

PRESIDENT'S REPORT

Ordinary General Assembly 2026

As every year, I would like to begin by expressing my gratitude to everyone who contributes to the smooth running of our urbanisation: the EUC staff, external contractors, presidents, administrators and residents who, in one way or another, facilitate the work carried out throughout the year.

I would remind you that all relevant information concerning the Entity is available on our website, social media channels and, of course, at the EUC office, where you may be attended to whenever necessary.

General Situation of the urbanisation

Following the audit carried out by the Town Hall some years ago, which concluded that our urbanisation was in adequate condition in terms of infrastructure, the EUC's efforts have been focused primarily — except specific actions — on the cleaning, upkeep and maintenance of the common elements.

Any extraordinary requirements that may arise during the year, such as the self-protection plan, pruning, felling or other specific works, will continue to be carried out mainly through external contractors, whenever our operational services are unable to undertake them directly.

Garden Centre

I would like to inform you in detail about the situation of the area known as the Garden Centre and the actions undertaken by the governing bodies of the Entity.

As you are aware, the assignment of use of this area was formalised by agreement in 1997, subsequently amended, and came to an end upon expiry of the contractual term. Furthermore, various breaches on the part of the occupier were identified.

In view of this situation, and with the approval of the General Assembly, the Board of Directors resolved not to renew the assignment.

In compliance with the Assembly's mandate, the appropriate legal action was initiated to recover possession of the area. Arbitration proceedings were commenced and concluded with an award in favour of the EUC, declaring the termination of the contract and ordering the former occupier to return the property.

In order to ensure swift and voluntary enforcement of the award, a settlement agreement was reached, by virtue of which full possession of the Garden Centre has been immediately recovered. All improvements carried out remain for the benefit of the community, and part of the legal costs has also been recovered.

At present, the EUC holds full possession of the area. The Board of Directors is considering various alternatives for its future use and has been in contact with potential interested parties regarding a new assignment, always with the aim of finding a solution that benefits the urbanisation as a whole.

As of today, no agreement has been finalised, and owners will be duly informed of any significant developments.

Parking on Avenida de España

In relation to the parking project on Avenida de España, the General Assembly approved the assignment of an area for the construction of parking spaces intended for the use of all Calahonda property owners.

An agreement was signed with the developers expressly establishing the obligation to obtain the corresponding building licence prior to the commencement of works.

However, works began without the required licence. The EUC cannot assume the risk entailed in carrying out works without the necessary permits, in addition to this constituting a breach of the signed agreement.

For this reason, the Board of Directors was obliged to notify the Town Hall, which proceeded to halt the works.

During this period, contact has been maintained with both the developers and the Town Hall, and all indications suggest that the licence may be granted shortly. The Board of Directors will continue to monitor this matter and adopt the necessary measures in defence of the Entity's interests.

Mijas Town Hall

Unfortunately, relations with Mijas Town Hall remain very limited. Our urbanisation continues to receive far less attention than it should, with municipal action practically restricted to the weekly cleaning of Avenida de España and occasional interventions in certain riverbanks.

We continue to suffer recurrent power outages and deficiencies in public lighting, a service that falls under municipal responsibility. Although lists of incidents are submitted weekly, repairs are carried out very slowly, with some streetlights having remained unrepaired for over a year.

We shall continue to report all incidents; however, we have observed that when residents themselves report them directly via the GECOR application, they tend to be resolved more quickly. We therefore encourage you to make use of this tool.

We continue to insist, without response from the Town Hall, on fundamental issues such as:

- Access to the beach from Calahonda Beach
- The undergrounding of high-voltage power lines
- The problems caused by wild boar
- Excessive speeding within the urbanisation

Thanks to the Board of Directors

I would like expressly to congratulate all members of the Board of Directors for their effort and dedication. All decisions are taken by consensus, always with the aim of making our urbanisation safer, better maintained and more pleasant, for the benefit of all residents.

Treasury

Annual expenditure for the 2025 financial year amounted to €1,041,930.08, representing 94.51% of the approved budget, which for that year totalled €1,102,500.

During the year, property owners paid a total of €1,034,113.36 in maintenance fees to the EUC, equivalent to 93.80% of the approved budget for 2025.

With regard to outstanding debts from previous financial years, €62,389.39 was recovered, representing approximately 17% of the amount pending at the beginning of the year. As a result, the financial year closed with a surplus.

Furthermore, a bank deposit of €150,000 has been arranged for a term of one year, risk-free, with guaranteed capital and immediate availability.

Infrastructure

Our operational services continue, as every year, to work on the conservation and improvement of common elements.

During this financial year, the following works have been carried out, among others:

- Pavement improvements and pothole repairs
- Fence repairs
- Repair of hundreds of manhole covers located on pavements
- Pavement painting
- Cleaning and improvement of storm drains

This year has been particularly rainy, and incidents have been minimal, demonstrating that the stormwater drainage system is properly dimensioned, clean and correctly maintained.

A new water reservoir has been constructed by Acosol in Monte Paraíso, with very satisfactory results to date.

The lorry-mounted crane has also been replaced, as the previous vehicle was in very poor condition and severely limited operations, in addition to suffering continual breakdowns. Delivery has taken longer than desirable, but we trust that the new vehicle will be available at the time of the Assembly.

Environment

Garden Rubbish collection points in public areas have been removed in compliance with the municipal by-law prohibiting them. Following considerable effort, these points have been eliminated, and the result is evident: cleaner streets, without debris invading streets and pavements, and without dumping from outside the urbanisation.

We are aware of the inconvenience involved in having to take pruning waste to the office; however, in addition to complying with regulations, aesthetic, economic and health improvements have been achieved, avoiding what had effectively become refuse dumps next to dwellings.

Due to this year's heavy rains and strong winds, numerous trees have fallen, both in public and private areas. Depending on each case, they have been removed by our operational services, by residents, or by the Town Hall when affecting public roads.

Security

The company currently providing security services within the urbanisation is Hetecse, S.A., which maintains both the same security staff and the same contact telephone number.

The company has been entrusted with various functions within the community. Its scope of action is limited to the urbanisation's common areas, and it cannot attend to personal requests from owners beyond the duty to provide assistance in specific and relevant cases.

In addition to patrolling the streets to prevent potential offences, it carries out inspections of public lighting, supervises manholes and detects damage on the public roads.

Security personnel also provide assistance to residents when necessary, particularly in cases of loss, incidents or illness, and collaborate with and assist the Local Police and the Guardia Civil when required.

Self-Protection Plan

As every year, the urbanisation's self-protection plan has been implemented and is submitted annually to the Town Hall. The cleaning of riverbanks, which falls under municipal responsibility, is requested therein. Last year all were cleaned, and we hope the same action will be taken this year.

The 2026 self-protection plan is currently under evaluation, reviewing green areas and cleaning requirements. The aim is to reduce vegetation fuel in the event of possible fires, maintaining green areas in a safe yet natural manner.

We manage approximately 600,000 m² of green areas, which cannot and should not be maintained as gardens.

Felling and pruning are always subject to municipal authorisation, which limits many necessary actions.

Plant Health and Fauna

Phytosanitary treatment has been carried out on pine trees in public areas. We remind property owners that pine trees in private areas must also be treated, as pine processionary caterpillars spread easily, causing a risk to people and pets.

This year more than 250 palm trees have been pruned. The cost of this service increases annually due both to the number of specimens and to rising service costs.

In addition, 15 palm trees affected by an invasive fungus have had to be removed. Alternative treatments were attempted without success, and removal was ultimately chosen to prevent further spread, as occurred in the past with the red beetle. We ask owners to pay particular attention to private palm trees.

Serious problems caused by wild boar persist in both public and private areas. Despite repeated complaints, no effective measures have been adopted. It is essential not to feed these animals, as they are wild and dangerous, and their presence increases the more they are attracted.

Although the Town Hall has contracted a service to control the population, we have received no information nor observed any results.

Coexistence and Pets

Finally, we remind residents of the obligation to comply with the municipal by-law regarding pets: to pick up excrement and to clean urine with water and vinegar, also in green areas. Complaints regarding mess, stains and unpleasant smells on pavements are frequent.

Let us act responsibly. We have extensive green areas and a large dog park where our pets may walk, socialise and exercise appropriately.



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**Report on Agreed-Upon Procedures
and Financial Statements
as at 31st December 2025**

**to the members of the
E.U.C. Sitio de Calahonda**

Mijas

To the members of
E.U.C. Sitio de Calahonda
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Marbella, 30th January 2026

REPORT ON AGREED-UPON PROCEDURES

Ladies and Gentlemen,

By contrast with what happens in other countries, the Instituto de Contabilidad y Auditoría de Cuentas de España (the Spanish Accounting and Auditing Institute) does not permit the use of the term "audit" when referring to the work performed by an Auditor on the financial statements of Conservation Entities (E.U.C.), as this does not have a financial information standards framework.

Despite the above, we have performed the procedures agreed upon in the engagement letter dated 20th January 2026 and consisting of a series of checks on the attached Financial Statements at 31 December 2025 which, although they may not be considered to be an audit, do correspond to internationally generally accepted audit procedures. Our work was carried out in accordance with the professional guidelines issued by the *Instituto de Censores Jurados de Cuentas* in respect of agreed-upon procedures.

Purpose and scope

The following are the procedures agreed upon with the E.U.C. Sitio de Calahonda:

1. We have examined the Entity's minutes book so as to verify that this includes the signed minutes for the latest Annual General Meeting and of the Committee's meetings and that the decisions of an economic nature approved in the Meeting have been carried out. We also verified that bad debt balances are individually approved by the Meeting and that the necessary powers have been approved for taking legal action against delinquent debtors.
2. We have checked that the entity fees charged during the year were calculated on the basis of the coefficient set out in the Entity's statutes and the budget approved in the Annual General Meeting for the year in progress. We also checked the correct calculation of interest applied in accordance with what is stipulated in the entity's statutes and approved by the General Meeting. These checks were carried out using substantive audit tests.

3. We checked that the bank balances were reconciled with the accounts at the year-end. Using substantive audit tests we also compared the movements in the bank statements with the accounts so as to check that these correctly reflect the movements in the bank accounts.
4. Using substantive audit tests we verified that the expenses are backed up by supporting documentation, with the quality of the latter being analysed to determine whether the document is an invoice or a receipt, whether it is acceptable for tax purposes (with tax details and VAT) as applicable.
5. Using substantive audit tests we checked that the total for personnel expenses during the year coincides with the annual payroll summary and with the amounts effectively paid over.

Using substantive audit tests we checked that the payroll summaries coincided with the accounts in all material aspects. We also checked:

- That the payslip was signed where payment was made in cash or by bearer cheque.
 - That the amounts on the payslips coincide with the payroll summary and that the calculations and totals are correct.
6. We checked that the movements (debits and credits) on the suppliers and creditors accounts are correct. We also analysed the composition of the balances with the main suppliers and creditors, analysing the component items of the balances with their corresponding support documentation.
 7. We examined the expenses for the year and the payments made in the following year so as to determine whether the provisions made are adequate and complete, such that all corresponding expenses have been recorded in the year and that there are no expenses or liabilities omitted from the Entity's financial statements.
 8. We verified that the part of insurance premium expense corresponding to the following year has been accounted for as a prepayment and not as an expense for the year.

Results

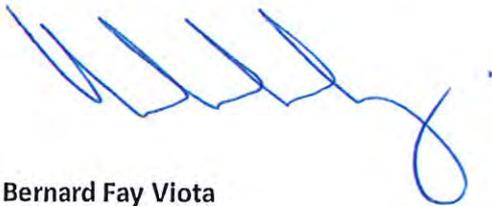
The result of our work was satisfactory in all of the above-mentioned tests.

Taking into account the result of the procedures performed, nothing has come to our attention that would lead us to believe that the attached Financial Statements do not show, in all material aspects, a true and fair view of the financial situation of the E.U.C. Sitio de Calahonda at 31 December 2025 and of the results of its operations in accordance with internationally generally accepted accounting principles and standards as described in note 1 of the aforementioned financial statements.

Statement on the restriction of the use of the report

This report has been drawn up for the purpose referred to above and exclusively for use by the Entity and, therefore, may not be used for any other purpose or distributed to third parties.

UHY FAY AND CO AUDITORES CONSULTORES, S.L.



Bernard Fay Viota
Partner

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

UHY-FAY AND CO.
AUDITORES CONSULTOR S.L.

2026 Núm. 11/26/00502

Sello distintivo de otras actuaciones

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

E. U. C. SITIO DE CALAHONDA

Balance sheet as at 31 December 2025

ASSETS	Notes	Euros 31.12.2025	Euros 31.12.2024
Provisions of funds		2,813.80	2,813.80
Owners - debtor balances	(2)	375,302.11	360,475.80
Debts previous years		298,086.02	307,928.64
Debts current year		77,216.09	52,547.16
Salaries paid in advance		-	550.00
Mijas Town Hall deposit		1,100.00	1,100.00
Acosol deposit		137.46	-
Tax Authorities Debtor		-	1,277.50
Cash and banks		367,296.01	380,187.66
Cash		1,331.68	1,077.42
Owners Cash		229.16	794.17
Banks "Current accounts"		212,218.32	174,799.22
Banks "deposits"		3,516.85	3,516.85
Deposit		150,000.00	200,000.00
Prepaid expenses		7,200.98	7,200.98
Total Assets		753,850.36	753,605.74
LIABILITIES			
Short term creditors		93,205.96	176,166.16
Suppliers		2,232.72	4,728.28
Creditors		70,436.67	89,893.44
Salaries payable		228.30	50,820.73
Items pending application		(6.24)	(6.24)
Owners – credit balances	(2)	5,360.36	15,765.96
Tax Authorities Payable		5,873.75	5,955.82
Social Security Payable		5,780.04	5,707.81
Short term deposits received		3,300.36	3,300.36
Total Liabilities		93,205.96	176,166.16
E. U. C. FUND			
Fund at the beginning of the year		577,439.58	595,097.90
Surplus / (Deficit) for the year		83,204.82	(17,658.32)
Total E. U. C. Fund		660,644.40	577,439.58
Total Liabilities and E. U. C. Fund		753,850.36	753,605.74

E. U. C. SITIO DE CALAHONDA

Income and Expenditure account for the year ended 31 December 2025

	Notes	Euros 31.12.2025	Euros 31.12.2024
INCOME			
Owners' fees		1,113,536.16	1,085,004.17
Ordinary fees		1,102,501.00	1,074,001.38
Extra charge fees		11,035.16	11,002.79
Other income	(6)	11,604.74	1,665.73
Total Income		1,125,140.90	1,086,669.90
EXPENSES			
Repairs and maintenance		307,541.32	393,335.04
Personnel costs	(3)	158,403.92	260,915.42
Gardens		25,695.58	12,453.26
Roads		23,696.07	24,063.97
Vehicles		3,416.45	13,302.71
Fire prevention		8,589.25	5,856.40
Garden rubbish collection		86,898.08	74,907.58
Roads cleaning		523.43	882.19
Others		318.54	953.51
Professional fees	(4)	89,697.23	76,956.72
Security service		484,980.24	470,854.56
Other security expenses		3,114.37	-
Supplies	(5)	15,654.95	15,075.10
Insurance		13,561.63	12,395.49
Administration		93,983.59	86,124.48
Personnel costs	(3)	85,149.93	78,986.04
Office expenses		8,833.66	7,138.44
Other expenses		33,402.75	49,586.83
Equipment		2,744.70	1,806.61
Directors' fees		15,000.00	15,000.00
General expenses		9,510.50	10,478.52
Prior year expenses		6,147.55	-
Reserve Fund		-	18,323.25
Bad Debt Quota Adjustment		-	3,978.45
Total Expenses		1,041,936.08	1,104,328.22
Surplus/ (Deficit) for the year		83,204.82	(17,658.32)

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

1. ACCOUNTING PRINCIPLES

The financial statements of the entity have been prepared in accordance with established entities accounting practice, by which:

The accounting treatment of assets acquired by entities differs from the business accounting practice which would require them to be capitalised as fixed assets and depreciated over their useful lives. EUC can not own property, and the concept of spreading cost of acquisition over future years is inappropriate in entity accounting which requires close comparison of costs and funding. Assets are therefore treated as expenses in the year they are acquired.

No provision is made against owners' balances in respect of doubtful debts. Exceptionally, uncollectible debts would be charged against the entity fund.

Income from quotas consists of the quotas notified to owners in respect of the financial year irrespective of the date of collection; uncollected quotas at the year-end being shown in the annual accounts as debtors. Similarly, expenditure is that incurred in the financial year, expenditures remaining unpaid at the year-end being included in the financial statements as liabilities.

2. OWNERS

The movements on owners' balances during the year were as follows:

	Euros
Owners – debtor balances at 31.12.2024	360,475.80
Add: Quotas and interests 2025	1,113,536.16
Less: Collections 2025	(1,098,709.85)
Owners – debtor balances at 31.12.2025	375,302.11
Owners – credit balances at 31.12.2025	(5,360.36)
Owners – net balance	369,941.75

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

3. PERSONNEL COSTS

This balance is made up as follows:

	Euros
Repairs and maintenance	158,403.92
Salaries	115,618.65
Compensation for personnel	93.92
Social Security	41,296.35
Others	1,395.00
Administration	85,149.93
Salaries	62,859.54
Social Security	20,325.39
Others	1,965.00
Total	243,553.85

4. PROFESSIONAL FEES

This item is made up as follows:

	Euros
Technical architect / Topographer	14,883.00
Legal advice, lawsuits for doubtful debtors and other legal costs	36,703.98
Auditor	5,362.77
Agency	4,356.00
Accounting & Management	23,232.00
Office cleaning services	3,965.77
Others	1,193.71
Total	89,697.23

E. U. C. SITIO DE CALAHONDA

Notes to the Financial Statements

5. SUPPLIES

This balance is made up as follows:

	Euros
Water consumption	4,613.84
Fuel consumption	7,358.90
Electricity	3,682.21
Total	15,654.95

6. OTHER INCOME

This balance is made up as follows:

	Euros
Extraordinary income – judicial proceedings (plant nursery)	6,171.00
Financial income – fixed-term deposit	4,050.00
Allianz income – insurance claim	847.50
Balance adjustment	315.78
Interest on refund from the Spanish Tax Authorities (AEAT)	71.99
Others	148.47
Total	11,604.74