the general shareholders meeting on June 10, 2026.

(Euros)	Balance at 12/31/2024	Appropriation results	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

Legal reserve

The balance of this heading corresponds entirely to the Parent. In accordance with the revised text of the Spanish 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, 2026 these reserves include a balance of 9,707,248 euros (December 31, 2025: 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

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

meeting held on May 10, 2019.

12.4 Shares of the Parent company

During the six-month period ended June 30, 2026, HOTEI acquired 79,377 treasury shares (71,526 treasury shares during the same period in 2025) at an average price of 2.79 euros per share (2.52 euros per share during the same period in 2025), and sold 62,330 treasury shares (61,506 treasury shares during the same period in 2025) at an average price of 2.81 euros per share (2.65 euros per share during the same period in 2025). The difference between the cost price and the sales price for the shares, totaling a net amount of 21,441 euros (41,806 euros for the same period in 2025) was recognized under "Voluntary reserves" (Note 11.2).

At June 30, 2026, HOTEI held a treasury share portfolio comprised of 350,333 treasury shares, representing 0.3% of its share capital (December 31, 2025: 333,286 treasury shares, representing 0.3% of its share capital).

12.5 Unrealized gains (losses) reserve

The breakdown and movements in this heading at June 30, 2026 and December 31, 2025 are as follows:

(Euros)	Balance at 12/31/2025	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 6/30/2026
Cash flow hedges	(782,716)	224,751	-	-	-	(557,965)
TOTAL	(782,716)	224,751	-	-	-	(557,965)

(Euros)	Balance at 12/31/2024	Income (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 6/30/2025
Cash flow hedges	(902,299)	(202,660)	-	-	-	(1,104,959)
TOTAL	(902,299)	(202,660)	-	-	-	(1,104,959)

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

13. FINANCIAL LIABILITIES

The breakdown of financial liabilities by category is as follows:

(Euros)	6/30/2026	12/31/2025
Non-current financial liabilities		
Financial liabilities at amortized cost	93,215,160	164,146,012
Bank borrowings (Note 13.1)	87,805,561	158,654,819
Derivatives	-	14,383
Other financial liabilities (Note 13.2)	5,409,599	5,476,810
	93,215,160	164,146,014
Current financial liabilities		
Financial liabilities at amortized cost	53,150,622	18,354,370
Bank borrowings (Note 13.1)	44,321,182	4,983,190
Derivatives	15,266	18,637
Other financial liabilities (Note 13.2)	144,223	232,653
Trade and other payables (Note 13.3)	8,652,775	13,119,890
Other current liabilities	17,176	-
	53,150,622	18,354,370
TOTAL	146,365,782	182,500,382

The breakdown of maturities for financial liabilities at June 30, 2026, without taking into account debt arrangement expenses amounting to 1,774,699 euros, is as follows:

(Euros)	Current	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	Total non-current	
Bank borrowings	44,321,182	4,030,813	4,971,956	4,870,610	3,565,531	72,141,350	89,580,260	133,901,442
Other financial liabilities	144,223	548,084	134,612	137,397	361,119	4,228,387	5,409,599	5,553,822
Trade and other payables	8,652,775	-	-	-	-	-	-	8,652,775
Derivatives	15,266	-	-	-	-	-	-	15,266
Other current liabilities	17,176	-	-	-	-	-	-	17,176
TOTAL	53,150,622	4,578,897	5,106,568	5,008,007	3,926,650	76,369,737	94,989,859	148,140,481

The breakdown of maturities for financial liabilities at December 31, 2025, without taking into account debt arrangement expenses amounting to 2,772,780 euros, is as follows:

(Euros)	Current	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	Total non-current	
Bank borrowings	4,983,190	43,620,456	5,144,292	6,448,647	6,012,003	100,202,201	161,427,599	166,410,789
Other financial liabilities	232,653	439,964	135,026	469,095	146,586	4,286,139	5,476,810	5,709,463
Finance lease payables	13,119,890	-	-	-	-	-	-	13,119,890
Trade and other payables	18,637	-	-	-	-	14,383	14,383	33,020
TOTAL	18,354,370	44,060,420	5,279,318	6,917,742	6,158,589	104,502,723	166,918,792	185,273,162

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

13.1. Bank borrowings

The breakdown for bank borrowings at December 31, 2025 is included in Note 12.1 to the consolidated financial statements for FY 2025.

During the first half of 2026, the debts associated with Hotel Melia Bilbao and Hotel Radisson Bilbao were canceled as a consequence of the sales which were carried out on March 4, 2026 and May 11, 2026, respectively (Note 6).

During the six-month period ended June 30, 2026, bank borrowings accrued finance costs amounting to 3,298 thousand euros (3,781 thousand euros during the same period in 2025), of which 1,023 thousand euros were capitalized in connection with hotels under development (783 thousand euros during the same period in 2025) (Note 8).

The mortgage loans related to the Hotel Radisson Collection Sevilla, the Hotel JW Marriott 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, 2026, the Group was in compliance with the financial ratios applicable at that date (at December 31, 2025 the Group was also in compliance with said ratios).

The outstanding principal on the mortgage loans associated with the hotel assets amounts to 133,459,323 euros at June 30, 2026 (195,780,769 euros at June 30, 2025) (Note 8.2).

13.2. Other financial liabilities

The breakdown for these headings is as follows:

(Euros)	6/30/2026	12/31/2025
Other non-current financial liabilities		
Security deposits received	1,720,073	1,743,423
Lease liabilities	3,689,526	3,733,387
TOTAL	5,409,599	5,476,810
Other current financial liabilities		
Lease liabilities	102,223	190,653
Other	42,000	42,000
TOTAL	144,223	232,653

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

The non-current guarantees received (security deposits) 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 contracts.

In addition, a balance of 872 thousand euros was also included under this heading at June 30, 2026 (December 31, 2025: 893 thousand euros), contributed by the Marriott Group at the beginning of the Hotel JW Marriott lease as key money for having delivered the hotel in accordance with JW Marriott's quality standards. Of said amount, the Parent must accrue a portion to the lessee of said hotel as per the terms agreed upon in the lease contract. Further, though said amount was contributed by the Marriott Group on a non-refundable basis, in the event of early termination of the lease agreement, the Parent must return the proportionate part based on the elapsed term of the lease. A current balance of 42 thousand euros corresponding to this item was recognized at June 30, 2026 and December 31, 2025.

The lease liabilities relate to the right-of-use granted for the offices occupied by HOTEI as well as two commercial premises on the ground floor of the building where the Hotel JW Marriott is located.

13.3. Trade and other payables

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

(Euros)	6/30/2026	12/31/2025
Suppliers and other payables	7,539,770	12,083,669
Remuneration pending payment to employees	570,292	764,683
Customer advances	542,713	271,538
TOTAL	8,652,775	13,119,890

The balance for suppliers and other payables mainly includes debts related to refurbishment work being carried out at various hotels.

Remuneration pending payment to employees at June 30, 2026 mainly includes provisions to cover bonuses and incentives amounting to 485 thousand euros (December 31, 2025: 756 thousand euros), and remuneration pending payment in connection with the Hotel Villa Miraconcha in the amount of 85 thousand euros. In addition, during the first six months of 2026 no additional indemnities accrued apart from those recognized under "Employee benefits expense."

Customer advances mainly correspond to payments received in advance from the customers of 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, 2026

14. PROVISIONS AND CONTINGENCIES

14.1. Provisions

The breakdown and movements for the amounts included under non-current provisions at June 30, 2026 and December 31, 2025 are as follows:

(Euros)	Balance at 12/31/2025	Allowances/ (reversals)	Amounts applied	Balance at 6/30/2026
Provision for other liabilities	3,039,277	-	(125,927)	2,913,350
TOTAL	3,039,277	-	(125,927)	3,039,277

The non-current provisions correspond to certain guarantees deriving from the purchase-sale contract for ownership interest and shares in MHRE San Roque, S.L.U and Alcaidesa Holding, S.L. (Note 6). The calculation of said provision was determined based on the Parent's best estimate, using the best available information on expenses for the work pending execution at the properties associated with the companies which were sold.

At June 30, 2026, no current provisions were recognized.

The breakdown and movements for non-current and current provisions at December 31, 2025 are included in Note 13.1 and 13.2 to the financial statements for FY 2025.

14.2. Contingencies

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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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 of the Parent and its legal advisors, without prejudice to the uncertainty inherent in all legal proceedings, 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.

15. TAX SITUATION

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

(Euros)	6/30/2026	12/31/2025
Tax credits		
Deferred tax assets	120,060	-
Other receivables from public administrations		
VAT	421,722	41,116
Withholdings on corporate income tax	2,959,092	2,881,741
TOTAL	3,500,874	2,922,857
Tax liabilities		
Deferred tax liabilities	279,905	279,905
Other payables to public administrations		
VAT	288,055	172,505
Withholdings	869,876	136,438
Social security payable	99,337	63,452
TOTAL	1,537,173	652,300

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. HOTEI'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.

15.1. Corporate income tax

As stated in Note 1.1, HOTEI and the subsidiary, Varia Pza. Magdalena, S.L.U., are subject to the special regime established in the SOCIMI Law. In accordance with said special tax

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

regime for the SOCIMIs, the returns generated by their activities which fulfill the stipulated requirements are taxed at a rate of 0%. In this context, during the six-month period ended June 30, 2026 the Group capitalized the tax loss carryforwards of a Group company not subject to the SOCIMI regime in the amount of 120 thousand euros (no corporate income tax expense or income was accrued at December 31, 2025). The directors consider these amounts to be recoverable in the short term.

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 2025.

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:

- 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.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

Information by segment is provided below for the period:

	Hotel leases		Other activities		Corporate Unit		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue	8,227,772	11,054,362	2,755,930	2,297,069	-	-	10,983,702	13,351,431
Cost of sales	-	-	(353,385)	(357,443)	-	-	(353,385)	(357,443)
Other operating income	524,725	860,736	-	-	-	-	524,725	860,736
Work performed by the entity and capitalized	276,358	361,473	-	-	-	-	276,358	361,473
Employee benefits expense	-	-	(1,297,792)	(982,860)	(1,202,112)	(1,312,588)	(2,499,904)	(2,295,448)
Other operating expenses	(449,130)	(743,325)	(1,145,911)	(742,499)	(2,411,875)	(2,344,402)	(4,006,916)	(3,830,226)
Impairment losses on accounts receivable	-	-	-	-	(500,139)	(198,296)	(500,139)	(198,296)
Change in fair value of investment properties	5,406,137	30,028,860	-	-	-	-	5,406,137	30,028,860
Depreciation and amortization	(154,103)	-	(10,261)	(1,876)	(47,600)	(277,576)	(211,965)	(279,452)
Impairment losses on fixed assets	(912,224)	-	-	-	-	-	(912,224)	-
Other gains (losses)	39,161	-	398	41,996	-	(4,310)	39,560	37,686
OPERATING PROFIT (LOSS)	12,958,696	41,562,106	(51,021)	254,387	(4,161,726)	(4,137,172)	8,745,949	37,679,321
Finance income and expenses (net)	(2,654,711)	(3,253,442)	(5,446)	-	169,660	491,583	(2,490,497)	(2,761,859)
PROFIT (LOSS) BEFORE TAX	10,303,985	38,308,664	(56,467)	254,387	(3,992,066)	(3,645,589)	6,255,452	34,917,462
Total assets	465,532,392	501,669,616	1,727,383	783,764	1,548,292	6,032,644	468,808,067	508,486,024
Total liabilities	143,930,649	179,619,250	1,207,738	637,465	5,677,918	5,935,244	150,816,305	186,191,959
Other disclosures								
Acquisitions of intangible assets and PP&E	-	-	34,529	2,606	58,730	37,089	93,529	39,695
Acquisitions of investment properties	15,199,584	20,194,630	-	-	-	-	15,199,584	20,194,630

17. INCOME AND EXPENSES

17.1. Revenue

The balance recognized under this heading corresponds to the income obtained from the leasing of hotels owned by the Group amounting to 8,227,772 euros (11,054,362 euros in the first half of 2025; Note 8.4), and the income generated by the operation of hotels amounting to 2,755,930 euros (2,297,069 euros during the first half of 2025).

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

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

(Euros)	6/30/2026	6/30/2025
Madrid	4,773,152	4,528,362
Bilbao	1,246,794	2,638,427
Cádiz	-	1,862,072
Seville	2,207,826	2,025,501
San Sebastián	2,755,930	2,297,069
TOTAL	10,983,702	13,351,431

17.2. Employee benefits expense

The breakdown of this heading is as follows:

(Euros)	6/30/2026	6/30/2025
Wages and salaries	1,707,656	1,651,825
Indemnities	3,692	42,171
Provision for bonuses and other remuneration items (Note 13.3)	359,865	228,399
Social security payable by the company	428,531	371,240
Other employee benefits expense	160	1,813
TOTAL	2,499,904	2,295,448

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

Categories	Number of persons employed at end of the period			Average number of persons employed during the period	Average number of persons with a degree of disability >33% employed during the period
	Men	Women	Total		
6/30/2026					
Remaining management team	3	1	4	3	-
Department directors	-	-	-	-	-
Other employees	37	46	83	70	-
TOTAL	40	47	87	73	-
6/30/2025					
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

(*) The change in the number of employees at 2025 year end is mainly due to the sale of MHRE San Roque, S.L.U. and Alcaidesa Holding, S.L.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

17.3. External services

The breakdown of this heading is as follows:

(Euros)	6/30/2026	6/30/2025
Leases and royalties	41,761	5,839
Repairs and maintenance	103,477	74,167
Independent professional services	2,152,730	1,938,058
Transportation	1,563	562
Insurance premiums	127,037	137,440
Banking and similar services	64,960	51,190
Publicity, advertising, and public relations	282,707	228,947
Utilities	72,410	248,097
Other services	327,119	148,126
TOTAL	3,173,764	2,832,426

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.

17.5. Finance income

The breakdown of this heading is as follows:

(Euros)	6/30/2026	6/30/2025
Interest on bank balances	321,346	579,574
Interest from loans to companies	-	2,255
Other finance income	163	67,050
TOTAL	321,509	648,879

17.6. Finance costs

The breakdown of this heading is as follows:

(Euros)	6/30/2026	6/30/2025
Interest on bank borrowings	2,275,182	2,998,539
Other finance costs	366,756	329,856
TOTAL	2,641,938	3,328,395

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

18. TRANSACTIONS WITH RELATED PARTIES

Related parties with which the Group carried out transactions during the six-month period ended June 30, 2026, 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 HOTEI	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.

18.1. Related parties

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

(Euros)	Entities related to Board members	
	6/30/2026	6/30/2025
Professional services	(1,030,000)	(1,000,000)
TOTAL	(1,030,000)	(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, 2026 amounts to 1,030,000 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, 2026. 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

HOTEI's Board of Directors consists of 4 members: 3 men and 1 woman. At December 31, 2025, it consisted of 6 members (4 men and 2 women).

The breakdown of remuneration earned by members of the HOTEI Board of Directors and senior management during the six-month period ended June 30, 2026 is as follows:

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

(Euros)	6/30/2026	6/30/2025
Directors		
Salaries	72,000	132,000
Per diems	94,500	145,000
	166,500	277,000
Senior management		
Salaries	-	-
Bonus	-	-
	-	-
TOTAL	166,500	277,000

The Group had not contracted any commitments for pension plans with respect to the directors of HOTEI at June 30, 2026 or December 31, 2025.

Likewise, at June 30, 2026 and December 31, 2025 the Group had not granted any loans or advances to the directors of HOTEI, nor had it pledged any guarantees on their behalf.

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 (delegated by the Board of Directors), which is made up entirely of Parent Board members, 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, 2026, 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 HOTEI, except for those disclosed in the previous paragraph.

During the six-month period ended June 30, 2026, a balance of 47,205 euros was settled corresponding to civil liability insurance premiums on behalf of HOTEI directors to cover

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

potential damages caused in the course of carrying out their duties (51,895 euros during the same period in 2025).

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 2026, net impairment loss allowances for accounts receivable were recognized in the amount of 500,139 euros (net reversals amounting to 198,296 euros during the same period in 2025) (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, 2026, the Group presented a loan to value ratio (LTV) of 36%, defined as financial debt divided by the fair value of the assets (December 31, 2025: 37%). If the cash balance of 79.5 million euros is taken into account, at June 30, 2026 the Group's working capital amounts to a positive balance of 97 million euros (December 31, 2025: 86 million euros). Thus, in light of its financial situation at June 30, 2026, the directors of HOTEI 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 contracts (Note 8.4), the directors of HOTEI consider this is a moderate risk.
- **Interest rate risk:** at June 30, 2026, approximately 27% of the debt held by the Group with credit entities is subject to a fixed interest rate (December 31, 2025: 33%). Though the remaining bank borrowings are referenced to Euribor, 54% of bank borrowings are covered by interest rate hedges which were contracted to limit the upside for interest rate hikes (December 31, 2025: 44%). Given the current situation, the directors of HOTEI consider this a moderate risk.

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026**20. EVENTS AFTER THE REPORTING DATE**

The following significant events took place between June 30, 2026 and the date of authorization for issue of the accompanying interim condensed consolidated financial statements:

- In their general meeting held on July 15, 2026, the shareholders approved the following:
 - i) Sale of the Hotel Nômade Madrid located in Madrid at calle Gran Vía, 11.
 - ii) Approval of the formalization of a refinancing transaction with a mortgage guarantee on the Hotel JW Marriott for the existing debt, amounting to a maximum balance of up to 75 million euros.
 - iii) Distribution of a share premium amounting to a maximum balance of 138,194,692 euros, corresponding to a maximum of 1.191 euros gross per share, subject to the effective sale of the Hotel Nômade Madrid located in Madrid at calle Gran Vía, 11.
 - iv) Distribution of a dividend charged against profit for the year ending December 31, 2026, amounting to a maximum balance of 7,101,188.20 euros, corresponding to a maximum of 0.0612 euros gross per share, subject to the effective sale of the Hotel Nômade Madrid located in Madrid at calle Gran Vía, 11.
 - v) On July 15, 2026, the Group's general shareholder meeting approved the sale of Hotel Nômade Madrid, accepting a binding offer submitted by GS Bacares Iberia, S.L. (the "Buyer") based on a private purchase-sale contract, the purpose of which is the sale and transfer of the building located in Madrid at calle Gran Vía, number 11, known as "Nômade Madrid" ("Hotel Nômade Madrid"), owned by the Group, for a fixed price of 105 million euros, less any potential adjustments arising from refurbishment works that may be agreed upon with the Buyer, and payable in full on the closing date. In addition, the contract provides for a variable price (earn-out) of up to 10 million euros, contingent upon the gross operating profit of Hotel Nômade Madrid exceeding certain thresholds during the three years following completion of the transaction. On July 22, 2026, the Parent signed the purchase-sale contract. Subsequently, on September 10, 2026 the Group completed the sale on the terms indicated. In addition, a partner of the purchasing company assumed the deferred payment of a penalty to the Parent amounting to 1 million euros as per the terms agreed upon. The property was linked to a mortgage loan which was fully canceled in the amount of 41.6 million euros.
- On July 16, 2026, a refinancing agreement was signed in respect of the Hotel JW Marriott by virtue of which the parties agreed to increase the maximum amount under the existing 2021 financing contract up to a maximum total available balance of 75 million euros maturing in five years. The refinancing agreement also provides for the

Explanatory notes to the Interim condensed consolidated financial statements of the six-month period ended June 30, 2026

repayment and cancellation of the loan agreement covered under the ICO guarantee scheme amounting to 30 million euros.

- On August 6, 2026, the Group reached an agreement with Radisson Hotels Spain, S.L.U., subject to execution of the pertinent legal documentation, for novation of the existing lease contract relating to Hotel Radisson Collection Sevilla, effective from January 1, 2027, agreeing thereby to increase the fixed lease payments by 133% and modifying the mechanism for settling the variable lease payments. The two modifications will result in an estimated increase in total lease payments of at least 8%.
- On August 24, 2026, the Group announced the initiation of the acceptance period for the voluntary takeover bid relating to the acquisition of shares which was submitted to the Group's shareholders by Painwick Project, S.L., finalizing on September 16, 2026. The effectiveness of said offer is subject to the fulfillment or waiver of (i) the sales terms for Nômade Madrid, (ii) the distributions condition, and (iii) the minimum acceptance terms.

Interim consolidated management report for the six-month period ended June 30, 2026

Situation of the market in which the Group performs its activity

During the first half of 2026, Spain continued to consolidate its position as one of the world's leading tourism powerhouses, maintaining the trend of record highs reached in 2025, in an international environment marked by persistent geopolitical tensions, particularly the unfolding conflict with Iran and its impact on energy markets, and by a gradual stabilization of financial conditions following the cycle of restrictive interest rates in previous years.

According to the latest data published by the National Institute of Statistics (INE), Spain received more than 46.6 million international tourists between January and June 2026, 4.6% more than over the same period in 2025, thereby setting a new all-time high for that period of the year.

In addition, tourism spending reached a record high of 63,836 million euros, an 8% increase as compared to the same period for the previous year.

Meanwhile, according to the INE, overnight stays increased by 1.8% during the first six months of 2026 as compared to the same period for the previous year (1.3% for tourists resident in Spain and 2.0% for non-residents).

According to the data presented in the report published by Colliers, hotel investment in Spain during the first half of 2026 reached 2,460 million euros, corresponding to a 39% increase as compared to the same period in 2025 and making it the best half-year on record. Strong demand, limited supply, and higher revenues are the main factors driving these figures. It is noteworthy that properties located in established destinations continue to attract the most interest.

Meanwhile, the 5-star segment accounted for 51% of the total volume invested, once again confirming the significant interest in the luxury segment. Madrid continues to experience a significant shortage of supply in terms of prime locations. This circumstance could limit the flow of future investment if activity remains restricted to selective transactions. 62% of investments came from domestic investors.

Likewise, the price paid per room set a new record in the first half of the year, reaching €213,000/room vs. €183,100/room, driven by the growing weight of higher-category assets and those located in more prime destinations, amongst other factors, as well as by transactions involving trophy assets, such as the Four Seasons shareholder restructuring.

Conversely, developments in the conflict with Iran continued generating pressure on energy prices and on expectations for economic growth in the Eurozone, with a potential impact on cost structures in the hotel sector, especially in terms of energy and procurement costs. In the international tourism sector, this context also continued generating geographical substitution effects favoring destinations considered safe and well-established, such as Spain, where the Group concentrates 100% of its activity.

Interim consolidated management report for the six-month period ended June 30, 2026

During the first half of 2026, the Group carried out two significant transactions, corresponding to the divestment of two hotels (Melia Bilbao and Radisson Collection Gran Vía Bilbao) within the framework of the enterprise's strategy to rotate non-core assets in order to focus exclusively on luxury and ultra-luxury assets.

Business performance and situation of the Group

Against this backdrop, the Group obtained net revenue amounting to 10.9 million euros, which is below the amount reported for the same period in 2025, mainly attributable to the sale of Hotel Melia Bilbao and Hotel Radisson Collection Gran Vía Bilbao, as well as to the fact that the Hotel Fairmont la Hacienda and the Links and Heathland golf courses did not contribute to revenue during the period, whereas they had contributed revenue for the six-month period in 2025. In contrast, the generation of variable income saw improvements and hotels under management also presented improved performance.

The Group obtained EBITDA amounting to 5 million euros and net results amounting to 6.4 million euros, as compared to 29.43 million euros, mainly impacted by i) a decrease in revenues; ii) the pre-opening impact for the Hotel Nobu Madrid; and iii) a decreased positive impact of valuations carried out by independent experts.

The positive result generated in 2025 allowed the Group to distribute a dividend of the Parent with a charge against 2025 profit amounting to 8,969,813 euros (0.07745084 euros per share), demonstrating its firm commitment to shareholder remuneration. Said dividend was paid on June 18, 2026.

On July 15, 2026, the general shareholder meeting approved the distribution of a share premium amounting to a maximum balance of 138.2 million euros, corresponding to a maximum of 1.191 euros gross per share, as well as a dividend charged against profit for 2026 amounting to a maximum balance of 7.1 million euros until May 31, corresponding to 0.06212 euros per share. Both are subject to the effective sale of the Hotel Nômade Madrid.

With regard to the Group's investments, though it did not carry out any acquisitions during the first half of 2026, it did incur costs related to construction and refurbishment work amounting to 14 million euros and mainly corresponding to the Hotel Nômade Madrid, which opened last May, and the Hotel Nobu Madrid, which opened on September 1, 2026.

The Group's *Net Asset Value* (NAV) at June 30, 2026, calculated based on the recommendations issued by the European Public Real Estate Association ("NAV EPRA NTA"), is broken down as follows:

(Euros)	6/30/2026	12/31/2025
EQUITY	381,431,620	383,838,594
<u>Adjustments:</u>		
Intangible assets	(110,052)	(63,610)
Fair value of derivative financial instruments	557,965	782,716
Deferred tax related to investment properties	139,953	139,953

Interim consolidated management report for the six-month period ended June 30, 2026

Goodwill (931,841) (931,841)

EPRA NAV	380,389,727	383,765,812
Total shares circulating	116,032,487	116,032,487
EPRA NAV / share	3.28	3.31

On September 1, 2026, the Group opened the Hotel Nobu Madrid, so that its entire portfolio is now operational. 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.

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 2026, net impairment loss allowances for accounts receivable were recognized in the amount of 500,139 euros (net reversals amounting to 198,296 euros during the same period in 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, 2026, the Group presented a loan to value ratio (LTV) of 36%, defined as financial debt divided by the fair value of the assets (December 31, 2025: 37%). If the cash balance of 79.5 million euros were taken into account for calculation of net financial debt, the LTV would be reduced to 19.6% (December 31, 2025: 31%). In addition, at June 30, 2026 the Group's working capital amounted to 97 million euros (December 31, 2025: 86 million euros). Thus, in light of its financial situation at June 30, 2026, the directors of HOTEI 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. Based on the location of the Group's properties and the duration of the lease contracts, the directors of HOTEI consider this a moderate risk.
- **Interest rate risk:** at June 30, 2026 approximately 27% of the debt held by the Group with credit entities is subject to a fixed interest rate (December 31, 2025: 33%). Though the remaining bank borrowings are referenced to Euribor, 54% of bank borrowings are covered by interest rate hedges which were contracted to limit the upside for interest rate hikes (December 31, 2025: 44%). Given the current situation, the directors of HOTEI consider this a moderate risk.

Interim consolidated management report for the six-month period ended June 30, 2026**Research and development activities**

The Group did not engage in any R&D activity during the first half of 2026.

Treasury shares

During the six-month period ended June 30, 2026, HOTEL acquired 79,377 treasury shares (71,526 treasury shares during the same period in 2025) at an average price of 2.79 euros per share (2.52 euros per share during the same period in 2025), and sold 62,330 treasury shares (61,506 treasury shares during the same period in 2025) at an average price of 2.81 euros per share (2.65 euros per share during the same period in 2025). The difference between the cost price and the sales price for the shares, totaling a net amount of 21,441 euros (41,806 euros for the same period in 2025) was recognized under "Voluntary reserves."

At June 30, 2026, HOTEL held a treasury share portfolio comprised of 350,333 treasury shares, representing 0.3% of its share capital (December 31, 2025: 333,286 treasury shares, representing 0.3% of its share capital).

Events after the reporting date

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

Authorization of the Interim condensed consolidated financial statements and interim consolidated management report for the six-month period ended June 30, 2026

At the meeting of the Board of Directors of HOTEI PROPERTIES GROUP, SOCIMI, S.A., held on September 11, 2026, its members authorized the interim condensed consolidated financial statements together with the interim consolidated management report of HOTEI PROPERTIES GROUP, SOCIMI, S.A. and subsidiaries for the six-month period ended June 30, 2026, 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)

Francisco Borja Escalada 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)

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 member Mr. Pablo Castellano Vázquez 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, 2026, and sign this sheet on his behalf, as stated in the minutes to the Board meeting. Director Ricardo de Armas has not signed this statement of formulation in person, as he attended the meeting of the Board of Directors remotely and voted in favour of the approval of the financial statements.



HOTeI PROPERTIES GROUP, 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, 2026

Interim balance sheet at June 30, 2026

(In euros)

ASSETS	06/30/26 (*)	12/31/25
NON-CURRENT ASSETS	280,201,484	369,959,137
Intangible assets	28,764	35,555
Property, plant, and equipment	271,261	312,069
Investment properties	260,391,138	349,518,716
Investments in group companies	16,163,136	16,824,094
Financial investments	2,289,147	1,797,680
Trade receivables	1,058,038	1,471,023
CURRENT ASSETS	190,626,533	135,603,237
Non-current assets held for sale	105,355,975	95,723,484
Inventories	110,114	602,016
Trade and other receivables	6,465,710	6,520,730
Trade receivables	3,073,834	3,528,228
Trade receivables from group companies and associates	179	96,046
Receivable from public administrations	3,391,697	2,896,456
Financial Investment	150,938	4,609,968
Other current assets	162,515	398,861
Cash	78,381,281	27,748,178
TOTAL ASSETS	470,828,017	505,562,374
EQUITY AND LIABILITIES		
EQUITY	306,076,528	304,800,657
Capital and reserves	306,702,498	305,583,373
Share capital	116,032,487	116,032,487
Share premium	174,944,707	174,944,707
Reserves	6,631,223	5,626,996
Shares of the Parent company	(1,032,281)	(1,006,165)
Profit (loss) for the period	10,126,362	9,985,348
Financial assets at fair value with changes in equity	(625,970)	(782,716)
NON-CURRENT LIABILITIES	69,648,831	140,457,618
Provisions	2,913,350	3,039,277
Borrowings	66,735,481	137,418,341
Bank borrowings	65,249,808	135,894,934
Derivatives	-	14,384
Other financial liabilities	1,485,673	1,509,023
CURRENT LIABILITIES	95,102,658	60,304,099
Liabilities related to non-current assets held for sale	41,916,117	43,295,214
Borrowings	44,805,748	4,486,160
Bank borrowings	43,761,101	4,425,523
Derivatives	15,266	18,637
Other financial liabilities	1,029,381	42,000
Trade and other payables	8,363,616	12,522,725
Suppliers	6,217,958	10,424,090
Other payables	764,068	1,136,068
Employee benefits payable	508,294	742,125
Payables to public administrations	802,935	149,921
Customer advances	70,361	70,521
Other current liabilities	17,177	-
TOTAL EQUITY AND LIABILITIES	470,828,017	505,562,374

(*) Unaudited data

Interim statement of profit or loss for the six-month period ended June 30, 2026

(In euros)

	06/30/26 (*)	06/30/25 (*)
Continuing operations		
Revenue	6,869,203	8,000,174
Lease income	6,869,203	8,000,174
Other operating income	492,551	784,271
Work performed by the Group and capitalized	276,358	361,473
Employee expense	(1,202,113)	(1,312,588)
Salaries and wages	(1,056,775)	(1,145,479)
Employee benefits expense	(145,338)	(167,109)
Other operating expenses	(3,316,908)	(2,758,701)
External services	(2,191,252)	(2,119,047)
Taxes (other than income tax)	(625,517)	(441,358)
Impairment losses on receivables	(500,139)	(198,296)
Depreciation and amortization	(1,350,927)	(1,634,510)
Impairment losses and gains (losses) on disposal of non-current assets	9,018,921	-
Other income (loss)	15,790	(4,237)
OPERATING PROFIT (LOSS)	10,802,875	3,435,882
Finance income	1,591,700	5,308,463
From equity investments	1,280,226	574,308
From marketable securities & other financial instruments	311,474	4,734,155
Finance costs	(3,149,643)	(3,614,316,0)
Third-party borrowings	(3,149,643)	(3,614,316)
Finance costs capitalized in fixed assets	1,022,764	723,582
Changes in fair value of financial instruments	(141,206)	(84,501)
Fair value with changes in profit and loss	(141,206)	(84,501)
Foreign exchange gains (losses)	(128)	4,031
Impairment losses and gains (losses) on disposal of financial instruments	-	(2,255)
Impairment and losses	-	(2,255)
FINANCE PROFIT (LOSS)	(676,513)	2,335,004
PROFIT (LOSS) BEFORE TAX	10,126,363	5,770,886
Corporate income tax	-	-
PROFIT (LOSS) FOR THE PERIOD	10,126,363	5,770,886

(*) Unaudited data