

An aerial photograph of a wide, sandy beach. In the foreground, the ocean waves are breaking, showing shades of blue and white foam. A single person is walking along the shoreline, leaving a trail of footprints in the sand. A long shadow is cast by the person onto the beach. The sky is a pale, hazy blue.

Barceló
GRUPO

2022
ANNUAL
REPORT

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2022 Annual Report



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* Glocal is a term formed from 'global' and 'local'.

Letter from the co-chairs



Dear friends:

Barceló
 GRUPO

€170.1 M

 Barceló Group
 consolidated net profit

€5,730 M

Total income

103%

 growth as compared
 with 2021

Ávoris
 CORPORACIÓN EMPRESARIAL

+5,000

professionals

+1,600

points of sale

+40

specialised brands

Barceló
 HOTEL GROUP

+275

hotels

25

countries

We are pleased to present our Annual Report, which collates information in respect of the 2022 financial year, a turbulent period thanks to the economic, environmental and geopolitical situation.

After the past few years, the most difficult in our history, we have seen the tourism industry recover, driven by the sector's capacity to adapt to a changing environment and by the increasing need to travel. So, at the close of the 2022 financial year, the Group's consolidated net profit was 170.1 million euros. These positive figures underline the healthy state of the company. Total income has reached 5,730 million euros, a growth of 103% in relation to the 2021 financial year. These figures lead us to the conclusion that travel, exploring other lands and discovering different ways of life have regained their place as a key priority in people's lives.

Moreover, the Group's net consolidated financial debt stands at 205.3 million euros: a financial/ebitda ratio of 0.7. This will enable us to continue growing, whilst maintaining a prudent level of debt.

One of the great milestones of 2022 was Barceló Group's acquisition of 49.5% of the shares in Ávoris Corporación Empresarial, making the Group the company's sole shareholder. Currently, Ávoris is one of the Europe's leading travel companies, with a professional workforce in excess of 5,000, over 1,600 points of sale, and over 40 specialist brands.

In relation to the Group's expansion, we have maintained our commitment to continue growing within Spain, with the opening of new hotels in the Canary Islands, Andalusia and Catalonia. We are also focused on international expansion, having added hotels in Ankara (Turkey) and Jakarta (Indonesia).

Currently the Group's hotel chain includes over 275 establishments in 25 countries and (following the recent opening of Canfranc Estación, a Royal Hideaway Hotel at the historic railway station in Huesca) we are looking to open new hotels in Catalonia, the Autonomous Community of Valencia, Murcia, Navarra, Andalusia and the Canary Islands — and elsewhere in the world, with the opening of establishments in Portugal, Slovenia, Poland and Turkey, as well as in Cape Verde, Sri Lanka and the Maldives.



FUNDACION BARCELÓ

125

wells installed in
schools, communities
and agricultural areas

+100,000

people have benefitted
in Uganda, Kenya and
Burkina Faso

‘Our hotels must
be spaces which
co-exist with, and
show respect for,
the environment
and the local
community.’

A year of awards

This year we have been awarded several national and international prizes. We would especially like to highlight the achievement of five Michelin stars awarded to several restaurants in three of our hotels in Tenerife, Gran Canaria and Granada. This achievement demonstrates the company's commitment to a sustainable and responsible tourism, to encouraging local talent and to high quality local products, which has helped to make us the hotel chain with the highest number of Michelin stars.

The Barceló Foundation has also been recognised with the Prize for Excellence and Social Impact in the 2022 Travelling for Happiness awards, organised by the Madrid Hotel and Business Association, thanks to the AGUAY+ water sanitation project — an initiative which has enabled the construction of 125 wells in schools, communities and agricultural areas, in addition to a hydraulic network and a range of projects for toilets and irrigation systems with solar panels, all to the benefit of over 100,000 people in Uganda, Kenya and Burkina Faso.

A future marked by our ESG strategy

One of our strategic successes has been the recognition of our ESG strategy as one of Spain's best sustainability projects by the 2022 ReThink Hotel Prizes. We at Barceló Hotel Group are working to develop a genuinely impactful sustainability strategy, an innovative project focused on measuring traceability, and the economic, social and environmental impact of our activity on those destinations where we have a presence. The objective of the initiative is to develop a regenerative tourism model, one that will enhance our positive impact on society, contributing to local and global development, and balanced with care for the environment and for people.

We would like to emphasise that, as far as the Barceló Group is concerned, our hotels must be spaces which co-exist in harmony with, and showing respect for, the environment and the local community in all the places where we have a presence. This has been a fundamental aim of our company since it was founded over 90 years ago. For that reason, and because we are more than ever conscious of the interdependent relationship between social and environmental impacts, at Barceló Group we take ownership of the common challenges that we face as a society.

Lastly, we cannot end this letter without underlining that this has been a good year for the company, and that our success has been made possible thanks to all of the hard work and determination of the entire Barceló Group team. These same qualities are what enable us to continue leading the field in experiential innovation, and in offering our customers new, customised experiences — all with the aim of continuing to work to take good care of people, and of their well-being and happiness.

Yours faithfully,

Simón Barceló Tous I Simón Pedro Barceló Vadell

Co-Chairmen of the Barceló Group



El Embajador, a Royal Hideaway Hotel (Santo Domingo, Dominican Republic).

CONSCIOUS GOVERNANCE

- 1.1 Barceló Group in 2022
- 1.2 The Barceló Group business model
- 1.3 Organisational structure and corporate governance
- 1.4 Ethical commitments in the development of the business

1.1 Barceló Group in 2022

1.1.1 Key indicators

The key indicators for Barceló Group in 2022 show a positive trend towards consolidating the recovery, something which allows us to look forward to 2023 with great excitement.

Financial

€5,729.8 M ↑ 103%
Volume of business

€422.6 M ↑ 189%
EBITDA (with IRFS 16)

€170.1 M ↑ 473%
Profit after tax
(with IFRS 16)

€205.3 M ↓ 44%
Net financial debt

€97.1 ↑ 21%
ADR

€65.6 ↑ 66%
RevPAR

Business

277 ↑ 5%
hotels

+4.3 M ↑ 20%
my Barceló members

56 ↑ 5%
NPS customers

5
Michelin stars

1.5 M ↑ 25%
total bookings

Society

€4,344 M ↑ 121%
Social cash flow

Barceló Foundation
€1.7 M ↑ 31%
invested in projects

+€680,000 ↑ 257%
Donations from hotels
(estimated value)

90%
from local suppliers.

People

34,458 ↑ 25%
Average workforce

38.5 ↓ 4%
Average age of employees

80% ↑ 2%
Employees with permanent contracts

415,235 ↑ 46%
training hours

Environment

7.6
kg CO₂/per stay
Emissions (scopes 1 and 2)

100%
hotels in Spain
with green energy

33.8 ↓ 20%
kWh/per stay
Energy intensity

0.81 ↓ 7%
m³/per stay
Intensity of water consumption



Occidental at Xcaret Destination, Riviera Maya (Mexico).

1.1.2 Significant milestones in 2022

JANUARY



- **Consolidation of our presence in Turkey.** The introduction of the 83-room Occidental Ankara hotel, located in the central district of Kavaklıdere, Ankara, thus maintaining our position as the Spanish hotel chain with the strongest presence in Turkey.



- **Madrid - Los Cabos, new route.** Iberojet began operating the first route connecting Madrid with Los Cabos (Baja California Sur, Mexico) with Airbus 350 aircraft.



- **Prize for Barceló Hotel Group's sustainability strategy.** Recognition by the ReThink Awards for our progress and contribution to global solutions based on sustainability criteria in the refurbishment of our hotels.

FEBRUARY



- **We continued to demonstrate our firm commitment to the Canary Islands as a holiday destination.** Opening of the Occidental Roca Negra hotel, with 140 guest rooms, located in Agaete, Gran Canaria (Spain), in an unrivalled position on the island's north-east coast.



- **We began the launch of Bea, the new CRM.** Bea (the abbreviation for its English name, Barceló Experience Assistant) is a new digital tool that will help us in dealing with customers, and which is based on Salesforce technology.



- **The Barceló Foundation completed six years of work in Uganda.** Since 2015, the Barceló Foundation has been working in Uganda on several Farmasol projects related to the supply of medication, medical attention and specific health programmes.



EXPANSION



SUSTAINABILITY



BUSINESS

MARCH



- **Support for Ukraine.** Iberojet undertook two flights to transport humanitarian aid to Ukraine. We have accommodated Ukrainian refugees in our hotels.



- **Tenth anniversary of the Barceló Foundation's Alisol project.** The Alisol project focuses on the donation of fresh foods to various partner organisations and soup kitchens. Since its launch, we have invested €1,680,000 in the project, and we have distributed 1,914,940 kilos of fresh food.



Maternity project, Farmasol (Uganda).



Barceló Aguamarina (Mallorca, Spain).

APRIL



- **Barceló Hotel Group participated in the tourism sector's most important initiative.** The launch of Hotel Sustainability Basics, alongside other hotel chains, the WTTC and the Sustainable Hospitality Alliance, a pioneering initiative to promote responsible travel and tourism.

MAY



- **Iberojet ended the on-board use of single-use plastics.** Iberojet eliminated the use of single-use plastics by its catering service on all flights, replacing them with other materials made with components that are both sustainable and environmentally friendly.



- **Barceló Hotel Group consolidated its position as one of the world's most highly-rated hotel chains.** One hundred and thirteen of our hotels, across 13 countries, received prizes in the 2022 Traveller Review Awards, which recognise the hotels most highly rated worldwide by customers of Booking.com.

JUNE



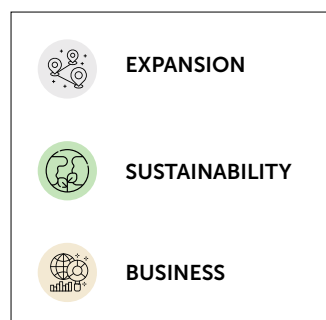
- **Hotel refurbishment.** Following a major refurbishment process, the Barceló Margaritas (formerly the Occidental Margaritas) and the Barceló Aguamarina (formerly the Barceló Barceló Ponent Playa) have now reopened to the public.



- **The Barceló Foundation received recognition for the AGUAY+ project.** The 2022 Travelling for Happiness Awards, organised by the Madrid Hotel and Business Association, has recognised the Barceló Foundation's AGUAY+ project for its contribution to human, economic and social development.



- **We help our customers to adopt a healthy lifestyle.** Opening of the Barceló Lanzarote Active Resort after a comprehensive refurbishment. The wide range of sports facilities available at this 4-star, 814-room hotel includes a high-performance gymnasium, a CrossFit training facility, a temperature-regulated Olympic-sized swimming pool, and a professional cycling centre.



Sancti Petri, a Royal Hideaway Hotel (Cádiz, Spain).

JULY

- **We re-affirmed our commitment to Morocco.** Barceló Hotel Group has invested over 150 million euros in the purchase, refurbishment and rebranding of several hotels, including the Barceló Tanger which opened in 2022 following a full refurbishment.
- **The introduction of a new hotel in the province of Málaga's most prestigious holiday destination.** We have added to our portfolio the Occidental Puerto Banús, with 291 fully-refurbished guest rooms.
- **Reduction of emissions on our flights.** Iberorjet has begun to use the optimal speed depending on atmospheric conditions, on all its flights: speed can be varied during the flight, according to the prevailing conditions. This measure will bring a saving of 161 tonnes of fuel, and will mean an annual reduction in emissions to the atmosphere of over over 500 tonnes of CO₂.

AUGUST

- **The company's first hotel in Indonesia.** The Orient Jakarta, a Royal Hideaway Hotel, located in Indonesia's capital city, is a 153-room boutique hotel in a 32-storey building. The hotel was designed by the world-famous architect and interior designer Bill Bensley, and its décor contains extensive references to local crafts and to the country's native Javanese and Balinese cultures.
- **Training in digitalisation.** Over 900 Barceló Hotel Group employees and over 600 Ávoris Corporación Empresarial employees have received training in digitalisation and technological systems in 2022.

SEPTEMBER

- **Barceló Hotel Group among the top 100 most reputable companies.** Barceló Hotel Group was placed in the Merco ranking of the 100 companies with the best reputation in Spain in 2022. We were placed third in the industry's ranking.
- **Our special work centre underwent a transformation.** The historic Viajes 2000 brand, with over 50 years' experience in the sector, to be renamed OPTTEAM. The brand is noted for its social commitment as a special work centre.
- **Our business received recognition from the World Travel Awards.** Five hotels were recognised in the World Travel Awards, and for the second consecutive year, BCD Travel achieved first place in the awards for the management of corporate travel in Spain.

OCTOBER

- **Acquisition of 100% of Ávoris Corporación Empresarial by Barceló Group.** With the merger process completed, Barceló Group reached an agreement with Globalia Corporación Empresarial to acquire its 49.5% shareholding in Ávoris Corporación Empresarial, so that it now owns 100% of the company and is its sole shareholder.
- **An improved media activation strategy.** Barceló Hotel Group's online marketing strategy recognised as the Best Media Activation Strategy in the Google Marketing Partner Awards, considered the most important awards related to digital transformation and maturity in Spain.

NOVEMBER

- **We promote local gastronomy.** Barceló Hotel Group has been awarded a total of 5 Michelin stars for its restaurants: El Rincón de Juan Carlos (2 stars) and San Hó (1 star) at the Royal Hideaway Corales Resort hotel; Poemas by Hermanos Padrón (1 star) at the Santa Catalina, a Royal Hideaway Hotel; and La Finca (1 star) at the Royal Hideaway La Bobadilla – the province of Granada's first Michelin star.
- **A strengthening of our commitment to the province of Granada.** Barceló Hotel Group invested 40 million euros in the purchase and refurbishment of the Carmen Granada hotel.
- **We now connect Europe with the Caribbean.** A direct flight between Madrid and Palmerola (Honduras), the only route between Europe and the Honduran capital; and a direct flight from Madrid to Santiago de Cuba (Cuba). We are the only Spanish airline to offer a direct, return flight to the city of Santiago

DECEMBER

- **Sustainable finances.** We renewed our MARF promissory note programme with sustainability criteria – the first company in the sector to do so.
- **Recognition in the United States for our commitment to sustainability.** Crestline recognised by Marriott International with the Serve 360 award, which recognises sustainability initiatives implemented in the management of hotels.
- **New hotel in Guadalajara.** We purchased the Barceló Guadalajara hotel, an establishment with 450 guest rooms and an excellent location opposite the World Trade Center and the Expo de Guadalajara conference centre, in one of Mexico's most important cities.



Barceló Guadalajara (Mexico).

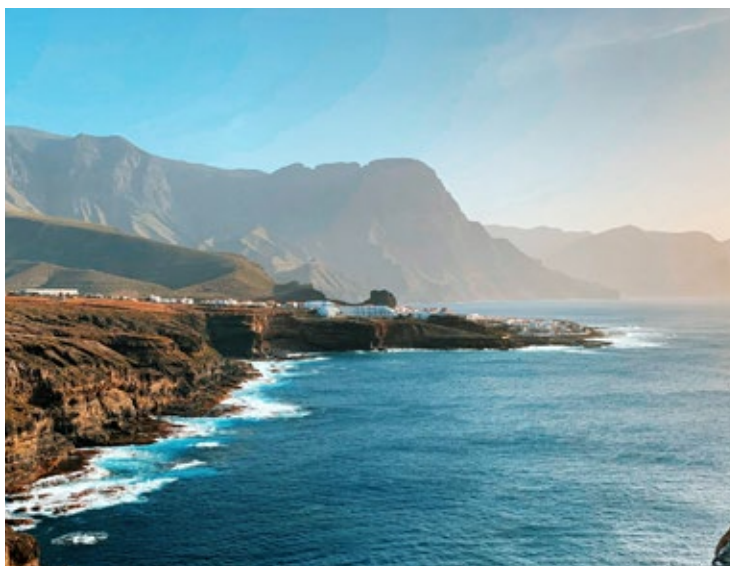
1.2 The Barceló Group business model

We are a family business that operates at every level of the hotel sector's value chain, characterised by the complementary nature of our businesses and the geographical diversification and balance of our portfolio. Throughout the 90 years of our history, we have shaped our own model, adapting to the different stages of development and the realities in which we have found ourselves during our process of expansion.

Barceló Sevilla Renacimiento (Spain).



Occidental Roca Negra (Tenerife, Spain).



B travel and Catal office.



Occidental Papagayo (Costa Rica).



Business model for

Barceló

GRUPO

Barceló

HOTEL GROUP



277
hotels



25
countries



62K
guest rooms



4
brands

LATAM/EMEA/APAC

LUXURY

ROYAL HIDEAWAY
LUXURY HOTELS & RESORTS

UPPER
UPSCALE

Barceló
HOTELS & RESORTS

UPSCALE

Occidental
HOTELS & RESORTS

UPPER
MIDSCALE

allegro
HOTELS

USA



CRESTLINE
HOTELS & RESORTS

Purely a hotel management company. Operates under international, third-party and independent brands

Hilton

MARRIOTT

HYATT

IHG
HOTELS & RESORTS

Ávoris

CORPORACIÓN EMPRESARIAL



1,645
points of sale



3
continents



5M
passengers



30
travel brands

TOUR OPERATION

CATAI

travelplan

Jolidey:

Special
tours

iberrail

VIVA
TOURS

LePlan

Touring Club

Nortravel

munidosENIOR

CORP & MICE

BED•travel

BED•
meetings & events

BCO Congresos

OPTTEAM

Triporate

TRAVEL AGENCIES

B•travel

geomoon

Halcón viajes

B•travel .CATAI

RACC TRAVEL
Mobility Club

BED BANKS

welcomebeds.com

mar.sóL

TRANSPORT

iberojet

iberobus

OTAs

muchoviaje

TuBillete.com
ese amigo que sabe de viajes

GIFTS, EXPERIENCE PACKAGES

PlanB!

WELCOME SERVICES

welcome
incoming services

INNOVATION

wakalua

TECHNOLOGY

Ávoristech

1.2.1 Barceló Hotel Group

2nd

the 2nd biggest hotel chain in Spain and 26th in the world in terms of the number of rooms

277

hotels

61,996

guest rooms


25

countries



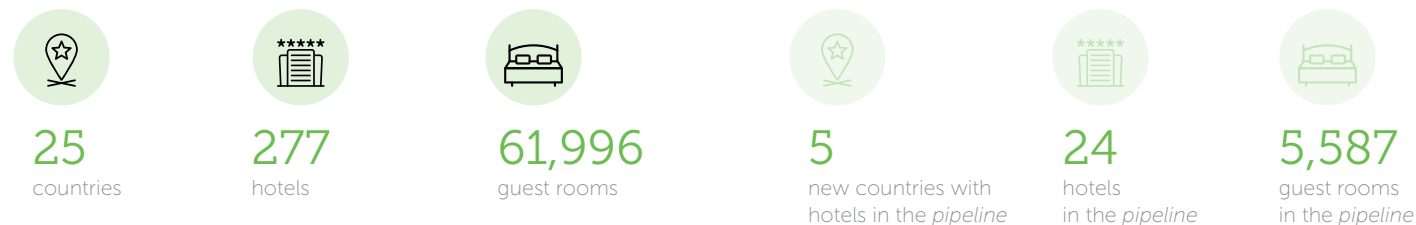
Recognised in 2021 as the **World's Leading Hotel Management Company** in the World Travel Awards

The hotel division of Barceló Group is the 2nd-largest chain in Spain and the 26th-largest in the world in terms of the number of guest rooms it offers¹, as recognised as the 'World's Leading Hotel Management Company' in the 2021 World Travel Awards. Currently, it has 277 four- and five-star city and holiday hotels, and more than 62,000 guest rooms spread over 25 countries and marketed under four brands.

 <p>Luxury</p> <p><i>The art of fine moments</i> Destination hotels at which to experience the art of special moments.</p> <p>Brand attributes Elegant and eclectic Cultured and select Genuine Respectful and attentive</p> <p>Royal Hideaway is a collection of unique hotels in spectacular locations. Incomparable experiences linked to art and culture, with exquisiteness, authenticity, attention to detail and discretion as the identifying symbols. At Royal Hideaway, we believe that every trip has soul, which is why we highlight the most extraordinary aspects of each destination and invite guests to try luxurious experiences that are impossible to forget.</p>	 <p>Upper Upscale</p> <p><i>Live up to more</i> inspiring and impressive hotels that invite guests to feel better than at home</p> <p>Brand attributes Creative and imaginative Impressive and inspiring Innovative and nonconformist Friendly and ambassador</p> <p>Welcome to Barceló, where hospitality, creativity and innovation are put at the service of guests through concepts that are anything but conventional. Barceló believes in exceeding expectations, and we do this thanks to hotels inspired by the local culture at destinations and cutting-edge hotels with fascinating features in which to savour inspiring, exciting and, above all, unforgettable experiences.</p>
 <p>Upscale</p> <p><i>Responsible Living Hotels</i> Hotels that prove another way to travel is in fact possible</p> <p>Brand attributes Responsible and committed Trustworthy and empathetic Honest and simple Open and aware</p> <p>We suggest an emotional journey that begins with the smallest thing: a simple gesture. At Occidental, we believe that the time has come to achieve sustainability through convenience. Our goal is to play a role in the well-being of guests. We prove that it is possible to enjoy destinations in a sustainable manner, and we make it easy for visitors to travel in a way that is respectful of the environment, the local setting and society, all through a network of responsible, service-oriented hotels</p>	 <p>Upscale Midscale</p> <p><i>Enjoy life</i> Happy soul hotels. A place where everyone is welcome to enjoy life</p> <p>Brand attributes Cheerful and optimistic Flexible and relaxed Full of life Spontaneous and fun</p> <p>At Allegro, joy and happiness are everywhere. We create hotels designed to convey fun and energy, and that invite people to share quality moments with family and friends, spaces in which to get away from it all and bask in a universe of colour. We offer an oasis of positive energy in which to feel free to be oneself. Welcome to a place where life is colour</p>

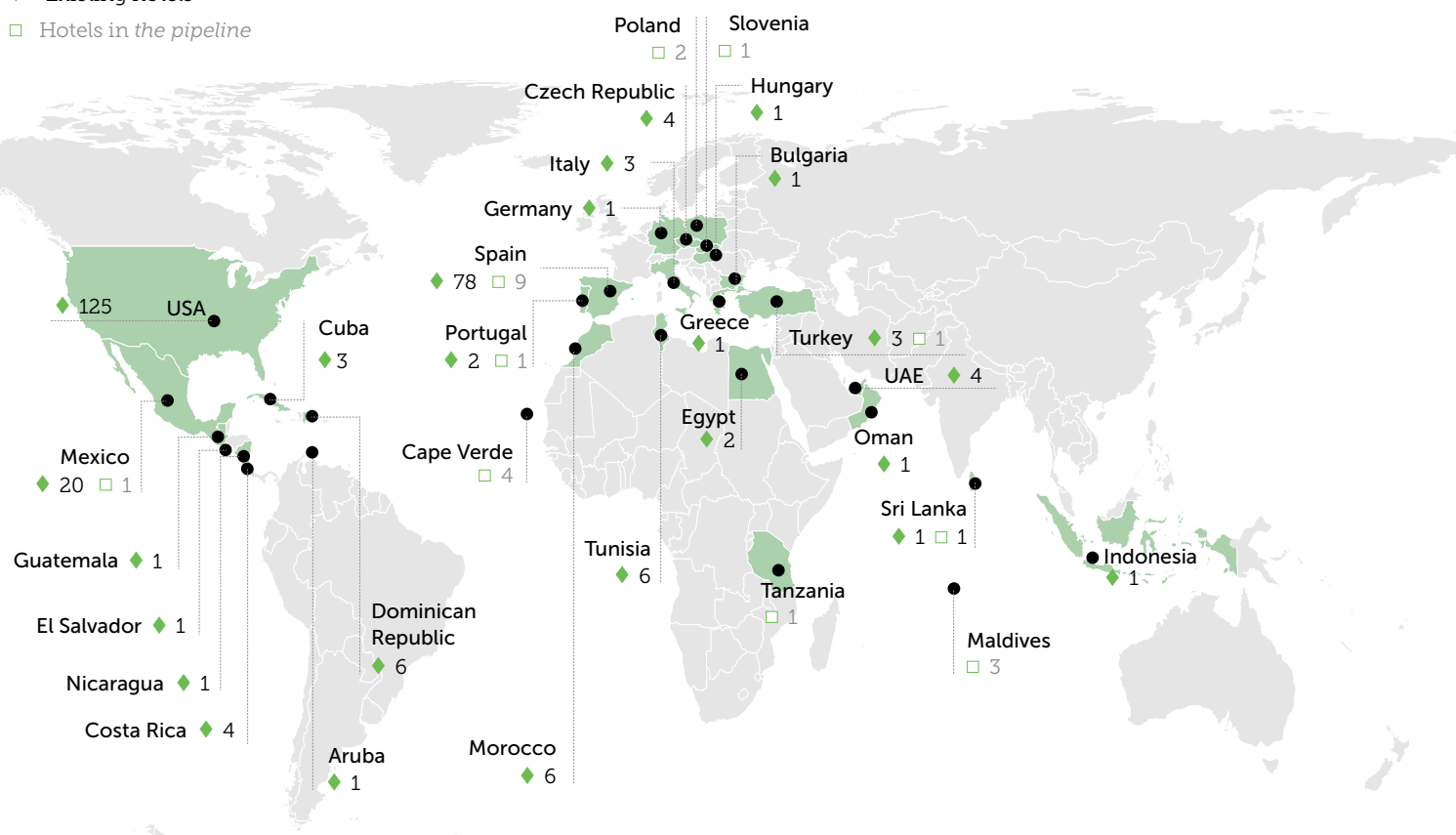
¹ Ranked by *Hotels Magazine* – Ed. JULY/AUG.

It also forms part of Crestline Hotels & Resorts, an independent hotel company with more than 120 establishments and a business model focused on managing third-party (most under third-party brands such as Marriott, Hilton, Hyatt, etc.). In 2022, Crestline was awarded the Serve360 prize by Marriott International for our commitment to sustainability.

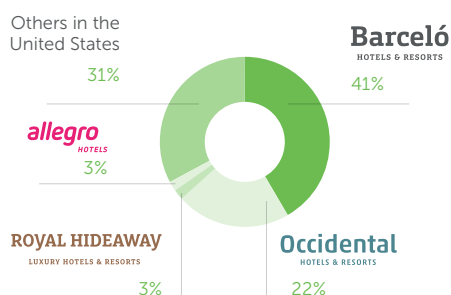


◆ Existing hotels

□ Hotels in the pipeline



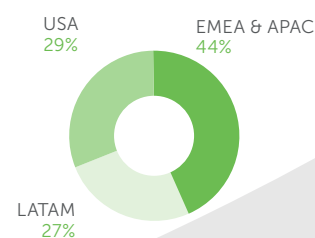
Brands



Segments



Regions



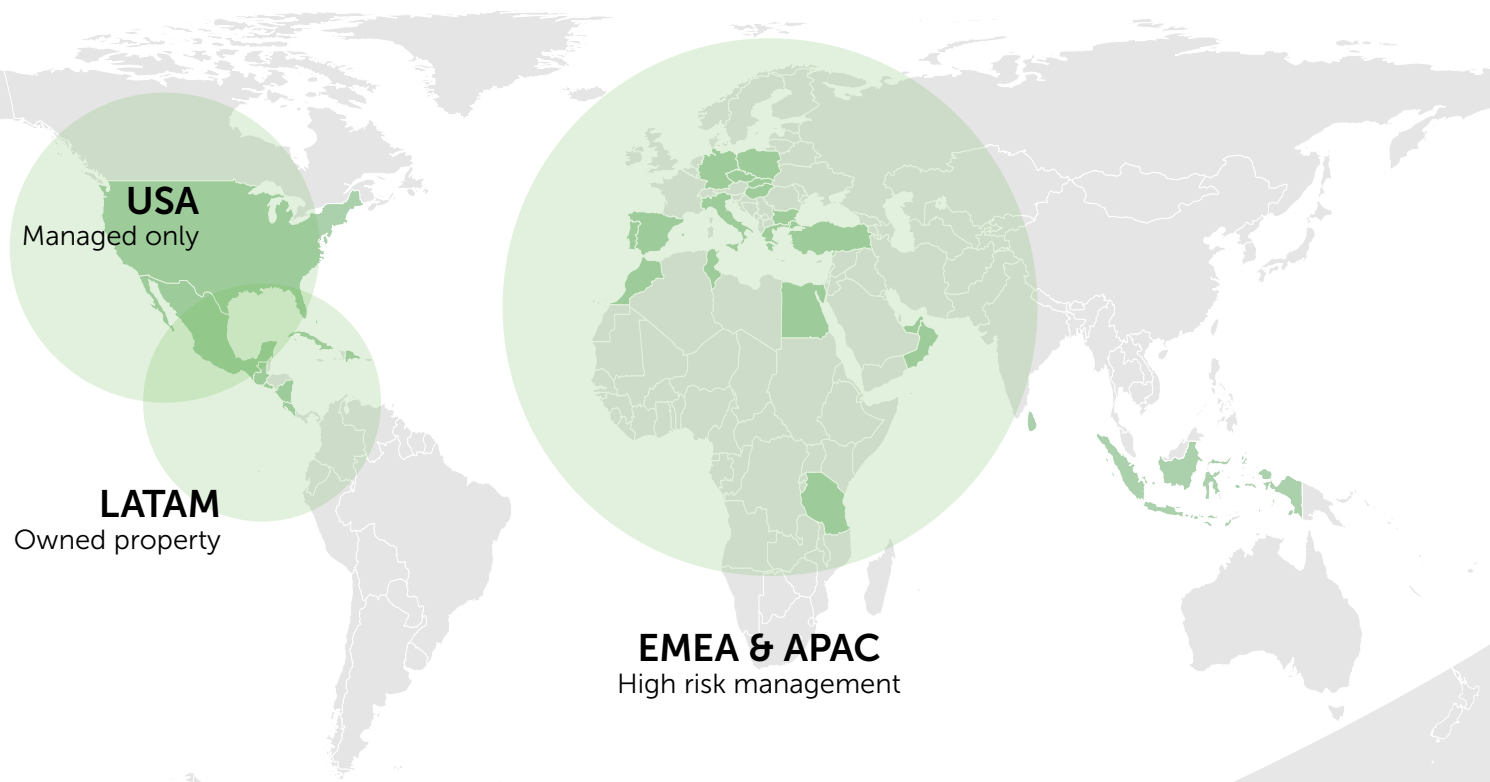
Our business model combines decentralisation and geographic specialisation, and although these are not differentiating elements on their own, together they create a flexible and efficient model:

- Decentralisation: our structure shifts decisions to business units, backed by a corporate structure containing strategic departments to create economies of scale through centralisation. Decentralisation allows us to be highly efficient and adapt to different markets and surroundings.
- Geographic specialisation: although the industry leans towards *asset-light* models, Barceló has tailored its profile according to the regions where it operates. In this way, we cover every link in the value chain from franchising companies to full life cycle operators (Latin America), by way of pure management (USA) and high-risk hotel operation in the Europe, Middle East and Africa regions.

Managed
44%

Owned
29%

Rented
27%



1.2.2 Ávoris Corporación Empresarial

Every Ávoris brand offers a unique experience tailored to each customer

Ávoris Corporación Empresarial is a travel group owned by Barceló, specialising in the design, marketing and delivery of leisure travel, holiday travel and business travel services. The company operates as a **global tourism business**, vertically integrated with specialist brands that offer a unique experience adapted to suit each individual traveller across five broad areas: distribution, tour operation, transport, services at the destination and experiences. This vertical integration allows a highly complementary relationship and synergies between the different businesses.

Initially focused on the travel agency segment, ten years ago the Barceló Group's travel division began transforming from a multi-channel retail network to a global tour operator with a presence throughout the customer travel cycle and operations in the wholesale, retail, inbound travel and airline markets.

All the Ávoris brands pursue the same approach of complete customer satisfaction through corporate values: commitment to customers, personal growth, teamwork, passion, responsibility and innovation. Ávoris is particularly committed to innovation in its services and products, adapting to market developments with a view reinventing itself and being a pioneer in the sector.



B Cruises.

Focusing on the Spanish and Portuguese markets, Ávoris has a direct presence in the United Kingdom, Colombia, Cuba, the Dominican Republic, Mexico and India.

2022 has brought significant changes in our organisation, the most important being the **acquisition of all the shares in Ávoris Corporación Empresarial by the Barceló Group**, making the Group sole owner of the company. This led to an early repayment of the covid-related funding support granted

by the Strategic Companies Solvency Support Fund, managed by SEPI (Sociedad Estatal de Participaciones Industriales). Thus, Barceló Group became the first company to pay back this type of loan, four years ahead of the due date, in an act of corporate responsibility.

Moreover, during the last quarter of the year, we completed the restructure of our management team, which continues to be led by Vicente Fenollar as executive chair, with Juan Carlos González appointed as general manager of the corporation. We have also brought new members on to the management committee to reflect the different lines of business.

On the subject of the business, it is worth noting the change in 2022 of the 'B the travel' brand to 'B travel', along with the change of Viajes 2000 to OPTTEAM.

Ávoris is organised into five lines of business: distribution, tour operation, transport, destination services and experiences.



B travel and Catal office.

Distribution

The Ávoris distribution division is divided into three specialised sub-departments:

1,500

travel agencies
in Spain and almost

60

in Portugal

B travel

Halcón viajes

Holiday department

Ávoris' holiday department includes the market leaders B travel and Halcón Viajes, and an extensive network of 1,500 travel agencies in Spain and almost 60 in Portugal. Both have a long tradition in the holiday segment and provide services to over five million travellers. B travel and Halcón Viajes are undoubtedly the main retail travel agency networks in Spain and Portugal, but they also offer their services through multiple channels, including through their respective web portals for those customers who prefer to book online.

+5,000

managed
customers

€800 M

Turnover



In addition to these two flagship brands, Ávoris owns Viajes Ecuador, RACC Travel by Ávoris, Wáy (a specialist brand for millennial customers) and B Cruises, as brands that specialise in a particular product or geographical area. It also owns Geomoon, a group that manages independent travel agencies, and which offers third-party travel agencies all the advantages of belonging to a large, vertical group, whilst still maintaining their managerial independence and their own identity.

Corporate area

Travel, events and conferences. With a presence in Spain and Portugal, the business, events, convention, incentive and conference division comprises BCD Travel and M&E, along with Bco Congresos and Triporate. In total, there are more than 1,450 employees, over 5,000 customers and a turnover that surpasses €800 million.



In 2022, BCD Travel Spain was recognised by the World Travel Awards as Spain's top company in travel management.



BCD Travel Spain (named Spain's Leading Travel Management Company at the 2022 World Travel Awards) and BCD M&E Spain are benchmarks for their segments thanks to the agreement with the BCD Group, the third-largest business travel management company in the world, with a presence in more than 109 countries and a customer loyalty rate of 98%, the highest in the industry. BCD M&E has three areas of business, Pharma, Events and Sports, and is the clear leader in Sports. The corporate area includes Op-team by BCD Travel, which is a brand specialising in bespoke corporate travel and events – which is supported by BCD Travel's technology, and which operates a special work centre.

BCD Group is the world's

3rd

largest travel management
company, with a presence
in over

109

countries, and with the
highest index of customer
loyalty in the sector:

98%



FITCuba 2022.

+1,800

conferences organised in
Europe and Latin America
throughout the history
of Ávoris' Professional
Conference Organiser

Bco Conferences is Ávoris' Professional Conference Organiser. Its exclusive value proposition has positioned it as one of the leading companies in this sector. Having organised over 1,800 conferences in Europe and Latin America throughout its history, it fully arranges and manages over 50 conferences each year.

Lastly, Triporate applies artificial intelligence to corporate travel, approaching the management of these trips in a way that allows a very intensive automation of the processes involved, so that the travel agents can concentrate on the more personal and creative aspects.



Online area

For its online area, Ávoris has the Muchoviaje.com and Tubillete.com brands — online travel agencies, underlining Ávoris' commitment to e-commerce. The company also markets package trips through the Iberojet.es online portal, linked to the group's airline. All these channels allow Ávoris customers to find a varied and unrivalled offer of travel to the Caribbean, as well as tours, grand tours and any combination they could wish for.



Products / Tour Operation

Mainstream Brands



- **Travelplan and Jolidey:** tour operators offering destinations for all types of travellers.



- **Nortravel:** Mainstream tour operator in Portugal.

Specialised Brands



- **Catai:** Leading tour operator for grand tours in Spain.



- **Viva Tours:** Tour operator that works exclusively with Iberia flights.



- **Special Tours:** Strong presence in Latin America and circuits through Europe.



- **LePlan and Touring Club:** Brands with travel programmes to Disneyland Paris as the park's official distributors.



- **LeSki:** Brand with ski, sports and adventure alternatives.



- **Iberrail:** Train + hotel programmes.



- **Mundosenior:** a tour operator specialising in senior tourism for over 25 years, and which manages the IMSERSO programme through its Social Tourism programme.



- **Bed banks:** Welcomebeds and Rhodasol: bed banks open to all agencies, with over 150,000 establishments.



7

airplanes from
the Ávoris fleet


iberojet

Transport

Iberojet, airline

Since 2013, Ávoris has owned two airlines, which since 2021 have operated under the single Iberojet brand: Evelop (Spain) & Orbest (Portugal)

2

A350-900
with 432
seats

2

Long-haul A330-
300 with 388
seats

1

A330-300 cargo
plane

1

Neo-A350-900 with
388 seats

Two types of business units:

- Regular flights.
- Charter flights to holiday destinations, with a strong presence in the Caribbean and the Canary Islands. In 2022, new routes were added, from Madrid to Santiago de Cuba and to Palmerola (Honduras); from Barcelona to the Dominican Republic and to Cancún; and from Oporto to the Dominican Republic.

1

A-320 for
intermediate
distances with
180 seats

iberobus

Iberobus, a road passenger transport company

It has two types of business:

- Private transport.
- Regular transport for special use.

Destination services

Under the Welcome Incoming Services and B Destination Services brands, Ávoris provides welcoming services, which enable us to accompany customers throughout their journey, thus guaranteeing quality of service. Thanks to a global service distribution platform and our inbound and third-party products, Ávoris offers a real and agile solution to buy and hire accommodation, transfers, tours, multilingual professional guides and service at hotels for all types of groups, individual and personalised private services, providing assistance to more than four million customers at the destinations where we operate.



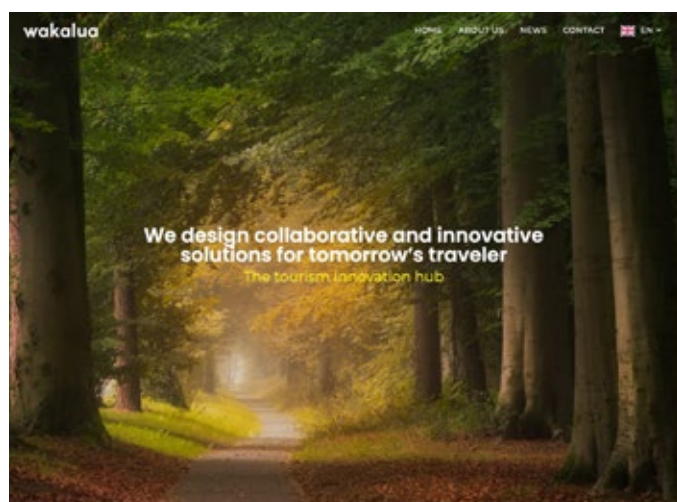
37

vehicles from the
Iberobus fleet

Experiences

PlanB!

PlanB! is the flagship brand in terms of travel gift packages and experiences, grouped under four areas: gastronomy and oenology, wellness, leisure and adventure, breaks and grand tours.



Wakalua website.

wakalua

Then, in 2022 Ávoris incorporated Wakalua into the group. Wakalua is the first centre in the world for tourism that drives innovation via unique private-public associations across more than 150 countries.

Ávoristech

In the same vein, Ávoristech was set up, combining the enthusiasm of a *start-up*, the maturity of Ávoris, and the ambition of a cutting-edge team on a mission — to democratise access to technology, to become a benchmark for digitalisation, and to contribute to the technological development of all travel companies.

1.3 Organisational structure and corporate governance

Barceló Group Board of Directors

This is the body to which the shareholders delegate the broadest functions of strategic direction and management of the company. It approves, supervises and tracks annual budgets; analyses and approves strategic plans; makes decisions on investment opportunities and growth; and more. Overall, it makes the final decision about submitted proposals.

Gabriel Barceló Oliver*
Honorary Chairman

Simón Barceló Tous
Co-Chair, Barceló Group

Simón Pedro Barceló Vadell
Co-Chair, Barceló Group

Guillermo Barceló Tous
Member

Pedro Fernández-Martos
Member

* Without the right to vote.

AECB shareholders
 with more than 5% of capital*

Jaime Torrens*
Independent adviser, non-board member

Joan Vilà*
Independent adviser, non-board member

Raúl González*
Secretary, non-board member

Vicente Fenollar*
Vice-secretary, non board member

Ávoris Corporación Empresarial Board of Directors

Vicente Fenollar
**Executive Chair, Ávoris
 Corporación Empresarial**

Raúl González
Member

Valentín Costa
Member

Belén Alonso
Secretary, non-board member

Board of Directors of Crestline

Simón Pedro Barceló
Co-Chair, Barceló Group

James Carroll
**President & Chief Executive
 Officer, Crestline**

Vicente Fenollar
**Economic and Financial General
 Manager, Barceló Group**

Ed Hoganson
Chief Financial Officer, Crestline

Monica Bernstein
Senior VP, General Counsel & Secretary

Barceló Group Audit Commission

The Audit Commission supervises the process of preparing financial information and internal control systems, and ensuring they comply with legal regulations and the procedures defined by the Group.

Pedro Fernández-Martos
Chairman of the Commission

Guillermo Barceló Tous
Member

Jaime Torrens
Member

Antonio Darder
Secretary

The Commission is attended by: Simón Barceló Tous (Co-Chairman), Simón Pedro Barceló Vadell (Co-Chairman), Raúl González (EMEA CEO) and Vicente Fenollar (Executive Vice President of Finance), in addition to any other internal or external individuals deemed necessary by the Group.

Audit Commission of Ávoris Corporación Empresarial

Vicente Fenollar
Executive Chair, Ávoris
Corporación Empresarial

Juan Carlos González
General Manager, Ávoris
Corporación Empresarial

Valentín Costa
Economic and Financial General
Manager, Ávoris Corporación
Empresarial

Andrés Montané
Internal Audit Manager, Ávoris Corporación
Empresarial

Antonio Darder
Barceló Group Controller

The Group's Steering Committee

The Steering Committee's mission is to coordinate the departments within the Group, to ensure all resources and efforts are focused on reaching our strategic objectives, and to offer an experienced perspective that supports decision making.

Simón Barceló Tous
Co-Chair, Barceló Group

Simón Pedro Barceló Vadell
Co-chair, Barceló Group

Raúl González
CEO, Barceló Hotel Group EMEA and
Secretary to the Committee

Vicente Fenollar
Executive Chair, Ávoris Corporación
Empresarial

Economic and Financial General Manager,
Barceló Group



Barceló Lanzarote Royal Level (Spain).

There are also Management Committees for the various areas of the business:

Barceló Hotel Group EMEA Management Committee

Simón Pedro Barceló Vadell
Co-chairman

Raúl González
CEO, Barceló Hotel Group EMEA

Bernardo Campins
Manager of Support Services to the Business

Maria Carmen Oliver
Manager of Human Resources

Sara Ramis
Manager of Marketing, Customer Experience and Sustainability

Pilar Parejo
Regional Manager, Canary Islands, Madeira and Cape Verde

José Canals
Regional Manager, the Mediterranean, Middle East and Asia

Rafael Asuar
Regional Manager, Northern Spain and Europe

Ángel Esquinas
Regional Manager, Morocco and Tunisia

Gaspar Sáez
Regional Manager, Andalusia and Levante

Lucía Prieto
Assistant Deputy Director to the CEO*

* Acts as Secretary.

Barceló

Barceló Hotel Group LATAM Management Committee

Simón Barceló Tous
Co-Chairman

Jose Brichs
Corporate Commercial and Marketing Manager

Alfonso Benito
Corporate Manager for Administration and Systems

Miguel Ángel Guardado
General Manager, Mexico

Fernando Gómez
General Manager, Dominican Republic and Cuba

Juan José Ribas
General Manager, Central America and Aruba

Barceló

Barceló Hotel Group EMEA Expansion Group

Simón Pedro Barceló Co-Chair	Gaspar Sáez Regional Manager, Andalusia and Levante
Jaime Torrens Council Advisor	Antonio Oliver Legal Manager
Raúl González Rodríguez CEO, Barceló Hotel Group EMEA	Bernardo Campins Manager of Support Services to the Business
Vicente Fenollar General Economic and Financial Manager, Barceló Group	Eduardo Gispert Expansion Manager, EMEA*
Juan Manuel Gordillo Deputy Director General Construction	Marisa Frontera Area Expansion Manager
José Canals Regional Manager, Mediterranean, Middle East, Asia	Pilar Parejo Regional Manager, Canary Islands, Madeira and Cape Verde
Rafael Asuar Regional Manager, Northern Spain and Europe	Duarte Vasconcelos Manager, Huelva Area
Ángel Esquinas Regional Manager, Morocco and Tunisia	Carlos Domínguez Business Development Manager, Middle East and Asia
	Antonio La Calle Gil Area Expansion Manager

* Acts as Secretary.

Ávoris Corporación Empresarial Management Committee

Simón Pedro Barceló Co-Chair	Joan Vargas General Manager Human Resources, Ávoris Corporación Empresarial
Vicente Fenollar Executive Chair, Ávoris Corporación Empresarial	Javier Castillo General Manager Tour Operations, Ávoris Corporación Empresarial
Juan Carlos González General Manager, Ávoris Corporación Empresarial	Juan Miguel Morales General Retail Manager, Ávoris Corporación Empresarial
Valentín Costa Economic and Financial General Manager, Ávoris Corporación Empresarial	Mar Muñoz Manager General Technology and Innovation, Ávoris Corporación

Crestline Management Committee

James Carroll President & Chief Executive Officer Crestline	Carolee Moore Senior Vice President of Revenue Strategy
Edward Hoganson Executive Vice President, Chief Financial Officer & Chief Investment Officer	Kyle Hamill Senior Vice President of Sales & Marketing
Mónica Bernstein EVP & General Counsel	Wayne Carney Senior Vice President of Hotel Accounting
Aaron Olson Executive Vice President of Operations	Deanne Johnson-Anderson Senior Vice President of Human Resources

1.4 Ethical commitments in the development of the business

1.4.1 Culture of compliance

Barceló Corporate Defense is our risk prevention programme. It aims to detect suspicious activity or activity linked to money laundering, the financing of terrorism, corruption and bribery. **At Barceló, our management model has been established with three lines of defence.** The first line is formed by the area managers, who are responsible for their risks and the development of their specific controls. The second line of defence is the compliance function, with Barceló Corporate Defense being responsible for monitoring compliance. And lastly, the third line of defence is the Audit

department, responsible for checking the effectiveness of control measures, and for assessing the risk in relation to our risk appetite. All of this enables us to separate operational functions and business functions from tasks relating to supervision and assurance. At all times, our Management Board has responsibility for overseeing the correct operation of Barceló Corporate Defense, via the Audit Commission.

Throughout 2022, we worked on adapting Barceló Corporate Defense in the Group's Travel Division as a consequence of recent organisational changes; this has resulted in the updating of the risk matrix and associated controls.



Barceló Corporate Defense is ultimately a management system, designed to guide our professional activity and to strengthen our corporate ethical culture. The following corporate documents could be cited as typical of Barceló Corporate Defense:

Regulatory Compliance Policy

This document establishes the fundamental elements at the Group's disposal to prevent, detect or respond appropriately to unlawful and, in particular, criminal acts. It is configured as a public demonstration of the board of directors' and the senior management's total repudiation of any illegal behaviour and/or conduct that is contrary to our principles and values.

Our policy defines the objectives of compliance and lists the available mechanisms: (i) system of governance and the compliance area; (ii) a mechanism to identify risks and controls, including the listing in general terms of policies, protocols, procedures and controls that exist within the Group; (iii) the model for the management of financial resources; (iv) the reporting channel; (v) the disciplinary system and (vi) the system of monitoring, verification and continuous improvement.



Barceló Brno Palace (Czech Republic).

Compliance and Crime Prevention Manual

This internal document develops each of the elements contained in the policy referred to, and includes a series of concrete guidelines in relation to each line of defence, as well as procedures for monitoring, reviewing and updating the Model.

This document aims to underline the importance of preventing risks to compliance, and specifically those of a criminal nature within the Group, by outlining a series of directives that all workers must follow, regardless of their occupational groups, their position within the hierarchy or their geographical location.

Code of Ethics

The Barceló Group's Code of Ethics defines the guiding principles according to the company's values, and summarises the professional conduct that is expected of all Barceló employees. This is available to all relevant groups on [our website](#), as it applies to all the Group's employees.

All employees must read the Barceló Code of Ethics as proof that the contents are applied to their everyday duties as Barceló brand ambassadors in their interactions with other employees and the company's stakeholders.

We also have tools to ensure correct conduct and compliance by Barceló Corporate Defense:

Control and Monitoring Committee

This body performs the function of ensuring regular compliance under a mandate from the Senior Management Board. It is responsible for overseeing compliance with the operational principles and codes of conduct contained in the Code of Ethics; for keeping the Model of Compliance and Pre-

vention of Risks of Criminal Activity up to date; for managing the Reporting Channel; for overseeing the correct implementation of the internal regulations (including policies, procedures and controls in the widest sense) and for reporting to the senior management and to the governing bodies.

Training

To ensure that Barceló Group's employees know, understand and apply the internal procedures as well as Barceló Corporate Defense regulations. To this end, we have an online training course delivered via the Barceló Campus platform. In 2022, 924 hours of training were taught.

Monitoring, verification and audits

Following our model of three lines of defence, existing controls are periodically reviewed — and we subject our

activity to multiple audits, which increase the level of security over the controls that form part of Barceló Corporate Defense. Moreover, the activity carried out is reported to the senior management and to the governing bodies.

Reporting Channel

Since 2012, we have established a Reporting Channel, accessible to all stakeholders with whom we maintain a professional relationship (shareholders, advisers, directors, employees, suppliers, commercial partners, and so on). Our channel is configured on a secure computer platform which guarantees that data, confidentiality and (if required) anonymity are all handled correctly. In addition, it allows people to make verbal reports. This is one of the mechanisms we have in place to obtain information about any possible irregularity, failure to comply or behaviour that breaches the ethics, laws and regulations that govern activity at Barceló Group.

During 2022, we received no reports via the channel related to human rights, corruption or criminal conduct.



Training session for hotel deputy managers.

1.4.2 Barceló values and culture

One of our chief commitments to our destinations is to work together to build peaceful and just societies, in which sustainable development and well-being for all citizens will be possible.

FRESH is the acronym that defines us as a Group, and which sums up the values behind who we are and how we work: Flexibility, Responsibility, Excellent Service and Hospitality. These values inspire our culture and our ethical code of conduct, and we apply them in all the countries where we have a presence.

Barceló demonstrates its willingness to take the initiative in creating a more conscious tourism model by its commitment to various international bodies and institutions — those that encourage respect for human rights, the elimination of forced labour, the effective abolition of child labour, and the use of ethical, fair practices by companies.



Members of the United Nations Global Compact since

2002

Barceló Hotel Group

2019

BCD Travel (Ávoris' corporate travel division)

Since 2002, Barceló Hotel Group has been a member of the United Nations Global Compact. BCD Travel (Ávoris' corporate travel division) joined in 2019. Members are committed to complying with, and promoting, the 10 principles of conduct that provide a management framework in relation to respect for human rights (in line with the Universal Declaration of Human Rights); rules and labour relations aligned with the ILO Declaration on fundamental principles and rights in the workplace; the prevention of any kind of environmental impact, in accordance with the Rio Declaration on Environment and Development, and finally, the fight against any type of corruption as defined in the United Nations Convention on Corruption. In addition (following the approval in 2015 of the Sustainable Development Goals through our participation in the Global Compact and in line with the Sustainable Development Goals), we are working to raise the tourism sector's positive impact.

Sustainable Development Goals (SDG)





Within the objective of transition towards a sustainable development for tourism, we also belong to a number of other institutions.

- Since 2011, we have been committed to complying with the ten articles of the World Tourism Organisation's Global Code of Ethics for Tourism, a basic benchmarking framework for responsible and sustainable tourism which is designed to orientate all the leading players in tourism development, because it is geared towards governments, tourism companies, communities, and tourists. So, at Barceló, we share and take ownership of the objectives of the Global Code of Ethics for Tourism:



Kitchen garden at La Bobadilla,
a Royal Hideaway Hotel.

- To minimise the negative effects of tourism on the environment and on cultural heritage.
- To maximise the benefits for residents of tourist destinations.
- To protect the future of the tourism industry.
- To increase the contribution made by tourism to economic prosperity and to peace and understanding among the nations of the world.
- To encourage a world tourism model that is equitable, responsible and sustainable – to the mutual benefit of all sectors of society and in an open, liberalised economic environment.

- Since 2007, a very significant issue in our sector has been the protection of children from sexual exploitation at tourist destinations. Our commitment in relation to this is reflected in our adherence to the Tourism Sector Code of Conduct for the protection of children and adolescents against sexual

exploitation in travel and tourism. We carry out specific training with all our teams to enable them to identify situations where there may be a risk of sexual exploitation.



- Since 2022, we have been members of the Global Sustainable Tourism Council (GSTC), an independent organisation that establishes and manages worldwide sustainability standards. Its stated mission is "To be an agent of change in the world of sustainable travel and tourism by fostering the increased knowledge, understanding, adoption and demand for sustainable tourism practices". For 2023, we have the ambitious target to design our own sustainable management system, and have it accredited by the GSTC. Once that has been achieved, this new system will be gradually introduced into our hotels.



Barceló Angra Marina (Azores, Portugal).



4,200

hours of training
delivered to our teams
on aspects related to
respect for human rights

- We have teamed up with other hotel chains, the World Travel & Tourism Council and the Sustainable Hospitality Alliance to work on a pioneering initiative to create a shared definition of sustainability hospitality criteria to promote responsible travel and tourism. The **Basic Sustainability Framework**, launched in 2022, aims to offer a common starting point for hotels to work towards sustainability — this will be accessible to all players in the hotel industry throughout the world, and will have a positive impact on the planet and its people, as well as generating a real change by fostering demand for responsible travel. During 2023, we will be working on defining the verification model to be adopted by the Basic Sustainability Framework.

We calculate that during 2022, 4,200 hours of training were delivered to our teams on aspects related to respect for human rights, and to our participation in the above-mentioned initiatives.

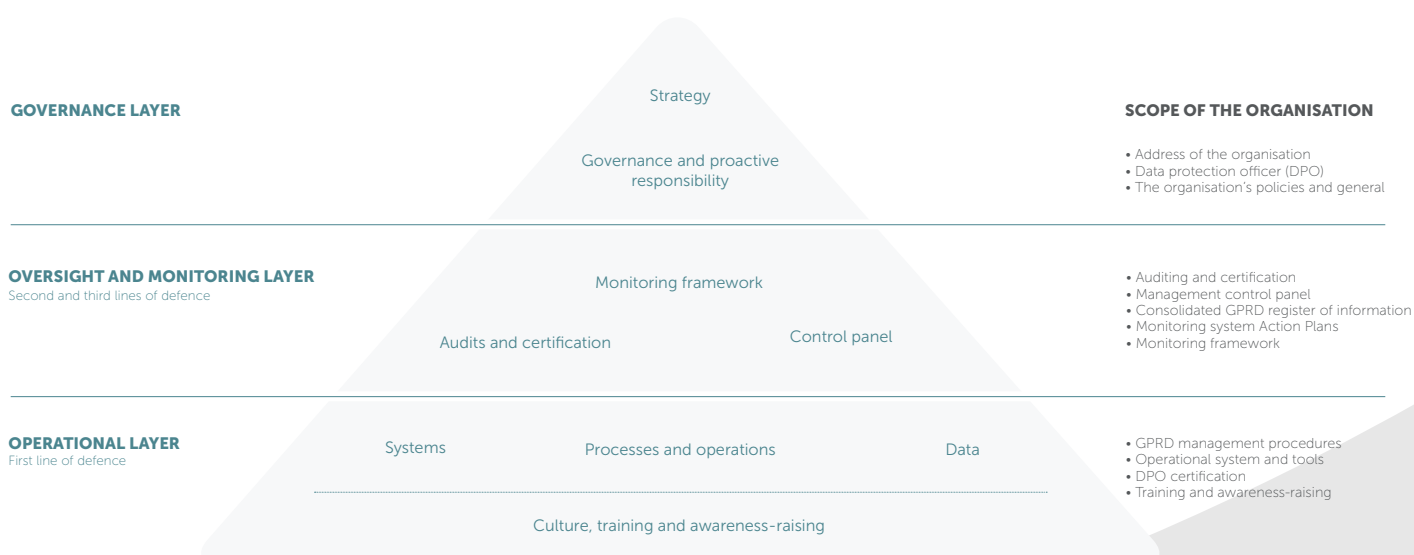
1.4.2 Cybersecurity and the protection of personal data

Cybersecurity is a priority issue for all kinds of companies, but particularly for those in our sector, the risk of cyber attacks being one of the main risks that we need to bear in mind, and on which we need to have defined preventative measures. Therefore, the security of information and the protection of the personal data of employees, customers and suppliers is one the most important issues facing us, and to this end we have designed a complete control and management ecosystem.

We have a **Privacy Policy**, which has been formally approved by the Management Board. The policy's objective is to define the lines of action required to comply with the General Regulations for the Protection of Data (GRPD), and the current protection of data legislation, which is supported by the following key elements to safeguard information (and particularly the personal data for which we are responsible):

- Personal data must be protected in accordance with its susceptibility, value and criticality.
- All Barceló Group employees and third-party partners are responsible for protecting the personal data that has been entrusted to them.
- Personal data protections make it possible to run the business, and the corresponding protection measures should be implemented in accordance with a risk assessment.

In order to comply with the Privacy Policy, a **Governance Model** was created to define the roles and responsibilities of everyone involved in ensuring the Privacy Policy is followed as well as the duties for fulfilling the corresponding obligations.





Barceló Raval (Barcelona, Spain).



Barceló Valencia (Spain).

To oversee compliance with the Privacy Policy, we have a multi-disciplinary team which is supported by the data protection officer (DPO).

To oversee compliance with the Privacy Policy, we have a **multi-disciplinary team** which is supported by the data protection officer (DPO). The team is responsible for implementing the mechanisms required to guarantee the privacy of customer and employee data.

The main duties carried out in 2022 were:

- Assisting hotels with any data protection queries.
- Management of the rights exercised by the Group's customers. Every interest group may exercise its rights via the dpo@barcelo.com inbox. Once we have analysed and checked that the claim complies with the criteria established by the regulation, we respond with the decision we have adopted.
- Handling potential security breaches, and defining and implementing the action plan.
- We check any contract signed in the Group, and all communications with customers; this, together with the processes developed by the various departments, aims to assess the impact on data protection and to ensure compliance with Barceló's Privacy Policy.

Moreover, we have during this financial year undertaken three audits in the field of personal data protection in various hotels, in order to evaluate the degree of compliance with the established directives and with the relevant regulations. As a result of these audits, we have prepared a data protection compliance manual with concrete guidelines for each department.

In relation to specific cybersecurity issues, in 2022 we made progress with the design and implementation of documentation and controls to achieve improved risk management:

- The development of a cybersecurity control framework.
- Defining a plan of action, response and recovery against cyberattacks.
- Design of an identity model to improve security in respect of access to applications. We are planning to roll out this model during 2023.
- Undertaking cybersecurity audits.
- Disposal or replacement of any equipment that is obsolete or no longer supported, and which may pose a risk to cybersecurity.
- Training employees and raising awareness of cybersecurity.

In 2023, we will proceed with the centralised management and improved security of workstations, in addition to working to prevent potential leakages of information.



Barceló Santiago, Canarias (Spain).

OUR GLOCAL* VISION

- 2.1 Context of the tourism industry
- 2.2 Context of the sustainable tourism industry
- 2.3 Creating shared value
- 2.4 Financial data
- 2.5 Strategy and expansion
- 2.6 Barceló REGEN, our sustainability strategy
- 2.7 Communication and dialogue with stakeholders
- 2.8 Management of risks

* Glocal is a term formed from 'global' and 'local'.

2.1 Context of the tourism industry

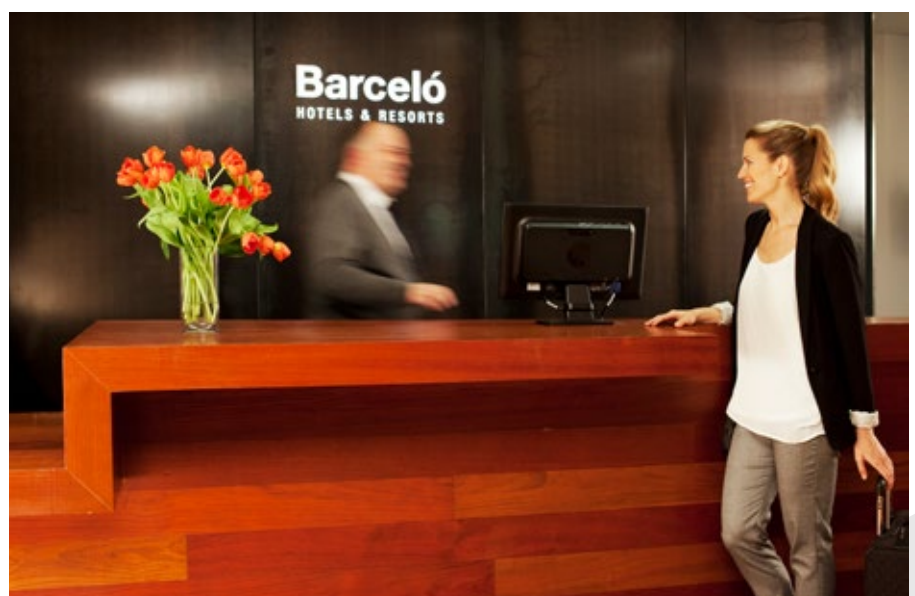
2022 has established itself as the year of recovery for the global tourism industry.

Despite the various crises experienced throughout this turbulent year, over 900 million tourists embarked on international travel during 2022 — double the number for 2021. Nevertheless, this is still only 63% of pre-pandemic tourist activity, as during 2019 around 1,500 million travelled, according to the World Tourism Organisation.

The appearance of the omicron variant during the first quarter of the year proved a major setback to the recovery that had begun in 2021. After omicron, the resumption of tourist activity has been much faster than previously, partly due to a strong build-up of demand and partly due to the savings people had accrued during the two years of the pandemic.

The outbreak of conflict between Russia and Ukraine, the energy crisis, and the problems of inflation were the chief constraints during the rest of 2022, within a global context of economic and political uncertainty. To this must be added those difficulties associated with the hiring and retention of trained staff in the sector.

During 2023, we expect that the tourist industry will make a moderate recovery, marred by challenges mainly caused by the economic, health and geopolitical uncertainties mentioned above. This cautiously optimistic outlook is supported by various factors, such as the recent resumption of travel in China (the greatest source market in the world in 2019), and strong demand from the United States - because of the strength of the dollar which will continue stimulating the flow of tourism from the northern and Latin American source markets towards the euro zones. This will also drive travel to European destinations, as opposed to those where the currency is the dollar.



Barceló Nervión, Bilbao (Spain).

2.2 Context of the sustainable tourism industry

Sustainability is a key item on the travel and tourism agenda. These are the main trends we have observed in the tourism industry in relation to questions of sustainability:

70%

of Spanish tourists expressed a desire to travel in a more sustainable way

90%

confirmed that travelling in a sustainable way seemed important to them

A more mindful traveller

A recent study by Booking.com revealed the main consumer trends that will influence the demand for sustainable travel over the coming months. **Seventy percent of Spanish tourists expressed a desire to travel in a more sustainable way during the next 12 months, an increase of 56% on the previous year.** Ninety percent confirmed that travelling in a sustainable way was important to them and over half of those surveyed (55%) mentioned that recent news on climate change had influenced them to make more sustainable decisions when travelling. The study also showed that, to avoid crowds, 31% of travellers had decided to travel out of season, and 28% had chosen a less popular destination.

Furthermore, according to a survey included in the A World In Motion report by the World Travel and Tourism Council (WTTC), almost 60% of travellers stated that they are already paying to offset their carbon emissions, or that they would consider doing so if the cost was reasonable.



Royal Hideaway Sancti Petri, Cádiz (Spain).



+80%

of goods and services linked to tourism are highly dependent on nature and its biodiversity, ranging from the demand for natural resources to the important role of nature tourism.

The European Green Deal, the Sustainable Finances Agenda, and the UN's Sustainable Development Goals demonstrate the European Union's clear commitment to respecting human rights and to reducing the impact of business activity on the planet.

A commitment to nature conservation

The Nature Positive Travel and Tourism report (published by the WTTC in 2022) demonstrated the importance of nature to the tourism industry, and confirmed that they are interrelated. Over 80% of goods and services linked to tourism are highly dependent on nature and its biodiversity, ranging from the demand for natural resources to the importance of nature tourism.

Moreover, the United Nations Summit on biodiversity, held in late 2022, ended with the approval of the Kunming-Montreal Global Framework on Biodiversity. This commitment will enable effective protection and management to conserve 30% of the land and sea surface by 2030.

Lastly, another major commitment is the Spanish Government's strategic plan for health and the environment, which is a joint response to the climate and environmental crisis and its implications for the health of citizens.

Social cohesion

In line with the 2022 Global Risks report, published by the World Economic Forum, the risk that has increased most in the wake of the pandemic is the erosion of social cohesion.

Rigour and transparency

ESG transparency generates trust among stakeholders, but it also carries risks.

In 2022, the European Union took one step further in the development of frameworks to incentivise business sustainability when it approved the Corporate Sustainability Reporting Directive (CSRD): an updated regulation that seeks to equate information on sustainability with financial information as complementary indicators of business activity, and which has been eagerly anticipated for months by those affected.

Thus, the ways of reporting on how business is carried out will be subject to standardised sustainable criteria in line with the European Green Deal, the Sustainable Finances Agenda, and the United Nations' Sustainable Development Goals. This step demonstrates the European Union's clear commitment to respecting human rights and to reducing the impact of business activity on the planet.

2.3 Creating shared value

Tourism makes a significant contribution to the economic and social development of destinations, by generating direct, induced or distributed growth for society. So that we can demonstrate how we redistribute the wealth generated among our stakeholders, we have prepared a social *cash flow*, in which we detail the income we have received and the payments we have made. This allows us to track the inward and outward flow of funds that have an impact on society and on each interest group.

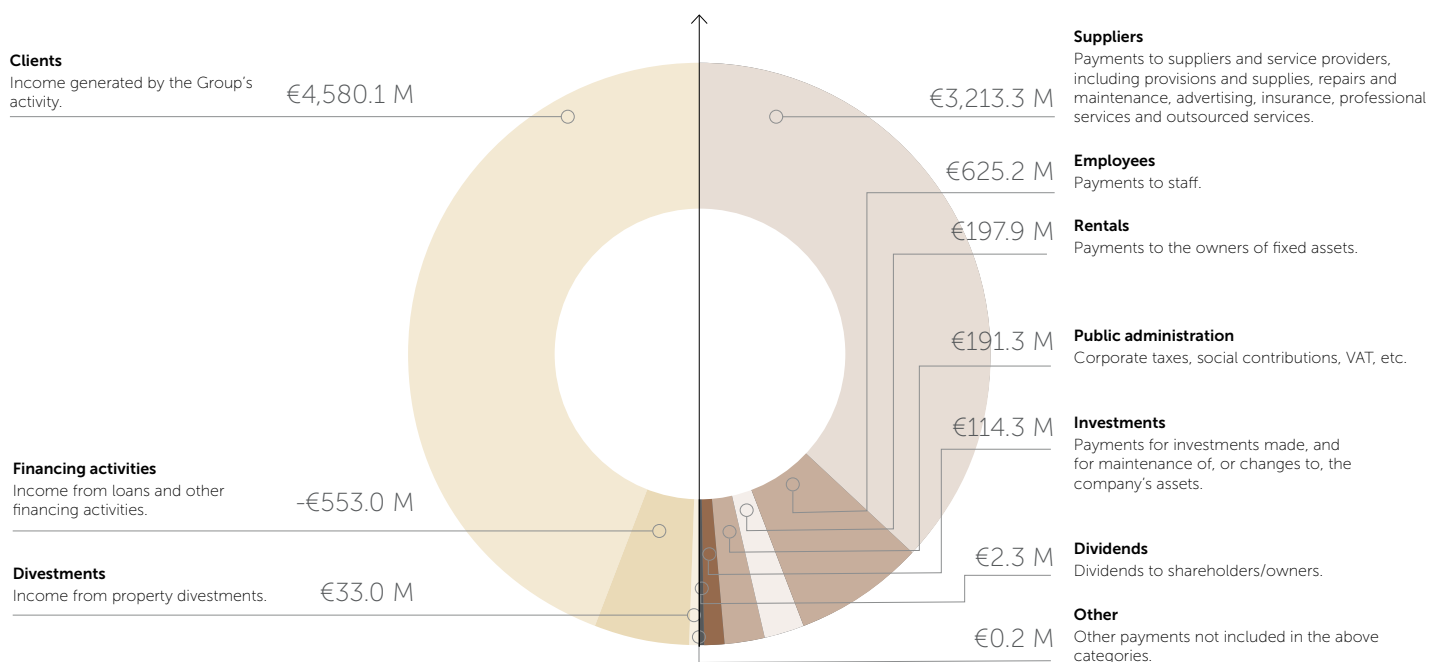
The aim of this graphic is to explain and demonstrate that the impact we generate for our destinations goes far beyond the volume of business that we generate as a company — since our activity helps to drive the economies of the countries in which we operate, as we invest, buy in products and services, hire staff and pay taxes, among other things.

Cash Flow 2022*

VALUE GENERATED BY THE COMPANY:

€4,344 M

Total



* The difference between 'inbound' and 'outbound' is the value withheld by the company.

Sustainability of Impact

In 2022, we worked on the Sustainability of Impact project which sought to showcase the benefits that our hotels generate in the local area with their activity — by measuring the economic, social and environmental impact of Barceló Hotel Group's activity among the groups of interest and in the destinations where we operate.

For the purpose of developing this project, we understood impact from a value chain perspective in which inputs and planned activities are used to obtain the results we expect, and whose highest exponent is the impact generated.



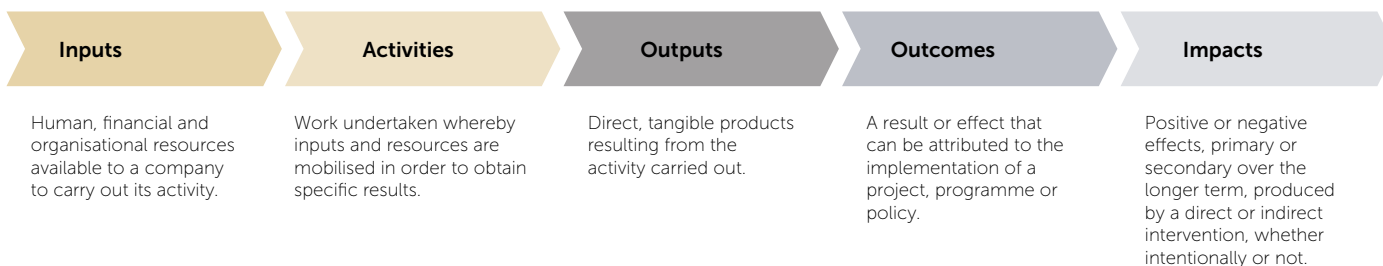
Royal Hideaway Corales Villas, Tenerife (Spain).



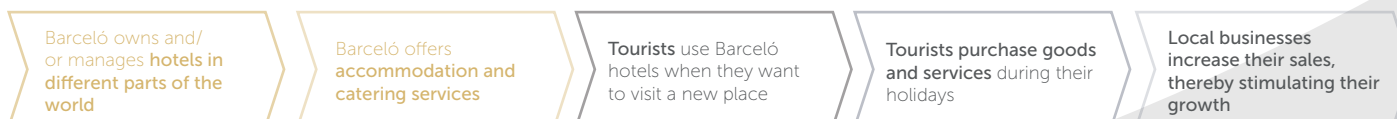
IMPACT ON THE VALUE CHAIN

PLANNED WORK

RESULTS EXPECTED

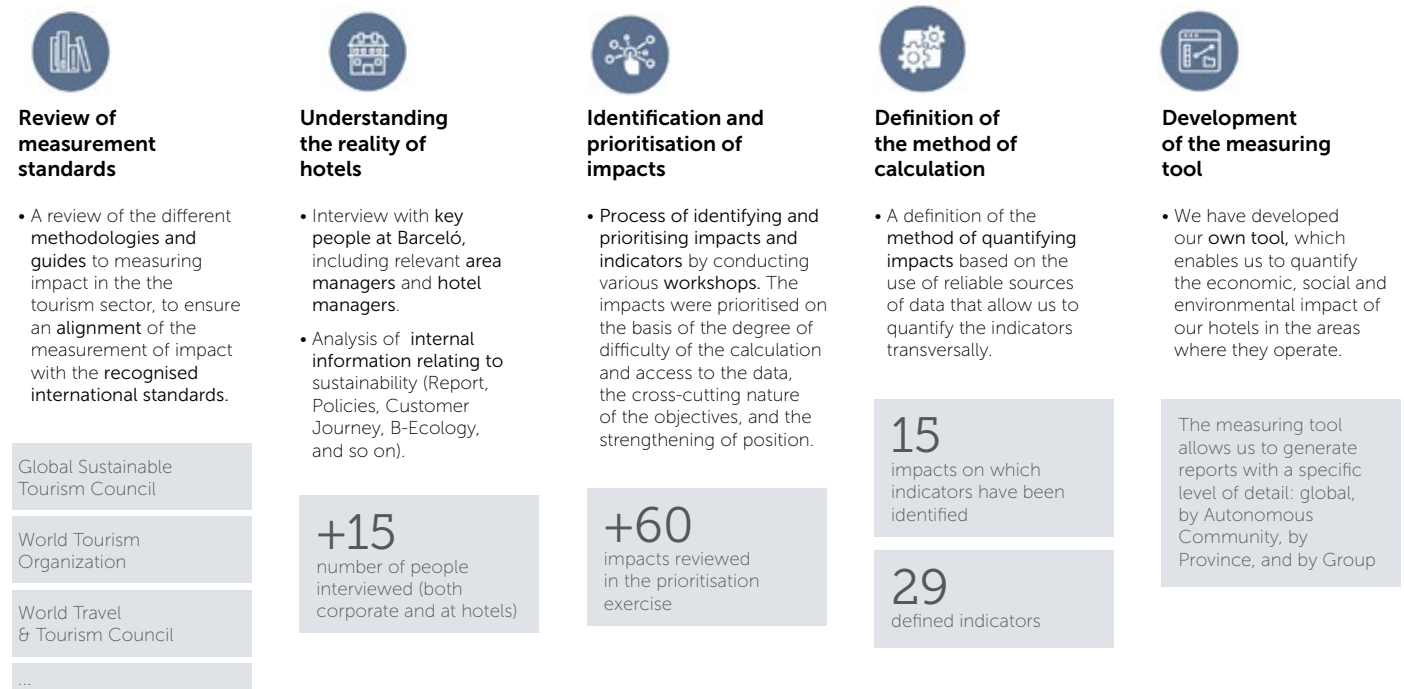


An example at Barceló

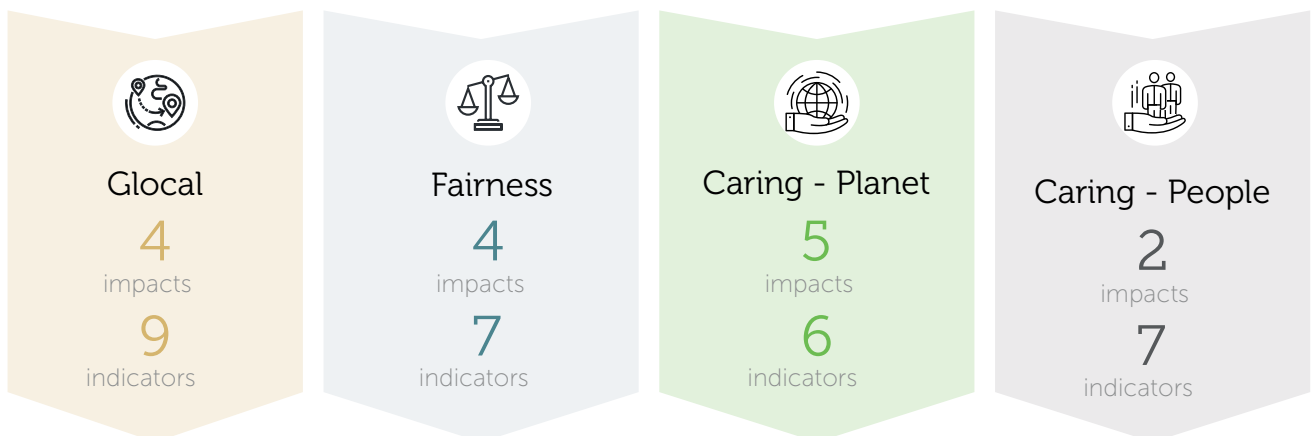


Methodology applied to measuring impact

The project was rolled out in **five stages**, from a review of standards and the understanding of hotels, to prioritisation, defining the calculation method and developing the tool.



Dimensions of the impact measurement framework



Example of an impact record



In 2023, we will begin applying the tool to our hotels and destinations for the purpose of evaluating the impact of each one, and defining guidelines for their management.

2.4 Financial data

2.4.1 Main indicators

Main indicators 2022-2019 (Millions of euros)	2022	2021	2020	2019
Turnover	5,729.8	2,822.2	1,483.5	4,779.3
Net sales	3,553.7	1,698.2	949.3	2,850.3
EBITDA (w/o IFRS 16)	309.0	36.4	-28.9	342.6
EBITDA (w/ IFRS 16)	422.6	146.0	80.4	474.0
BDI (w/o IFRS 16)	184.5	-23.4	-111.0	142.0
BDI (w/ IFRS 16)	170.1	-45.6	-99.4	134.6
Occupancy (%)	67.6	49.0	31.9	74.9
ADR (Euros)	97.1	80.4	77.8	79.7
RevPAR (Euros)	65.6	39.4	24.8	59.7
Net Financial Debt	205.3	365.1	408.9	197.4
Net Financial Debt / EBITDA	0.7	10.0	-14.1	0.6



On balance, these are satisfactory financial results that will allow us to continue growing and fulfilling all our commitments to funding and public bodies, and to employees, providers and customers.

In 2022, all divisions of Barceló Group produced improved results in comparison with 2021:

- The volume of business figure stands at €5,730 million, higher than 2019's figure of €4,779 million.
- The RevPAR (Revenue Per Available Room) for 2022 was €65.6, an improvement of the 2019 figure of €59.7.
- The net profit with IFRS was €170.1 million, an improvement on 2019 when the figure was €134.6 million.
- The non-IFRS was €184.5 million, an improvement on 2019 when the figure was €142 million.
- Also in 2022, we reduced the net financial debt which now stands at €205.3 million, as opposed to €365.1 million in 2021. With a net/ebitda financial debt ration of 0.7, similar to the ratio we had in 2019.



La Bobadilla, a Royal Hideaway Hotel (Granada, Spain).

To provide some context for these financial results, it is worth highlighting relevant factors:

- The planned repayment of the €320 million credit that we held with the Sociedad Estatal de Participaciones Industriales (SEPI) in December 2022, as part of our strategy to strengthen our financial and operational autonomy.
- We signed a contract to purchase a hotel in Guadalajara (Mexico).
- We have revamped our MARF (Alternative Fixed Income Market) promissory note, linked to our sustainability objectives. This is a pioneering programme in the tourism industry in Spain, by means of which we commit to meet two objectives: reducing CO₂ and increasing our contribution to environmental and social initiatives.

2.4.2 Fiscal information²

At Barceló Group, we are committed to contributing economically to the development of the countries and destinations where we have a presence.

The following table shows the detail of the benefit after tax (and before minority interests), by country:

Country (Thousands of euros)	2022	2021
Spain	5,528	-78,076
Mexico	87,818	24,689
Dominican Republic	23,195	-1,944
Aruba	7,904	1,389
USA	3,267	2,242
Costa Rica	1,436	2,218
Czech Republic	2,254	287
Guatemala	1,532	-451
Egypt	2,143	130
Portugal	-29,701	-28,038
Italy	1,716	-6,244
Others	6,571	-5,965
Total	113,664	-89,763

The main difference between the 2022 and 2021 financial years is due to the recovery of hotel activity following the pandemic, which has led to an increase in the amount of tax paid.

The company paid €43.8 million in net corporate tax in 2022.

Capital subsidies, which are received primarily to purchase or build hotel assets, are posted to results based on the service life of the subsidised asset. The balance on 31 December 2021 rose to €1.15 million, and during the 2022 financial year a total of €0.22 million has been posted to the results, leading to a balance at 31 December 2022 of €0.93 million.

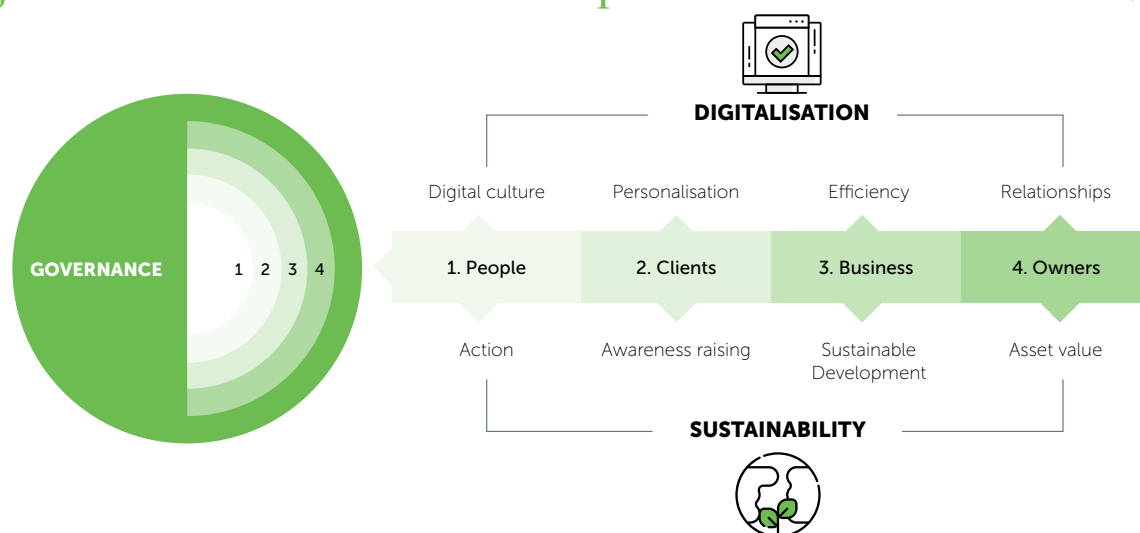
In addition, we have recorded revenues amounting to €5.7 million, related to public subsidies on social expenditure, of which €0.4 million relate to social security allowances.

² All the financial and fiscal information can be seen in the Group's Annual Financial Statements.

2.5. Strategy and expansion

In recent years, since the start of the pandemic, the business has adopted a more tactical vision. During 2022, as the situation became normalised, we were able to revive and progress on our medium-term strategic plan for growth.

2.5.1 Strategic Pillars of Barceló Hotel Group

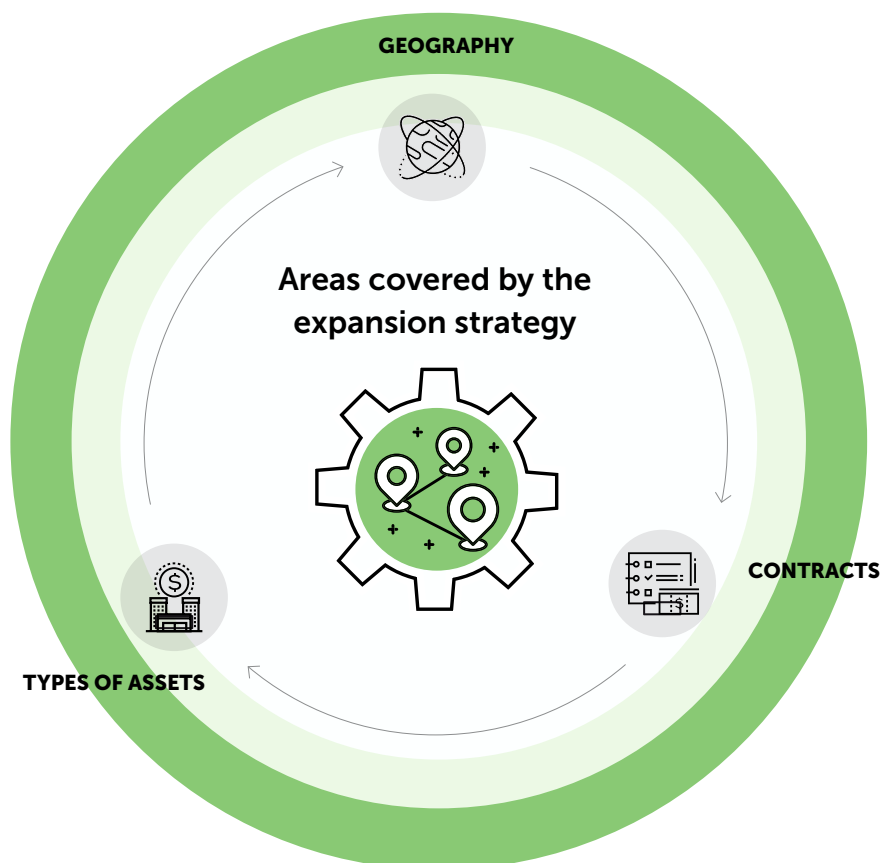


With the following strategic foci:

- **People:** to enhance the experience of staff through the implementation of new administrative and communication tools.
- **Customers:** to improve the perceived experience of customers through personalisation and recognition.
- **Business:** to drive the healthy development of the business, strengthening direct sales.
- **Owners:** to drive the development of the management aspect.
- **Digitalisation:** to develop a data-driven cultural ecosystem within the organisation by structuring the architecture of data systems, processes and governance in a way that makes standardisation possible and allows for decision-taking in real time.
- **Sustainability:** promoting our business from the ESG (environmental, social and governance) perspective by driving a holistic, cross-cutting focus.
- **Governance:** ensuring that we have a governance structure that maximises coordination and communication.

We have defined objectives, goals, key initiatives and indicators to enable us to analyse and meet each of the strategic lines already described.

Concerning our expansion strategy, we are driving our growth through an expansion team organised by area, and a committee set up specifically to deal with expansion, with a focus on three lines or points:



In relation to the geographical areas where we have a presence:

We want to consolidate our position in areas where we have a presence while, at the same time, seeking entry with strategic assets and the generation of critical mass in areas where we do not yet have a presence.

In relation to types of contract:

We are flexible in regard to level of risk, the maturity of the hotel market, and the level of control of the owner.

In relation to the types of assets:

We are looking for 4- or 5-star urban hotels, with over 150 rooms, in strategic locations in capital and major cities. We are also looking for 4- or 5-star holiday hotels, with over 250 rooms, in strategic and privileged locations in major holiday destinations.

During 2022 we added new hotels to our portfolio:

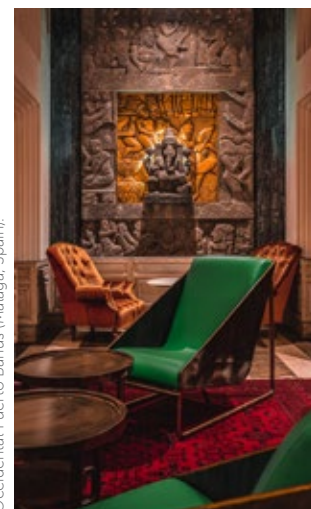
- Occidental Ankara (Ankara, Turkey).
- Occidental Puerto Banús (Málaga, Spain).
- Occidental Roca Negra (Gran Canaria, Spain).
- Roses Platja Hotel (Girona, Spain).
- The Orient Jakarta, a Royal Hideaway Hotel (Java, Indonesia).



Occidental Ankara (Ankara, Turkey).



Occidental Puerto Banús (Málaga, Spain).



The Orient Jakarta, a Royal Hideaway Hotel (Java, Indonesia).



Roses Platja Hotel (Girona, Spain).



Occidental Roca Negra (Gran Canaria, Spain).

In December 2022, we signed the contract to acquire an urban hotel opposite the financial centre and convention centre in Guadalajara (Mexico) which we will add to our portfolio in 2023. This new acquisition strengthens our commitment to Mexico, a strategic country for the expansion of the company, and where we currently manage 21 hotels and over 9,000 rooms in the country's main destinations.

In addition, in 2023 we will continue moving forward with our expansion plan, which looks to add over 10 hotels in Spain and as many others at international level.

2.5.2 Strategic pillars of Ávoris Corporación Empresarial

In the travel business, we have identified 10 strategic priorities for 2023:

1. **PEOPLE:** Ávoris' main asset is the workers who make up the company.
2. **CUSTOMERS AND SOCIETY:** the customer must be at the centre of all decisions. We will make the Ávoris brand known to the whole of society as a major Spanish tourism group.
3. **BUSINESS:** a profitable company with recurring sales.
4. **DISTRIBUTION AND MARKETING:** the establishment of partnerships that will strengthen the presence of our tour-operating products in the market, and the development of our online presence.
5. **SUPPLIERS:** strengthening of the value chain, through establishing stable partnerships.



Iberojet aircraft.

6. **LEISURE AGENCY:** Our travel agencies need to evolve so that they do not only sell holidays, but rather, life experiences (trips, admission tickets, events, experiences, etc.), with the agents as advisors and consultants.

7. **BRAND ARCHITECTURE:** an analysis of the structure of the brands, so that we can adapt them according to the needs of the market, the needs of B2B and of B2C.

8. **IBEROJET:** the establishment of a basis to guarantee an efficient and profitable airline.

9. **TECHNOLOGY AND INNOVATION:** the launch of Ávoristech to promote and strengthen the group's technical position.

10. **SUSTAINABILITY AND GOOD GOVERNANCE:** we will continue our commitment to the environment and to the impact on society of our activity as a whole.

Objectives and concrete goals have been defined for each of these strategies, so that we can evaluate how far the commitments have been met.

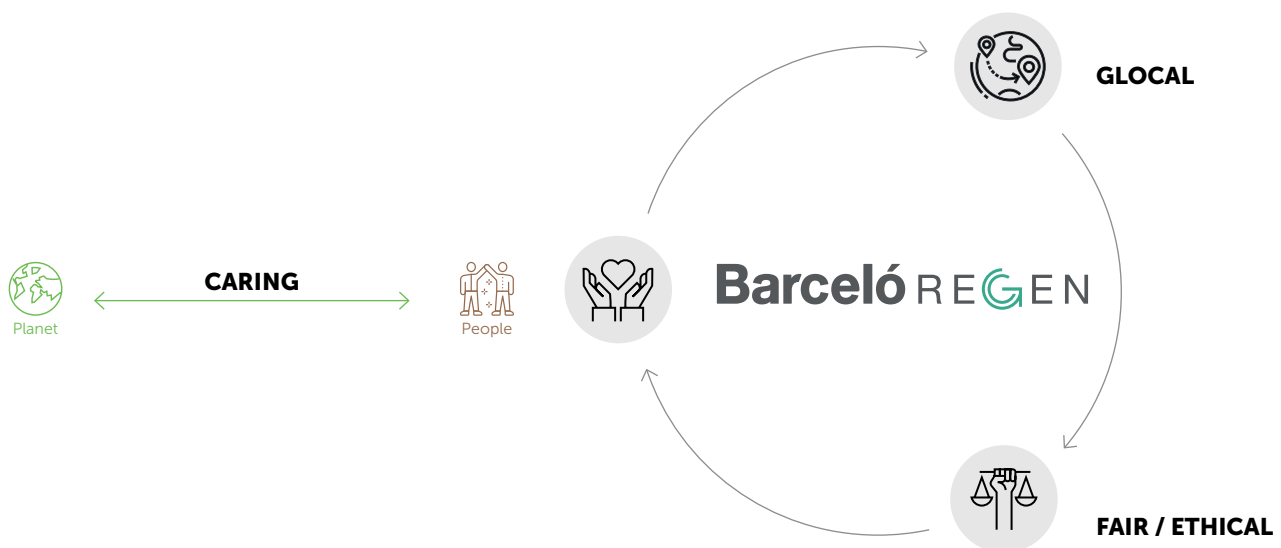
2.6 Barceló REGEN, our sustainability strategy

To operate exclusively within a regenerative tourism model, one that will enhance our positive impact on society, contributing to fairer local and global development, and one committed to caring for the environment and for people.

Barceló Responsible was our sustainability strategy up to 2021. In 2022, we carefully considered what we are really aiming for at Barceló in terms of sustainability, and arrived at the conclusion that just being responsible is no longer enough for us: it is not enough for us to be conscious and act: what is needed is a systemic change with a focus on regeneration.

With the aim of driving a positive impact from the centre of the company, the new strategy of Barceló REGEN was born to help us realise our aim of becoming leaders in the field of regenerative tourism. At Barceló, we are taking the lead in building an equitable economic model, which is inclusive and regenerative for everyone and for the planet.

Our deep internal reflection also led us to question the eight strategic pillars we had defined. These are still the main challenges we face as a company, but we have adapted and adjusted them so that they help us to achieve our aim of actively participating in a regenerative tourism model. Barceló REGEN's strategic pillars are:



Glocal

Sustainable investment in local communities, with a glocal impact. We contribute to the improvement of human, economic and local development of the communities in which we operate, through activities such as stimulating the business network, generating local employment, and driving and showcasing suppliers and local businesses. In addition, we protect and strengthen the cultural and natural heritage of our destinations.

Fair, Ethical

Our social role. We generate inclusive and intergenerational employment, creating work opportunities for young people and local jobs. We develop internal talent, along with the skills of our employees, thanks to our investment in training. Our diversity makes us a better company.

Caring for the Planet - Caring for People

A joint response to the climate and environmental crisis and its implications for people's health. We are committed to bringing about improvement in the quality of people's lives, by respecting and conserving environmental resources and biodiversity and by reducing our contribution to climate change. This also links to two other interrelated points:

- Caring for the Planet: our contribution to protecting the environment and biodiversity.
- Caring for People: we promote people's well-being through the care we take over their experience and through our contribution to encourage healthy lifestyles in our staff and customers.



Hiring electric bicycles at the Occidental Atenea Mar.

Furthermore, we are conscious that to speed up the change that is needed, we must take advantage of opportunities to work with other players in the sector, both public and private, national and international, local and regional. To this end, we have a commitment to develop initiatives that will generate an active contribution to the SDG no. 17, thereby leading the way towards a regenerative tourism model. Together, we will go further and arrive sooner.

In recognition of the efforts made during the past year, we have, for the first time, been placed in the MERCO ESG Responsibility ranking, at no. 75 of the 100 most responsible companies. In 2022 we achieved the greatest improvement of any company to be included in the ranking. Moreover, we have entered the ranking for the most responsible companies in our sector, reaching third place. This recognition has only served to encourage us further along the path to sustainability.

2.6.1 Contribution to the SDG

The Sustainable Development Goals (SDG) as defined in United Nations Agenda 2030 is our main reference framework as we pursue a regenerative tourism model.

Below is a summary of our contribution to the SDGs in terms of our strategic pillars:






Barceló REGEN strategy pillar	Key SDG	2022 main initiatives and contribution
GLOCAL	  	<ul style="list-style-type: none"> Glocal experience Barceló Experiences <ul style="list-style-type: none"> +90 additional entrepreneurs and SMEs +€11,000 additional income for local businesses +700 new local experiences Barceló Foundation <ul style="list-style-type: none"> 125 performances €1.7 million on projects 212,000 beneficiaries Social investment in destinations <ul style="list-style-type: none"> +€680,000 in donations +18 tonnes of food donated 5 Michelin stars for restaurants offering local cuisine Protection of the cultural heritage 90% local purchases and 30% zero-kilometre purchases. €14.8 million spent on purchases for Special Work Centres
FAIR	 	<ul style="list-style-type: none"> 415,000 training hours (increase of 46% on the previous year) Average remuneration increase of 5% Gross earnings gap for 2022 was 9.1% in favour of women
CARING FOR THE PLANET - CARING FOR PEOPLE	   	<ul style="list-style-type: none"> Happy and memorable experience: 56 NPS Encouragement of healthy lifestyles <ul style="list-style-type: none"> +40 new differential experiences with the objective of taking care of our customers Circular thinking Aim for all hotels to have an A, B or C energy rating within five years. 100% of hotels in Spain with green energy €6.3 million invested in the protection and improvement of the environment 58 hotels with renewable systems A reduction in the ratios of intensity for resource consumption New sustainable uniforms
LEADERSHIP		<ul style="list-style-type: none"> Participation in defining the Hotel Sustainability Basics International initiatives to which we are committed: United Nations Global Compact, Global Code of Ethics for Tourism, ECPAT Code. As from 2022, we are members of the Global Sustainable Tourism Council (GSTC) Participation in forums and sustainability workshops Press releases with a focus on sustainability Posts on social networks

2.7 Communication and dialogue with stakeholders

By stakeholder or interest group, we understand all those people or groups who are in some way affected by Barceló's activities, whether present or future (employees, customers, owners, suppliers, public administration, other businesses in the sector, the communication media and society in general).

At Barceló, we are committed to establish active listening and dialogue with our main interest groups to identify their needs and requirements, and to respond to these through a system of continuous improvement and, of course, to coordinate efforts and work in partnership towards common objectives. Our regenerative focus depends on the support of our interest groups.

Below is a summary of the main dialogue channels that have been established with each interest group:

Stakeholder	Dialogue channels	2022 Impact		
All	Group website www.barcelogrupo.com Annual report	208,958 single visitors	266,982 sessions	
	www.barcelo.com website	+25 M single visitors	+40 M sessions	+1.5 M total bookings
				406,903 bookings (Barcelo.com)
		4,020,041 Barceló Hotel Group	1,231,043 Ávoris	
		1,080,988 Barceló Hotel Group	381,573 Ávoris	
		1,907,144 reach		
		529,400 reach		
		4,594,133 reproductions		

Stakeholder	Dialogue channels	2022 Impact		
Employees	B inside mail (internal email)	139	communications sent	
	B inside App (Internal communication App)	31	1,748	12,271
		news items generated	publications	people registered
	B inside News (monthly bulletin)	355	12	
		news items	editions	
	Employee portal	201,568	accesses	
	BPeople	164	13,023	
		accesses	employees	
Clients (B2B, B2C)	HR consultation Channel	5,541	tickets	
	B Opinion	65%	388	
		participation	identified improvement actions	
	Barceló Ser platform	+3,100	2,298	
		times accessed per year	standards	
	Satisfaction survey	184,451	38,944	
		Barceló Hotel Group	Ávoris	
	Customer reviews on consumer-opinion websites	315,960		
Owners		Barceló Hotel Group		
	Newsletters and messages to customers	63M	57	
		emails sent to customers	campaigns	
	Advertising actions	8,360,873	Ávoris	
	Barceló Hotel Group app	+300,000	200,000	23%
		new downloads	requests via the App	of customers use the App
	Meetings/events with tour operators	Ongoing contact, based on needs		
	Management	+44,000	75	
		rooms owned by third parties	different owners	
	Direct communication: periodic events/ meetings	Ongoing contact, based on needs	Second Barceló summit with the biggest owner of our hotels; HIP	
	Customised reports on advances in the administration of the business	Ongoing contact, based on needs		

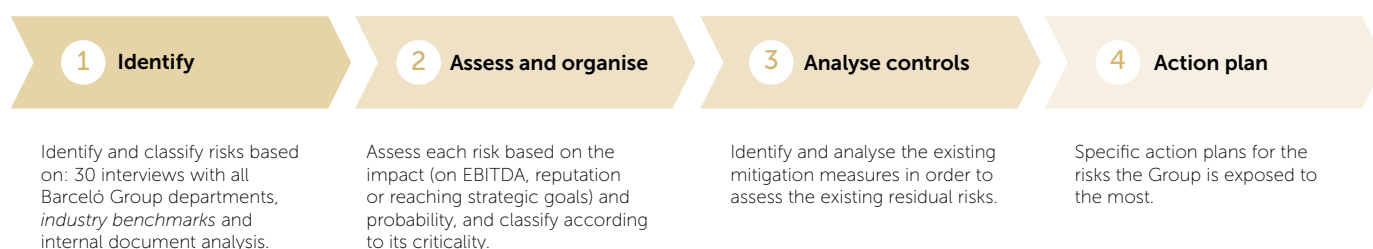
Stakeholder	Dialogue channels	2022 Impact		
Suppliers	Direct communication in meetings	Ongoing contact, based on needs		
	Ávoris portal Avoristravel.bravosolution.com	238	approved suppliers	
	B-Stores	100	+170K	+120K
		hotels	entries for goods registered	inventories undertaken
Public Administration	Industry associations	Ongoing contact, based on needs		
	Institutional relations			
Businesses in the sector	Industry meetings	Ongoing contact, based on needs		
	Work tables			
	End-to-end projects			
	Industry forums and events			
	Meetings			
Media	Barceló Brandcenter	7,955	151,322	
		total users	downloads	
	Barceló Hotel Group department of external communications	4,458	25.6%	+13MM
		appearances in the press	appearances in international media	people reached
		30	+40	
		domestic trips	international trips	
	Ávoris communications department	78	18	8
		press releases	interviews	media collaborations
		396	2	
		internal communications	famtrips involving the press	
Local communities / Society	Planning and participating in forums, meetings, conferences, events, etc.	Ongoing contact, based on needs		
	Periodic meetings and events			
	Volunteering initiatives	27	+2,100	
		Hotels have undertaken voluntary work with employees	employees have participated	

2.8 Management of risks

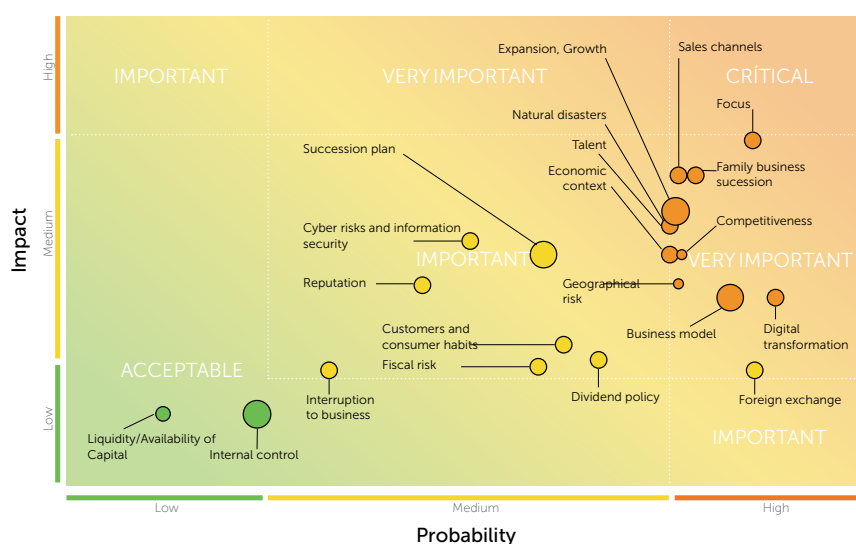
Risk management is integrated globally and transversally into every area and operation covered by Barceló Group, with the Board of Directors being the body responsible for its oversight. The goal of Barceló's risk management policies is to identify and analyse the risks faced by the Group, setting the necessary boundaries, measures and controls so as to mitigate the potential impact of those risks. Since 2014, Barceló Group has had a risk map, which acts as the Management Board's main tool for minimising and optimising the management of said risks.

In January 2020, we approved the updating of the map of Barceló Group's strategic and business risks. Given that the past few years have been marked by uncertainty in both areas, we are planning to update the risk map in 2023, including the risks deriving from ESG (environmental, social and governmental) aspects, and to incorporate the risks arising from climate change that have already been analysed and assessed this year (see section 6.3.1).

The methodology followed in the design of the risk map was as follows:



We identified a total of 21 risks in the hotels division (including the corporate layer) and 21 risks in the travel division, which we grouped into 27 global risks.



In addition to the global risk map, Barceló Group's governance organs take into account other risks intrinsic to the sector, in line with the main challenges facing the industry: (changes in consumer habits, seasonality, staff recruitment, accessibility and/or dependence on means of transport, distribution channels, etc.); the situation in the countries where the Group carries out its activities, (climate and/or natural disasters, political situations, pandemics, etc.); and legislative changes or uncertainty regarding new regulatory frameworks.



Barceló Aguamarina (Spain).

A DRIVING FORCE FOR THE LOCAL AREA

- 3.1 Barceló Experiences
- 3.2 Investment in local communities
- 3.3 Barceló Foundation
- 3.4 Local gastronomy
- 3.5 A responsible supply chain
- 3.6 Supporting job placement
- 3.7 Hotels with purpose

3.1 Barceló Experiences

‘Barceló Experiences aims to accelerate the impact on local economies and societies, and to contribute to the implementation of a more sustainable economic model — which uses the opportunities offered by technology, but without leaving people or businesses behind.’



Andrés Parejo

Manager of the Barceló Experiences platform

Barceló Experiences is our offer to guests to experience and enjoy their destination like a genuine local. **It is the ideal alternative to the conventional trip**, and our guests can immerse themselves in the destination they visit, by discovering its true essence.

This is a step towards becoming the perfect host in the destinations where we operate, supporting and showcasing the local area:

- Differentiating and adding value to the hotel and destination through guides created by local experts, with the possibility of buying third-party and Barceló experiences online.
- Digitalising and professionalising SMEs and businesses offering experiences, by improving their competitiveness and offer. Currently, we work with over 90 entrepreneurs and SMEs, generating an estimated average annual additional income of around €11,000, thanks to the implementation of this project.
- Showcasing an area's natural, cultural and archaeological heritage, to offer our customers alternatives that will allow them to discover their destination in a more sustainable way, respecting and living in harmony with the local environment. At the close of 2022, we had almost 700 different experiences, and we expect this figure to rise during 2023.
- Facilitating contact between our customers and companies that offer activities and experiences.



Visit to Salinas del Alemán, Huelva (Spain).

3.2 Investment in local communities

At Barceló, we invest directly and indirectly in the local area via different initiatives:

3.2.1 Donations and partnerships with associations

Food donations

35 hotels	+18,000 kg Estimated amount of food	€79,600 Estimated value	Beneficiary entities: local food banks and charities such as the Red Cross
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Furniture Donation

11 hotels	Example: The Barceló Tenerife was refurbished during 2022, and all the furniture was donated to employees.	€63,500 Estimated value	Beneficiary entities: associations and local foundations
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Donation of bed linen and uniforms

21 hotels	Example: The Occidental Tucancún donated uniforms to the Ciudad de la Alegría Foundation, to help meet the basic needs of disadvantaged people.	€45,900 Estimated value	Beneficiary entities: associations and local foundations
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Donation of hotel stays and spaces

31 hotels	Example: The Occidental Cozumel and Allegro Cozumel hotels worked with the MUDAC (My last wish) Foundation, which aims to enable children and young people with cancer to realise their dream to discover the beach.	€40,800 Estimated value
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69

of our hotels have made some kind of donation to associations and local bodies, valued at an estimated total of €681,000.

Monetary donations

27 hotels	€154,200 donations from hotels to various associations and local foundations.	€297,000 donation from the management company to other bodies such as hotel associations and federations.
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During 2022, we undertook various initiatives in our hotels in order to raise funds for Barceló Foundation projects. In total, we raised over €38,000 for this purpose. It is worth highlighting the charitable events organised during the summer at the Barceló Punta Umbria Beach Resort, where we offered customers a varied range of services and attractions in exchange for a donation to the construction of three wells in Uganda, within the framework of the AGUAY+ project.

3.2.2 Volunteering

27

hotels

2,170

volunteers



First flight to Ukraine delivering humanitarian aid.

During 2022, 27 of our hotels carried out voluntary work with staff. We consider that this brings benefits, not only to the organisations with which we work, but also to our teams — as it allows and encourages the development of skills and interpersonal competencies (personal and social responsibility, confidence, the capacity for reflection, proactivity, passion, self-motivation, empathy, and so on). It fosters a pride in belonging and a commitment to the organisation, in addition to promoting our FRESH values. At the Occidental Caribe hotel, for example, voluntary activities have focused on cleaning the beaches and other green areas around the hotel, with around 400 employees taking part.

We also endeavour to increase our customers' involvement in our aim to take care of the planet. At the Barceló Cabo de Gata, for example, we organise a weekly outing with customers to collect litter, all with the aim of raising awareness among adults and children alike of the importance of protecting biodiversity.

Humanitarian crisis in Ukraine

During 2022, we at Barceló Group have been very much aware of the development of the conflict in Ukraine, and we have stepped forward to help refugees and those displaced by the war.

In more than 10 of Barceló Hotel Group's hotels, we have coordinated a response, working with expert organisations, to accommodate Ukrainian refugees (we estimate over 100,000 stays). But the true demonstration of solidarity and commitment has come from our teams who, from the beginning, rushed to the assistance of these families, above and beyond what their employment required of them — offering their free time and lots of other resources, confronting an unfamiliar and highly complex situation in an admirable way, putting their hearts into all their activities, and exceeding expectations.

So with Iberojet and Correos [Spanish Post Office], we organised two flights during March to transport over 80 tonnes of humanitarian aid and kitchen equipment for the World Central Kitchen NGO, to support those affected by the Russian invasion of Ukraine.

3.2.3 Sponsorship

€3.7M invested in sponsorship



Sponsors of R.C.D. La Coruña.

During 2022, we invested over €3.7 million in sponsorship. In practice, the whole of this sum is represented by Ávoris Corporación Empresarial's commitment to Spanish sport, with which we share the values of endeavour, improvement, equality, solidarity, and personal and collective achievement. We have therefore sponsored various football teams, such as Atlético de Madrid, Barcelona football club, Mallorca football club, and R.C.D. La Coruña; as well as a number of basketball teams, including the Unicaja Basketball team and the Valencia Basketball team. It is also worth highlighting our partnerships with several national federations, including the Royal Spanish Football Federation and the Spanish Rugby Federation.

3.3 Barceló Foundation

125

activities,
in 15 countries

212,000

individual beneficiaries

€1.7M

total investment



In recognition of our achievements, in January 2023 we were awarded the Responsible and Sustainable Tourism Prize by the InterMundial Foundation and Spain's Instituto Tecnológico Hotelero.

A non-profit organisation set up by the Barceló Oliver family in 1989 with the aim of improving people's personal development and contributing to the creation of a more egalitarian society. The projects are rolled out on three themes:

- Contributing to an improvement in the personal, economic and social development of the most disadvantaged people — through health, education and personal development, with a particular focus on improving the quality of life of women.
- Contributing to the development of agriculture, and undertaking productive initiatives, whilst always paying attention to the protection of the environment.
- Encouraging cultural activity.

During 2022, we undertook 125 initiatives in 15 countries in Africa, Latin America and Spain, with almost 212,000 people benefiting, all thanks to a total investment of over €1.7 million, an increase of over 30% on the investment made in 2021.

These are some of the main projects rolled out:

Health

FARMASOL

Objective: to supply medication and medical equipment, to prevent and treat illness:

27

projects organised
across eight countries.

+167,000

individual
beneficiaries

AGUAY+

Objective: to provide clean water and sanitation through the building of wells and other infrastructure for local communities:

41

wells and water and sanitation
infrastructure in Uganda, Kenya
and Burkina Faso

+60,000

individual
beneficiaries

€392,500

invested



Educational talks delivered as part of the Farnasol project (Uganda).



The AGUAY+ project was recognised in the second Travelling for Happiness awards, 2022, (organised by the Asociación Hotelera y Empresarial de Madrid [Madrid Hotel and Business Association]). The project received the Prize for Excellence, following a public ballot, along with the Prize for Social Impact, after a decision by a panel composed of several professionals in the fields of medicine, sustainability and responsible tourism.

Education

682

educational grants to vulnerable children and young people in various countries

Educational structures and nurseries to safeguard the education and nutrition of children:

6

educational facilities in Kenya and Rwanda

15

nurseries in Turkana and Kenya

1,400

child beneficiaries



Pupils at a newly-built school in Kenya.



A girl collecting water from a well at her school (Uganda).



Pupils in Uganda.

Agriculture

AGRICULTURAL PROJECTS

Objective: to support the development of the rural population through agriculture and livestock farming:

11

various projects in seven countries

+4,000

individual beneficiaries

€236,000

invested

ALISOL PROJECT

Objective: distribution of fresh food in Mallorca:

425,000 kg

fruit, vegetables, meat and fish (an increase of 30% compared with 2021)

22

local bodies and soup kitchens

6,500

people benefiting weekly

€266,000

invested



10TH

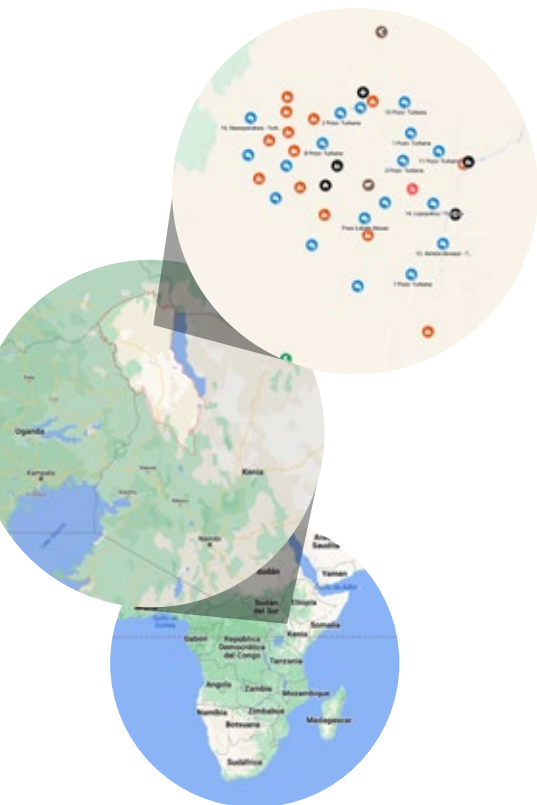
ANNIVERSARY

During 2022, this project celebrated its tenth anniversary. In those ten years, we have invested over €1,650,000 and distributed 1,950,000 kg of fresh food produced at the Son Barceló estate in Felanitx, bought from local suppliers, or from donations received from various organisations on the island.

‘In the last six years working in Turkana, we have achieved important changes. We are convinced that only by grouping activities in the same place can we achieve real, sustainable, long-term results.’


Amelia Fornes

Barceló Foundation
Project Manager



↗
Projects in Turkana

Turkana initiative

One of the Barceló Foundation's main objectives is to drive a comprehensive development in the areas and local communities where we operate. To achieve this, we look for projects that provide long-term sustainability, interaction and feedback, as well as seeking to establish partnerships with the local population. A clear example of this approach in practice can be seen in what we know internally as the Turkana Initiative.



Nursery in Turkana and Kenya.



Craft projects in Turkana, Kenya.

The Barceló Foundation's commitment to the development and improvement of the Turkana area, one of Kenya's poorest areas, dates from 2016, and since then we have invested €423,000, to the benefit of 4,000 people per year, improving their living conditions thanks to the projects we have undertaken.

The Turkana have a subsistence economy. Currently, thanks to the severe drought that is affecting the area, they have changed their way of life from nomadic to semi-nomadic, settling into small towns.

The greatest achievement of our projects in Turkana is the positive effect they have had on the local population:

- Improving education by building two schools and five nurseries.
- Caring for children with mobile clinics that provide access to healthcare and nutrition for over 1,400 children per year.
- Improving people's health by working to protect the environment, and by installing 18 wells that have been built thanks to the AGUAY+ project.
- Training the local population to be herdsmen and farmers, as, thanks to the wells we have built, the people can now undertake irrigated agriculture in a particularly dry area.
- During 2023, we will build a house to accommodate volunteers who go to roll out projects in the area.

3.4 Local gastronomy

Barceló Hotel Group has a firm objective to safeguard, disseminate and promote our gastronomic heritage.

A clear example of this commitment can be seen in our **Inspirational Chef Program** which, celebrated its ninth year in 2022. Through this programme, we invite prominent chefs to visit our Royal Hideaway Corales Resort and Royal Hideaway Santa Catalina hotels, in order to prepare a menu alongside the hotel restaurants' own chefs, to showcase local gastronomy and local products. As part of the programme, the guest chefs are shown the area's gastronomy and suppliers through visits to estates that work in partnership with the hotels, supplying organic, seasonal produce, and to wineries, so that they can become familiar with the local wines.

A demonstration of our firm commitment to gastronomy was that four of our restaurants were recognised in the recent Michelin Guide:



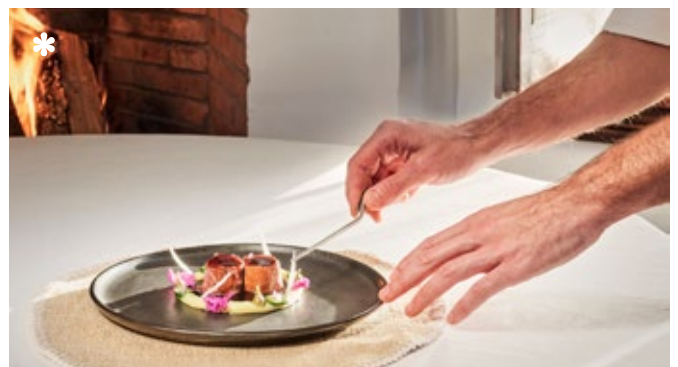
The El Rincón de Juan Carlos by Padrón Brothers restaurant, at the Royal Hideaway Corales Resort, has achieved its second star.



The San Hô Nikkei restaurant, at the Royal Hideaway Corales Resort, was awarded its first Michelin star.



Poemas by Hermanos Padrón, at the Santa Catalina, a Royal Hideaway Hotel, has retained the star it was awarded last year.



La Finca, at the La Bobadilla, a Royal Hideaway Hotel, received the first Michelin star to be awarded in the province of Granada.

In 2023, we will continue showcasing local gastronomy with projects such as the Las Palmas de Gran Canaria Gastrostrip, an initiative organised from the Santa Catalina, a Royal Hideaway Hotel, together with Las Palmas and Binter Town Hall, with the objective of bringing Canary Island gastronomy to different cities of Spain.

3.5 Responsible supply chain

In the current economic, social and environmental context, the management of the supply chain becomes more important every day. Therefore, we take care to ensure that our relationships with suppliers of goods and services are lawful, ethical and respectful, and based on communication and transparency, with the added aim of encouraging the development of innovative and sustainable solutions.

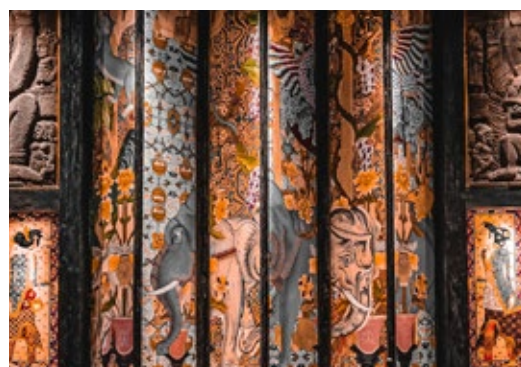
Our selection of suppliers is determined, in accordance with the principles set down in our Code of Conduct, by **objective and transparent criteria**, balancing the interest of the company in obtaining the best possible terms with the need to maintain stable relations with ethical, responsible suppliers.



Barceló Barcelona 1929.



Barceló Torre de Madrid (Spain).



Royal Hideaway The Orient Jakarta (Indonesia).



Royal Hideaway Sancti Petri.

3.5.1 Responsible purchasing at Barceló Hotel Group

Barceló

At the close of 2022, we purchased:

90%

from local suppliers*

29%

from close or 0 kilometre suppliers**

* At Barceló Hotel Group, we define a local supplier as one whose head office is in the same country as the hotel.

** At Barceló Hotel Group, we define a close supplier as one whose head office is less than 100 km from the hotel (criterion established by the Slow Food gastronomic movement).

Our main objective is the creation of a sustainable purchasing and provisioning model: by minimising the costs of purchasing, storage and distribution in all our hotels, guaranteeing quality standards within each of the brands, and encouraging compliance with applicable regulations and with the ethical, environmental and social commitments that Barceló has entered into. To achieve this, we have several strategies:

- A centralised purchasing system based on volume aggregation, operating under a flexible and agile model, adapted to regional and local needs and to the standards we have identified for each of the brands.
- Improving process management through digitalisation. To achieve this, we launched B-stores, our mobile application for managing suppliers, which enables us to optimise logistical processes in our hotels.
- Promoting local products as a tool to encourage appreciation of the richness of the destination.

Although we have made progress in recent years, we are aware that we still have some way to go to achieve a value chain that fully reflects our commitments. So in 2023, we will continue moving forwards, together with our suppliers, to reach our goal of achieving a regenerative tourism model.

3.5.2 Responsible purchasing at Ávoris Corporación Empresarial

Ávoris

At the close of 2022, we purchased:

238

48% of the total from accredited suppliers

83

accredited suppliers in 2022, 69% of total purchases made

In the Group's Travel Division (since 2019), supplier management has been carried out via the <https://avoristravel.bravosolution.com> portal. All suppliers who wish to register must go through an approval process that collates the suppliers' commitment to comply with:

- Applicable employment law: rights to health and safety, a commitment to the abolition of child labour, respect for the working day, and so on.
- Environmental legislation: compliance with the legal requirements in all countries in which the supplier operates,
- Ethical guidelines.

In addition, we require suppliers to provide documentation to demonstrate their compliance with the commitments mentioned above, and to take responsibility for keeping them constantly updated. No supplier audits were done in 2022.

3.6 Employability support

‘Without question, a wonderful experience — you gain much more than you give. It’s a pleasure to spend part of your day-to-day life working with causes that feed your soul.’



Gema García

Head of corporate and volunteer talent recruitment for the Integra Foundation

One of our main objectives is to bring in the finest professionals, as we are conscious of the impact of the Barceló Hotel Group on the local economic climate as a driver of the creation of employment opportunities. During our impact measurement project, we identified several impacts that contribute to meeting this general objective, and we assess our performance via a range of indicators:

- Generation of local employment (direct and indirect) thanks to the activity of the hotels.
- Generation of first job opportunities through the work experience programme, to help young people secure their first job.
- A clear commitment to the development of internal talent that has been trained in our pool to cover managerial posts in our hotels.



Barceló Development Plan, November 2022.

In addition, at Barceló, we support employability support through **contracting various services with Special Employment Centres**. At one Special Employment Centre, at least 70% of the workforce has a disability. The main aim of the centres is to provide productive work in the area where they operate, guaranteeing paid employment and the delivery of the personal and social adjustments required by the workers; this is a way of helping a great number of people with disabilities into employment.

In this sense, the average number of employees with disabilities at the Group in 2022 was 218, 26% more than in 2021.

€14.8 M

allocated to contracting
services with Special
Employment Centres

During 2022, we doubled our use of these services, to reach €14.8 million. Moreover, since 2019, the administration of Barceló Hotel Group travel has been entirely in the hands of OPTTEAM, a travel agency belonging to Ávoris Corporación Empresarial, which is a Special Employment Centre.

With regard to the insertion of high-risk collective groups, it is worth highlighting our partnership with the Integra Foundation, which has now been running for over 20 years. Two hundred and thirty-four employment posts have been facilitated through this Foundation (16 of these during 2022), with the aim of closing the socio-economic gap for these groups and promoting their economic inclusion by providing stability and financial independence.



Resident manager of the
Barceló Santiago.



Head of maintenance,
Barceló Málaga.



Head waiter, La Bobadilla,
a Royal Hideaway Hotel.



Maitre d'hotel,
Barceló Aracena.



Receptionist, Occidental
Torremolinos Playa.

Likewise, we work in partnership with the Foundation's Empowerment School, by means of which **Barceló Hotel Group employees have trained over 700 people at risk of exclusion (117 during 2022)**, on how to prepare for a job interview and/or how to prepare a CV, among other things. With this initiative, we help people regain confidence, self-esteem and security, and to generate new support networks by enlarging their social circle.

Finally, we have made a contribution in the form of a financial donation which has generated a social return of €200,000 and a donation of space to house the head office of the Integra Foundation, which is located in our Barceló Sevilla Renacimiento hotel.

3.7 Hotels with purpose

Barceló

We design hotels to reflect the cultural heritage of our customers

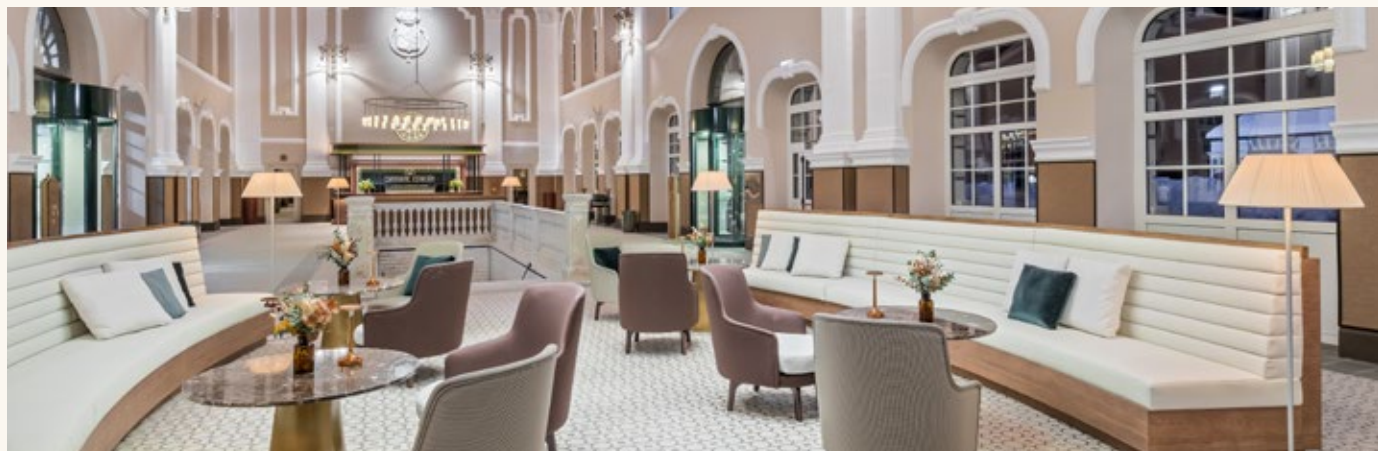
At Barceló Hotel Group, we have four brands: Royal Hideaway, luxury hotels with strong links to history and heritage; **Barceló**, aimed at customers who are looking for innovation, surprise and excitement; **Occidental**, which addresses the needs of guests seeking the peace of mind offered by the familiar, with a guarantee of quality and, finally, **Allegro** an original brand concept with lower prices. In addition, we try to make sure that each of our hotels has its own identity, and showcases local culture.



Barceló Tanger (Morocco).

The process of conceptualisation begins with a blank sheet. To begin writing the story of the hotel, we analyse the context and circumstances of each one, the value of the natural setting, the culture and heritage of the destination, the characteristics of the building and its design. In this way, we create what we call the storytelling of the hotel, and the pillars of the experience that arise out of it.

Canfranc Estación, a Royal Hideaway Hotel



Royal Hideaway Canfranc Estación (Spain).

The concept



In January 2023, we opened Canfranc Estación, a Royal Hideaway Hotel. Opened in 1928, declared an Asset of Cultural Interest in 2002, and forming part of the Historical and Cultural Railway Heritage, Canfranc International Station is one of the most important railway complexes built in Europe during the first third of the twentieth century.

The hotel's interior design is inspired by the aesthetic of old stations and luxurious, long-distance trains. Another important feature is the integration of Aragon's folk culture into the soft furnishings, using colours inspired by the area's rich and varied traditional costumes.

The pillars of experience

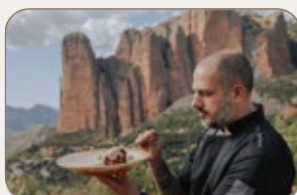
Historytelling



History, Heritage, Emblem, Icon.

This is not just any hotel: it is an emblem of the region that has witnessed the history of an entire country. A connecting link, a place of transit, a crossroads, full of history and stories to tell. A symbol of cultural heritage, reborn as Aragon's most iconic hotel. More than a hotel, a historical legacy.

Local Motion



Culture, Gastronomy, Design, Art, Local Talent, Development. Authenticity.

A hotel that vibrates to the rhythm of its culture, of what surrounds it and makes it special, with its Sense of Place captured in a unique image. A hotel that drinks in its surroundings and reflects them inside the building, through its design and the gastronomy and experiences offered within its walls. A destination that finds its expression in a hotel committed to the economic development of the area through tourism.

Nature Connection

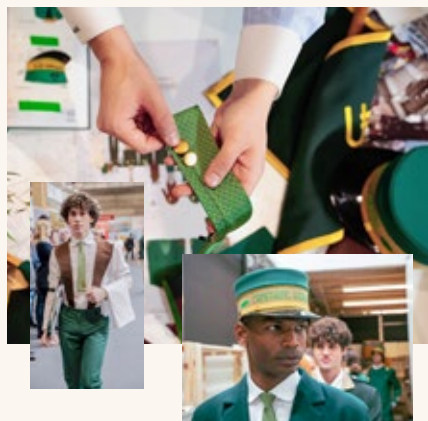


Skiing, Landscape, Active Living, Relaxation, Sustainability.

Framed within a unique landscape that encourages active tourism, our hotel represents the perfect balance achieved by an exclusive destination. A breathing space in the midst of nature, a connection with the horizon, an almost magical place. Respectful towards the environment, and ready for a more active life, motivated by self-care. The peace of the setting which percolates through our walls.

For the staff uniforms, we commissioned the young Aragonese designer, Nacho Lamar, winner of the 2021 National Fashion Prize for Young Designers. Each of the hotel's employees' uniforms is a tribute to the railway jobs, now obsolete, but that once existed in the station: for example, the head of reception is dressed in a

Uniforms



uniform that recalls that worn by the former station master. The colour palette for the uniforms was inspired by the hotel's natural setting: the colour green in homage to the ilex, the tree that grows in abundance in the Canfranc valley; brownish tones in honour of the mountainous terrain, while the white of the shirts recalls the snow that covers the landscape every winter. All the uniforms are made in local workshops, and in high-quality materials to guarantee their comfort, breathability and suitability for all weathers.

The project to restore the historic Canfranc railway station in Huesca has been recognised as one of the best projects in terms of sustainability and hotel refurbishment in Spain, as it has preserved the valuable cultural heritage of an iconic building with over 90 years of history.

Barceló Funchal Old Town

The new hotel located in the historic centre of Funchal (Madeira), the Barceló Funchal Old Town, was fully refurbished in 2022 in a way that showcases the local setting, culture and the destination's traditional crafts. This approach is evident in various aspects:



During the refurbishment, we found archaeological remains; these were recovered and are displayed in the hotel. They include a sixteenth-century tool for removing mud from shoes (as the streets were not paved, this was used to clean shoes before entering a building)

The whole of the building's exterior is a reference to the local architecture: the original façades with their openings marked out in local stonework, and painted in traditional colours, the window shutters and gabled roofs covered with tiles. Inside, the most obvious reference is the wooden sculpture created from the building's original beams, over 100 years old, and which represent the traditional way of building walls.



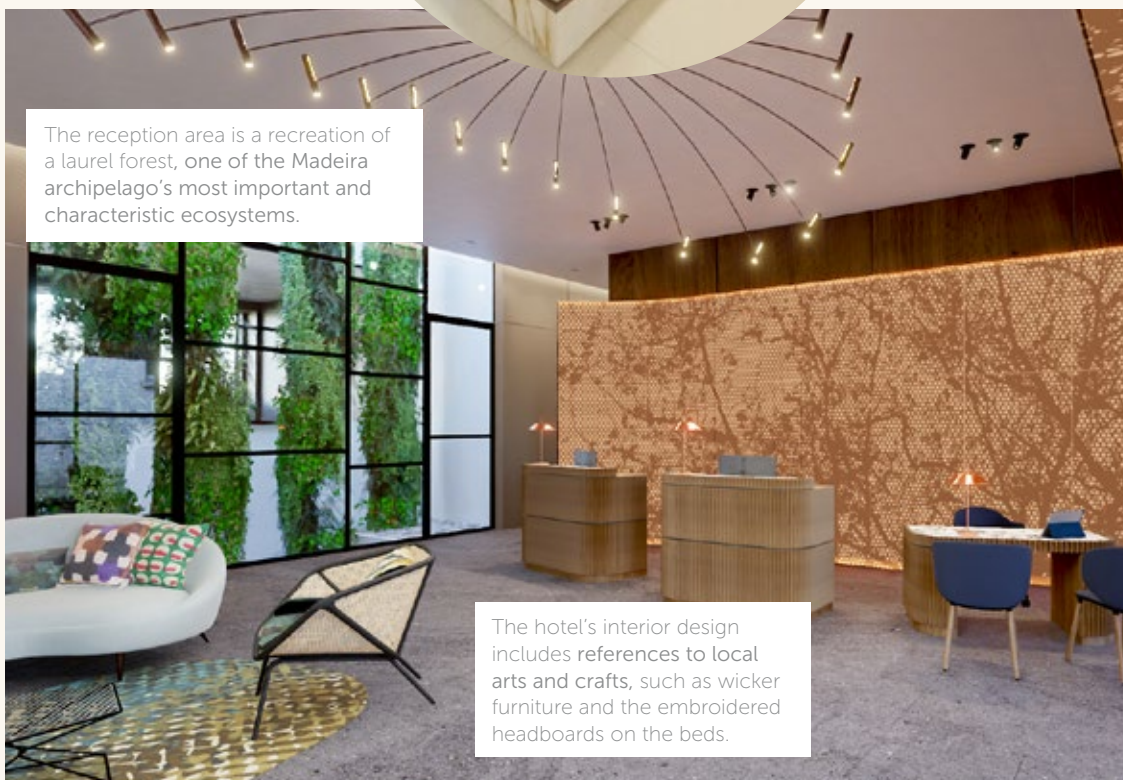
+100

people worked throughout the building project (teams of architects, builders and installation workers).



+90%

local staff.



The reception area is a recreation of a laurel forest, one of the Madeira archipelago's most important and characteristic ecosystems.

The hotel's interior design includes references to local arts and crafts, such as wicker furniture and the embroidered headboards on the beds.



Local stone (basalt) was used, as well as traditional woods.



Occidental Atenea Mar Barcelona (Spain)

TALENT: THE KEY TO OUR TRANSFORMATION

- 4.1 Our team, and how it is distributed
- 4.2 Living Barceló, how to build a team
- 4.3 My day to day
- 4.4 Growing and evolving
- 4.5 Diversity and inclusion
- 4.6 The working environment

Our human team, its talent and its energy is the true driver of our digital and cultural transformation.

As every year and increasingly so, our people are Barceló Group's most valuable asset. We have full confidence in our team as the driver for the growth of the company, as our people transfer their enthusiasm and their passion for their work to our customers. Likewise, it is our people who constantly enable us to reinvent ourselves and to generate greater value.

After two years of immense and constant challenges, we began 2022 stronger than ever, following learning experiences that have only made us improve our performance — until we arrived at the point where we began our great cultural transformation project, which we are continuing to work on.

In parallel, we continue the constant development of our teams. We possess the finest talent, and one of our main objectives is to give priority to their development, so that they become the driver of the transformation which we are undergoing. The labour market (and its current, complex state) leads us to offer the best possible working environment, not only for job candidates, but for all our employees, by constantly working on aspects related to the retention of talent, the improvement of the working environment and a commitment to providing the best tools.



So, we adopt the finest technology on the market to standardise our technological ecosystem and to offer personalised experiences within the working environment. Our objective is to encourage the development of our teams, to foster a feeling of belonging, and to strengthen and unify the experience of our workforce — by optimising the processes for managing human capital.

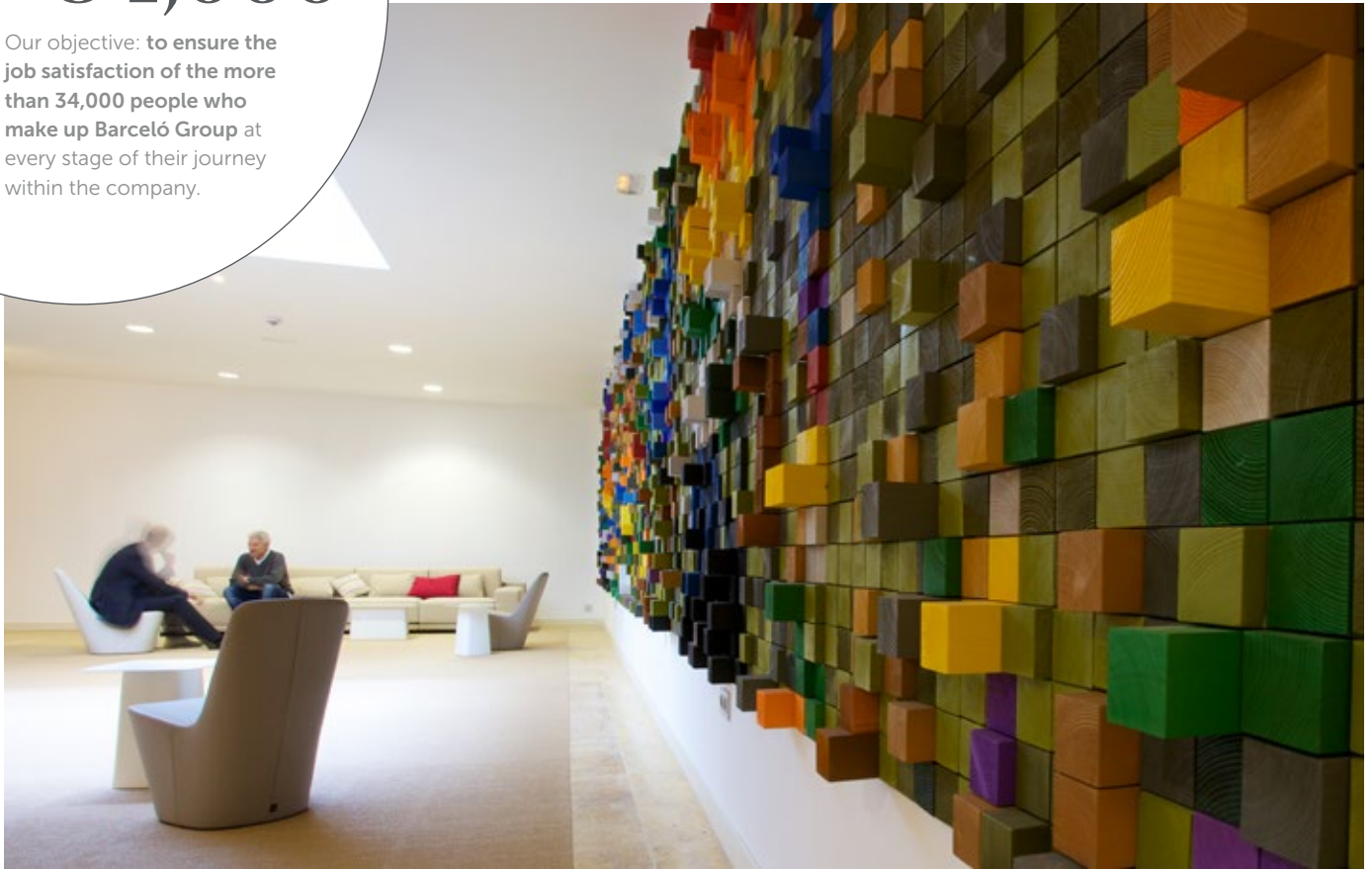
We have been very excited to have been able to resume physical meetings and work placement programmes this year, a gradual return to a hoped-for normality. We have also encouraged more training and professional development opportunities than ever, thus contributing to the professional and personal development of those who make up our team by adapting to an increasingly changing, digital environment.



+34,000

Our objective: **to ensure the job satisfaction of the more than 34,000 people who make up Barceló Group** at every stage of their journey within the company.

The experiences of the past few years have left a legacy of significant changes in both lifestyle and in the way we relate to one another and work together. These changes have had a considerable impact on many people's emotional wellbeing. Because of this, we concentrated this year on **developing** activities focused on improving the climate in the workplace, the balance between work and personal life, digital disconnection, motivation, and the prevention of illnesses and symptoms linked to workplace stress.



Customers in the reception area of the Barceló Bilbao Nervión (Basque Country, Spain).

We have made good progress, and each initiative and goal achieved reminds us that it is our team that makes it possible. Because WE ARE Barceló, **this year we made an express recognition of all the people who make up the company.** A simple gesture of gratitude for the milestones achieved, for their efforts, responsibility, enthusiasm and energy, and an unrivalled opportunity to define collectively the new challenges that face us.

We are setting out on a new path built with the enthusiasm and strength of a team excited to be creating a new Barceló way of working and living. A path characterised by consistency, endeavour and common purpose that we are setting out on with pride and with a clear objective: **to ensure the satisfaction of the more than 34,000 people who make up Barceló Group** at every stage of their journey within the company.

One of our most important milestones in 2022 was the WAY (We All You) project, an initiative that demonstrates our continuing commitment to placing the employee at the centre of all our actions and decisions.

One of our most important milestones for 2022 was setting out on a new path built with the passion and strength of an enthusiastic team, a new Barceló way of working a living. A consistent, purposeful path which we have called WAY (We All You), an initiative that demonstrates **our continuing commitment to placing the employee at the centre of all our actions and decisions**. WAY is our new approach to managing human capital: a project that belongs to everyone and that is for everyone, and which represents an ambitious plan for cultural transformation. As part of this plan, we are adopting the finest technology on the market to offer personalised experiences and to be more agile and effective, by standardising processes in the workplace, using the knowledge and expertise of our people.

One feature of 2022 was the acceleration in the strategic digital transformation programme for human resources, a plan designed to strengthen innovation and digitalisation, which plays a fundamental role in the WAY philosophy. This **initiative to transform Barceló's digital ecosystem** entails the replacement of obsolete platforms in order to automate processes, to mitigate risks, to eliminate obsolescence, to offer personalised experiences and to standardise processes. In other words, **to redesign a systems map** — by unifying, simplifying and modernising applications, and by improving the quality of data and analytical capabilities, with the result that the Human Resources team can focus on tasks with greater added value.

In this context, we have launched Workday, a single system that enables us to simplify, automate and standardise the main processes, as well as providing access to key information on professionals in real time and from any device. The implementation of this system will generate many important benefits,



such as improving the efficiency of talent management via a single platform, enabling agile decision-making based on data, fast and efficient management of teams and the unification of systems throughout the EMEA areas.

In a nutshell, **digital transformation in the management of people is a priority for Barceló Hotel Group's EMEA division**. Furthermore, we are maintaining our firm commitment to an entrepreneurial and digital culture that will strengthen the business and provide high-quality, personalised experiences for customers.

4.1 Our team, and how it is distributed

34,458

locally-based people

27

countries

118

nationalities

Our human capital comprises all those people who, grouped in different areas and lines of the business, carry out their work in our hotels (under the umbrellas of Barceló Hotel Group and Crestline) or at Ávoris, our brand specialising in travel.

In 2022, the workforce (calculated as the annual average of posts) grew by 25% in comparison with the previous year. Thus, **the Group's team consists of 34,458 locally-based people in 27 countries, with 118 nationalities represented**. Furthermore, the team is distributed equitably in terms of gender, and has an average age of 38.5 years.



Royal Hideaway Playacar (Mexico)

Workforce breakdown by country and gender

Country	Average workforce	% Men	% Women	% Var. PM 2021
Germany	36	78%	22%	-16%
Aruba	193	48%	52%	2%
Bulgaria	75	49%	51%	42%
Colombia	1	100%	-	-
Costa Rica	875	55%	45%	7%
Cuba	-	-	-	-
Egypt	349	94%	6%	11%
El Salvador	220	53%	47%	33%
United Arab Emirates (UAE)	526	83%	17%	9%
Spain	11,490	39%	61%	33%
United States	3,977	36%	64%	6%
Greece	49	47%	53%	26%
Guatemala	334	50%	50%	33%
Hungary	38	45%	55%	81%
India	10	90%	10%	-
Italy	42	40%	60%	31%
Morocco	472	67%	33%	32%
Mexico	8,821	59%	41%	28%
Nicaragua	207	56%	44%	17%
Oman	205	88%	12%	8%
Portugal	320	33%	67%	11%
United Kingdom	4	50%	50%	-
Czech Republic	109	46%	54%	22%
Dominican Republic	5,335	55%	45%	13%
Sri Lanka	-	-	-	-
Tunisia	527	74%	26%	-
Turkey	243	69%	31%	79%
Total	34,458	50%	50%	25%

* Based on the annual average of total contracts.

The above does not include data relating to Cuba, due to the special characteristics of the contractual management of the workforce in that country; nor to Sri Lanka, as it is a recent addition to our portfolio; nor to the Occidental Sousse Marhaba hotel (Tunisia), because it is only partly managed by us. In addition, there may be other exclusions relating to certain indicators, or to information that may be identified throughout the report.

4.1.1 Workforce breakdown by country



33%

Growth of the Spanish workforce as a result of the recovery in tourist activity at a global level.

Spain is the country with the Group's largest number of workers, representing a third of our total workforce. Furthermore, the Spanish workforce has increased by 33% as a result of the recovery in tourist activity at a global level.

The team in Mexico (within the LATAM division, and consisting of nearly 9,000 people) is the second largest workforce, representing a quarter of the Group's employees. Mexico has also seen a significant increase in the number of Group employees — also thanks to the growth in activity.

The introduction of staff into the United Kingdom, India and Colombia is a result of the division of Ávoris, and represents staff who in previous years were counted within Ávoris Spain.

Lastly, it is worth highlighting the inclusion of new hotels that were not counted in 2021: five in Tunisia (accounting for 1,245 rooms), and one in Morocco, with 200 rooms.



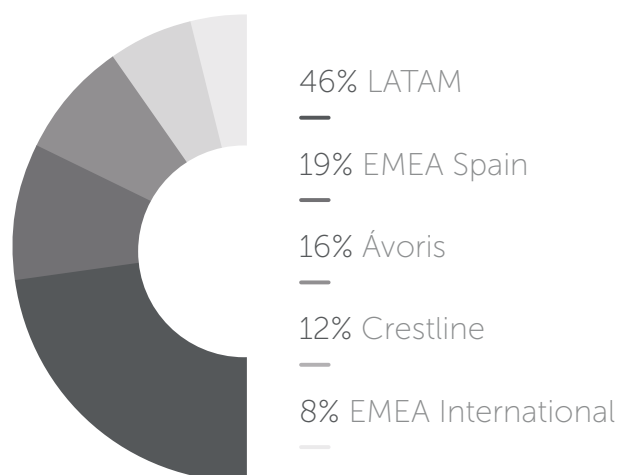
The Ávoris team in Portugal.

Breakdown by country, professional category and gender

Country	Management team			Middle management			Core staff		
	Average workforce	% Men	% Women	Average workforce	% Men	% Women	Average workforce	% Men	% Women
Germany	5	80%	20%	6	69%	31%	25	79%	21%
Aruba	9	33%	67%	42	64%	36%	142	44%	56%
Bulgaria	1	-	100%	10	47%	53%	64	51%	49%
Colombia	-	-	-	-	-	-	1	100%	-
Costa Rica	15	64%	36%	62	69%	31%	798	54%	46%
Cuba	-	-	-	-	-	-	-	-	-
Egypt	11	95%	5%	59	96%	4%	279	94%	6%
El Salvador	5	78%	22%	31	73%	27%	184	49%	51%
United Arab Emirates (UAE)	22	86%	14%	86	85%	15%	418	83%	17%
Spain	267	68%	32%	2,108	46%	54%	9,115	36%	64%
United States	524	46%	54%	329	38%	62%	3,124	34%	66%
Greece	3	100%	-	9	33%	67%	37	47%	53%
Guatemala	46	42%	58%	31	72%	28%	257	49%	51%
Hungary	4	50%	50%	7	31%	69%	27	47%	53%
India	1	100%	-	1	100%	-	8	87%	13%
Italy	3	50%	50%	1	100%	-	38	37%	63%
Morocco	27	86%	14%	79	68%	32%	366	65%	35%
Mexico	78	59%	41%	746	72%	28%	7,997	57%	43%
Nicaragua	5	34%	66%	26	61%	39%	176	56%	44%
Oman	3	71%	29%	37	86%	14%	165	89%	11%
Portugal	15	67%	33%	27	45%	55%	278	30%	70%
United Kingdom	1	-	100%	-	-	-	3	64%	36%
Czech Republic	9	77%	23%	25	37%	63%	75	46%	54%
Dominican Republic	46	40%	60%	534	71%	29%	4,755	53%	47%
Sri Lanka	-	-	-	-	-	-	-	-	-
Tunisia	14	74%	26%	62	74%	26%	451	74%	26%
Turkey	12	58%	42%	36	82%	18%	195	68%	32%
Total	1,126	55%	45%	4,354	57%	43%	28,978	48%	52%

4.1.2 Workforce breakdown by business

Barceló Group is divided into five main business groupings: Ávoris, Crestline, and the geographical regions of EMEA Spain, EMEA International and Latin America. The Latin American workforce accounts for almost half the total workforce (46%), followed by EMEA Spain (19%), Ávoris (16%) and Crestline (12%). EMEA International and its 2,755 people (8%) is the group with the fewest workers, as it includes a smaller number of hotel establishments.



	2022	% Var. 21
Ávoris	5,439	26%
Crestline	3,977	6%
EMEA Spain	6,453	41%
EMEA International	2,755	52%
LATAM	15,834	20%
Total	34,458	25%

4.1.3 Workforce breakdown by age

34,458
average workforce

Workforce by average age

38.51 | **-3.7%**
average age | % Var. 21

38.04 | **38.98**
Men | Women

Workforce by age range

26.8% | **55.7%** | **17.6%**
<30 | 30-50 | >50

In 2022, we continued our commitment to the employment and development of young talent within Barceló Group. This has allowed us to reduce the average age of the workforce by almost a year and a half, down from 40 years in 2021 to 38.5 at present.

The majority of people comprising the current Barceló Group team are between the ages of 30 and 50 (56%), followed by people under 30 (27%). Those over 50 are a minority group (18%). In comparison with 2021, there is little difference, with lower or slightly higher percentage changes.

In terms of the distribution of our workforce by gender and age range: in 2022, there is equal distribution between men and women. However, in the under-30 age group, the number of men is slightly higher than the number of women. This data shows a four-percentage-point reduction in comparison with 2021.

Workforce by gender and age range

Average workforce	Range < 30		Range 30-50		Range > 50	
	% Men	% Women	% Men	% Women	% Men	% Women
34,458	52%	48%	49%	51%	49%	51%

4.1.4 Workforce breakdown by professional category

Middle management represents just over one tenth of the entire workforce.

During 2022, we undertook a standardisation of posts and professional categories across the various divisions of the business, with the aim of achieving greater consistency and equivalence. Currently therefore, **84.1% of people** working in the Group are in the core staff category, an increase of 3.4% on the previous year.

The management team represents just over 3% of the workforce. In each of the lines of the business, this management group generally consists of a manager, deputy manager and an assistant manager — as well as other posts with significant responsibilities within the organisation who report directly to the senior management team.



Royal Hideaway Corales Suites, Tenerife (Spain).

Workforce breakdown by professional category

Average workforce	Management team	% Var. 2021	Middle management	% Var. 2021	Core staff	% Var. 2021
34,458	3.3%	-0.8%	12.6%	-2.6%	84.1%	3.4%

4.1.5 Workforce breakdown by type of contract based on gender, professional category and age range

Safety, trust and calmness are our keys to ensuring a good work climate. At Barceló, we always strive to ensure a solid, professional and constantly growing workforce. Eighty percent of those working for the Group are currently in permanent posts — an increase of two percentage points in comparison with 2021, and approaching the peak achieved in 2020, before the recession in the tourist industry (83%).

Our efforts have resulted in a decrease of 2% in temporary contracts in comparison with 2021, and this reduction is particularly significant where women are concerned. Also very significant is the reduction of temporary employment among the Spanish workforce, which has dropped by 23% to 7%, following the implementation of the employment reforms.

Employees by contract based on gender, professional category and age range*

		Gender		Professional category			Age range		
	Total	% Men	% Women	Management team	Middle management	Core staff	< 30	30-50	> 50
Permanent	80%	79%	82%	96%	92%	78%	62%	85%	94%
Temporary	20%	22%	18%	4%	8%	22%	38%	15%	6%
Total	30,481	15,639	14,842	602	4,026	25,853	8,349	17,351	4,781

* The table shows the number of active contracts for the year. However, this data excludes Crestline because of the difference in labour relations with its workers, which can be classified as full time or part time, hourly or exempt, unlike what is used in the rest of the report.



4.1.6 Part-time workforce breakdown by line of business based on gender, professional category and age range



96.5%

of the workforce benefits from full-time work, which is part of Barceló's commitment to contributing to a stable and solid work environment.

With the aim of contributing to a solid, stable workforce, at Barceló we are committed to offering full-time contracts, which now apply to 96.5% of the workforce. Nevertheless, the balance between working and family life remains a fundamental aspect of our policy, as we understand that our employees have family and personal responsibilities outside the workplace. Therefore, 3.5% of our team work part time. This proportion has remained steady since 2021.

By line of business, part-time working has seen a reduction at Ávoris (-1.2%) and EMEA International (-1%), and an increase at Crestline (1.3%), EMEA Spain (0.2%) and Latin America (0.1%). The slight increase in part-time working at Crestline is due to the need to adapt to the market, which is boosting the number of part-time job offers. The decrease in the case of EMEA International is a result of the addition of Tunisia hotels to the portfolio, where all staff are employed full time.



Barceló Nura (Spain).

Part-time employees by line of business, based on gender, professional category and age range*

	Total	Gender		Professional category			Age range		
		% Men	% Women	Management team	Middle management	Core staff	< 30	30-50	> 50
ÁVORIS	6.3%	5.0%	6.9%	0.5%	1.1%	7.9%	16.8%	6.2%	4.3%
CRESTLINE	8.6%	9.5%	8.1%	0.2%	0.5%	10.8%	13.8%	7.2%	7.0%
EMEA Spain	6.2%	1.8%	10.0%	0.8%	2.1%	7.1%	4.4%	7.1%	4.9%
EMEA International	0.9%	0.4%	2.1%	0.2%	0.1%	1.1%	2.0%	0.4%	1.0%
LATAM	0.5%	0.4%	0.7%	0.0%	0.1%	0.6%	0.9%	0.3%	0.0%
Total	3.5%	1.8%	5.0%	0.3%	0.8%	4.0%	3.1%	3.5%	3.9%

* Percentage based on the annual average of total contracts.

4.1.7 Remuneration

4.7%

the average salary of the workforce has increased

We work continuously to adapt our pay strategy to each market and employment climate, in accordance with our culture and values. Internal equity and external competitiveness are key elements in our organisational model, ensuring that the efforts and performance of our workforce are rewarded. As a result, our pay policy encourages a healthy and productive work environment, as well as the personal and professional development of our employees.

Information relating to the salaries paid to the Group's employees is shown using the euro as the standard currency and the exchange rate current in 2022. The amounts are calculated according to the FTE (full-time equivalent) to standardise the data between the lines of business.

Average staff remuneration

In terms of the age range, it is the youngest employees, those under the age of 30, who have received the highest pay rise in relative terms (6%). This band, within the middle management, has seen the highest increases in salary, both among women (58%) and men (52%).

In 2022, the directors and senior management, represented by a total of eight men, received an average annual remuneration of €508,000.

Average salary by professional category, age range and gender

Age range	Management team				Middle management				Core staff			
	Men	% Var. 2021	Women	% Var. 2021	Men	% Var. 2021	Women	% Var. 2021	Men	% Var. 2021	Women	% Var. 2021
<30	37,103	-10%	34,707	-14%	15,232	52%	22,120	58%	9,364	17%	11,762	-3%
30-50	66,718	25%	61,049	14%	24,129	23%	26,087	5%	13,668	3%	16,047	-10%
>50	101,358	37%	75,310	8%	32,597	-	31,687	-13%	21,388	-17%	21,467	-10%
Total	74,764	27%	60,319	9%	24,860	23%	26,786	7%	12,585	5%	15,140	-8%

Average salary by professional category

Management team	% Var. 2021	Middle management	% Var. 2021	Core staff	% Var. 2021
68,208	19%	25,687	14%	13,956	-3%

Average salary by age

<30	% Var. 2021	30-50	% Var. 2021	>50	% Var. 2021
11,984	6%	18,268	-4%	28,251	-13%



El Embajador, a Royal Hideaway Hotel (Dominican Republic).

4.1.8 Wage gap

17%

Reduction in the earnings gap, 2022

One of our chief commitments is to ensure that our human resources policies have the elements necessary to guarantee gender equality and to eliminate discrimination, in line with our values and our business culture, in all the countries where we operate. This objective is fundamental for us, and we work continuously to meet it in every aspect of managing our team, by undertaking analysis of employment posts and recognising each person's professional calibre, experience, dedication and responsibility.

Average salary by gender

Men	% Var. 2021	Women	% Var. 2021
15,388	7%	16,790	-8%

The result of the analysis concludes that the gross earnings gap for 2022 was 9.1% in favour of women, which shows that, in comparison with 2021, we succeeded in reducing the gap by 17%.

4.2 Living Barceló, how to build a team

Living Barceló defines the way in which we want our team to live each stage of their career with the company.

As we see talent as our greatest asset in communicating our dedication to customers, we strengthened our strategy with people through Living Barceló in 2022, working around four objectives from the perspective of talent management:

- To be able to attract the best talent to work with, and in, our company.
- To provide opportunities for professional growth and development by means of internal promotions and work placement programmes.
- To encourage continuous learning by using flexible and innovative tools and formats.
- To guarantee a safe, rewarding and motivating working environment to enable us to retain, tap into and strengthen the commitment of our talent.

Living Barceló defines the way in which we want our team to live each stage of their career with the company. This journey is marked by six key moments, from attracting and recruiting talent through to its termination.

We want each stage of the life cycle of a career with the company to be as positive as possible, to forge long-term links and to encourage engagement.

4.2.1 Attracting and engaging



Finding the best talent to suit our corporate culture is one of the greatest challenges facing not only Barceló, but the entire hotel and tourism industry.

The hotel closures caused by the pandemic meant that thousands of workers left the sector to find work in more stable industries, leaving hotel establishments with a severe shortage of staff.

Although 2022 has seen the recovery of the sector, attracting and retaining talent remains one of our great challenges. We have poured all our efforts into engaging each candidate, so that they think of us as their first choice for employment. Measures we have taken include maintaining relationships with the main schools and universities in order to reach talent for our management and administrative areas.



Similarly, with the aim of positioning ourselves as an attractive organisation to work in, we have contributed to the growth and development of our people by giving them access to digital tools for continuous training. We offer real opportunities for development and promotion, which translate into the possibility that everyone can apply for internal vacancies that are advertised, for sideways moves, and for spells abroad, enabling them to take up the reins of their own development.

We also offer flexibility in the hours and location of work, allowing hybrid work formats and improving our offices and workplaces to interact in an atmosphere of collaboration and transparency. We also offer benefits and special advantages beyond salary, such as medical insurance and other incentives.

4.2.2 Become Barceló, joining and becoming part of our team

10,713

people hired after
registering on recruitment
channels

As part of our employer branding strategy, it is essential that we show ourselves to be active and visible in the labour market, making our business an attractive place to work and, at the same time, contributing to streamlining processes in order to cover specific needs in certain departments and workplaces.

1,543

work placement
agreements in EMEA
and Latin America

Thus, over 10,000 people have accessed and registered for different employment opportunities through our talent recruitment channels (LinkedIn, Infojobs, Employee Portal, corporate website, and so on). For example, throughout 2022, in our hotel business (under the umbrella of Barceló Hotel Group), we hired 10,713 people who had previously registered on one of the advertised selection processes. In addition, we completed 1,543 work placement agreements in EMEA and LATAM.

4.2.3 Crestline's strategy: in search of new talent

Participation by the Crestline team in No Vacancy Live, the country's most highly rated hospitality podcast.

At Crestline, the main strategies for attracting and recruiting talent depend on maintaining a high visibility and presence at employment events, such as fairs and forums, on encouraging collaboration with local organisations, and on investing in advertising.

In fact, Crestline endeavours to attend and participate in the majority of forums, and take advantage of every available opportunity to present its employment offer to the public. It is worth noting that one of the outstanding milestones of 2022 was the participation of the Crestline team in the most highly rated hospitality podcast in the country, No Vacancy Live.

4.2.4 Recruitment of talent at Ávoris

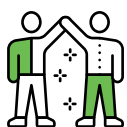
Ávoris

During 2022, Ávoris resumed its work placement programmes aimed at recruiting young talent in the state sector and for all the businesses. At the same time, they resumed their open-doors sessions in partnership with the Zayas y Sotomayor training centre, Madrid.

In addition, Ávoris took part in the thirteenth Madrid Jobs Fair for People with a Disability, as part of the business's commitment to integration and equality in the job market for all.

4.2.5 Our work placement programme, an ongoing project

Barceló



43

people included in management work placements: Management Training Program. 27 of them proved to be suitable for the Barceló Development Plan.

Continuing with our vocation to train and progress young students who want to acquaint themselves with the business world and complete their training, **at Barceló we are committed to driving forwards work placement programmes that are well recognised by part of the sector.**

Although in 2021 it was not possible to set up the usual agreements for work placement teams, these programmes have been reactivated in 2022, both in our offices and in various hotels within the Group. These programmes host students and new graduates who are eager to learn — and who have a vocation for the profession and a positive attitude, so that they can begin to grow with us.

In our corporate offices, Barceló Hotel Group offers various training opportunities in different departments. In the hotels, we offer practical work placements in all departments.

During 2022, we re-activated our ambitious talent recruitment programme for management work placements in Europe's main hospitality schools: our **Management Training Program**. This is aimed at young graduates in Hotel Management who already have a range of experience through work placements during their years of training. To these students we offer a training residence of approximately six months in one of our hotels in the EMEA area.

During this period, the student can undergo cross-training across all operational and management areas at the hotel, acquiring a global perspective on how to supervise all of them. Once the placement has finished, we assess the performance of each candidate, and if the assessment is positive, they can go on to become part of the pool to join our Barceló Development Plan.

So far, the figures are very encouraging: **during 2022, we accepted 43 people on work placements, and 27 of them proved to be suitable for the Barceló Development Plan.**

4.2.6 Recruit

In order to draw the best talent, it is essential to appear an attractive employer — by letting people know about our value proposition across all the Group's brands and areas of work, and by establishing an active dialogue with candidates.

The current labour market is weak, and more competitive than ever. Therefore, to connect with and attract the best candidates, we are trying to be proactive and to develop a clear and strong recruitment strategy.

4.2.7 Hire

We know that first impressions are very important, and that small details make a difference. For that reason, we try to make an employee's first day with the company a memorable occasion — to make the person feel comfortable in their new post, to help them with the processes and to show them that they are an important part of our project.

New recruits to management team, for example, have onboarding — a two-day induction at our corporate offices. This recruitment is in the hands of the top managers in the business support divisions.



The team at the Barceló Punta Umbría Beach Resort (Huelva, Spain).

4.2.8 My first customer is you, our warm welcome

15

'My first customer is you'
sessions during 2022 (three
more than in 2021)

'My first customer is you' is the brand that has accompanied us since 2019 at the opening of new hotels, and under which we organise our services to introduce and welcome the new team to share all the necessary knowledge: our history, the company values, its organisation and structure, brands and policies in our relationship with customers. It also provides an opportunity to explain to them our firm commitment to them as new employees.



'My first customer is you' with the team
at the Barceló Tanger (Morocco).

Our objective with these sessions is to generate an emotional impact from the first moment that new employees become part of the hotel and the Group, to instill a sense of belonging to Barceló and to reaffirm the importance of every new person's work in the hotel or employment centre.

In the case of the hotels, we want the entire staff to be able to live the hotel as an experience in itself, and to communicate this culture of service to our customers. We want to enthuse them, and make them participants in every new project. We aim to make our teams the top ambassadors for their hotel, by providing them with transformative experiences linked to the destination, entertainment, services, and gastronomy.

During 2022, we delivered 15 'My first customer is you' sessions (three more than in 2021), and most of these were physical sessions. Each has been an informal, convivial meeting for members of the new team, and has always been accompanied by a snack to celebrate the start of each new project.

4.2.9 B Welcome, a detailed introduction



After the welcome session, the process of induction to the company concludes with the B Welcome online training. This is our preparation programme, which instructs new staff in all those aspects considered relevant to them as they join the company.

The seven modules that make up the course were reviewed during 2022, to ensure that the information available to our teams is always up to date. These modules are available in three languages (Spanish, English and French), and have been completed by 1,892 people in our hotels and corporate offices.

4.2.10 Ser Barceló, training on the job



543

people have completed the training packages available through Barceló Campus

To complete the training package for new staff (in this case in more operational posts), Barceló Hotel Group has designed Ser Barceló [Being Barceló] that covers our procedures as well as our identity.

The objective of this training is to take the professionalisation of the service and the development of management tools one step further, involving teams in the implementation of the strategy to improve management efficiency, customer satisfaction, and profitability.

Each team is formed on the basis of its department and employment posts in order to ensure its knowledge in relation to standards and procedures, with the overriding aim of achieving excellence in the standard of service.

During 2022, we continued with the digitalisation of the entire Ser Barceló training, which we began in 2021. The results are new learning experiences, designed to respond to the training needs of the teams — such as Ser Reception, Ser Purchasing, Ser Flats, and Ser Entertainment. These training packages are available via Barceló Campus, and have been completed by 543 people.



Team training.

4.3 My day to day



Offering a rewarding working environment with attractive conditions that will help us to retain talent, to connect with our people and to maximise their commitment are a few of the pillars of our employee experience strategy.

Since 2019, we have had specific channels of internal communication for everyone in the Group. These enable us to multi-channel our messages, sharing with our teams information about hotels, benefits, changes, and training. In addition, we have channels designed exclusively to receive direct feedback from all staff.

In order to build a united, cohesive workforce (with committed people who feel that they are part of the business), we organised activities throughout the year to strengthen the sense of belonging to the company, and we offered benefits linked to improving well-being.

a. |B| inside, improving internal communication

139

communications sent via
|B|inside mail.

|B|inside is our internal communication brand. It has three channels, by means of which we compose different communications, depending on the target and the type of information: |B|inside mail, |B|inside News and |B|inside app.

The objective is to keep all the teams informed at all times, and to connect with them in a more informal and fresh way.

12

ordinary editions
of the internal
magazine |B|inside
news in 2022,
which included a
total of 355 news
items.

During 2022, we sent a total of 139 messages via |B|inside mail, 38 more than in 2021 (+37.62%). Among the topics that have sparked greatest interest (and which have been opened by more people) are the announcement of the Michelin awards (in which the Group received a total of five stars), the opening of the Barceló Tanger hotel, and the campaign to celebrate International Day for the Elimination of Violence against Women.

31

news items generated by
the |B|inside app on the
general (Barceló Hotel
Group) channel, which has
12,271 subscribers.

Our internal magazine, |B|inside news, was published in 12 ordinary editions in 2022, containing a total of 355 news items, 38 fewer than the previous year (-9.67%). This is due to the fact that in 2021 a special edition was published for the Group's 90th anniversary. In general terms, an average of 30 news items per month have been published, and those attracting most attention (with the most single openings) were the September, October, November, June and August editions.

The |B|inside app has generated 31 news items on the general channel (Barceló Hotel Group) which has 12,271 subscribers. This is a communication tool designed to encourage communication among staff and to promote team cohesion. In 2022, 3,299 people registered with the app, there were 150 conversations and a total of 1,748 posts.

b. WE ARE Barceló, a project led by the Barceló Hotel Group team in EMEA

Barceló

One particularly important example of internal communication implemented in the last quarter of 2022 was SOMOS Barceló [WE ARE Barceló]. This was an initiative focused on recognising the efforts of the teams. It was an occasion to **celebrate, acknowledge and express gratitude to every person in the company who works every day to make our customers happy.**

In the hotels, this event took place on different dates (between October and December). It was held to share the evaluation of the season and the objectives met (GOP profitability and customer satisfaction), the presentation of a personal recognition to each member of the team by the heads of department, and the creation of a mural to which employees could bring personal successes achieved throughout the year.

Meanwhile, in the corporate offices, the initiative took the form of a breakfast at which the department managers shared and expressed gratitude for the goals achieved by their teams, and set out the challenges for 2023.



The Barceló Cairo Pyramids team.

c. Benefits for staff

We offer our workers a comprehensive health insurance and a wide-ranging medical team that also provides social and fiscal benefits.

The main reason we apply benefits plans and policies in our company is to bolster the experience of the people who work for Barceló. It helps us to strengthen our brand image and at the same time, it has a positive effect on our ability to attract and to retain talent.

When looking for benefits to improve the well-being of staff, **we focus our efforts on obtaining the greatest advantages so that employees can share them with their families and relatives.**

In this respect, the outstanding benefit for our Barceló Hotel Group, Ávoris teams and their close relatives is being able to enjoy stays at our hotels. Equally, in the EMEA area we have conducted campaigns aimed at friends of our employees, inviting them to celebrate Black Friday (17 November) or International Tourism Day (27 September) sharing various advantages when booking rooms at our hotels.

With the aim of enhancing people's well-being, we have a commitment to secure for our employees benefits that improve their health in the broadest sense of the word. To that end, **we offer our workers a comprehensive health insurance and a wide-ranging medical team that also provides social and fiscal benefits.**

d. Long service brings its reward

Recognition of long service is one of the most well-established events at Barceló. **This is an annual celebration which recognises the careers of people who have completed 10 or 25 years with the company — as well as those who are going on to enjoy a well-deserved retirement.**

The arrival of the pandemic prevented the celebration of our long-service dinners in 2020 and 2021, which we normally look forward to with great excitement. In 2022 however it was possible to hold this event to pay tribute to and recognise those who have, year after year, demonstrated their professionalism and their dedication to the company.

In fact, three long-service celebrations were held: in Andalusia, the Canary Islands, and the Balearic Islands. The gala dinner in honour of 114 workers from mainland Spain took place at the Barceló Sevilla Renacimiento hotel. The Canary Islands event was held in the Barceló Fuerteventura hotel, and honoured 116 people. Lastly, the Occidental Playa de Palma hotel hosted the Balearic Islands long-service event to honour 55 people.

In total, 285 people in 2022 received the personal thanks of Simón Pedro Barceló Vadell (joint president of the Group) and Raúl González (EMEA CEO). This celebration of their professional lives recognises the value of the daily efforts of those who have grown alongside the Group and who, through their daily work, have helped us to continue united and constantly improving.



285

workers in 2022 received
the personal thanks of Simón
Pedro Barceló Vadell (joint
president of the Group) and
Raúl González (EMEA CEO).

e. At the service of all: Query Channel and Barceló People

Our relationship with our teams is not confined to formal or one-directional channels. At Barceló Group, we believe it is crucial to listen to our people and allow them to communicate with us without barriers.

To confront this challenge, we depend on a team that addresses the demands of the staff working in all our hotels: the Query Channel, and the Barceló People portal.

The human resources Query Channel is available to all Barceló Hotel Group staff to resolve queries and issues, particularly those that relate to the workplace. During 2022, we have dealt with 5,441 tickets (45% more than the previous year). This variation is due to the increase in activity, as well as to the introduction of new software related to the previously mentioned cultural change, WAY. Thus, the most common questions have been linked with the use of technological applications.

Barceló People is a portal, the objective of which is to ensure that a connection exists (at all times and from all locations) for people working for the Group so that they can consult documentation on work-related subjects and then download specific information, without the need to connect to a Barceló network. During 2022, the platform has been accessed 164,163 times, and by 13,023 people.

Staff also have available the Employee Portal. The main difference between this portal and Barceló People is that the Employee Portal can only be accessed by connecting to the Barceló network. This platform has logged 201,568 connections by the Group's employees.

164,163

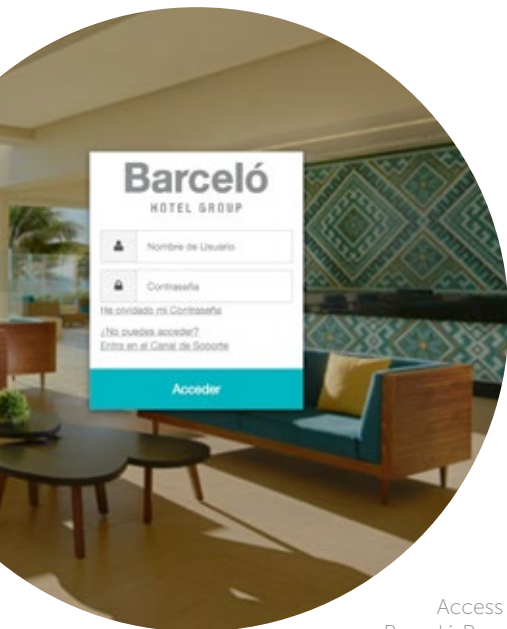
times the platform has been accessed by

13,023

people

201,568

connections to the Employee Portal by the Group's employees



Access to
Barceló People



Barceló Nervión (Bilbao, Spain).

f. Initiatives with our teams

+200

initiatives focused on the well-being of workers

Apart from the activities already mentioned, the hotels that form part of Barceló Hotel Group have carried out over 200 initiatives focused 100% on contributing to the well-being of the people who work in them.

Over 16,000 workers have taken part in activities launched by Barceló Hotel Group. These initiatives are divided into six groups, and include **activities linked to conciliation, human rights, disconnecting from work, equality and inclusion, as well as other charity activities.**

It is worth highlighting more than 90 activities of a social nature, grouped under the name "Volunteering and social initiatives", which represent almost 40% of the total. One of the most typical examples are the **initiatives linked to cleaning and protecting the environment (particularly beaches)** at several of our hotels located in coastal areas, such as in Costa Rica, Mexico, Spain, and Oman.

An outstanding example is the work of the B ECOLOGyS ambassador at the Barceló Punta Umbria Mar hotel where every week, a worker at the hotel is chosen as ambassador of the Energy Watchdog Commission. Throughout the week as they carry out their duties, the ambassador checks what

actions could be taken to improve the use and management of energy resources, and attends a Friday briefing along with the managers to put forward their proposals and consider their viability. This is an activity that involves all staff in finding more effective and profitable ways to use energy resources in the interests of the environment.

Food, clothing, toys and toiletry donations are also particularly important.

In the corporate area, our office workers took part in the "Tree of Dreams" charity initiative sponsored by CaixaBank; this enabled us to grant the wishes of vulnerable children in Mallorca. The main objective of this initiative is to deliver handwritten letters

from the children to organisations willing to work in partnership to purchase presents for them at Christmas. The workforce at Barceló's corporate offices received a total of 20 personal letters expressing the children's wishes, and over 40 staff came together to purchase the gifts chosen by the youngest, so that they could be distributed on 22 December by the Espiral Foundation.



Volunteer employees from the Occidental and Allegro Cozumel on a beach cleaning initiative.

+16,000

employees took place in organised activities

g. Day-to-day work in our travel division



For its part, Ávoris, in accordance with the needs of the the business, has focused its human resources management on **consolidating the integration of cultures and ways of working from different sources, by maximising organisational, operational and business resources.**

These objectives have led to the following:

- Adjustments in the **definition of the new integrative company** — by identifying and developing the best talent in all operational and brand areas.
- Optimisation of the organisational structure, once the needs have been attuned to demand and to the market and then evaluated.
- Accurately tracking personnel costs.
- Encouraging people to make a commitment to the project and to the company, by aligning people and business objectives.

Also in 2022, the first version of the Employee Portal was launched, which enables people to access the main information about their post. Among other functionalities, people can check policies and internal regulations, and purchase products from the flexible benefits programme.

h. The Crestline team's commitment

The corporate culture of the Crestline division maintains constant awareness of its teams' opinions. To this end, **they undertake an annual survey to measure and analyse their employees' satisfaction and commitment. These results enable them to carry out a review and to take new measures to improve the working environment.**

In addition, their hotel employees have a direct telephone line so that they can raise any concerns or report issues to the corporate team.

They also have social communication channels, such as *Yammer*, which serves as an informal communication network among staff. This is a space where events and news can be posted, and successes can be shared and recognised. The objective of this tool is to encourage engagement with the company and a team spirit.

In terms of benefits, it is worth highlighting the physical and mental health programmes which employees can access free of charge, in addition to medical insurance for pets and legal assistance.

4.4 Grow and develop

At Barceló, we have a commitment to provide training and development opportunities for our people, something inextricably linked to our DNA.



Barceló Development Plan training, Bilbao 2022.

Whether it is to prepare someone for their first job or to develop our managers, the Group offers several training and development programmes structured according to the needs of each team, post and function.

Our ultimate aim is to retain talent within the company by investing in our people's professional and personal development. That is why, in 2022, we offered open training opportunities through Ostelea Tourism Management School and FORST, the School of Tourism Business; this in addition to discounts on training opportunities with the Universitat

Oberta de Catalunya, and on the MBA and Masters attended courses at the ESERP business school.

During 2022, a total of 415,235 hours of training were logged, evenly divided by both gender and professional category across the workforce. This represents an increase of over 130,000 hours over 2021, an annual growth of 46%. This significant increase applies across all lines of the business — particularly EMEA Spain, where many centres have resumed their training initiatives following the pandemic.



415,235

hours of training

+130,000

hours for 2021

Hours of training in relation to gender and professional category

Number of hours	Gender			Professional category		
	% Var. 2021	% Men	% Women	Management team	Middle management	Core staff
415,235	46.47%	53%	47%	3%	13%	84%

a. Barceló Campus, creating e-learning experiences



14,647

hours of training, and our most outstanding courses were BEA (the Group's CRM), Barceló enerGÍA (training on upselling) and SAP Purchasing (management software).

Training in e-learning format is embedded in our entrepreneurial business culture. Our learning platform, Barceló Campus, is modern and agile, and boasts features similar to current streaming platforms. This platform allows EMEA teams to access a variety of training content adapted to their employment posts and available from both their computer and mobile devices.

In 2022, we worked to stabilise and consolidate the training platform, and we concentrated our efforts and resources on creating new knowledge pills to continue feeding Barceló Campus.

The content is produced both internally, by making use of, and sharing, the knowledge of our teams, and in collaboration with reputable educational bodies. In 2022, we logged 14,647 hours of training, and our most outstanding courses were BEA (the Group's CRM), Barceló enerGÍA (training on upselling) and SAP Purchasing (management software).



Departmental meeting of HR managers 2022.

b. Departmental meeting of Human Resources managers

A total of 63 people attended this session, and were able to share the reflections and challenges that they expect to face as a team.

In June, after over two years without the opportunity to hold a physical meeting, we organised a departmental meeting of the Human Resources managers of hotels in the EMEA area. The aim was to **reconnect and to enthuse the group**, to analyse what had happened during recent months, and to identify challenges for the near future.

The meeting took place in the city of Granada (Spain), in the Barceló Granada Congress hotel, whose staff worked exceptionally hard to reward the efforts of a group which, in the last few years, has had to face difficult situations while constantly endeavouring to support the teams in each of our hotels.

c. Investing in our collective labour pool

For the first time since the start of the pandemic, the entire group of Barceló Hotel Group assistant and deputy managers in the EMEA area had the opportunity to physically attend a training meeting.

During April and November 2022, we saw three important milestones in the training of the management team of our EMEA hotels. A training meeting was held for Barceló Hotel Group's assistant and deputy managers' group in the EMEA area — about the Barceló Development Plan and the Management Development Plan.

For the first time since the start of the pandemic, the entire group of Barceló Hotel Group assistant and deputy managers in the EMEA area had the opportunity to physically attend a training meeting. The meeting took place on 26 and 28 April at the Barceló Sevilla Renacimiento hotel. **More than 80 people met to resume their training towards becoming hotel managers with Barceló.**

These sessions were attended by Raúl González, the EMEA CEO, as well as regional managers and part of the corporate Human Resources team. They were joined by CORE Consulting and SOLO Consultants as facilitators of the ANTICIPA training, a challenge which participants had to deal with in groups, and an exercise from which they all learnt a great deal.



Barceló Development Plan training, Bilbao 2022.

In November, further Barceló Development Plan and Management Development Plan sessions were held, both of them in Bilbao. The first sessions were held on 9 and 10 November, and the second sessions on 23 and 24 November.

- The Barceló Development Plan sessions were held at the Barceló Bilbao Nervión hotel. Almost 100 deputy and assistant managers stayed at the hotel, having arrived from all EMEA hotels to receive training delivered mainly by the company's internal trainers. A total of five training modules were delivered

in parallel, depending on the years of experience and the *expertise* of the participants' profiles, with the content and messages always being adapted to the specific requirements of those attending.

- The Management Development Plan event took place two weeks later at the Occidental Bilbao hotel. In this case, over 120 hotel managers (together with area managers and regional managers from the EMEA area), focused on actively working on the Barceló leadership model.

Both meetings were complemented by a surprise team building session, attended by the EMEA CEO who (at the beginning or end of the sessions) shared his vision of the company and of our main milestones.

For the first time,

+80

gathered to resume their training towards becoming Barceló hotel managers.

d. Ávoris and its commitment to training

Ávoris

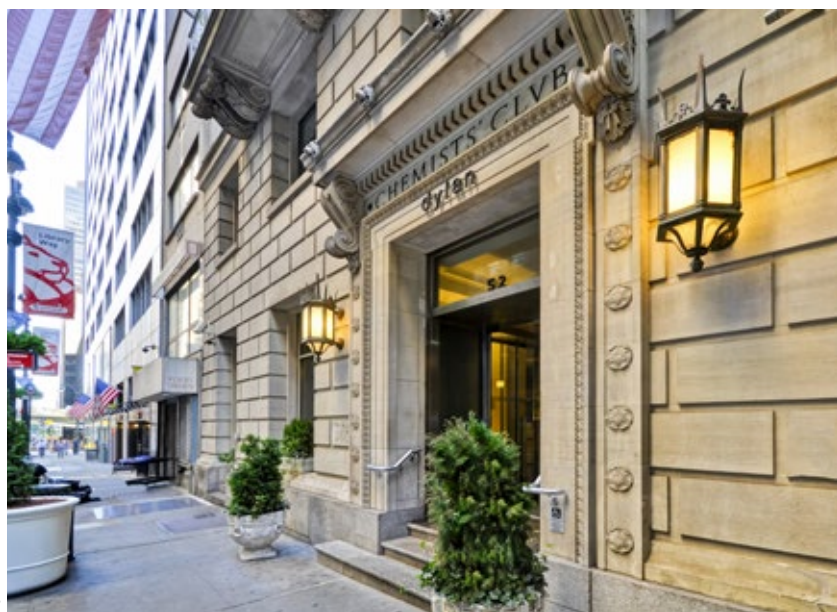
The course at Los Cabos, Baja California Sur, and tailor-made for Ávoris, is worth a special mention.

During 2022, Ávoris maintained an intensive training programme targeted at its whole team — with the following outstanding points:

- Guaranteeing continuous training, with multiple training programmes.
- Ensuring the alignment of business knowledge with the company's strategic objectives.

The course at Los Cabos, Baja California Sur, is worth a special mention. It was tailor-made for Ávoris with the participation of outstanding agents from the retail network and tour operators, who contributed a profound vision of the destination and of sales tips.

e. Driving forward professional development at Crestline



Dylan Hotel, New York (USA).

Having a pool of competent, qualified people to fill specific leadership roles ensures success and continuity, avoiding vacancies or periods of ineffective leadership while new recruits are trained.

For this reason, Crestline's training strategies focus on strengthening the capacity and skills of its people to fill critical posts within the organisation. Therefore, Crestline offers an internal programme for developing people who are capable of leading for the future, and another for staff looking to advance their professional career. As a result, over 30% of posts that arise are covered by internal promotions or transfers.

f. Departure

Both the process of people starting (but also leaving) the company are important in protecting the reputation of our brand. During the offboarding process, we need to make sure people are comfortable, and to tell them that their efforts have been important to the company.

So that workers end their employment with us in a satisfactory way (as well as to discover their reason for leaving) we hold personal interviews in an informal, confidential atmosphere, so that we can understand their reasons and take measures to either increase staff retention or to improve recruitment processes.

4.5 Diversity and inclusion



Barceló Aguamarina (Mallorca, Spain).

Our commitment to diversity and multiculturalism is a fundamental pillar of our corporate culture. We are convinced that both of these are key factors in weaving a network of diverse talent, creating a workforce capable of understanding our customers' needs, innovating and being a faithful reflection of society in the business world.

We want to create positive work environments by building diverse teams formed by people with different profiles, cultures, origins and experience, all within an inclusive business culture that supports equality of opportunity and zero tolerance of any kind of discrimination.

We believe that encouraging this culture of inclusion and respect makes us a more competitive, creative and innovative company. For that reason, our teams are made up of people of differing gender, gender identity and expression, sexual orientation, race, ethnicity, age, educational background, socio-economic situation, disability and religion, among other things.

We are committed to providing fair workplaces in an atmosphere of understanding and acceptance, so that each individual can reach their goals and develop their talents to the full.

Equality Plan

Our organisation repudiates any form of discrimination. We therefore foster more diverse and inclusive working environments, where all staff feel encouraged in their professional development.

From the process of selection and induction onwards, we adhere to the premises of equality, avoiding both vertical and horizontal segregation as well as the use of sexist language. Hiring decisions are never based on stereotypes or assumptions about the skills and characteristics of people of a certain gender, race, age, disability and more.



One of our main short-term objectives is to design a new Equality Plan. Currently, we are undertaking an analysis of equality and equal pay, with the aim of implementing it and sharing it with our employees to enable them to participate in it.

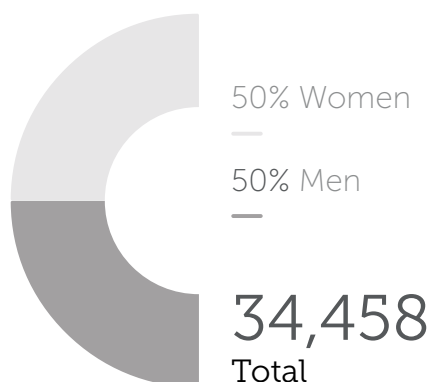
Royal Hideaway El Embajador (Dominican Republic).



To achieve its goals and commitments for gender equality, the Group promotes the following basic operating principles:

- Guaranteeing quality jobs as a fundamental way to promote equal opportunities.
- Developing the principle of equal opportunities in the workplace. Its compliance is one of the essential pillars of professional development, and it entails the commitment to treating all team members fairly.

a. Equal opportunities between men and women



Despite the fact that, for cultural reasons, men and women do not have the same opportunities to access employment with equal conditions in all the markets where Barceló Group has a presence, **we are working to enable our entire workforce to develop its professional potential, and to guarantee that no discriminatory practice occurs to deprive people in our teams of the same opportunities for professional development.**

For that reason, we guarantee fair access to opportunities for workplace development, we encourage continuous training, and we work to provide safe spaces where there is no room for harassment or violence against women. In fact, in 2022, our workforce was divided equally between men and women.

Furthermore, we depend on our team training programmes to ensure that these values of respect and equality are firmly embedded in our culture, through training and awareness raising.

Equal opportunities by age groups

Average workforce	Range < 30		Range 30-50		Range > 50	
	% Men	% Women	% Men	% Women	% Men	% Women
34,458	52%	48%	49%	51%	49%	51%

b. Awareness-raising activities

We underline our commitment to eliminate male violence with various awareness-raising campaigns that we launch every 25 November, International Day for the Elimination of Violence against Women.

Our objective is to raise awareness among women, and to make people more generally aware of gender violence. **We seek to encourage an attitude of rejection of such violence and of behaviour and social attitudes that seek to hide, maintain or tolerate gender violence.**



For example, our staff in the Allegro Playacar and Royal Hideaway Playacar hotels attended awareness-raising sessions on the role of women in society, and others focused on the empowerment of women faced with violence. In addition, in February the Barceló Ixtapa hotel signed the Inter-institutional Convention for the elimination of violence against women in the workplace; this convention aims to protect women and to prevent, punish and eliminate all violence against women.

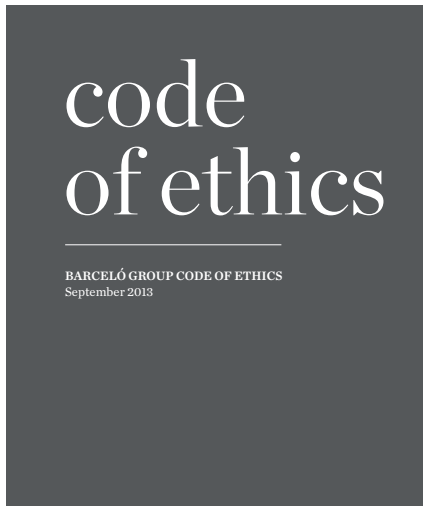
Working with the Integra Foundation

Moreover, on the occasion of the International Day for the Elimination of Violence against Women, we shared a campaign designed by the Integra Foundation, named "A job, the end of violence", which deals with the reality of women at risk of social exclusion. The women's testimonies highlighted both their personal stories and the employment opportunities that they have been able to access thanks to the support of the Foundation.



The campaign was shared across our various internal communication channels.

Ethical principles



Barceló
GRUPO

The need to communicate the corporate ethical culture to all interest groups (both internal and external) means that we must have a Code of Ethics that encourages the development of an ethical, efficient and competitive business model. The aim of this is to develop, formalise and implement the Group's values, so that it can serve as a guide to professional behaviour in carrying out the company's operations in any part of the world.

The rules and guidelines set out in the code are closely related to our company's most deeply rooted cultural values, which have enabled us to become a leading, recognised company in our business sector, and which must continue to contribute to our sustainable growth in the future.

Conscious of the significant potential of the tourism industry to contribute to economic and social development, and of our own role in this regard, we reject any kind of tourism activity or anything linked to it that could harm human rights or people's dignity, with special attention paid to children and minors.

To ensure that the code is adhered to at all times, there is a Control and Monitoring Committee responsible for overseeing compliance with the principles and rules of conduct enshrined within it.

This and other information is contained in our Code of Ethics, which is referred to in more detail in the Annexes to this document.



4.6 Work environment

At Barceló Group we are always seeking to ensure that our workplaces **are pleasant, stable and safe**, that equality of opportunity and professional development are a reality, and that we take care of the working conditions of our employees in every area of the business.

This is not only a duty assigned to the company, but also a matter of awareness and commitment that should be assumed by those who form part of the organisation.

Given our international nature, and our presence in a great number of countries where very different realities prevail, **we work to adapt our responses to the local needs of our employees to create quality working environments.**

4.6.1 Social dialogue and unions

59%

of our team is covered
by an agreement

Social dialogue is a fundamental pillar for guaranteeing the rights of both the workers and the company, and ensuring that the workplace is fair and equitable for all — because this is a priority for us. As a hotel group, **we have a commitment to encouraging constant, effective communication with those bodies that represent our employees.** This partnership is key to finding solutions and reaching agreements that are to the benefit of both parties. This dialogue enables us to be informed of the needs and concerns of our teams, and to take appropriate action, which in turn helps to improve staff well-being and work satisfaction.

With the pandemic behind us, we have resumed negotiations with our workers' various representative bodies. Evidence of this is the fact that we have resumed our review of the collective agreements that exist in different countries, as 59% of our team is covered by its relevant implementation agreement.



Allegro Isora (Tenerife, Spain).

Workforce covered by collective agreement

Country	% of the workforce covered by an agreement
Germany	86%
Aruba	100%
Bulgaria	-
Colombia	-
Costa Rica	-
Cuba	-
Egypt	-
El Salvador	-
United Arab Emirates (UAE)	-
Spain	95%
United States	3%
Greece	100%
Guatemala	100%
Hungary	-
India	-
Italy	100%
Morocco	-
Mexico	51%
Nicaragua	-
Oman	-
Portugal	78%
United Kingdom	-
Czech Republic	-
Dominican Republic	59%
Sri Lanka	-
Tunisia	100%
Turkey	-
Total	59%

4.6.2 Safety and Health at work

In Spain, the four areas covered by the Law 31/1995 on Occupational Risk Prevention—Occupational Medicine, Industrial Hygiene, Workplace Safety and Ergonomics, and Applied Psychology—have their own and third-party resources through a number of prevention services.

Workforce with health and safety conditions in collective agreement

Division	% of the workforce with a Health and Safety clause over the total average workforce	% Var. 21	% of the workforce with a Health and Safety clause over the workforce covered by agreement	% Var. 21
Ávoris	86%	-3%	100%	0%
Crestline	0%	-8%	0%	-100%
EMEA Spain	100%	42%	100%	16%
EMEA International	26%	19%	96%	17%
LATAM	47%	4%	91%	17%
Total	56%	4%	96%	8%

These services are responsible for implementing and guaranteeing the prevention policies, which affect the entire workforce, through two main lines of action:

- **Preventative action appropriate to the nature of our business.** Our strategy consists of undertaking regular risk assessment of conditions in relation to our buildings, our work teams and our job posts. From there, we plan preventative or, if applicable, corrective measures. We diligently inform and train our workers on the risks associated with their jobs, investigate the causes of accidents at work, and implement plans for emergencies and evacuation as appropriate to each of our establishments.
- **Taking care of our workers' health.** We facilitate initial health check-ups for staff and take measures to protect people who are especially vulnerable. In addition, we organise activities and campaigns to improve health and contribute to a preventative culture and to the adoption of healthy lifestyles.

Training is key to guaranteeing health and safety in the workplace.

1,561

people have undertaken training in the avoidance of risks in the workplace in all our hotels in Spain and in our corporate offices

Training is an essential and key activity for workplace health and safety, for both business and workers. For businesses, it represents a way of contributing to a reduction in accidents, whilst for workers it is a way to gain knowledge of their workplace, of the risks to which they could be exposed and how to prevent them in an effective way.

One advance in this area during 2022 is that we standardised all the content relating to the avoidance of risks in the workplace for all our hotels in Spain and our corporate offices, using a new online training platform provided by Prevencontrol. Our regulatory compliance in providing training in the avoidance of risks in the workplace has been made more agile through the use of an e-learning solution that allows the course to be followed entirely online, and adapted to each employee's job post. In 2022, 1,561 people undertook this training via the platform.



In addition, other measures have been taken to avoid risk, such as a tsunami drill at the Barceló Aruba hotel, an earthquake drill at the Barceló Ixtapa (Mexico), a workplace health campaign at the Allegro Cozumel and the Occidental Cozumel (Mexico), and a fire drill at the company's corporate offices in Mallorca.

In parallel, we carried out our regular reviews of the health of our workforce by means of annual health check-ups in Spain and other countries.

In addition, in some hotels we have put in place measures to encourage the team's physical and emotional well-being, including offers at gyms and talks on types of violence and ways to control emotions.

4.6.3 Absenteeism

3.34%

absenteeism in 2022

70%

of hours lost to absenteeism had as their main cause an accident at work, work-related illness or temporary incapacity.

To calculate the absenteeism rate, all absences and their causes throughout the year in relation to the average workforce are taken into consideration. Using this method, in 2022 the absenteeism rate was calculated to have risen to almost 2.5 million hours, or 3.34%.



Occidental Barcelona 1929 (Spain).

Total absenteeism

Absenteeism hours	% absenteeism	% Var. 2021
2,467,382	3.34%	-3.75%

Almost 70% of the hours lost to absenteeism were due mainly to an accident at work, work-related illness or temporary incapacity.

An analysis of the data shows that, in 2022, **1,338 accidents and work-related illnesses were reported**. Of these, 911 (68%) were caused by accidents that occurred within the working day, as opposed to the 421 accidents that occurred while travelling to or from work (31%) and only 6 work-related illnesses.

The reduction in absenteeism is thanks to better internal control of the data.



Distribution of absenteeism hours by gender

Division	% Men	% Women
ÁVORIS	23.4%	76.6%
EMEA Spain	39.2%	60.8%
EMEA International	47.7%	52.3%
LATAM	42.4%	57.6%
Total overall	40.6%	59.4%



Distribution of absenteeism hours by cause

Division	AT+EP+IT*	MAT+PAT	Unjustified	Other**
ÁVORIS	73.9%	23.6%	-	2.5%
EMEA Spain	83.7%	7.3%	-	9.0%
EMEA International	58.5%	15.4%	13.0%	13.1%
LATAM	54.0%	17.9%	20.5%	7.6%
Total	67.7%	13.4%	10.7%	8.2%

AT Accident at work, EP Work-related illness, IT Temporary Incapacity, MAT-PAT Maternity Paternity.
 ** Paid leave and unpaid leave.

Work-related accidents and ill health*

Type	Total	% Var. 2021	Men	Women
Accidents during the working day	911	-12%	415	496
Commuting accidents	421	154%	217	204
Occupational disease	6	20%	4	2
Total	1,338	11%	636	702

* The data reported excludes Crestline because the information systems at these hotels do not provide this information.

Index of accident rates*

Incidence rate	Frequency rate	Gravity rate
29.9	13.1	0.4

* The data reported excludes Crestline because the information systems at these hotels do not provide this information.

Where the incidence rate is concerned, it is worth mentioning that this represents the number of accidents during the working day per 1,000 employees in the average active workforce. Similarly, the number of accidents occurring during the working day is calculated by the total number of workers by 1,000



Royal Hideaway Sancti Petri (Cádiz, Spain).

The frequency rate is the number of processes that occurred during the workday per million hours worked, and it is calculated by multiplying the number of work-related accidents resulting in leave per million hours worked, with the number of employee hours exposed to risk as the denominator.

Finally, the gravity rate reflects the workdays lost during the workday per 1,000 hours worked, using the total number of hours worked as the denominator.

Accident rate by gender*

Gender	Incidence rate	Frequency rate	Gravity rate
Men	26.5	11.5	0.3
Women	33.4	14.9	0.4
Total	29.9	13.1	0.4

* The data reported excludes Crestline because the information systems at these hotels do not provide this information.

4.6.4 Protocols against sexual and gender-based harassment

We work to prevent harassment, abuse and sexual exploitation at work by implementing an internal policy against sexual or other harassment in the workplace.



Barceló Raval (Barcelona, Spain).

Into the daily working lives of our employees we incorporate mechanisms to prevent these kinds of situations and, ultimately, we have procedures whereby such cases are dealt with as soon as possible — such as the use of the reporting channel which is available to staff.

Additionally, Spain has an Action and prevention protocol against psychosocial risks, which is available on our corporate portal. It seeks to inform the team and raise awareness of the consequences of these behaviours by providing methods for identifying, correcting and establishing the necessary changes to ensure they do not occur again.

0

reports logged for the second consecutive year

During 2022, and following the same trend as the previous year, no reports have been received via the designated reporting channel.

4.6.5 Labour organisation and disconnection policies

At Barceló, we have work scheduling systems that enable each person to find out their work schedules in advance; these schedules provide for adequate rest periods and defined holiday periods.

Thanks to the particular dynamic of our business, the majority of staff do not require rules about disconnecting from work. They do not use mobile work devices or laptops, so they are guaranteed the ability to fully disconnect from work outside their working hours.

We have adopted measures to facilitate a balance between work and family life, guaranteeing compliance with the regulation relating to the work-life balance.

In parallel, we have adopted measures to facilitate a balance between work and family life, guaranteeing the regulation relating to the work-life balance, and always respecting the legally established limits on working hours. Thus, the plans for equality being negotiated within the Group seek to make shared responsibility a right and a duty.

In the corporate area, with the aim of improving the work-life balance and following the measures already adopted in 2021, workers have options for flexible working and teleworking. For these, the team is provided with the equipment to work in optimal health and safety conditions.

4.6.6 Involuntary terminations

The end of a person's employment with the company is one of the most sensitive processes in dealing with employees, and so we strive to make communications transparent and respectful during the whole process, supporting the employee to face this moment.

During 2022, there were 3,636 non-voluntary terminations of employment within the Group, which are mostly accounted for by the redundancies implemented at Ávoris.

Involuntary terminations by gender, professional category professional and age range

Total involuntary terminations	% Var. 2021	Gender		Professional category			Age range		
		% Men	% Women	Management team	Middle management	Core staff	<30	30-50	>50
3,636	49%	51.9%	48.1%	1.2%	6.3%	92.5%	39.1%	49.2%	11.7%



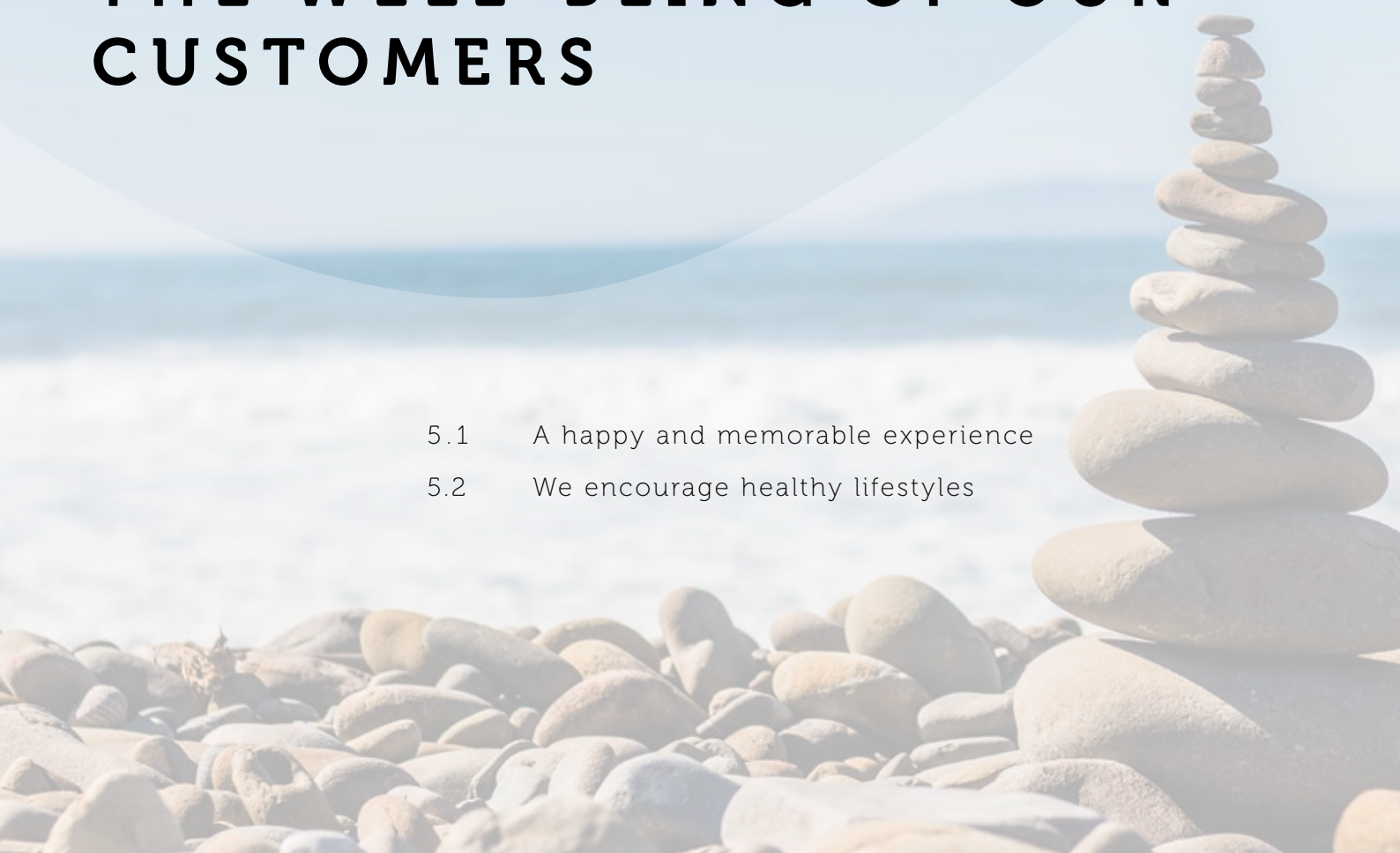
Royal Hideaway Playacar (Riviera Maya, Mexico).



Dukes the Palm, a Royal Hideaway Hotel (United Arab Emirates).

WE WORK TO ENHANCE THE WELL-BEING OF OUR CUSTOMERS

- 5.1 A happy and memorable experience
- 5.2 We encourage healthy lifestyles



We take good care of our customers

A healthy environment is key in improving people's health.

The relationship between the environment and the health of the population is becoming ever more important. A healthy environment is a crucial factor in improving people's health. Conversely, pollution and a poor quality environment can be harmful to health. Just as human activity affects the environment, so environmental factors affect human health, whether directly or indirectly.

We know that the environmental conditions in which we live have a direct effect, immediate or cumulative, on people's health. A population exposed to environmental degradation is a population more susceptible to disease.

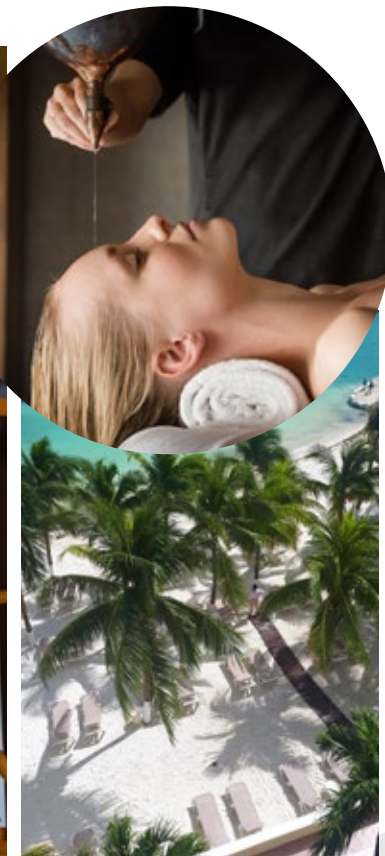
In this context, our customers, together with our employees, are at the centre of our concerns and the reason why we seek to take care of them. We work to enhance the well-being of our customers:

- By endeavouring to ensure that our customers have a happy and memorable experience.
- By encouraging healthy lifestyles.

Royal Hideaway Corales Suites (Tenerife, Spain).



Barceló Tegui Beach (Lanzarote, Spain).



Occidental Costa (Cancún, Mexico).

5.1 A happy and memorable experience

As leaders in tourism innovation, we work every day to offer our customers unique, personalised experiences, which will make an impression on them and help them to experience special moments, enjoying their stay in our hotels but with a particular respect for the local area and the community. This has been the chief aim of our company since it was founded over ninety years ago.

5.1.1 Our value promise

FRESH is the acronym that defines us as a Group, and which sums up the values behind who we are and how we work: Flexibility, Responsibility, Excellent Service and Hospitality.

It is not easy to understand the deep impact of the 'customer revolution'. Paradoxically, in the case of businesses that sell services, like ours, that have always been extremely committed to their customers, it can be even more complex. It is not a matter of becoming customer oriented, because this has always defined us. We need to go much further, using technology to build much more personal relationships with our guests, deeper and more emotional relationships than we could have imagined just ten years ago.

At Barceló, we are convinced that improving customer experience and providing a differentiating and innovative value offer is our only path towards sustainable growth. We should never do anything without first considering the impact on customers, and all of our thoughts should be centred on them, their preferences and their needs.

FRESH is the acronym that defines us as a Group, and which sums up the values that determine what we are like and how we work: Flexibility, Responsibility, Excellent Service and Hospitality. The sum of all these factors is present in every one of Barceló Group's brands, although each brand champions a particular value:

allegro
HOTELS

Flexibility

Allegro is Flexibility

Adaptability is needed in order to offer unique experiences for every guest. Freedom is what inspires Allegro and enables us to be dynamic, adjust our pace and evolve according to the situation.

Occidental
HOTELS & RESORTS

Responsibility

Occidental is Responsibility

Our principles and commitment to a more sustainable and responsible world define us. Occidental is the standard-bearer for this commitment. It is what drives us to go further than expected to protect the environment and the local economy, as well as in the realm of social action.

ROYAL HIDEAWAY
LUXURY HOTELS & RESORTS

Excellent Service

Royal Hideaway is Excellent Service

Because exceeding guest expectations is our purpose as a group, and Royal Hideaway is committed to this in body and soul, always going beyond an attention to detail. We work as a team and channel every ounce of our passion and enthusiasm towards providing the best customer service.

Barceló
HOTEL GROUP

Hospitality

Barceló is Hospitality

Our mission is to create a place where guests can feel, even, better than at home. Barceló strives to be the best destination ambassadors by pleasantly surprising and inspiring our customers with our in-depth knowledge of the local culture and its secrets, and with creative and innovative itineraries.

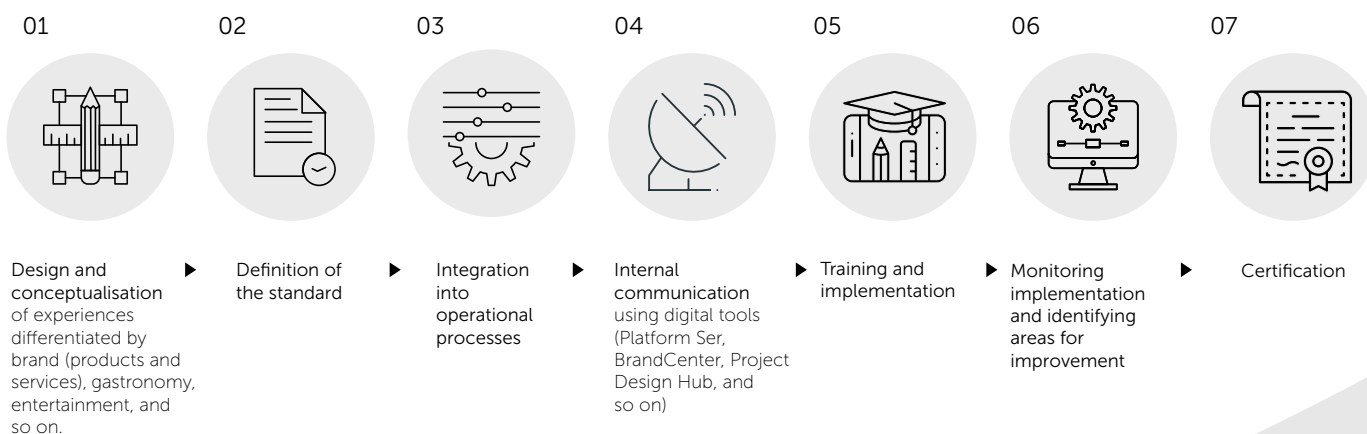


Ser Barceló is the central and unifying hub of all our strategic projects and the channel for communicating all our *expertise* to the hotels.


















Objective of the model

Professionalising our teams through achieving excellence in service, delivering the promises made by our brands, improving our customers' experiences, and contributing to the sustainability of the business.

Stages of the model



Matrix of concepts

TOUCHPOINTS		ROYAL HIDEAWAY LUXURY HOTELS & RESORTS	Barceló HOTELS & RESORTS	Occidental HOTELS & RESORTS	allegro HOTELS			
Arrival & departure	Sense of arrival	Royal Welcome	Barceló Welcome	O! WELCOME	allegro Welcome			
	Welcoming & Loyalty	my Barceló Welcome						
	Local experiences	Barceló EXPERIENCES						
Room		Royal Room	B-room	O! ROOM	allegro Room			
Gastronomy	Breakfast	 VITAL CORNER	 B LIKE A T	O! BREAKFAST	allegro mornings			
	Toppings	Royal Ice Cream	B-MARKET gourmet	O! MARKET — grab & enjoy —	allegro Market allegro On Wheels			
	Outlets	 Royal Star Chef Projects 	 BHEAVEN MUSIC & COCKTAIL BAR  LA SANTA MARIA — TAPAS VOLCÁN —	 JAMAR  stage	allegro Moon			
		ARROZANTE LA CASA DEL ARROZ	CHAMPS	LA DOLCE VITA Cafetteria	COCOA CAFÉ BREAKFAST · LUNCH · DINNER	Breeze	MAGICAL	
Entertainment		ADULTS & FAMILIES +18 	TEENAGERS 13-17 	KIDS 4-12 	 Breeze 100 <i>El chef con ingredientes</i>	 Breeze 100 <i>¡MÁS QUE UN BAR!</i>	 Barceló PRINCESSES Club & Spa	 Water Parks
Wellness		 wellness	 fitness	O! FITNESS				

Identifying new needs, such as the need to recover the essence of the project, has led us in 2023 to starting a process of deep reflection which in turn will lead to a relaunch of the Ser Barceló system.

Breeze

Breeze

GASTRO POOL BAR

Breeze is a Barceló Hotel Group's new pool snack bar concept, which we launched in 2022.

The design and conceptualisation of a gastronomic concept such as this includes a first stage devoted to inspiration and definition, of the concept as well as of the name to be adopted; a second stage in which we determine the gastronomic offer and the recipe bank (in line with current trends, providing healthy options, promoting local dishes, all based on the premise that the dishes must be flavourful and attractively presented); the tableware and communications (signage for the concept and graphic identity), and lastly, following a pilot, the development of the documentation needed for the implementation of the Breeze concept in the hotel.

The recipe bank for all our gastronomic concepts is digitalised, which allows us to optimise processes in the kitchen, to analyse profit and cost, and to minimise food waste as far as possible.



5.1.2 Improving customers' experience through digitalisation

We believe in innovation in looking after our teams and customers, and improving their experience and well-being, thereby contributing to our purpose of moving towards a regenerative tourism model.

8,180

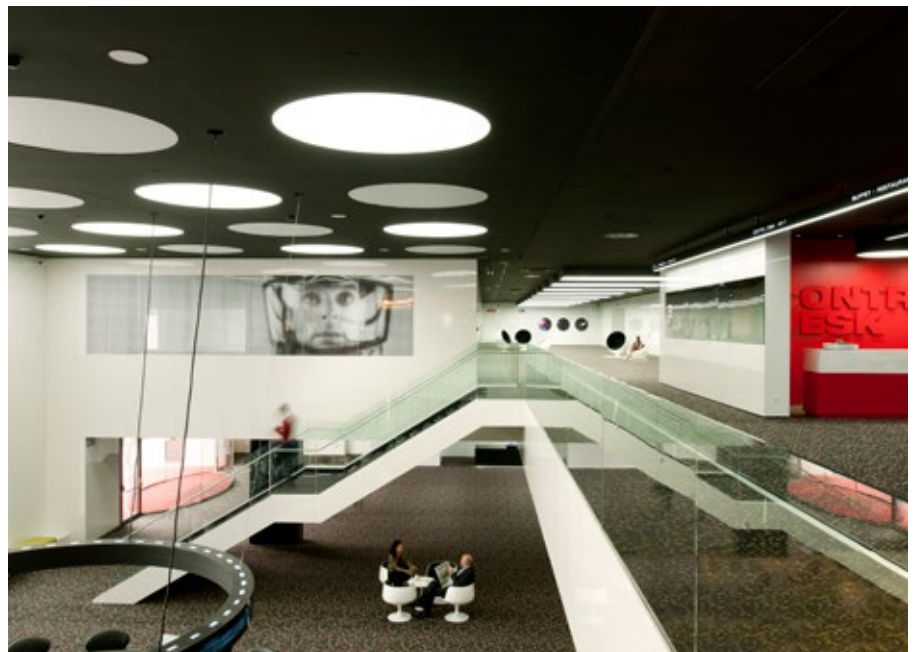
hours of training on digital projects

+90%

satisfaction with the training

The tourism sector is focused on people, and that is why, at Barceló Hotel Group, we are committed to a digital transformation that will place people at the centre of our strategy. To realise our aim, we are implementing new technological infrastructure, smart management systems, and tools to measure our impact.

The use of data, artificial intelligence, virtual reality or the IoT (Internet of Things) will contribute to making destinations better connected and adapted to people's needs. Developments like these have huge potential in the sector and, of course, they also require us to redouble our efforts in the area of cybersecurity — and to guarantee that we meet the highest standards in both ethical management and the protection of personal data.

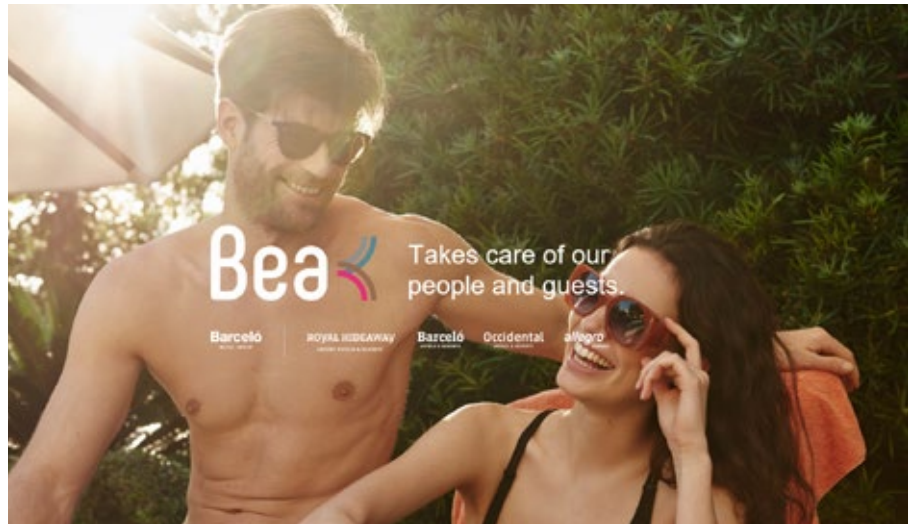


Barceló Sants (Barcelona, Spain).

Furthermore, becoming more digital is not simply a matter of investing in the best technological infrastructure. **Being technological consists of having a different perspective** that enables us to rethink and redefine our business, harness the opportunities of digitalisation, and build new relationships with customers, suppliers and employees into models that are more direct, personalised and comprehensive. In turn, digitalisation is also an opportunity to continue improving the efficiency of our processes.

Barceló has been immersed in this transformation for some time. Our digitalisation model serves as a driver across the company and places customers at the centre of everything we do.

Our goal is to personalise the customer experience in order to create repeat business that will enable us to sell more and better. This goal has also forced us to create new systems and train people using digital culture, resulting in improved efficiency and processes.



Some of the most important digital transformation projects we worked in during 2022 were:



Barceló Experience Assistant

Bea is now our friend in 80% of our hotels, helping us in our relationship with our customers. Bea, the Barceló Experience Assistant, is our CRM (Customer Relationship Management) system, and is based on Salesforce technology. The main objectives behind the implementation of Bea are:

- To gain better knowledge of the customer by improving the quality and quantity of data on the customer
- To provide a better, and more tailored experience for the guest
- Better customer satisfaction
- To attract more, and better, customers

2022 Successes

128
hotels already use Bea

940
users

+500
hours of training

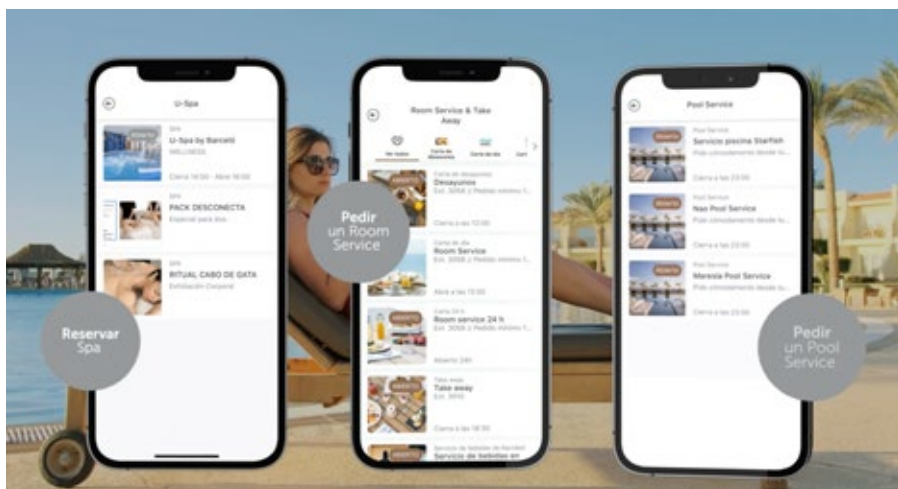
9.5
average rating in
training sessions

Barceló App, the customer experience in the hotel, at their fingertips

Guests can check updated information about the hotel (facilities, services, entertainment, etc.) and the destination (Barceló Experiences) directly from their smartphone, wherever they are. The app is an interactive channel through which guests can communicate with hotel staff, make requests and book services conveniently. It also contains digital menus for our restaurants (available using QR codes) and capacity control for spaces such as restaurants and gyms.

Outstanding new introductions during 2022 in terms of functionality include:

- The Digital Resort Map, which enables us to offer customers a geolocation map of all the guest rooms. The streets within the resort are mapped using Google, and the destination becomes 100% navigable — with the customer able to go to any point using their smartphone. In addition, the customer can use augmented reality, and obtain a real-world view of all the ground covered on their camera.
- Pool Service, which allows customers to place their order from their poolside sun lounger, enables us to improve both operational efficiency and customer experience.



2022 Successes

+300,000
new downloads (+49% vs 2021)

23%
of customers use the Barceló App

200,000
digital orders placed



Best-rated App of all the Spanish hotel chains



90/100

Customer rating of the service.

Digital check-in service

The digital check-in service enables our customers to cut waiting time in reception and to access our hotels in a more agile way, by offering priority access to those customers who have completed the digital check-in. In addition, it allows us to improve the operational efficiency of our reception teams. Lastly, it is very important to capture the data from this project, both quantitative and qualitative.

2022 Successes



+90

hotels offer the digital check-in service

+3,000

hours saved for reception teams

140,000

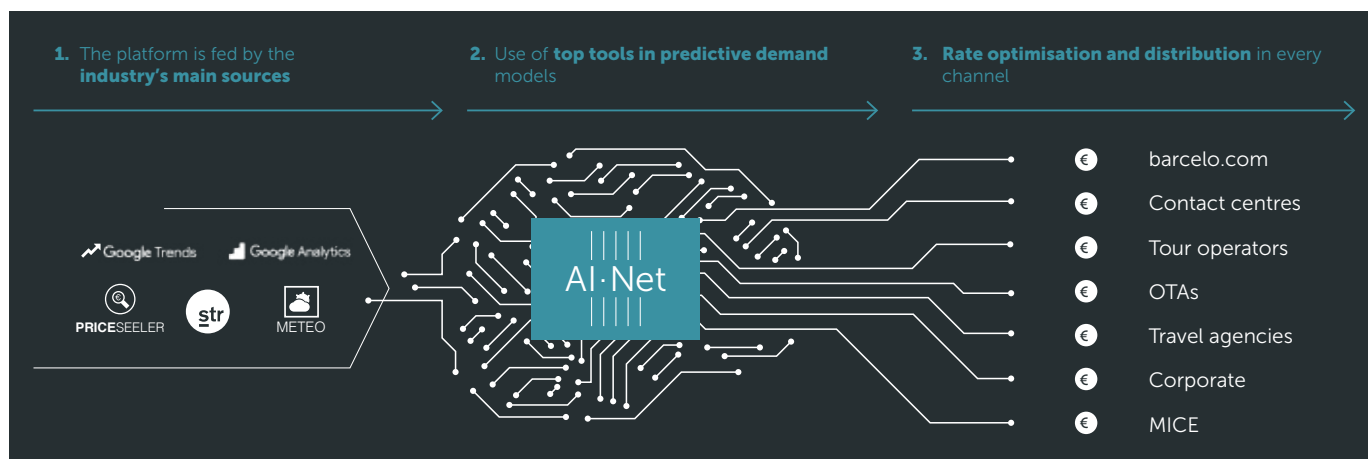
digital check-ins completed (+142% vs 2021)

25%

of customers provide their email address and telephone number

AI.Net

This is a powerful optimisation and online pricing application with machine learning technology, which applies the best available tariff with the aim of maximising production and profitability across all sales channels.



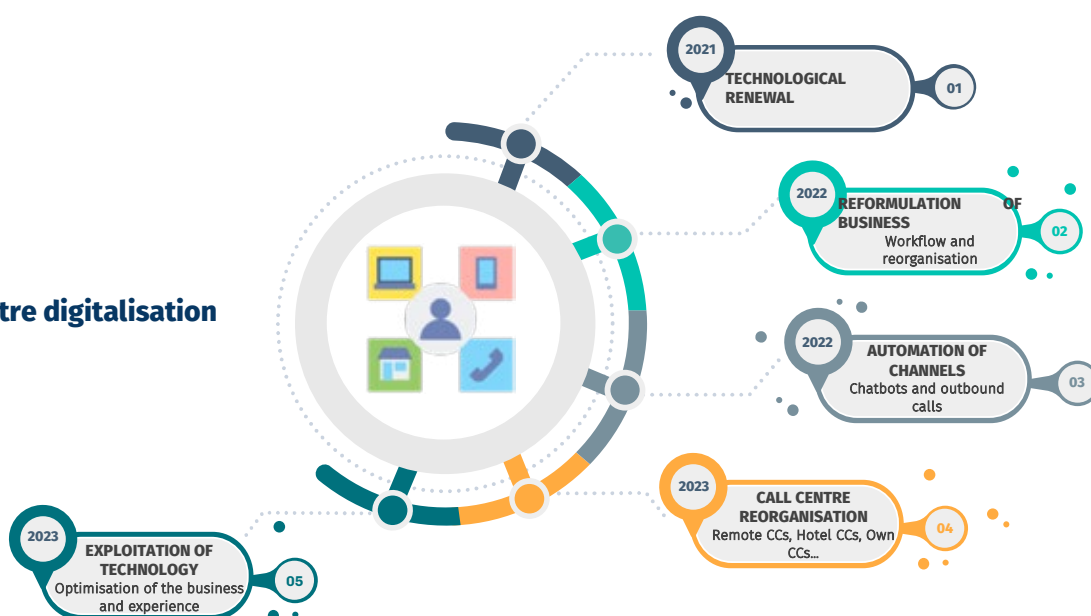
Digital call centre

We are continuing to develop our digital contact centre, designed to maximise income, reduce response times, and improve customer experience. The main pillars of this new technology are:

- **Omni-channel concept:** multiple communication channels are combined so we can address customer needs at any time and on any device.
- **Artificial intelligence:** AI is used to identify, classify and analyse customer information for maximum synergy between clients and the contact centre, resulting in fast service and greater satisfaction.
- **Personalisation:** We integrate and consume all customer data to provide 100% personalised service, thereby exceeding client expectations and increasing the financial return of each interaction.

STAGES OF THE PROJECT

Call centre digitalisation

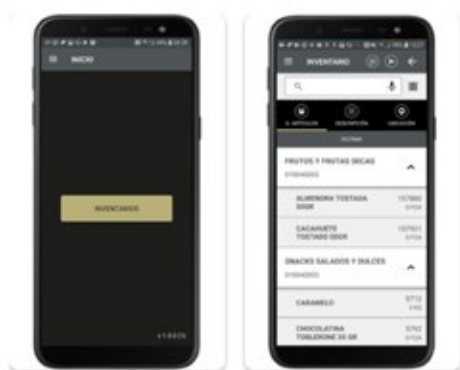


The importance of the data: customer intelligence and customisation

The importance of data lies not only in the need to understand clients and to personalise what we offer, but also in its usefulness for decision making. In this sense, our digitalisation strategy is also focused on helping us to manage, in a simpler manner, all the information generated by our business.

In our industry, this data covers everything from bookings, revenue, sales, employees and customer feedback, to forecasts, debt management and financial results.

In this area, it is worth highlighting our customer intelligence and customisation with the aim of improving sales and customers' experience. One example of its use that was implemented in 2022 was the customisation of our website in relation to weather conditions. The website compares information on adverse weather conditions with details of destinations with good weather, with the aim of encouraging customers to buy.



Screenshots of the B-stores app, that enables us to track, in real time, the entry and exit of goods and to monitor the traceability of products, as well as offering synergies with administration for the management of invoices and delivery notes.

B-stores

B-stores is a mobile application that we have developed to improve optimisation and efficiency in logistical processes in the hotels, making savings in inventory work, as well as in reception and the delivery of goods in the hotel (it eliminates manual processes and creates synergies with other departments such as the administration of invoices and delivery notes, feeding automatically into systems or the audit department). **B-stores enables us to know, in real time, the goods that enter and leave, and to track products for enhanced HACCP.** In 2023, we are planning to expand the functionality of managing shrinkage and breakages as well as the record of inter-departmental transfers, processes that are currently undertaken on paper.

100
hotels

+12,000
inventories

+170,000
goods inwards

5.1.3 my Barceló Scheme, our most loyal customers

+4.3 M

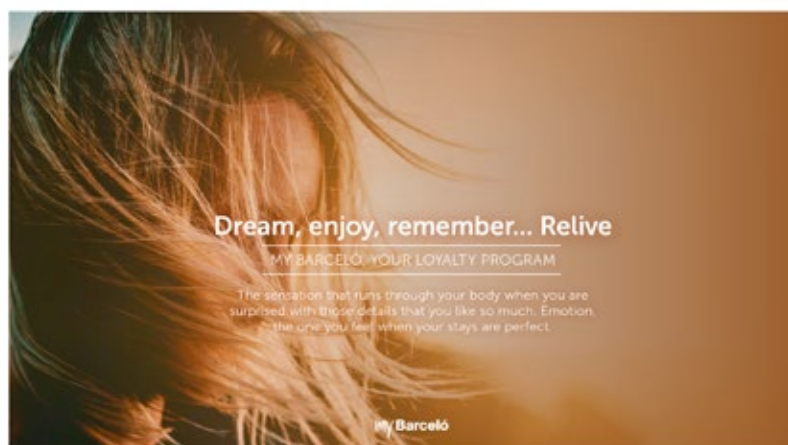
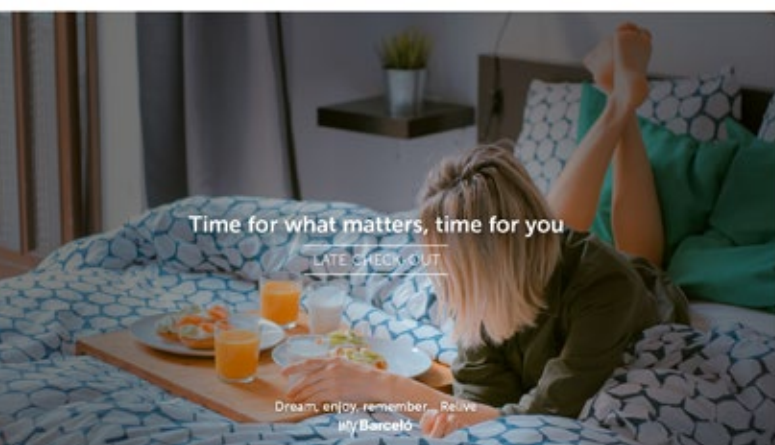
members on the my Barceló programme

20%

increase in comparison with 2021

my Barceló is our loyalty programme, and has 4.3 million members, which represents an increase of 20% in comparison with the previous year. **On three levels (my Barceló, my Barceló Intense and my Barceló Unique), this programme recognises and rewards loyalty on every stay with benefits such as discounts on booking (according to the level), advance information about offers, priority check-in and check-out, a welcome gift and courtesy water in the room, discounts on hotel services, and more.**

my Barceló Unique customers are happier, have a better experience at our hotels and recommend us more to friends and family (NPS 61, eight points above the customer average).



5.1.4 Listening to our customers

+50%

our media presence compared to the previous year:



4,458

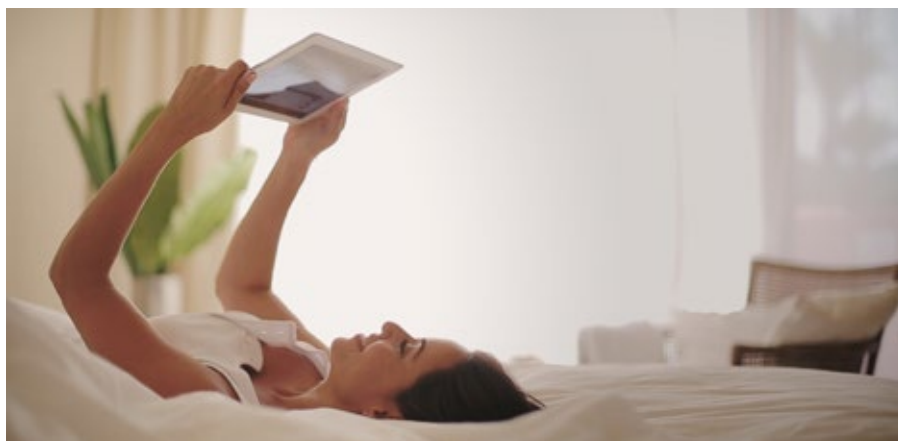
appearances in the press



+13 billion

people reached

At Barceló Hotel Group we want our communication to be active, informal and honest, offering value content to our audience.



We are committed to a strategy that connects with the community over social networks. At Barceló Hotel Group, we have moved forward with communications that include more natural, authentic content, creating a **friendly tone that sets us apart and encourages dialogue**.

Thanks to this focus, we have been recognised as the best-rated brand by users on Facebook, the second best-rated on LinkedIn, and the third best-rated by users of social networks in general, according to the Top Love Brands *travel* sector study carried out by IAB Spain and Alkemy.

This award acknowledges the long-term connection that we have worked towards and established with our followers on social networks, and which has finally paid off in terms of trust, making users our fans beyond social networks. Through Barceló Hotel Group's channels, with their community of 5.1 million people, we have generated 4.6 million interactions; these have translated into an engagement figure of 4%, far above the average for the sector, which stands at 0.75% according to the Social Insider Data study, 2022.

Keeping open the lines of communication on *social media* and with the objective of identifying our customers' preferences as well as trends in the *travel* sector, we at Barceló Hotel Group have undertaken a survey of over 7,300 people from more than 20 different countries. Following our strategy of placing the customer at the centre of our decision making, we collated the key travel trends for 2023, and found that 80% of those surveyed will not give up travel in 2023, but will opt for more mindful and sustainable tourism focused on experiencing the local culture and gastronomy, regarding their trip as an essential source of happiness. We confirmed this tendency towards a more conscious tourism, which suggests that hotels should contribute to local development (41%), and that tourism should respect the local environment (38%) as well as valuing the local culture and gastronomy (57%).

2023 Travel Trends

Travel as

A SPENDING PRIORITY

80%

of those surveyed

**PREFER TO
SPEND MONEY
ON TRAVEL**

rather than on other
leisure options



SYNONYMOUS
WITH HAPPINESS

60% of those
surveyed
stated that
they

**TRAVELLED BECAUSE
IT MADE THEM
HAPPY**



Travellers more

SUSTAINABLE



41% consider it important that
their **hotel contributes to the
local economy**, and 38%
believe it should **respect, and
care for, its natural
environment**

MINDFUL



70% of respondents prefer to
**disconnect from social
networks during their trip,**
and post afterwards

FOODIES



57% of respondents are
especially keen to **try the
local cuisine in the
destinations** they visit

ACTIVE



59% prefer **active tourism**
that connects them with the
natural world



IMPULSIVE



73% state that they book
their trips **less than one
month in advance**

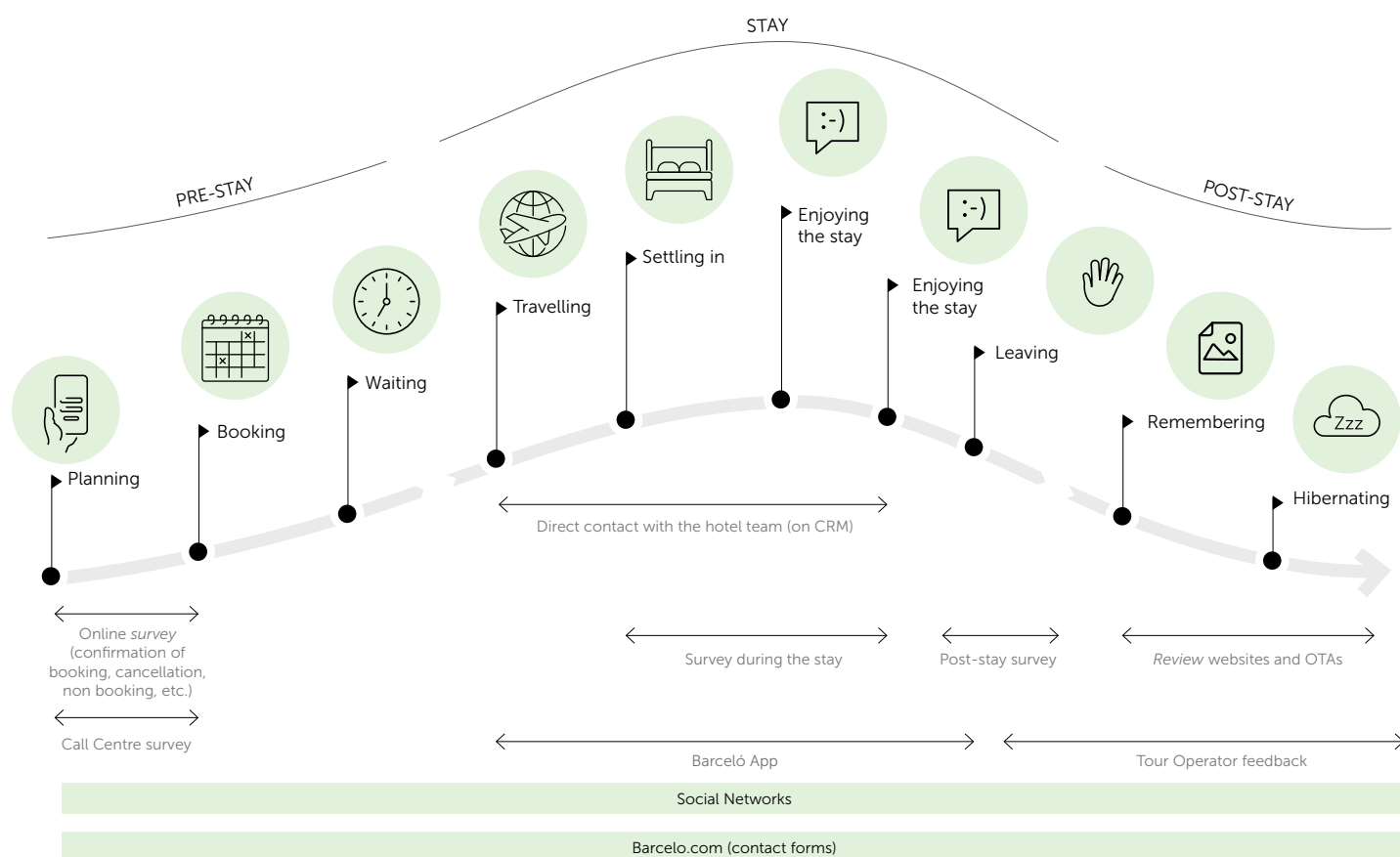
5.1.5 Measuring the experience

Barceló Hotel Group

A key aspect in continuously improving the experiences of our customers is to measure their experience in any interaction with Barceló throughout the customer journey.

Digital tools make it possible for us to listen and analyse in detail the customer experience through several channels: surveys during the booking process, surveys after their stay with us, surveys at various *touchpoints* throughout their stay, monitoring social media and review websites, and above all, the information gathered by hotel employees during their constant contact with guests.

Feedback from customers on the Customer Journey



Digital tools enable us to listen to (and analyse in detail) customer experience on different channels.

+96,000

customers would recommend

80%

hotels in the portfolio with an NPS > 40



84

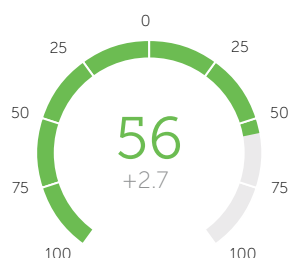
Barceló Hotel Group hotels that have received the 2022 TripAdvisor Travellers' Choice prize

6

were included in the prestigious Best of the Best list

Barceló
 GRUPO

Net Promoter Score ®



At Barceló Hotel Group, we consider that the indicator that best measures the experience of customers in our hotels, and particularly their loyalty and the likelihood that they would recommend us to their relatives and friends is the Net Promoter Score (NPS)³. Furthermore, both the question we ask our customers and the calculation of the result is a standard indicator, which enables us to analyse how it changes and to compare results between similar hotels and competitors' hotels.

In 2022, we achieved an NPS of 56, an improvement of almost three points on the previous year's result, and over 40 points above the average score for the sector, which, according to a recent study by Qualtrics XM Institute, stands at 10.

Top 10 hotels by NPS

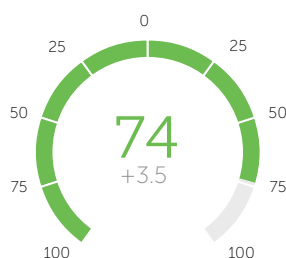
2022

Royal Hideaway Corales Suites	89.2
La Bobadilla, a Royal Hideaway Hotel	86.8
Barceló Imagine	86.0
Royal Hideaway Corales Beach	85.3
Barceló Aracena	81.2
Barceló Budapest	80.5
Barceló Cáceres V Centenario	79.5
Barceló Emperatriz	78.6
Santa Catalina, a Royal Hideaway Hotel	77.8
Barceló Istanbul	76.6

ROYAL HIDEAWAY

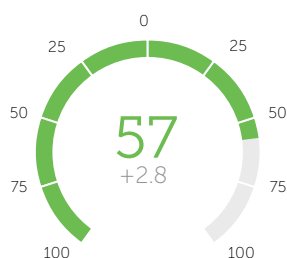
LUXURY HOTELS & RESORTS

Net Promoter Score ®


Barceló

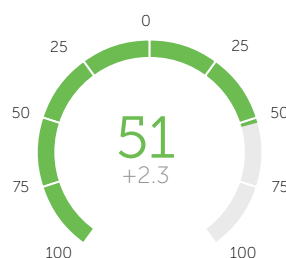
HOTEL GROUP

Net Promoter Score ®


Occidental

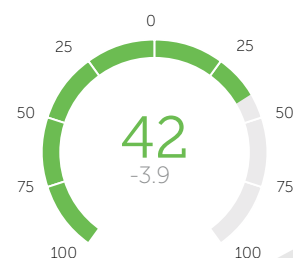
HOTELS & RESORTS

Net Promoter Score ®


allegro

HOTELS

Net Promoter Score ®



³ The NPS is an indicator calculated on the basis of responses to the survey question "How likely are you to recommend our hotel to your relatives and friends?", on a standard scale of 0-10 (with 10 being "very likely"). The indicator is calculated as the percentage of customers who would recommend (giving a score of 9 or 10) minus the number of customers who would not recommend (giving a score between 0 and 6). The value of the NPS can range from 100 (all customers would) to -100 (all customers would not recommend).

During 2022, we rolled out Bea, the Barceló Experience Assistant, our CRM based on Salesforce technology.



+1.2 M

online mentions and comments analysed

At Barceló Hotel Group, we have a firm commitment to listening to our customers in order to identify areas for improvement, so that we can guarantee that our guests will enjoy a memorable stay at our hotels. In line with this active listening policy, we analyse over 1.2 million online mentions and comments made by customers via satisfaction surveys and review portals. Using artificial intelligence and data analysis, we assess by customer segment what our strong points are and where we have areas that need improving; we identify new trends and needs; and we evaluate the adequacy of the changes we introduce.

In addition, we have digital communication channels and, of course, we draw on our direct contact with our teams, by means of which customers can raise any issue, suggestion or comment on any aspect of their stay. When a customer notifies us in writing of a disagreement with any of our services, a case file is opened and a specialised team analyses every case, and the customer always receives a reply from us.

During 2022, we rolled out Bea, the Barceló Experience Assistant, our CRM based on Salesforce technology, across 80% of the company's hotels. Bea is our new friend in our hotels: it knows all about our customers, is able to recognise our most loyal customers, and allows us to customise and improve our guests' experience. Moreover, we have allowed all the information (which until now had been held by each and every one of our employees) to be digitalised — which room guests like, whether they use the *spa*, whether they normally travel alone or with their family, which is their favourite restaurant, and whether they have made any comments or suggestions for improvement.

98%

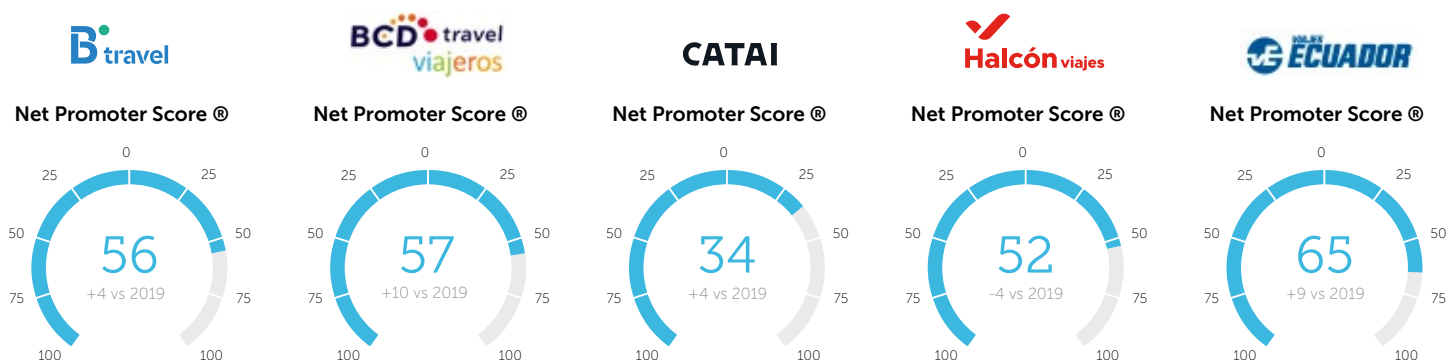
of issues raised were resolved

During 2022, Barceló Hotel Group received a total of 10,666 contacts from customers. The increase on the previous year is due to the digitalisation of processes in reception and of *guest experience* comments made previously. 98% of issues raised were resolved.

Ávoris Corporación Empresarial

As with the hotels business, to find out what customers' experiences have been with different services, we send out a survey. In the case of the holiday retail area, once the trip/service has been completed, in the *corporate* area the survey is sent out by the *travel manager*. Finally, in the case of the airline, travellers have the opportunity to provide *feedback* during the flight via the entertainment screens.

We use the Net Promoter Score (NPS) to measure our customers' satisfaction with their experience:



Premium B Travel office.

In addition, we have digital channels through which customers can communicate any complaint, suggestion or comment on our services or trips. When a customer notifies us in writing of a disagreement with any of our services, a case file is opened and a specialised team analyses every case, and the customer always receives a reply from us.

95%

of issues raised
were resolved

During 2022, we have made considerable progress with the digitalisation and automation of processes that we previously performed manually. This year, we logged a total of 10,810 cases (more than double the previous year, thanks to the increase in both flights and trips), and we closed, and therefore resolved, 95%⁴ of them.

⁴ Data calculated on the basis of the total number of interactions with the customer (a single case can give rise to several 4. Data calculated on the basis of the total number of interactions with the customer (a single case can give rise to several.

5.2 We encourage healthy lifestyles

At Barceló Hotel Group, we want to look after our customers, by helping them to live well through our well-being philosophy. We don't just sell hotel stays: we sell well-being.

We innovate to create hotels that not only offer great stays, but that also go above and beyond to offer transformative experiences. So that our customers can discover and activate the best version of themselves through our values, attitudes, habits, new choices and healthy options for improvement that can form part of their future lives.

This company culture imbues all our hotels, from the restful guest room, carefully designed down to the last millimetre, to the food and drink and hotel experiences:

O!
FIT
NESS

BETTER
STAYS

Better stays

We give guests the chance to exercise in their room, any time and without stress. In addition to the comforts of an Occidental room, guests may request a Technogym stationary bike, a fitness kit and an exercise routine that targets every part of the body.

B
LIKE
EAT

BETTER
EAT

Better Eat

Our breakfast featuring organic, in-season and local ingredients. This innovative culinary project uses healthy foods to transform breakfast into a unique experience for the senses that visitors will want to share. A better way of living (and travelling).

wellness

BETTER
YOU

Better You

In our wellness centres, customers will find an oasis where they can let go of the stress caused by their daily routine by using thermal circuits and body and facial treatments. This world of sensations invades the spas, rooms and food served at our hotels. Our Wellness philosophy redefines the concept of feeling good.

HAPPY
MINDS

BETTER
LIFE

Better Life

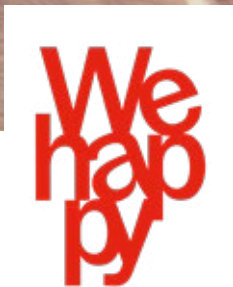
Happy Minds is our pioneering children's entertainment concept. Inspired by Howard Gardner's Theory of Multiple Intelligences, it is a move to revolutionise the holidays of children and teenagers in the company's family hotels. Happy Minds differs from the traditional children's entertainment offer in that it is a differentiated and ground-breaking initiative, comprising differ-

Happy Minds is a concept inspired by the Theory of Multiple Intelligences which aims to give children enjoyment while they learn and develop their creativity.

ent themed packs and workshops to promote enjoyment while encouraging learning. Through learning, creativity is developed and intelligence sharpened.

Wehappy: The new formula for happiness.

Our entertainment programme has redefined the concept of happiness by bringing people together through an innovative leisure concept. The Wehappy concept refers to creating innovative content, highlighting our natural and cultural heritage, conveying the physical and mental benefits of our activities and adding leisure trends for a growing group of people who want products that have 'value' and 'valuable leisure', without leaving behind 'sun and beach' customers.



Still on the subject of taking care of our customers and helping them to introduce healthy habits into their day-to-day lives — we are expecting in 2023 to launch our own innovative and realistic sports concept, which aims to improve the physical and mental well-being of guests and employees within our hotels, with plans that give priority to emotions, stories, physical, mental and spiritual well-being, emotional intelligence, and the heart. All this aligns with our concept of happiness, in which the leitmotiv is the relationships between people.



Barceló Montecastillo Golf (Cádiz, Spain).

COMMITTED TO ENVIRONMENTAL PROTECTION

- 6.1 Commitment to regeneration
- 6.2 Prevention principle in hotel design
- 6.3 Climate change: we aim to be Net Positive
- 6.4 Energy Optimisation
- 6.5 Water and water resource management
- 6.6 Consumption of other resources
- 6.7 Circular economy and management of waste
- 6.8 Management of biodiversity

6.1 Commitment to regeneration

Travel and tourism are intrinsically linked to biodiversity. Over half of travel and tourism demand is driven by the desire to explore nature, and tourism is one of the sectors whose goods and services are highly dependent on nature and ecosystems. Nature supplies clean air, fresh water and food,

and supports human development, yet our collective ecological footprint far exceeds Earth's rate of regeneration.

Moreover, the interdependent relationship between the environment and the population's health is increasingly relevant: a healthy environment is a crucial factor for a better state of health.

To minimise the environmental risks generated by our activity, we base ourselves on the following mitigation hierarchy⁵:



Barceló Monasterio de Boltaña (Huesca, Spain).

€6.3 M

estimated to be invested in 2022 to prevent environmental risks and protect and improve the environment (certifications, waste management, consumer digitisation tools, audits, etc.).

The investments in hotel assets amounted to

€75.2 M

in 2022

AVOID

Remove the negative impact before it happens; for example, through hotel design and refurbishment criteria, which are in line with the principles of preventing damage to nature and the environment.

MINIMISE

Measures to reduce severity or limit the length of a negative impact. Some residual impact remains and must be balanced with restoration activities; for example, energy efficiency measures such as twilight sensor control of outdoor lighting.

RESTORE

Reinstate degraded habitat following residual impacts. The aim is to return the affected area to full ecological status before impacts; for example, through beach clean-up actions.

REGENERATE

Balance irreparable damage with nature enhancement elsewhere. One example is the purchase of green energy.

In addition to the preventative management that we practise in relation to various environmental aspects, we have an environmental responsibility policy costing €20 million.

Another mechanism that helps us to integrate our aim of contributing to regenerative tourism into the company's assets is to implement the internationally recognised certifications.

⁵ Source: Nature Positive Travel and Tourism, WTTC, 2022.

At the Barceló Hotel Group:



Sustainable building certifications

24

BREEAM® certified hotels

19

new hotels certified in 2022

Sustainable building

BREEAM® (Building Research Establishment Environmental Assessment Method) is the most widely used sustainable building certification. It assesses impacts in 10 categories (management, health and wellbeing, energy, transport, water, materials, waste, land use, pollution and innovation) and gives a final score after applying an environmental weighting factor that takes into account the relative importance of each impact area.

In 2023, we plan to continue increasing the number of BREEAM® certified hotels.

Management and operations

We also have the following certifications, which mainly take into account management and operational aspects:

Certification	Hotels
Green Globe	16
Travelife	3
ISO 14001	3
Sustainable Tourism Certificate (Costa Rica)	2



Barceló Nura (Minorca, Spain).

In 2022, we also designed our own sustainable management system based on the principles of the Global Sustainable Tourism Council (GSTC). That system will be fully integrated into our operational processes, which will ensure effective implementation in 2023, once we achieve accreditation by the GSTC confirming that our system meets the requirements of their international standard. It will start to be rolled out at our hotels at the end of the first half of 2023.

At Ávoris Corporación Empresarial:

The following business areas have an **environmental and quality management system certified** in accordance with the ISO 14001 and ISO 9001 international standards:

- BCD Travel
- Halcón Viajes
- Iberojet
- Opteam
- Iberobus

From April 2023, the whole of Ávoris Corporación Empresarial will have **multi-site ISO 14001 certification**, covering the entire Group, while maintaining only the separate certifications for Iberojet and Iberobus.

Additionally, the Ávoris offices located in Madrid's Millenium building are BREEAM® certified.



Ávoris offices at the Milenium building (Madrid, Spain).

Since 2017, Iberojet has been a member of the International Air Transport Association (IATA) and in 2018 it obtained the renewal of the IOSA (IATA Operational Safety Audit) certification, awarded by IATA and renewed in 2022. The scope of this certification encompasses the supply of the Ávoris airline's commercial air transport service carrying passengers and goods, and demonstrates its **firm commitment to improving competitiveness and efficiency in the provision of services**.

6.2 Prevention principle in hotel design

Barceló has extensive expertise in technology, actions and the development of specific programmes that enable us to provide solutions in terms of efficiency and sustainability, both in refurbishments and in new hotel openings. That is why **we have the capacity to design energy-saving solutions adapted to the needs of each hotel**, thus enabling the development of greenfield projects in a way that increases the energy efficiency of our operations over the long term.

In the case of newly built hotels or the renovation of existing establishments, we have defined 14 projects that encompass all the construction and facility standards by brand. All this know-how is stored in a digital platform called Barceló Project Design Hub.

Barceló Funchal (Madeira, Portugal).



Occidental Vigo (Galicia, Spain).

Barceló Tanger (Morocco).



Canfranc Estación, a Royal Hideaway Hotel (Huesca, Spain).

371,774 kWh

estimated annual
photovoltaic output

22

electric vehicle charging
points

GPON

system for better
connectivity

Ávoris Corporación Empresarial's new corporate

In 2022, we inaugurated the new headquarters of Ávoris Corporación Empresarial, whose building was designed to create a space capable of being a benchmark, not only in terms of spaces, services and corporate image, but also for its character as a regenerative, biophilic and innovative building in terms of technology, creating a new way of living, feeling and mixing in office spaces.

The plot and its volumetric possibilities enabled us to shape a building with an ideal orientation, in which life and spaces are generated around a large central courtyard that emerges like a cloister as the offices' green lung. That courtyard provides cross-lighting and ventilation, and offers great transparency and permeability to all the spaces, providing interrelation between them through the interior walkways that invite connection and movement within the building, which has a total surface area of 24,500 m².



Ávoris headquarters in Palma de Mallorca (Spain).

It is a sustainable building by design:

- Installation of a photovoltaic plant on the entire roof of the building, with an estimated annual output of 371,774 kWh, which will meet the building's energy needs.
- Installation of 22 electric chargers.
- Thanks to a domotic system, plus natural lighting, in combination with artificial lighting and air-conditioning systems as well as filter systems on the façade, there is maximum lighting comfort, air quality and energy efficiency.
- At technological level, our headquarters are the first office building in Europe to implement the GPON (Gigabit Passive Optical Network) telecommunications system, which uses fibre optics to connect over much greater distances than traditional cabling, integrating all services through a single cable, reducing energy consumption while providing greater and better connectivity and reach.
- In terms of decoration, we have natural elements such as moss walls and freeze-dried plants which, apart from contributing to soundproofing, provide visual comfort and improve the employees' feeling of being in contact with elements linked to nature.
- Finally, for the layout, the aim was to foster teamwork by creating different areas and collaborative spaces.

The hotel is located in a unique building in its genre, so the refurbishment project was aimed at enhancing the great history of this early 20th century resort while designing a 5-star Grand Luxury hotel with the standards of the Royal Hideaway brand.

Canfranc Estación, a Royal Hideaway Hotel

The hotel opened in January 2023 after a complete refurbishment of the international station located in the Aragonese Pyrenees.



Canfranc Estación, a Royal Hideaway Hotel (Huesca, Spain).

During the building's restoration, priority was given to preserving the original aesthetics and façade since the station has been a Cultural Heritage Site since 2002 and is also part of the Railway Historical and Cultural Heritage. Throughout the refurbishment, we focused on efficiency, sustainability and innovation, restoring the well-known building with the most demanding energy criteria of the Passivhaus EnerPhit standard, so it is the first Barceló Hotel Group hotel to be refurbished in line with this standard. In particular, we focused on the following key factors:

1. The building's insulation acts as a protective shell that completely surrounds it on the inside, as well as on the roof, façade and floor. To achieve this, we used a high performance insulation panel to provide thermal and acoustic comfort, which reduces heat loss in winter and heat gain in summer, optimising the energy demand used to air-condition the building.
2. The windows have triple-glazed joinery, for which we carried out a previous chromatic study to define the windows' original colour and apply it to the new ones.
3. Mechanical ventilation is controlled with heat recovery.
4. The airtight enclosure prevents draughts.
5. The elimination of thermal bridges.

Applying these measures has enabled us to make energy savings of between 70% and 90% compared to a conventional hotel.

6.3 Climate change: we aim to be Net Positive

The Barceló Group is aware that the sustainability of our future business cannot be understood without a strategy to **advance in decarbonisation and become a company with a positive impact**, which goes beyond reducing our carbon footprint.

6.3.1 Risks and opportunities derived from climate change

To advance our climate strategy, in 2022 we made **progress in identifying the risks and opportunities arising from climate change specific to the assets owned by the Barceló Group** based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and their assessment, and based on their impact and probability of occurrence according to the climate scenarios of the Intergovernmental Panel on Climate Change (IPCC).

Identifying and assessing those risks and opportunities involved the following phases:

1. Selecting the **SSP2-RCP4.5 scenario in accordance with the TCFD recommendations**, which considers an average temperature increase of between 1.7°C and 3.2°C and includes the most recent legislative actions and commitments in the fight against climate change.
2. Studying the geographies in which the Barceló Hotel Group has hotels and **analysing the main physical and transition risks in the countries where it owns assets** in accordance with the SSP2-RCP4.5 scenario.
3. **Identifying, assessing and managing the risks** based on the time horizon, the probability of occurrence and the impact.
4. Preparing the **matrix for identifying climate risks and opportunities** according to their severity.
5. **Estimating the economic impact based on theoretical and practical approaches** to assess the cost of the impact of climate, physical and transition risks, as well as the estimated revenues from the climate opportunities identified.

For the risk analysis, we started from a universe of physical risks (e.g. rising sea levels, occurrence of extreme weather events, increase in ambient temperatures, etc.) and transition risks (e.g. tax rates on greenhouse gas

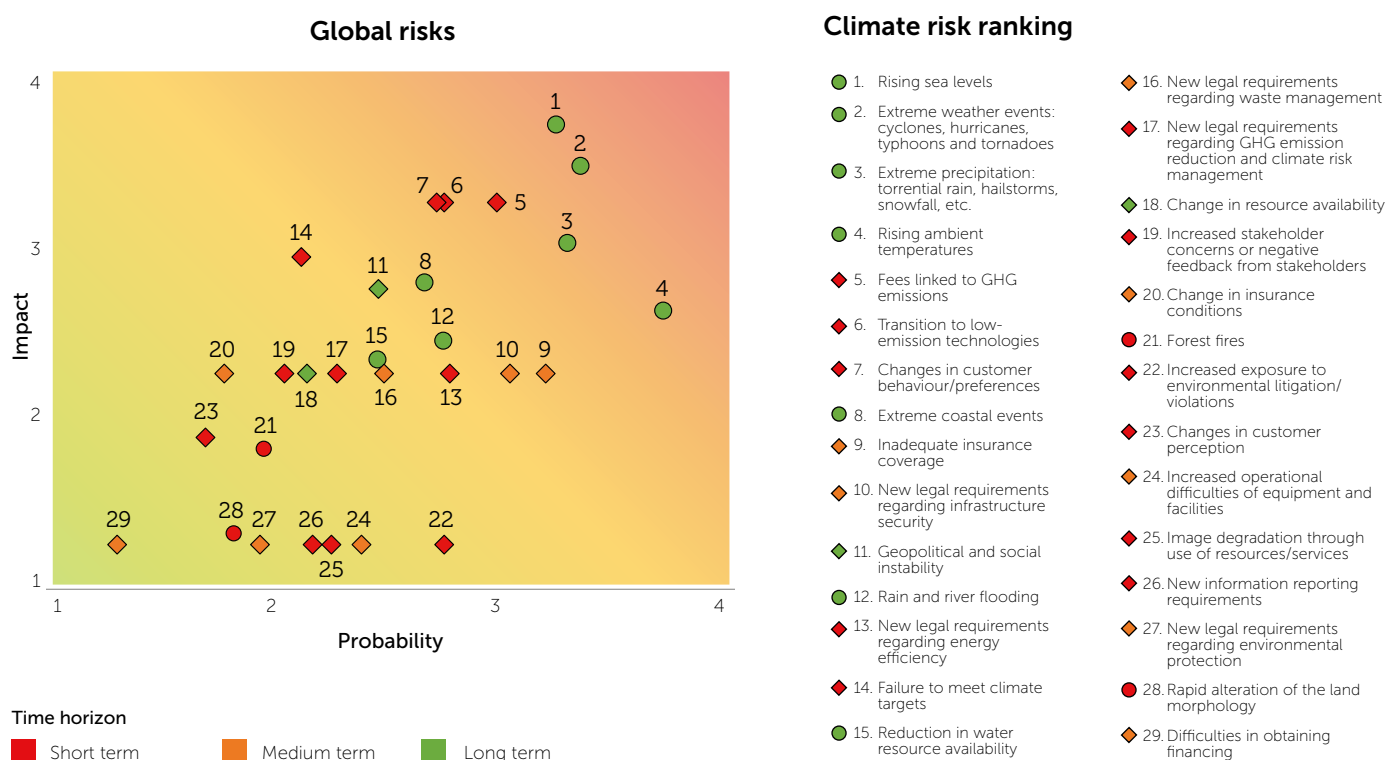


emissions, transition to low-emission technologies, changes in customer behaviour and preferences, etc.). We analysed the magnitude of these identified risks based on:

Time horizon of significant risk materialisation		Probability of occurrence or likelihood of a risk or opportunity materialising		The potential inherent impact, i.e. the consequences caused by the materialisation of the risk, or the residual impact, considering the mitigation measures in place	
Short term	0-5 years	Level 1	Unlikely	Level 1	Low impact
Medium term	6-15 years	Level 2	Possible	Level 2	Medium impact
Long term	16-30 years	Level 3	Probable	Level 3	High impact
Unknown	>30 years	Level 4	Certain or near-certain	Level 4	Critical impact

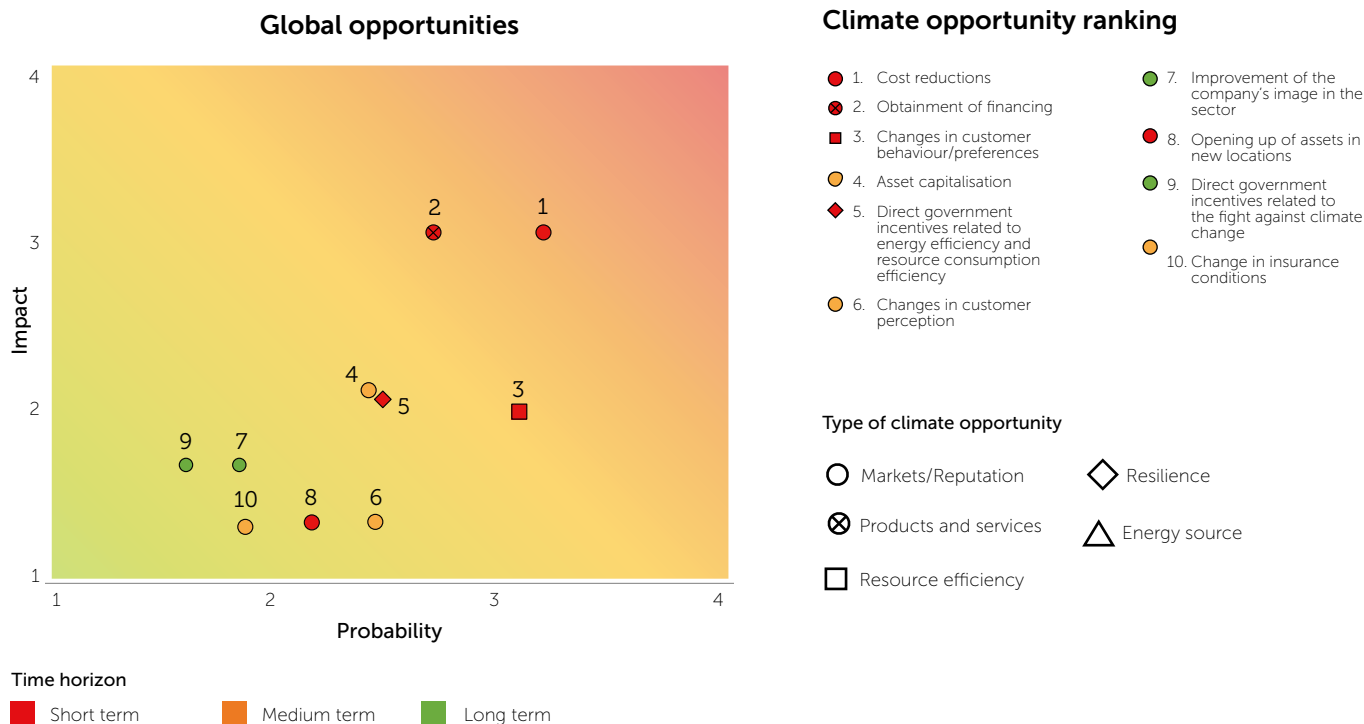
Climate risk matrix

We identified a total of 29 climate risks, of which nine are physical risks and 20 are transition risks:



To obtain the climate opportunity matrix, we used external information sources and internal knowledge, and employed the same methodology as for the risks.

Climate opportunity matrix



In 2023, we undertake to make further progress to include these risks in the Group's overall risk map. To do this, we will design a plan for these identified risks and analyse the financial impact that these risks have on the Barceló Group, which corresponds to the last phase of the process described above.

6.3.2 The Barceló Hotel Group's carbon footprint

Based on our ambition to become a company with a positive impact, in 2022 we made progress in defining our global carbon footprint as a first step towards setting carbon footprint reduction targets.

We calculated our emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, counting 100% of the emissions from the activity over which the company has financial control as direct emissions. We counted the emissions from the activities over which we do not have financial control (i.e. hotels under lease and management) as indirect emissions.

To calculate the footprint, we included the greenhouse gas emissions (GHG) that are emitted by all the Barceló Hotel Group's activities: CO₂, CH₄, N₂O and HFCs associated with refrigerant gas leaks, in accordance with the following scopes:

Scope 1: direct GHG emissions from sources that are our priority and derive from fuel consumption (natural gas, propane, LPG, etc.).

Scope 2: indirect emissions from the generation of purchased electricity.



50%

Our target is to **reduce the absolute emissions of Scope 1, 2 and 3 GHGs** by 50% by 2030, starting from the base year of 2019, and by 90% by 2040.

Scope 3: indirect emissions that are a consequence of our activities, but which come from sources that we do not own or control. The categories identified as material for the Barceló Hotel Group were as follows:

- Purchase of products, goods and services (70% of Scope 3 emissions)
- Fuel and energy activities not included in scope 1 and 2
- Upstream transportation
- *In-itinere* transportation
- Waste management
- Upstream leased assets
- Investments

To start setting reduction targets, we used 2019 as the base year, for which we calculated the emissions according to the methodology described above. Based on our analysis, our target is to **reduce the absolute emissions of Scope 1, 2 and 3 GHGs** by 50% by 2030, starting from the base year of 2019, and by 90% by 2040.

In 2023, we will make progress in defining the transition plan to become a Net Positive company, validate and register our science-based targets (SBTi) and seek to make progress in calculating the carbon footprint of our main suppliers, always based on activity data.

The Barceló Hotel Group's carbon footprint*

30.3

kg CO₂/stay

Global carbon emissions intensity

7.6

kg CO₂/stay

Carbon emissions intensity taking into account only scope 1 and 2 of the carbon footprint



52,503 tCO₂ Scope 1

96,322 tCO₂ Scope 2 (market based)**

445,779 tCO₂ Scope 3

594,604 tCO₂
Total

* Carbon footprint in 2022 is not comparable with the data reported in 2021 as the calculation methodology has been updated and includes all the applicable categories for scope 3.

** Location-based emissions: 99,095 tCO₂.

6.3.3 Ávoris Corporación Empresarial's carbon footprint

Ávoris

- The scope 1 emissions generated are the direct result of the fuel used by Iberojet aircraft (99%) and Iberobus buses (1%). Regarding Iberojet emissions, due to its operations and as per the applicable legislation, it is assigned emission rights, which were not surpassed in 2022.



Ávoris office in Palma de Mallorca (Spain).

- The scope 2 emissions generated are from the electricity consumed in Ávoris Corporación Empresarial travel agencies and offices (location-based and market-based coincide because renewable energy is not guaranteed).
- Finally, scope 3 emissions correspond only to the calculation of the emissions from the business travel of all the Ávoris Corporación Empresarial companies in 2022. As in previous years, we plan to offset these emissions (775 tCO₂) by supporting several offsetting projects (reforestation, fostering of renewable energies, etc.).

Ávoris Corporación Empresarial's carbon footprint



* The difference between the emissions from electricity consumption in 2022 and 2021 is due to an update of the emission factor considered.

The emissions from direct energy consumption correspond to 99% of those generated by the kerosene used by the Iberojet aircraft. The increase in emissions generated is directly attributable to the number of flights and passengers carried. In 2022, the emissions intensity ratio stood at 0.53 tCO₂ per passenger carried, 14% higher than the previous year, mainly because we flew cargo flights without passengers on the Madrid-Dubai-Hong Kong route together with the Spanish Post Office.

In addition to the CO₂ emissions, and as a result of the combustion of Jet A1 fuel by the Iberojet aircraft, the following nitrogen and sulphur oxide emissions were generated:

t NOx		t SOx	
1,139	608	72	38
2022	2021	2022	2021



In 2023, we will advance in the analysis of scope 3 of our carbon footprint at Ávoris Corporación Empresarial. At present, we only consider emissions generated as a result of business travel.

With regard to acoustic emissions produced by Iberojet aircraft, and with the aim of mitigating the noise impact of our operations, we follow the operational procedures set down by the Spanish Civil Aviation Authority: limiting the use of auxiliary engines in airports, and following the routes established by air traffic control when entering and leaving airports. Furthermore, the A350-900 Airbus is not only more efficient with regard to fuel consumption, but also generates less noise than other aircraft.

6.4 Energy Optimisation

The World Travel and Tourism Council's *Nature Positive Travel & Tourism* report, published in September 2022, places reducing energy consumption at the top of the list of actions for protecting and restoring biodiversity. To advance with our sustainability strategy called **Barceló REGEN**, we must start with responsible management and conscious energy consumption.

6.4.1 Energy optimisation at the Barceló Hotel Group

Barceló

Our energy management system challenges us to manage energy consumption efficiently in order to advance our commitment to achieving *Net Positive*. In that context, we have implemented measures to manage this resource more responsibly with a total investment of around €3.5 million in 2022, which is more than double the amount invested in 2021.

The main measures were as follows:

€3.5 million

Investment in energy efficiency measures



- Our hotels have an **energy manager** whose main mission is to optimise energy consumption and foster the efficient use and saving of energy by improving business competitiveness and contributing to the regeneration of the natural environment.



- Exhaustive control and monitoring of energy consumption, for which we have a **digital tool that centralises all the meters and provides continuous monitoring and analysis of all consumption** (for example, comparing the same consumption with previous periods, analysing the ratios per stay or making comparisons with similar hotels). In addition, monthly Energy Monitoring Commission meetings are convened at each hotel where we assess compliance with energy saving measures.



- Definition of medium-/long-term targets: in 2022, we set the **target for the entire EMEA hotel portfolio to have an ABC energy rating in five years (2027)**. The energy rating is the index that shows how efficient the building is on a letter scale ranging from A for the highest energy efficiency to G for the least efficient buildings.



- We focused on identifying hotels that are likely to install some form of renewable energy. In total, **58 hotels had some form of renewable energy, 29% more than the previous year.**



100%

of green energy
supplied at our hotels
in Spain



• 100% of green energy supplied at our hotels in Spain, which represents more than 129 million kilowatt hours (29% of the Barceló Hotel Group's total electricity consumption).



• To encourage our customers to join us on the road to regeneration, 62 hotels have electric vehicle charging points.



• Gradual substitution of the use of fossil fuels for more sustainable alternatives (for example, at the Occidental Granada hotel, we replaced the diesel used in the domestic hot water boilers, kitchen installations and the air-conditioning system with natural gas).



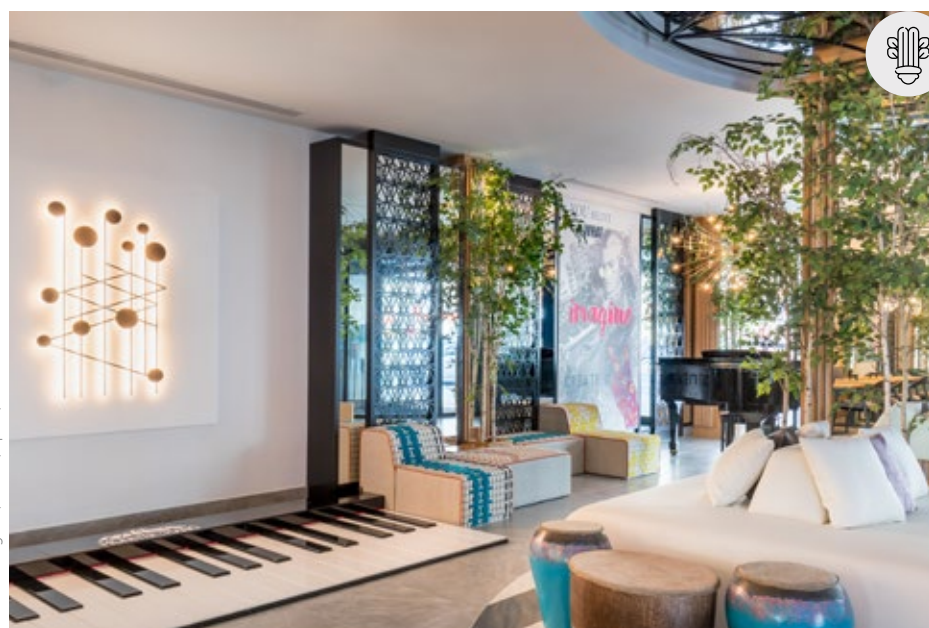
• Implementation of measures for more efficient lighting and energy consumption:

– LED lights at 88% of the hotels in the portfolio.

– Installation of motion sensors and timers at more than half of the hotels.

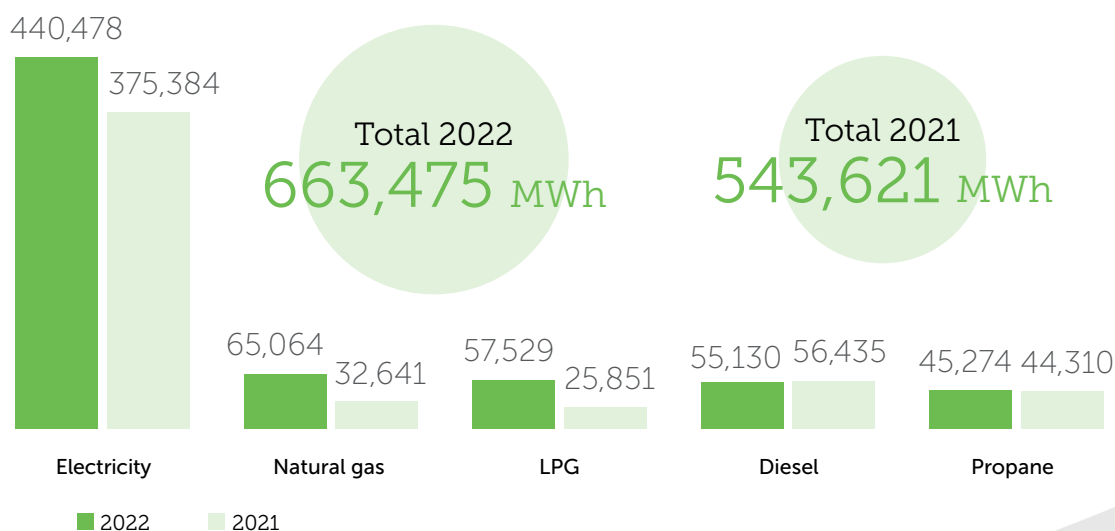
– Installation of more efficient equipment.

– Other more operational initiatives such as adapting the time-tables or allocating the rooms based on occupancy and without forgetting the importance of raising awareness and sensitising our teams, who are the key towards a more conscious and rational consumption.



Barceló Imagine (Madrid - Spain).

Total energy consumption by source (MWh)



Our energy intensity
in 2022 was

33.8

kWh/stay

20% less than
in 2021

6.4.2 Energy optimisation at Ávoris Corporación Empresarial

We use three main energy sources: aviation kerosene, diesel for buses, and electricity at offices and travel agencies.

Aviation kerosene (Jet-A1)

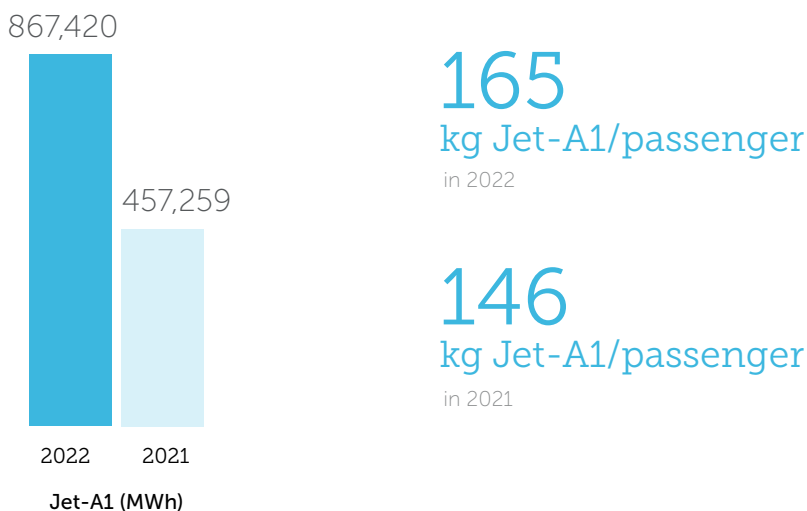
Aviation kerosene (Jet-A1) is consumed by the airline Iberojet. It is estimated that fuel accounts for around 30% of an airline's costs.

In 2022, we launched the Flight Operations Energy Efficiency Programme with the aim of **reducing fuel consumption by more than 500 tonnes and, therefore, greenhouse gas emissions by more than 1,500 tonnes**. Those reductions will be achieved by implementing a number of measures, including applying optimum speed on all our flights and planning dynamic flight routes, using air routes that save time and fuel for Iberojet aircraft by employing PBN (Performance Based Navigation) concepts and CDA (Continuous Descend Approach) trajectories in the flight's final phases.

The consumption of aviation kerosene (Jet-A1) in Iberojet's flight operations depends on the number of flights, the distance and the number of passengers carried.



Comforts inside an Iberojet aircraft.



The ratio of fuel consumption per passenger increased by 13% in 2022 compared to 2021. That increase was due to the agreement signed in January 2022 between Iberojet and Sociedad Estatal de Correos y Telégrafos (Spanish Post Office) to carry air freight and parcels under the Correos Cargo brand through the Madrid-Dubai-Hong Kong route. They are flights without passengers, which is why consumption per passenger carried also increased during the year.

Diesel consumption for Iberobus buses

Optimising routes and logistics by using the available fleet and carrying out fleet preventive maintenance ensure efficient consumption. On the other hand, using the AdBlue additive considerably reduces the emissions generated by neutralising nitrogen oxides by up to 90%.



Iberobus bus.

914,221



420,188*

2022 2021

Diesel consumption (l)

0.32 litres
of diesel/km travelled
in 2022

0.26 litres
of diesel/km travelled
in 2021

* Consumption from April to December 2021 (Iberobus became part of Ávoris Corporación Empresarial in April).

Electricity at offices and travel agencies

The primary source of energy consumption at the remaining Ávoris business operations is the electricity used in offices and travel agencies. A total of 9,139 MWh were consumed in 2022, an increase of 4.7% compared to the previous year.

9,139 MWh

Total electricity
consumption in 2022



B The Travel Brand Office.

6.5 Water and water resource management

Water is a key resource in tourism and the services provided to tourists depend on this to a large extent. Water resources (beaches, lakes, rivers, etc.) are one of the key natural attractions for tourists but, at the same time, tourist activity consumes water to carry it out. Therefore, it is crucial to monitor our water management where we operate, especially in water-scarce areas.

6.5.1 Water and water resource management at the Barceló Hotel Group

+ €580,000

investment in
upgrading the
facilities in 2022

+ 80%

of hotels were improved
in terms of water
efficiency

At our hotels, water is used for human consumption and for the irrigation of green areas and swimming pools. Over the last few years, we have implemented several water efficiency measures to mitigate any impact and manage this resource more responsibly:



- Exhaustive control and monitoring of water consumption, for which we have a technological tool that centralises all the meters and provides continuous monitoring and analysis of all consumption (for example, comparing the same consumption with previous periods, analysing the ratios per stay, making comparisons with similar hotels, etc.).



- Investment in upgrading the facilities at more than 80% of the hotels (+€580,000 in 2022), for example:

– Installation of channel and pressure reducers

– Installation of presence sensors on taps

– Optimisation of installations, e.g. reinforcement of tank and storage tank insulation.



- On the other hand, we also take into account several aspects in the hotel design and renovation phases:

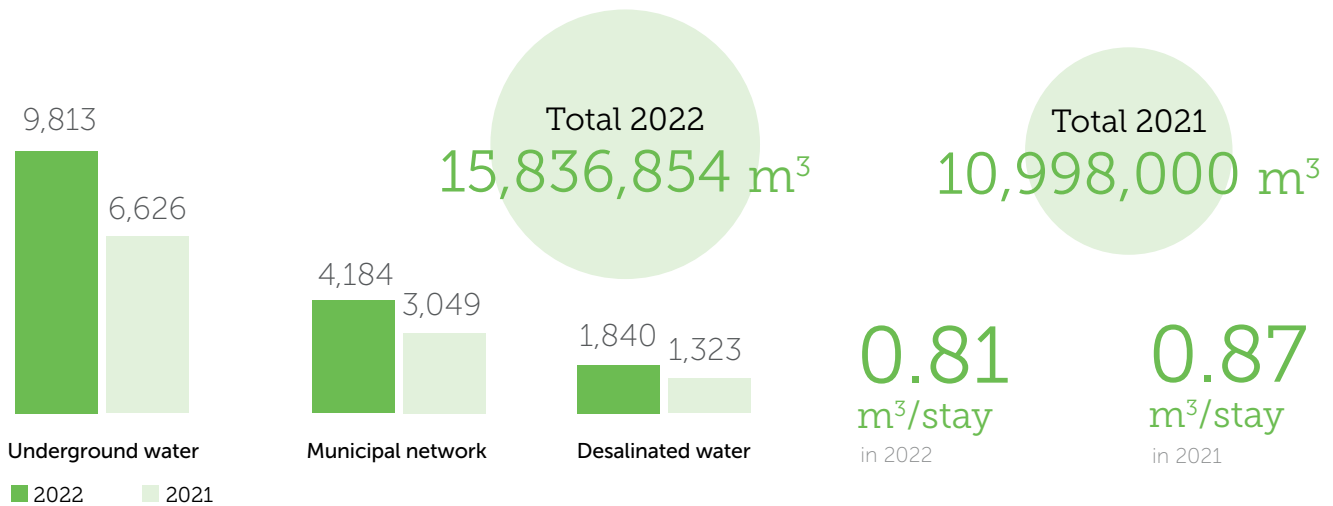
– Inclusion of facilities that reuse rainwater and wastewater (grey water) to irrigate the green areas. In 2022, we estimate that we avoided the consumption of 2.5 million litres of water through these systems at several of our hotels.

– Planting green areas with native plants and with plants that require less water.

2.5
million litres

In 2022, we estimate
that we **avoided the
consumption of 2.5
million litres of water.**

Total water consumption by source (thousands of m³)



7%

reduction in the water consumption intensity compared to the previous year.

Despite the increase in total water consumption, the water consumption intensity decreased by 7% compared to the previous year (0.81 m³/stay), so we believe that the initiatives defined and implemented for the responsible management of water consumption are bearing fruit.



Happy Minds.

6.5.2 Water discharge

The water used at hotels is primarily discharged through the public sewage network, septic tanks or the sea (after being treated). In the case of city hotels, the amount consumed is similar to the amount discharged. On the other hand, the difference between the amount consumed and the amount discharged is greater at leisure hotels.

In all cases, the discharge is managed and treated in accordance with the regulations in force in each region.

6.6 Consumption of other resources

Barceló is committed to investing in technological developments and integrations that enable us to gradually reduce our paper dependency.

We continue to search for alternatives to replace the main products we use in our hotels with more sustainable options.

Paperless project

This initiative is a clear example of one of the chief prongs of our sustainability strategy: Caring for the Planet - Caring for People. As part of the company's strategic digital transformation initiative, **Barceló is committed to investing in technological developments and integrations that enable us to gradually reduce our paper dependency, while making our teams' operational processes more efficient and making life easier for our customers, personalising their experience and adapting to their needs in an increasingly digital environment.**

Numerous initiatives have been carried out in recent years to promote more rational use of paper. They include the following:

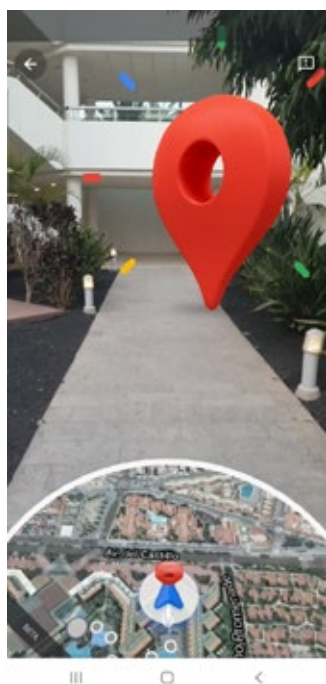
- Our Barceló App, thanks to which, for example, we have reduced the number of stationery items in our rooms from 28 to 3. In 2022, we also launched the digital map through the app, which makes it easier for our customers to find their way around, especially at the large resorts.
- The digitisation of the check-in process, known internally as the Paperless Check-In project, which is scheduled to be implemented in the second half of 2023, will avoid the consumption of more than 3,200,000 units of cardboard since we will replace the customer welcome document on paper with a digital document.

3,200,000

fewer cardboard units thanks to the **Paperless Check-In project**

214,600 kg

of paper consumed in 2022



Digital map.



In addition to the obvious reduction in paper consumption, once the process is implemented at our hotels it will improve operational efficiency at the front desk, thus enhancing the customer experience and the quality of the data collected from the customer.

- The digitisation of the supplier invoicing process will improve operational efficiency by automating processes and saving considerable amounts of paper. Once this initiative is implemented at all the hotels, we estimate that we will avoid the use of more than 170,000 sheets of paper.

In 2022, we consumed a total of 214,600 kg of paper.



75%

reduction in CO₂ emissions
by using recycled cotton
and polyester to produce
our garments.

New uniforms with more sustainable fabrics

The garments are made from recycled cotton and polyester. Recycled PET plastic fibres are used to manufacture the garments, thus reducing our uniforms' environmental footprint (75% reduction of CO₂ emissions and contribution to the circular economy), and making them an iconic and key element in our brand image.

In addition, the fabric is certified with the Global Recycled Standard, which guarantees that it is made from plastic bottles and recycled cotton from cutting waste or leftover material. It also guarantees the absence of certain toxic additives and good wastewater management. On the social side, it ensures compliance with decent working conditions for workers in textile factories.



Uniformes Occidental.

67%

of the cleaning
products used are
environmentally
friendly.

Environmentally-friendly cleaning products

We currently use approximately 35% of products with some form of certification that the product is sustainable (e.g. Ecolabel). Around 67% of the cleaning products used are environmentally friendly (FSC-certified cardboard, reduction in the volume of plastic used, etc.).



Royal Hideaway Corales Beach.
La Trattoria de Il Bocconcino
(Tenerife, Spain).

We foster animal welfare

We give priority to the use of cage-free eggs to promote animal well-being. We currently use 10% of the eggs and 13% of the liquid egg from cage-free hens in our hotels and we undertake to increase this percentage progressively.

6.7 Circular economy and management of waste

+240,000 kg
of compost generated

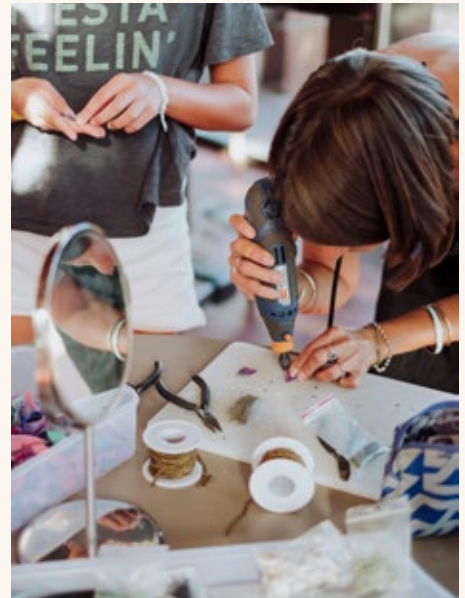
+720,000 kg
of organic waste
avoided

To achieve the transition to a regenerative growth hotel model, it is crucial to have a circular value chain, where we use waste as a resource.

A clear example of this commitment is to reuse organic waste to generate compost for fertilising the hotels' gardens and green areas. In 2022, we generated more than 240,000 kg of compost and estimate to have avoided (according to the efficiency ratios published by Ecoembes) more than 720,000 kg of organic waste.

Barceló Tenerife

Together with the Rethink Your Garbage platform, our Barceló Tenerife hotel launched this year an **exclusive collection of sustainable jewellery made from used plastic**. In addition, workshops are held at the hotel with the guests, who make their own jewellery from plastics collected in areas near the hotel site. This is a fun and playful way of involving our customers so that they actively participate in a more regenerative tourism, while raising awareness of the importance of caring for the environment.



Sustainable jewellery initiative. Barceló Tenerife project together with Rethink Your Garbage.



Above: sweatshirt made from recycled plastic. Barceló Nura project with Tula + Tye.

Below: Avarca sandal from Barceló Nura by RIA MENORCA.



Barceló Nura in Minorca

At the Barceló Nura hotel in Minorca we launched two initiatives that aim to raise awareness among our customers about the importance of circularity:

- Collaboration with the British brand Tula + Tye, which created a limited collection of sweatshirts made from the recycled plastic of plastic bottles. Using Recover TM yarn, which transforms textile waste into sustainable recycled fibres, this *capsule* collection for Barceló Nura was designed with a fabric created from 50% high quality recycled cotton and 50% recycled polyester from plastic bottles. In addition, Barceló Nura by Tula + Tye was manufactured in small quantities to minimise and prevent the generation of excessive waste from its production.
- To keep the island's cultural and natural heritage alive, **Barceló Nura joined forces with RIA MENORCA to defend its craftsmanship, history and walk together to preserve nature and the ocean biodiversity.** Barceló Nura by RIA MENORCA is an Avarca sandal made from 100% recycled materials. In addition to being ecological and sustainable, it is lightweight, comfortable, washable and completely waterproof. SEAQUAL fabric, made from high quality polyester yarn made from recycled materials such as bottles and plastics collected from the sea, was used for the vamps, straps and insoles. The Seaqual Initiative, an international community dedicated to cleaning up the oceans and giving new life to all types of marine plastics, was involved in this process. The semi-transparent sole is made from recycled PET material.

To mitigate the impacts of waste generation, we made progress with the following initiatives:



- **Separation of waste by type at source**, which allows and facilitates waste recycling and its subsequent recovery.



- One of the main challenges we face in relation to waste management is that, at a large number of hotels, the collection and subsequent recovery of waste is carried out by the local public administration without the hotel having data on the amount of waste generated. That is why we have worked on **digitising the measurement of waste generated by type**, and expect the system to be rolled out at all the hotels during 2023. This measure will enable us to better monitor the amount of waste generated by type and, above all, assess the impact of the minimisation actions implemented on the total volume.



- Identification of **opportunities for reusing municipal solid waste.**



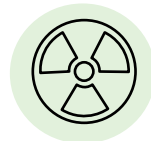
Main waste generated at our hotels



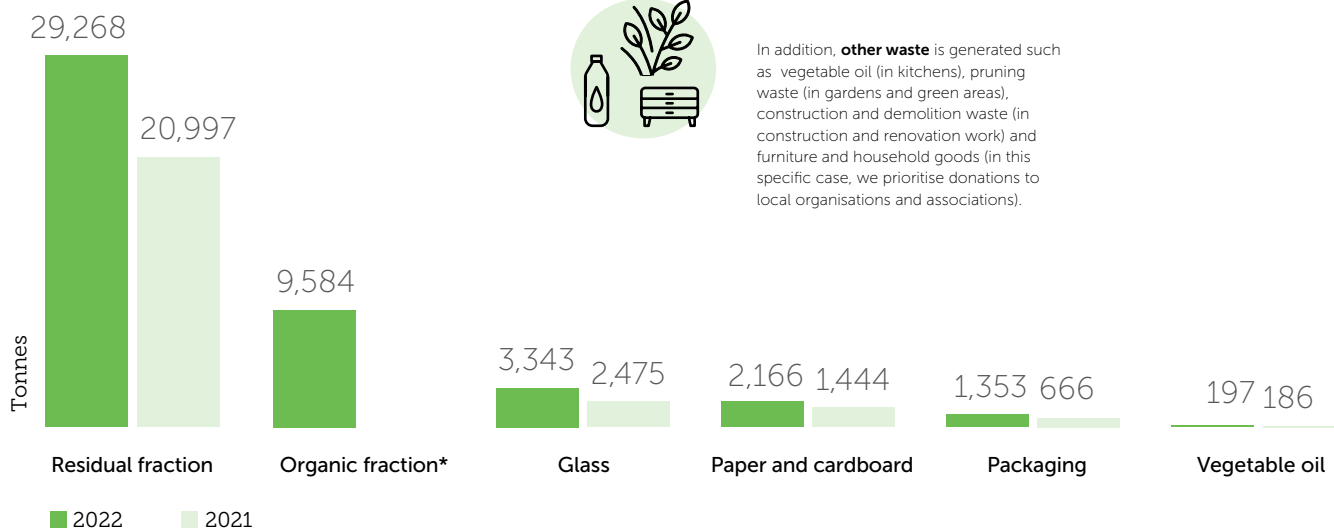
Urban waste includes paper and cardboard, glass, containers, organic waste and mixed rubbish. This waste is mainly generated in the catering areas.



Regarding **hazardous waste**, although the amount generated is not significant with respect to the waste generated, it is separated and managed in accordance with each region's legal requirements



In addition, **other waste** is generated such as vegetable oil (in kitchens), pruning waste (in gardens and green areas), construction and demolition waste (in construction and renovation work) and furniture and household goods (in this specific case, we prioritise donations to local organisations and associations).



* The first year for which we have separate data for organic fraction separated from the total residual fraction is 2022.

In 2022, the waste generation intensity per stay was 2.33, slightly higher than the previous year's ratio. In 2023, we will focus our efforts on digitising the entire waste collection and management process.

Barceló has been working on an ongoing plan for many years to eliminate single-use plastics at our hotels, taking into account:

- **What plastics we can stop using.** For example, we have eliminated the plastic used to package slippers and straws (which have also been replaced with plastic-free straws) and significantly minimised their use by now making them available upon request. In addition, remaining personal care items (brushes, combs, etc.), have been replaced by environmentally-friendly packs, with packaging made from recycled cardboard, and organic soya inks, with embellishments made from wheat straw. Furthermore, these products are also provided at the request of the customer, making for more responsible consumption.



Barceló Tenerife Royal Level (Spain).

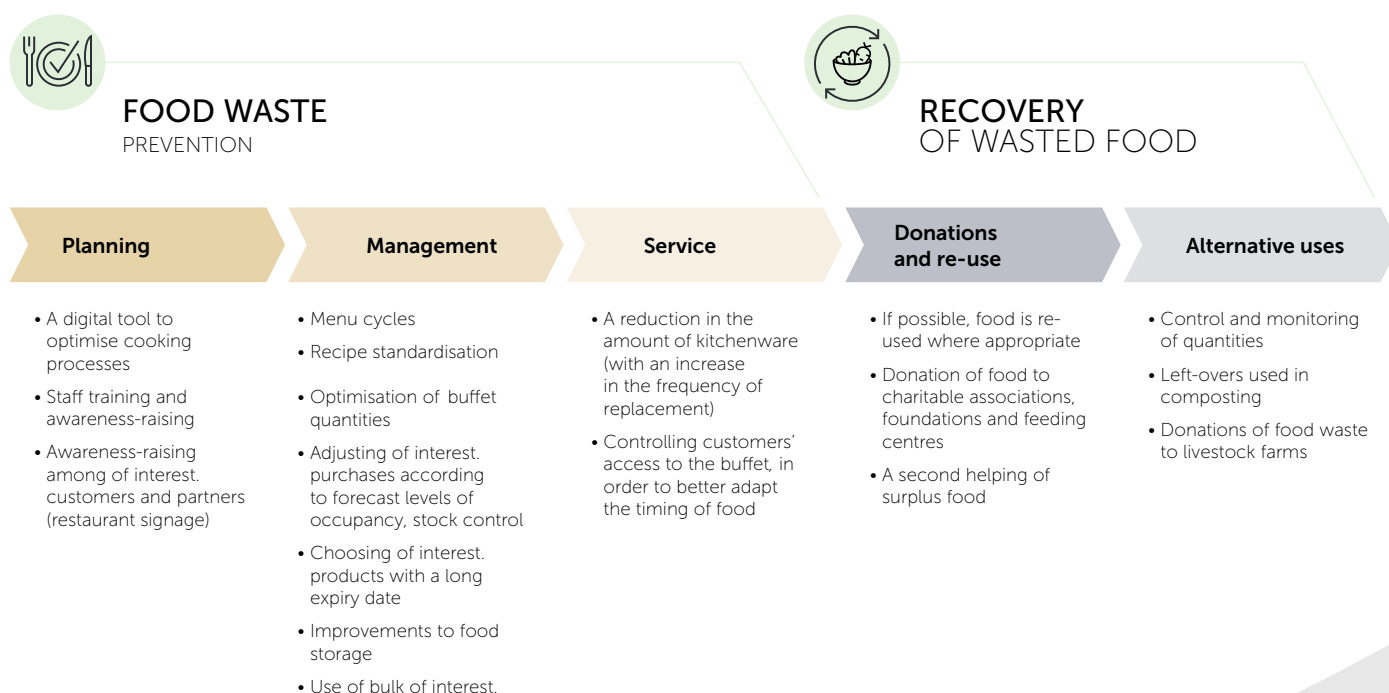
- Regarding the plastics that we have not been able to eliminate, we seek and implement more sustainable alternatives. One of the biggest milestones in the plastic substitution plan is the implementation of new *toiletries* at our hotels: we have eliminated all individual bottles for shampoo, shower gel, etc., and replaced them with 300-ml *ecopump* dispensers that contain around 10 times more product and the bottles are made of recycled plastic. With this new standard, it is estimated that hotels in EMEA will stop consuming more than 3.7 million individual bottles, which means 24,000 kg of plastic per year, thus avoiding the emission of more than 43,000 kg of CO₂ into the atmosphere. This measure will not only reduce the amount of plastic waste, but will also reduce the pollution generated in the manufacturing of the plastic and emissions of greenhouse gases.
- In parallel, we work with suppliers to minimise plastics in packaging and foster a recovery culture among our customers.

Prevention of food waste

According to the latest report published by the United Nations Environment Programme (UNEP) in 2021, an estimated 931 million tonnes of food is wasted, or 17% of total food production. Customer-oriented businesses such as restaurants, supermarkets and hotels account for 26% of this waste.

In line with the new requirements of the Spanish Law on Food Loss and Waste Prevention, Barceló has made progress in recent years by implementing initiatives to prevent food loss and waste by identifying the areas in our operational processes where the loss occurs.

The initiatives we have implemented are summarised in the following diagram:



13 tonnes of CO₂ avoided by preventing food waste.

As part of the food waste prevention actions shown in the previous diagram, we highlight the launch and implementation at our hotels of a new digital tool to optimise the kitchen processes, which enables us to considerably reduce waste by standardising recipes (digitising the cost structures and products) and improve the schedules for the services and tasks according to customer needs and volumes. In 2023, our challenge will be to evolve this tool so that it also allows us to measure the actual waste generated.

We will also continue to foster our alliance with Too Good To Go, focusing on providing value to the surplus by helping the hotel to reduce its CO₂ footprint and collaborating with the local area by offering healthy food. In 2022, we avoided the generation of 5,288 kg of waste (twice as much as in 2021), which is equivalent to 13,200 kg of CO₂ not emitted into the atmosphere.



6.8 Management of biodiversity

The United Nations Biodiversity Conference (COP15), held in December 2022, reached a global agreement on nature: the Global Biodiversity Framework. It sets out an ambitious action plan to transform society's relationship with biodiversity with the aim of halting and reversing biodiversity loss to 30% of the planet and 30% of degraded ecosystems by 2030 and ensuring that society can 'live in harmony with nature' by 2050. That framework includes **23 concrete targets to be achieved by 2030**, including that companies 'assess and disclose biodiversity risks and impacts, from local to global, and progressively reduce negative impacts'.

This major milestone is in line with our firm commitment to move towards regenerative tourism, considering the importance of preserving and recovering biodiversity in the destinations where we are present and bearing in mind that in many places tourism appeal is not understood without an appreciation and respect for nature and ecosystems.



In this line, we start from the premise that all the initiatives included above (for example, the design and refurbishment of hotels with sustainability criteria, the implementation of energy efficiency measures and the minimisation of water consumption) contribute directly or indirectly to the care of the environment and of people. In addition, we carry out actions specifically focused on protecting the environment and nature:

Enhancing the natural environment

This is a fundamental aspect of the customer experience at our hotels. Our aim is to raise awareness about the importance of nature and ecosystems and how they should be respected and cared.



Top 10

Recently, the Barceló Tenerife hotel received the ReThink Hotel award as one of the 10 best sustainability and hotel refurbishment projects in Spain in 2022



Barceló Tenerife

Barceló Tenerife is located in the San Blas Environmental Reserve, an area of great ecological value in the south of Tenerife. The reserve **maintains the main endemic species, in terms of both flora and fauna, and brings together a host of geological, historical and archaeological values.** The best way to get to know the value of a natural space is to enjoy it in an entertaining but environmentally-friendly way. As a result, a specific plan for restoring and highlighting the importance of the San Blas Environmental Reserve has been designed to include everything from improving paths and accessibility, to installing a drip irrigation system, rebuilding the dam area and creating a nature classroom. Focusing on sport and personal care, a crossfit circuit, an adventure area, a bike park, a kablovey field and a paintball field will be installed, among other activities.

Flora and fauna protection

- We foster the planting of autochthonous plant varieties which, in addition to protecting the local ecosystem, are less water-demanding species.
- Regarding fauna, at hotels located in sea turtle nesting spots, the nests are monitored and looked after, and the turtles are released, always respecting the nesting period and adjusting hotel operations during this time.





Group of employee volunteers from Dukes The Palm, a Royal Hideaway Hotel.

Turtle conservation and preservation programmes

At our Occidental and Allegro Cozumel hotels, we have conservation and preservation programmes for the turtle species that nest in our beach area. This programme consists of:

- Creating and training the Tortuguero committee.
- Providing conceptual and hands-on training at the Tortuguero camp on Cozumel Island.
- Participation in the massive beach clean-up prior to the start of the nesting season (May to September).
- Ensuring nests are flagged as the various species arrive.
- Keeping track of the nests located on the property's beach.
- Monitoring the hatch dates and tracking the turtle releases on the hotel's beach.
- Raising awareness and informing partners and guests of the activities that are carried out.



- We care for, clean and recover the surrounding area.

Volunteering linked to biodiversity

Our team members at Dukes The Palm, a Royal Hideaway Hotel, participated in the Clean UAE campaign organised by the Emirates Environmental Group, helping to clean up desert areas and spread the message of conservation and protection of nature and biodiversity.



- To minimise the risk to ecosystems and biodiversity from the effect that lighting may have on them, the beams of light are directed downwards where possible in outdoor lighting. We have also installed the necessary power to illuminate the desired area and at the essential times to ensure the safety of both employees and customers.



- We train and raise awareness among our teams and customers.

Establishments located near or in a protected habitat



10

inside a natural
habitat of great
importance

14

near a natural
habitat of great
importance

24

of our hotels, 19% of the
global portfolio, are located
near or inside protected
natural areas*.

— 1 — Inside a natural habitat of great importance

— 1 — Near a natural habitat of great importance

* To analyse the hotels in our portfolio that are near or inside protected natural areas, we used the information from Protected Planet: <https://www.protectedplanet.net/en>.



ANNEXES

Annex I: About this report

Annex II: Identification of important sustainability issues

Annex III: External verification report

Annex IV: Data for 2020, 2021 and 2022

Annex V: Legal requirements under Law 11/2018 and
Global Reporting Initiative (GRI) Indicators

Annex I: About this report

As in previous years, we undertake to publish information and data showing our environmental, social and people-related performance and developments, our ethical business management, and the key challenges and opportunities we face in this new post-pandemic context. This report provides accurate, detailed, clear, understandable and reliable information on the main issues (for the Company and its stakeholders) managed by the Barceló Group in 2022 since it is a key communication channel with all our stakeholders.

Criteria used to prepare this report

This Non-Financial Information Statement (NFIS) forms part of the 2022 Consolidated Management Report of Barceló Corporación Empresarial, S.A. and fulfils the requirements of Law 11/2018 of 28 December 2018, amending the Code of Commerce, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 20 July, and Law 22/2015 of 20 July on Account Auditing of non-financial information and diversity.

The requirements set forth by Law 11/2018 and the selected Global Reporting Initiative (GRI) standards were applied for this report. A correlation between the two is provided in Annex V of the NFIS. Additionally, European Commission Guidelines on Non-Financial Reporting (2017/C 215/01) derived from Directive 2014/95/EU were also taken into consideration.

In accordance with GRI standards, the contents of this NFIS comply with the principles of comparability, materiality, relevance and reliability, and the information included is accurate, comparable and verifiable. This is the fourth NFIS to be drawn up and published by the Barceló Group. The results for 2021 and 2020 are included in Annex IV of the report.

This report and the previous versions are available at the Group's website www.barcelogruppo.com/en/.

Scope and coverage of the information

A global business approach was used for the scope/perimeter of this report, consolidating all the data of the Group's two business divisions: The Barceló Hotel Group, including hotels owned, leased or managed, and all the business areas of Ávoris Corporación Empresarial.

For the environmental indicators, the data for the hotels in Tunisia are excluded from this report since they are only partially controlled. There may be additional specific exclusions in certain indicators or information that will be specified accordingly throughout the report.

The financial data is consolidated as per the principles of consolidation defined in the Barceló Group's 2022 Consolidated Accounts.

Verification

To ensure the transparency and accuracy of the information, the NFIS is verified by an independent third party. The non-financial information for 2022 has been verified by the firm Ernst & Young.

Annex II: Identification of important sustainability issues

We maintain the analysis of the main issues for the Group, its businesses and the stakeholders carried out in previous years.

The importance of the various issues was assessed on the basis of a double analysis — both external and internal. Externally, the 17 Sustainable Development Goals defined at the United Nations Conference on Sustainable Development and the Global Reporting Initiative (GRI) standards are the essential benchmarks used to determine and prioritise key actions. The internal analysis and the estimate of the impact of these actions within the Group is based in contributions from the different departments involved, identifying common priorities for customers, the business, the owners, the environment, suppliers and partners, competitors and the local communities where we operate and, of course, for our employees, our Company's most fundamental asset and its driving force. As the result of this analysis, the following important issues have been identified:

- Employee-related matters: team training, diversity and inclusion, employee commitment, talent recruitment, and occupational health and safety.
- Environmental aspects: the fight against climate change, resource consumption, waste generation and management, and biodiversity.
- Ethical and social issues: the development of local communities, compliance, business ethics and transparency, corporate governance and the upholding of human rights.
- Business-related matters: economic performance, customer satisfaction, service quality, cybersecurity and data protection.

In 2023, the first year that we can now consider as the recovery year after the pandemic, we will work on updating the material issues to the Company's new situation using the double materiality process, i.e. combining the impacts generated by the Barceló Group on the environment and its size, with the perception and sensitivity of the stakeholders affected by the impact.

Annex III: External verification report



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Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the Shareholders of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Statement of Non-Financial Information (hereinafter NFIS) for the year ended December 31, 2022, of BARCELÓ CORPORACIÓN EMPRESARIAL, SA. and Subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the "Annex V: Legal requirements under Law 11/2018 and Global Reporting Initiative (GRI) Indicators", included in the accompanying NFIS.

Directors' Responsibility

The Directors of BARCELÓ CORPORACIÓN EMPRESARIAL, SA. are responsible for the approval and content of the NFIS included in the Consolidated Management Report of the Group. The NFIS has been prepared in accordance with the content established in prevailing mercantile regulations and following Sustainability Reporting Standards selected criteria of the Global Reporting Initiative (GRI standards), as well as other criteria described in accordance with that indicated for each subject in the "Annex V: Legal requirements under Law 11/2018 and Global Reporting Initiative (GRI) Indicators", included in the accompanying NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

The Directors of BARCELÓ CORPORACIÓN EMPRESARIAL, SA. are further responsible for defining, implementing, adapting, and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) issued by the International Ethics Standards Board for Accountants (IESBA), which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our Firm applies current international quality standards and, consequently maintains a quality system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.



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The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less extent in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFIS, reviewing the process for gathering and validating the information included in the NFIS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the 2022 NFIS based on the materiality analysis made by the Group and described in the "Annex II: Identification of important sustainability issues" of the NFIS, considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2022 NFIS.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022 NFIS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2022 NFIS and its correct compilation from the data sources.
- ▶ Obtaining a representation letter from the Directors and Management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the 2022 NFIS of the Group for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the "Annex V: Legal requirements under Law 11/2018 and Global Reporting Initiative (GRI) Indicators", included in the NFIS.



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Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Capella Elizalde

April 3, 2023

Annex IV: data for 2020, 2021 and 2022

1.2.1. Barceló Hotel Group

Hotel Portfolio	2020	2021	2022
Number of hotels	265	271	277
Number of rooms	60,222	62,069	61,996
Management	44%	55%	56%
Lease	26%	15%	15%
Franchise	1%	1%	1%
Owned	29%	29%	29%

Note: % on the basis of number of rooms

1.4.1 Culture of compliance

Reports of corruption	2020	2021	2022
Reports	0	0	0

1.4.2 Barceló's values and culture

Reports of breaches of human rights	2020	2021	2022
Reports	0	0	0

2.4.2 Fiscal information

Income after tax (and before minority interests) by country (Thousands of euros)			
	2020	2021	2022
Spain	-10,089	-78,076	5,528
Mexico	-19,564	24,689	87,818
Dominican Rep.	-21,256	1,994	23,195
Aruba	-4,060	1,389	7,904
USA	-1,637	2,242	3,267
Costa Rica	-2,545	2,218	1,436
Czech Rep.	-2,750	287	2,254
Guatemala	-5,596	-451	1,532
Egypt	-346	130	2,143
Portugal	-16,437	-28,038	-29,701
Italy	-9,002	-6,244	1,716
Others	-5,368	-5,965	6,571
Total	-98,651	-89,763	113,664

Income tax paid (Millions of euros)	2020	2021	2022
Total	3.5	11.0	43.8

Subsidies (Thousands of euros)	2020	2021	2022
Total	110	1,200	930

3.2.1 Donations and collaborations with associations

Contribution to foundations and institutions (euros)	2020	2021	2022
Total	383,000	168,000	297,356

3.2.2 Volunteering

Hotels that have undertaken corporate volunteering	2020	2021	2022
Total	-	-	27

3.2.3 Sponsorships

Investment in sports sponsorship (Millions of euros)	2020	2021	2022
Total	896,000	3.60	3.7

3.5.2 Responsible purchasing at Ávoris Corporación Empresarial



Approved suppliers	2020	2021	2022
Total	158	265	238

3.6 Support job placement

Average employees with a disability	2020	2021	2022
Total	154	173	218

Recruitment from special employment centres (Millions of euros)	2020	2021	2022
Total	4	7.9	14.8



Santa Catalina, a Royal Hideaway Hotel (Las Palmas, Spain).

4.1 Our team and its breakdown

Workforce breakdown by country and group	WORKFORCE AVERAGE TOTAL			MANAGEMENT TEAM								
	2020	2021	2022	Workforce average			MEN			WOMEN		
				2020	2021	2022	2020	2021	2022	2020	2021	2022
Germany	50	43	36	9	6	5	78%	64%	80%	22%	36%	20%
Aruba	195	189	193	10	9	9	70%	54%	33%	30%	46%	67%
Bulgaria	48	53		8	8	1	36%	62%	0%	64%	38%	100%
Colombia	-	-	1	-	-	0	-	-	0%	-	-	0%
Costa Rica	613	819	875	14	14	15	64%	59%	64%	36%	41%	36%
Cuba	-	-	-	-	-	0	-	-	0%	-	-	0%
Egypt	266	315	349	17	13	11	94%	92%	95%	6%	8%	5%
El Salvador	248	166	220	6	6	5	50%	67%	78%	50%	33%	22%
UAE	481	483	526	42	45	22	75%	84%	86%	25%	16%	14%
Spain	6,233	8,648	11,490	169	212	267	71%	68%	68%	29%	32%	32%
USA	4,278	3,749	3,977	692	507	524	43%	50%	46%	57%	50%	54%
Greece	37	39	49	6	6	3	50%	61%	100%	50%	39%	0%
Guatemala	305	251	334	18	6	46	41%	35%	42%	59%	65%	58%
Hungary	19	21	38	6	4	4	24%	25%	50%	76%	75%	50%
India	-	-	10	-	-	1	-	-	100%	-	-	0%
Italy	52	32	42	2	1	3	100%	100%	50%	0%	0%	50%
Morocco	355	358	472	40	22	27	65%	80%	86%	35%	20%	14%
Mexico	5,604	6,870	8,821	107	126	78	73%	72%	59%	27%	28%	41%
Nicaragua	127	177	207	7	5	5	84%	77%	34%	16%	23%	66%
Oman	-	189	205	-	13	3	-	64%	71%	-	36%	29%
Portugal	65	288	320	4	13	15	50%	62%	67%	50%	38%	33%
United Kingdom	-	-	4	-	-	1	-	-	0%	-	-	100%
Dominican Rep.	88	89	109	5	2	9	60%	37%	77%	40%	63%	23%
Dominican Rep.	4,403	4,702	5,335	62	103	46	58%	48%	40%	42%	52%	60%
Sri Lanka	-	-	-	-	-	0	-	-	0%	-	-	0%
Tunisia	-	-	527	-	-	14	-	-	74%	-	-	26%
Turkey	150	136	243	11	17	12	54%	66%	58%	46%	34%	42%
Total	23,617	27,617	34,458	1,235	1,138	1,126	54%	59%	55%	46%	41%	45%

Workforce breakdown by country and group	WORKFORCE AVERAGE TOTAL						MIDDLE MANAGEMENT					
				Workforce average			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Germany	50	43	36	8	11	6	36%	54%	69%	64%	46%	31%
Aruba	195	189	193	32	25	42	47%	52%	64%	53%	48%	36%
Bulgaria	48	53		4	3	10	68%	99%	47%	32%	1%	53%
Colombia	-	-	1	-	-	0	-	-	0%	-	-	0%
Costa Rica	613	819	875	69	41	62	56%	62%	69%	44%	38%	31%
Cuba	-	-	-	-	-	0	-	-	0%	-	-	0%
Egypt	266	315	349	36	61	59	100%	100%	96%	0%	0%	4%
El Salvador	248	166	220	51	16	31	70%	63%	73%	30%	37%	27%
UAE	481	483	526	72	105	86	79%	80%	85%	21%	20%	15%
Spain	6,233	8,648	11,490	1,428	1,881	2,108	47%	44%	46%	53%	56%	54%
USA	4,278	3,749	3,977	21	277	329	35%	31%	38%	65%	69%	62%
Greece	37	39	49	4	6	9	63%	37%	33%	37%	63%	67%
Guatemala	305	251	334	79	63	31	48%	44%	72%	52%	56%	28%
Hungary	19	21	38	1	3	7	52%	36%	31%	48%	64%	69%
India	-	-	10	-	-	1	-	-	100%	-	-	0%
Italy	52	32	42	19	1	1	64%	100%	100%	36%	0%	0%
Morocco	355	358	472	73	44	79	78%	66%	68%	22%	34%	32%
Mexico	5,604	6,870	8,821	718	715	746	63%	63%	72%	37%	37%	28%
Nicaragua	127	177	207	28	27	26	46%	58%	61%	54%	42%	39%
Oman	-	189	205	-	46	37	-	86%	86%	-	14%	14%
Portugal	65	288	320	9	28	27	32%	46%	45%	68%	54%	55%
United Kingdom	-	-	4	-	-	0	-	-	0%	-	-	0%
Czech Rep.	88	89	109	26	21	25	50%	38%	37%	50%	62%	63%
Dominican Rep.	4,403	4,702	5,335	1,016	813	534	65%	71%	71%	35%	29%	29%
Sri Lanka	-	-	-	-	-	0	-	-	0%	-	-	0%
Tunisia	-	-	527	-	-	62	-	-	74%	-	-	26%
Turkey	150	136	243	15	10	36	78%	92%	82%	22%	8%	18%
Total	23,617	27,617	34,458	3,709	4,197	4,354	58%	55%	57%	42%	45%	43%

Workforce breakdown by country and group	WORKFORCE AVERAGE TOTAL						CORE STAFF					
	2020	2021	2022	Workforce average			MEN			WOMEN		
				2020	2021	2022	2020	2021	2022	2020	2021	2022
Germany	50	43	36	33	26	25	60%	66%	79%	40%	34%	21%
Aruba	195	189	193	153	155	142	49%	48%	44%	51%	52%	56%
Bulgaria	48	53	75	36	42	64	58%	53%	51%	42%	47%	49%
Colombia	-	-	1			1			100%			0%
Costa Rica	613	819	875	529	764	798	58%	58%	54%	42%	42%	46%
Cuba	-	-	-	-		0	-		0%	-		0%
Egypt	266	315	349	213	241	279	96%	96%	94%	4%	4%	6%
El Salvador	248	166	220	191	144	184	61%	62%	49%	39%	38%	51%
UAE	481	483	526	368	333	418	87%	82%	83%	13%	18%	17%
Spain	6,233	8,648	11,490	4,636	6,555	9,115	37%	37%	36%	63%	63%	64%
USA	4,278	3,749	3,977	3,565	2,965	3,124	34%	34%	34%	66%	66%	66%
Greece	37	39	49	27	27	37	47%	42%	47%	53%	58%	53%
Guatemala	305	251	334	208	182	257	59%	56%	49%	41%	44%	51%
Hungary	19	21	38	12	14	27	74%	49%	47%	26%	51%	53%
India	-	-	10			8			87%			13%
Italy	52	32	42	31	30	38	42%	36%	37%	58%	64%	63%
Morocco	355	358	472	242	292	366	68%	69%	65%	32%	31%	35%
Mexico	5,604	6,870	8,821	4,779	6,029	7,997	62%	59%	57%	38%	41%	43%
Nicaragua	127	177	207	92	145	176	59%	55%	56%	41%	45%	44%
Oman		189	205		130	165		88%	89%		12%	11%
Portugal	65	288	320	52	247	278	50%	33%	30%	50%	67%	70%
United Kingdom	-	-	4			3			64%			36%
Czech Rep.	88	89	109	57	66	75	53%	54%	46%	47%	46%	54%
Dominican Rep.	4,403	4,702	5,335	3,325	3,786	4,755	57%	56%	53%	43%	44%	47%
Sri Lanka						0			0%			0%
Tunisia	-	-	527			451			74%			26%
Turkey	150	136	243	124	109	195	75%	69%	68%	25%	31%	32%
Total	23,617	27,617	34,458	18,673	22,282	28,978	50%	49%	48%	50%	51%	52%

Note: Spain includes the Viajes [Travel] business unit.

4.1.3 Workforce breakdown by age

Average age of the workforce by gender (years)	AVERAGE AGE			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	41	40	38.51	41	40	38	41	39	39

Workforce breakdown by age	AVERAGE WORKFORCE			UNDER 30			BETWEEN 30 AND 50			OVER 50		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	23,617	27,617	34,458	25.8%	27.9%	26.8%	57.1%	54.6%	55.6%	17.1%	17.5%	17.6%

4.1.4 Workforce breakdown by professional category

	AVERAGE WORKFORCE			MANAGEMENT TEAM			MIDDLE MANAGEMENT			CORE STAFF		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	23,617	27,617	34,458	5.2%	4.1%	3.3%	15.7%	15.2%	12.6%	79.1%	80.7%	84.1%

4.1.5 Workforce breakdown by contract type

	% OF THE TOTAL			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total permanent contracts	83%	78%	80%	84%	78%	79%	83%	79%	82%
Total temporary contracts	17%	22%	20%	16%	22%	22%	17%	21%	18%
Total	19,339	23,868	30,481	10,645	12,624	15,639	8,694	11,244	14,842

	MANAGEMENT TEAM			MIDDLE MANAGEMENT			CORE STAFF		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total permanent contracts	96%	94%	96%	93%	93%	92%	80%	75%	78%
Total temporary contracts	4%	6%	4%	7%	7%	8%	20%	25%	22%
Total	542	631	602	3,689	3,920	4,026	15,108	19,317	25,853

	UNDER 30			BETWEEN 30 AND 50			OVER 50		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total permanent contracts	72%	60%	62%	86%	83%	85%	94%	91%	94%
Total temporary contracts	28%	40%	38%	14%	17%	15%	6%	9%	6%
Total	5,244	6,158	8,349	11,445	14,150	17,351	2,650	3,560	4,781

4.1.6 Breakdown of the part-time workforce

	% OF THE TOTAL			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Ávoris	10.9%	7.5%	6.3%	2.5%	8.9%	5.0%	14.6%	7.0%	6.9%
Crestline	8.1%	7.3%	8.6%	8.8%	7.9%	9.5%	7.8%	6.9%	8.1%
EMEA Spain	5.8%	6.0%	6.2%	1.9%	2.2%	1.8%	9.8%	9.7%	10.0%
EMEA International	1.7%	1.9%	0.9%	1.2%	1.2%	0.4%	3.3%	4.0%	2.1%
LATAM	0.0%	0.4%	0.5%	0.0%	0.4%	0.4%	0.0%	0.3%	0.7%
Total	3.8%	3.5%	3.5%	1.7%	2.2%	1.8%	6.1%	4.7%	5.0%

	MANAGEMENT TEAM			MIDDLE MANAGEMENT			CORE STAFF		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Ávoris	0.0%	0.7%	0.5%	8.1%	1.4%	1.1%	12.0%	9.8%	7.9%
Crestline	0.1%	0.1%	0.2%	0.0%	0.6%	0.5%	9.7%	9.1%	10.8%
EMEA Spain	1.2%	0.8%	0.8%	2.7%	1.8%	2.1%	7.0%	7.2%	7.1%
EMEA International	3.1%	0.0%	0.2%	4.3%	0.0%	0.1%	0.9%	2.6%	1.1%
LATAM	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.4%	0.6%
Total	0.6%	0.2%	0.3%	2.6%	0.8%	0.8%	4.3%	4.1%	4.0%

	UNDER 30			BETWEEN 30 AND 50			OVER 50		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Ávoris	2.8%	14.9%	16.8%	13.9%	6.9%	6.2%	4.7%	7.5%	4.3%
Crestline	12.2%	10.3%	13.8%	7.1%	6.8%	7.2%	7.2%	6.2%	7.0%
EMEA Spain	3.6%	5.9%	4.4%	6.3%	6.6%	7.1%	5.7%	4.5%	4.9%
EMEA International	1.3%	5.2%	2.0%	1.8%	0.6%	0.4%	1.8%	1.6%	1.0%
LATAM	0.0%	0.6%	0.9%	0.0%	0.3%	0.3%	0.0%	0.4%	0.0%
Total	2.1%	2.8%	3.1%	4.4%	3.4%	3.5%	4.4%	4.5%	3.9%

4.1.7 Remuneration

MANAGEMENT TEAM

Average salary by professional category, age range and gender	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
<30 years	€35,114	€41,154	€37,103	€35,796	€40,292	€34,707
Between 30 and 50	€50,984	€53,504	€66,718	€49,950	€53,719	€61,049
>50 years	€75,800	€74,122	€101,358	€61,407	€69,725	€75,310
Total	€56,821	€59,031	€74,764	€50,326	€55,291	€60,319

MIDDLE MANAGEMENT

Average salary by professional category, age range and gender	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
<30 years	€7,260	€9,989	€15,232	€8,725	€13,975	€22,120
Between 30 and 50	€17,280	€19,584	€24,129	€19,169	€24,758	€26,087
>50 years	€26,774	€32,511	€32,597	€27,400	€36,427	€31,687
Total	€17,353	€20,167	€24,860	€18,252	€25,139	€26,786

CORE STAFF

Average salary by professional category, age range and gender	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
<30 years	€7,759	€7,975	€9,364	€11,198	€12,097	€11,762
Between 30 and 50	€12,168	€13,284	€13,668	€17,146	€17,857	€16,047
>50 years	€20,264	€25,838	€21,388	€22,470	€25,857	€21,467
Total	€11,219	€11,976	€12,585	€15,825	€16,441	€15,140

Average salary by gender	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	13,944	14,440	15,388	17,345	18,171	16,790

Average salary by professional category	MANAGEMENT TEAM			MIDDLE MANAGEMENT			CORE STAFF		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	53,775	57,338	68,208	17,731	22,594	25,687	13,552	14,382	13,956

Average salary by age range	<30 YEARS			BETWEEN 30- 50 YEAR			> 50 YEARS		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	9,611	10,357	11,984	16,937	18,076	18,268	26,070	30,434	28,251

4.1.7.1 Average employee remuneration

Composition of board of directors and senior management	2020	2021	2022
Composition	7	8	8

Average remuneration of board of directors and senior management (in euros)	2020	2021	2022
Average remuneration	223,000	239,000	508,000

4.1.8 Wage gap

	2020	2021	2022
Total	24%	26%	9%

4.4 Grow and develop

Breakdown of the number of training hours per group	NUMBER OF HOURS			WORKFORCE AVERAGE		
	2020	2021	2022	2020	2021	2022
Total	231,076	283,495	415,235	4,622	2,835	12,436

Breakdown of the number of training hours per group	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	39,283	45,359	55,188	187,172	235,301	347,610

Breakdown of the number of training hours by gender	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	49%	50%	53%	51%	50%	47%

4.5 Diversity and inclusion

a. Equal opportunities between men and women	TOTAL								
	WORKFORCE AVERAGE TOTAL			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	23,617	27,617	34,458	51%	51%	50%	49%	49%	50%

Breakdown of the workforce by age group and gender	UNDER 30					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	54%	54%	52%	46%	46%	48%

Breakdown of the workforce by age group and gender	BETWEEN 30 AND 50					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	51%	49%	49%	49%	51%	51%

Breakdown of the workforce by age group and gender	OVER 50					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	50%	50%	49%	50%	50%	51%

4.6 Work environment

4.6.1 Social dialogue and unions

Workforce covered by collective agreement	2020	2021	2022
Germany	62%	77%	86%
Aruba	100%	100%	100%
Bulgaria	0%	0%	0%
Colombia	-	-	0%
Costa Rica	0%	0%	0%
Cuba		0%	0%
Egypt	0%	0%	0%
El Salvador	0%	0%	0%
UAE	0%	0%	0%
Spain	95%	95%	95%
USA	8%	8%	3%
Greece	100%	100%	100%
Guatemala	100%	100%	100%
Hungary	0%	0%	0%
India	-	-	0%
Italy	0%	100%	100%
Morocco	0%	0%	0%
Mexico	58%	63%	51%
Nicaragua	0%	0%	0%
Oman		0%	0%
Portugal	100%	74%	78%
United Kingdom	-	-	0%
Czech Rep.	1%	0%	0%
Dominican Rep.	0%	59%	59%
Sri Lanka	-	0%	0%
Tunisia	-	0%	100%
Turkey	0%	0%	0%
Total overall	38%	59%	59%

4.6.2 Safety and Health at work

Breakdown of the part-time workforce	% AVERAGE TOTAL WORKFORCE			% AVERAGE COLLECTIVE AGREEMENT WORKFORCE		
	2020	2021	2022	2020	2021	2022
Ávoris	85%	89%	86%	94%	100%	100%
Crestline	8%	8%	0%	100%	100%	0%
EMEA Spain	100%	100%	100%	100%	100%	100%
EMEA International	4%	7%	26%	50%	79%	96%
LATAM	25%	43%	47%	72%	74%	91%
Total	-	52%	56%	-	88%	96%

Note: The average total percentage of the workforce is the workforce with a Health and Safety clause over the Total Average Workforce. The % average collective agreement workforce is the workforce with a Health and safety clause in their collective agreement out of the Workforce covered by the collective agreement. The total for 2020 is not available.

4.6.3 Absenteeism

Absenteeism	% OF THE TOTAL			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	3.2%	7.1%	3.3%	46.0%	46.2%	40.6%	54.0%	53.8%	59.4%

Absenteeism	NUMBER OF HOURS			AT + EP + IT		
	2020	2021	2022	2020	2021	2022
Total	1,785,976	4,569,327	2,467,382	36.1%	35.8%	67.7%

Absenteeism	UNJUSTIFIED			OTHER			MAT / PAT		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	8.3%	4.3%	10.7%	41.5%	50.6%	8.2%	14.1%	9.3%	13.4%

Note: **AT** Accident at work, **EP** Work-related illness, **IT** Temporary Incapacity. **MAT / PAT** Maternity / Paternity. **Other**: paid leave and unpaid leave. Crestline is excluded.

Work-related accidents and ill health	NUMBER OF WORK-RELATED ACCIDENTS					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	297	371	415	298	663	496

Work-related accidents and ill health	NUMBER OF WORK-RELATED OF ILLNESSES					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	0	3	4	2	2	2

Work-related accidents and ill health	COMMUTING ACCIDENT					
	MEN			WOMEN		
	2020	2021	2022	2020	2021	2022
Total	17	79	217	22	87	204

Accident rates	INCIDENCE RATE			FREQUENCY RATE			GRAVITY RATE		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Men	28.6	29.4	26.5	16.0	12.6	11.5	0.4	0.3	0.3
Women	36.9	59.0	33.4	21.2	26.1	14.9	0.4	0.4	0.4
Total	32.3	43.3	29.9	18.2	18.8	13.1	0.4	0.3	0.4

Note: The data reported for 2020 excludes Crestline.

4.6.4 Protocols against sexual and gender-based harassment

Reports of sexual harassment	2020	2021	2022
Reports	0	0	0

4.6.6 Involuntary terminations

Terminations of employment with the company	NUMBER			MEN			WOMEN		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	4,769	2,441	3,636	49.5%	57.9%	51.9%	50.5%	42.1%	48.1%

Terminations of employment with the company	UNDER 30			BETWEEN 30 AND 50			OVER 50		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	40.3%	35.7%	39.1%	42.2%	52.4%	49.2%	17.5%	11.9%	11.7%

Terminations of employment with the company	MANAGEMENT TEAM			MIDDLE MANAGEMENT			CORE STAFF		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total	2.7%	2.7%	1.2%	5.5%	7.2%	6.3%	91.8%	90.1%	92.5%

5.1.5 Measuring the experience

Hotel division	CUSTOMER CONTACTS*		
	2020	2021	2022
EMEA & LATAM	0.03%	0.03%	0.05%

* % Out of the total number of stays.

Travel division	NO. OF CONTACTS*		
	2020	2021	2022*
Airline			
Wholesale	7,383	4,584	10,810
Retail			

* The increase in 2022 compared to the previous year is due to the digitisation of processes at reception and among the guest experience teams.

6. Committed to environmental protection

6.1 Commitment to regeneration

Certification	HOTELS		
	2020	2021	2022
Travelife	6	3	3
GreenGlobe	19	16	16
ISO 14001	5	4	3
BREEAM	3	5	24
Sustainable Tourism Certificate (Costa Rica)	1	2	2

Resources dedicated to the prevention of environmental risks (Millions of euros)	2020	2021	2022
Total	+2.4	+6.8	+6.3

6.3.3 Ávoris Corporación Empresarial's carbon footprint

Ávoris

Carbon footprint (tCO ₂)	2020	2021	2022
Ávoris	60,558	123,440	231,606

Iberojet aviation company Nox Emissions (t Nox)	2020	2021	2022
NOx Emissions	303	608	1,139

Evelop Aviation company Sox Emissions (t SOx)	2020	2021	2022
SOx Emissions	19	38	72

6.4.1 Energy optimisation at the Barceló Hotel Group

Barceló

Hotels with renewable energy systems	2020	2021	2022
Total	41	45	58

Hotels with electric vehicle charging points	2020	2021	2022
Total	34	47	62

TOTAL ENERGY CONSUMPTION BY SOURCE (IN MWH), BARCELÓ HOTEL GROUP

Source	2020	2021	2022
Electricity	240,041	375,384	440,478
Propane	36,256	44,310	4,5274.0
Diesel	30,369	56,435	5,513.0
Natural gas	22,831	32,641	65,064.0
LPG	-	25,851	57,529.0

ENERGY CONSUMPTION (KWH) PER STAY

Source	2020	2021	2022
Electricity	37.8	29.8	22.4
Propane	5.7	3.7	2.3
Diesel	4.8	4.5	2.8
Natural gas	3.6	2.6	3.3
LPG	-	-	2.9

6.4.2 Energy optimisation at Ávoris Corporación Empresarial

Combustible fuel (Jet A1) in Iberojet flights (in millions of litres)

	2020	2021	2022
Total	24	38	72

Note: Jet A-1 (aviation kerosene).

Combustible fuel (Jet A1) in Iberojet flights (MWh)

	2020	2021	2022
Total	227,500	457,259	867,420

Note: Jet A-1 (aviation kerosene).

6.5 Water and water resource management

Total water consumption by source at the Barceló Hotel Group (thousands of m³)

	2020	2021	2022
Underground water	3,385	6,626	9,813
Municipal network	2,392	3,049	4,184
Desalination	713	1,323	1,840

WATER CONSUMPTION (M³) PER STAY

Source	2020	2021	2022
Underground water	0.5	0.5	0.5
Municipal network	0.4	0.2	0.2
Desalination	0.1	0.1	0.1

6.7 Circular economy and management of waste

Generation of waste similar to urban waste at the Barceló Hotel Group (in Tn)			
	2020	2021	2022
Residual fraction	9,616	20,997	29,268
Glass	936	2,475	3,343
Paper and cardboard	586	1,444	2,166
Packaging	370	666	1,353
Vegetable oil	134	186	197

Waste generation per stay (kg)			
	2020	2021	2022
Residual fraction	1.5	1.7	1.5
Organic fraction	-	-	0.5
Glass	0.1	0.2	0.2
Paper and cardboard	0.1	0.1	0.1
Packaging	0.1	0.1	0.1
Vegetable oil	0.0	0.0	0.0

Annex V: Legal requirements under Law 11/2018 and Global Reporting Initiative (GRI) Indicators

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Barceló Carmen Granada (Spain).

CONSOLIDATED ANNUAL ACCOUNTS

Audit Report on Consolidated Annual Accounts

Consolidated Annual Accounts at December 31, 2022
Barceló Corporación Empresarial, S.A. and subsidiaries

Audit Report on the Consolidated Annual Accounts
issued by an Independent Auditor

Barceló Corporación Empresarial, S.A. and subsidiaries
Consolidated Annual Accounts and Management Report
for the year ended December 31, 2022

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 40)

To the shareholders of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A.:

Opinion

We have audited the consolidated annual accounts of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A. (the Company) and subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the consolidated notes thereto for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and financial position of the Company as at December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards, adopted by the European Union (IFRS-EU), and other provisions of the applicable regulatory framework for financial information in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Valuation of Property, Plant and Equipment

Description The Group has a Property, Plant & Equipment investment of over 1,909 million euros relating to hotel and other assets, which represent almost 39 of the total consolidated assets. At closing, the Group evaluates whether there is evidence of impairment of said assets, in accordance with the criteria detailed in the Notes to the consolidated accounts. When the carrying amount is higher than the recoverable amount, an impairment loss is recognised. The criteria followed in order to determine and quantify any possible impairment are detailed in Notes 2.4 and 3.8 of the Notes to the consolidated Accounts. The significance of the amounts involved and the judgements implied by the identification and quantification of the amount of impairment, have led us to consider this as a key audit matter.

Our response With regard to this area, our audit procedures have included, among others, i) analysing the reasonableness of the criteria adopted by the Group in order to identify any indication of impairment of each Cash Generating Unit (CGU) to which the hotel assets belong; ii) verifying that, for all assets with indications of impairment, the lack or presence of impairment has been adequately justified; iii) verifying the adequate methodology of the valuation used and the reasonability of the projected financial information, hypotheses and variables applied for the impairment calculation or, where applicable, for its reversal, of those impaired assets; iv) obtaining confirmation of the professional aptitude and independence of the external experts in the case that the Group has used third-party appraisals and; v) evaluating the correctness of the information regarding Property, Plant & Equipment disclosed in the Notes to the consolidated annual accounts.

Provisions for tax and legal contingencies

Description The Group undertakes its activities in sectors and countries with varying tax and legal regulations subject to interpretation. The application of interpretative criteria different from those of the tax authorities, implies the existence of administrative or legal procedures underway and appeals filed by the Group to defend its interests. These procedures are detailed in Notes 20 and 26 of the Notes to the consolidated accounts. We consider this area as a key audit matter due to the high level of subjective evaluation and estimation involved.

Our response We have evaluated the directors' position with regard to these tax and legal issues, mainly including, the review of the related documentation, the analysis of the confirmations from the Group's external tax advisors, in order to evaluate their opinions with Management's position on the valuation and presentation of the relevant information for each of the related material contingencies. Our tax specialists have been involved in the process to help us review these material contingencies.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent Company's directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in the prevailing audit regulations, consists of:

- a. Solely verifying that the consolidated non-financial information statement has been provided as stipulated by the applicable prevailing regulations and if not, disclose this fact.
- b. Evaluate and report on the consistency of the remaining information included in the consolidated management report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of said accounts. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the manner foreseen in the applicable regulations and that the remaining information contained therein is consistent with that provided in the 2022 consolidated annual accounts and their content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent Company's directors for the consolidated annual accounts

The Parent Company's directors are responsible for the preparation of the accompanying consolidated annual accounts, in such a way that they express the Group's consolidated equity, consolidated financial position and consolidated results, in accordance with IFRS-EU and other provisions of the applicable regulatory framework for financial information in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

On preparing the consolidated annual accounts, the Parent Company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.
- ▶ Conclude on the appropriateness of the Parent Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- ▶ Obtain sufficient and adequate evidence with regard to financial information of the companies or business activities included in the Group in order to express an opinion on the consolidated annual accounts. We are responsible for the management, supervision and performance of the Group's audit. We are solely responsible for our audit report.

We communicate with the directors of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent Company's directors, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

Original signed by
Juan Manuel Martín de Vidales Bennásar

April 5, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euros	31/12/2022	31/12/2021
NON-CURRENT ASSETS	3,590,620,774	3,424,221,045
Goodwill (Note 6.1)	279,261,975	282,622,347
Right-of use assets (Note 34)	896,940,145	893,695,191
Other intangible assets (Note 6.2)	148,874,106	137,503,978
Property, plant and equipment (Note 7)	1,908,517,064	1,789,827,201
Investment property (Note 8)	5,981,597	10,306,509
Investments using the equity method (Note 9)	20,890,856	22,492,067
Other non-current financial assets (Note 10)	150,955,948	101,626,058
Deferred taxes (Note 26)	179,199,083	186,147,694
CURRENT ASSETS	1,309,987,631	1,449,287,789
Inventories	19,707,816	17,074,150
Trade receivables (Note 11)	344,342,540	220,596,161
Other receivables (Note 12)	116,555,417	117,938,080
Tax assets	27,097,347	23,213,897
Other current financial assets (Note 13)	22,301,507	4,676,161
Cash and cash equivalents (Note 16)	765,134,279	1,049,018,699
Prepayments (Note 17)	14,848,725	16,770,641
TOTAL ASSETS	4,900,608,405	4,873,508,834
EQUITY (Note 18)	1,593,105,475	1,371,557,526
Equity attributable to the Parent Company	1,563,453,117	1,367,087,441
Share capital	10,464,384	10,464,384
Issue premium	34,096,515	34,096,515
Reserves	1,513,310,924	1,630,563,800
Translation differences	(165,739,988)	(262,180,340)
Value adjustments	1,232,165	(277,033)
Result attributable to the Parent Company	170,089,117	(45,579,885)
Equity attributable to Minority Interest	29,652,358	4,470,085
NON-CURRENT LIABILITIES	2,023,527,056	2,470,418,483
Grants (Note 19)	933,633	1,154,554
Provisions (Note 20)	106,628,858	109,430,805
Borrowings from banks and Public entities (Note 21)	580,860,727	1,069,648,609
Lease liabilities (Notes 23 and 34)	859,462,661	829,645,994
Other non-current liabilities (Note 22)	134,170,308	161,298,094
Deferred taxes (Note 26)	164,406,088	152,286,857
Accruals (Note 3.18 (g))	177,064,781	146,953,570
CURRENT LIABILITIES	1,283,975,874	1,031,532,825
Borrowings from banks and Public entities (Note 21)	389,590,760	344,481,174
Lease liabilities (Note 34)	92,502,225	92,206,893
Trade creditors	630,190,976	469,183,442
Other current liabilities (Note 28)	101,944,910	83,316,575
Tax liabilities	23,496,759	16,715,300
Provisions (Note 20)	12,595,007	12,467,123
Accruals	33,655,237	13,162,318
TOTAL LIABILITIES	4,900,608,405	4,873,508,834

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED INCOME STATEMENT

Euros	31/12/2022	31/12/2021
Operating income (Note 29.1)	3,284,424,671	1,461,193,342
Other operating income (Note 29.2)	269,318,250	237,065,738
Supplies	(1,717,169,064)	(664,341,252)
Personnel expenses (Note 31)	(780,101,939)	(507,169,726)
Other expenses (Note 32)	(633,909,078)	(380,707,784)
EBITDA	422,562,840	146,040,318
Amortisation and impairment (Notes 6, 7 and 8)	(225,016,488)	(218,858,307)
EBIT	197,546,352	(72,817,989)
Finance result (Note 30)	(47,491,950)	(40,687,567)
Net result exchange rate differences	9,938,498	(14,831,096)
Participation in results of associates (Note 9)	(1,601,211)	(2,081,126)
CONSOLIDATED RESULT BEFORE TAX	158,391,689	(130,417,778)
Income tax (Note 26)	(44,727,926)	40,654,596
CONSOLIDATED RESULT FOR THE YEAR ARISING FROM CONTINUING OPERATIONS	113,663,763	(89,763,182)
RESULT FROM DISCONTINUED OPERATIONS	-	-
RESULTADO CONSOLIDADO DEL EJERCICIO	113.663.763	(89.763.182)
Result Attributable to:		
Minority interest (Note 18.5)	(56,425,354)	(44,183,297)
RESULT ATTRIBUTABLE TO THE PARENT COMPANY	170,089,117	(45,579,885)

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2022		
Euros	31/12/2022	31/12/2021
Consolidated result for the year	113,663,763	(89,763,182)
Other comprehensive result:		
Items to be reclassified to results		
For cash flow hedge derivatives (Notes 15 and 24)	1,387,850	12,031,943
Tax effect of cash flow hedges (Note 26)	(346,962)	(3,007,986)
Conversion differences	130,972,872	84,148,266
Long-term employee benefit liabilities (Note 20)	3,793,942	(628,753)
Tax effect of long-term employee benefit liabilities (Note 26)	(948,486)	157,188
Total comprehensive result:	248,522,979	2,937,476
Attributable to the Parent Company	301,535,889	41,653,914
Attributable to minority interest	(53,012,910)	(38,716,438)
Total comprehensive result:	248,522,979	2,937,476
Attributable to continuing activities	248,522,979	2,937,476
Attributable to discontinued activities		

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euros	Issued capital	Share premium	Legal reserve Parent Company	Reserves in fully integrated companies and associates	Other global results		Profit and loss attributable to the Parent Company	Total	Minority interest	Total Equity
					Translation differences	Value adjustments				
Balance at January 1, 2020	10,464,384	34,096,515	2,002,464	1,475,677,498	(145,712,179)	230,670	134,649,670	1,511,409,022	30,553,539	1,541,962,561
Total recognised income and expenses					(199,611,916)	(9,802,663)	(99,387,776)	(308,802,355)	(3,406,523)	(312,208,878)
Application of 2019 results				134,649,670			(134,649,670)			
Dividends (Note 18.4)									(1,075,302)	(1,075,302)
Minority interest acquisition									171,875	171,875
Others				(68,856)				(68,853)	360,666	291,810
Balance at December 31, 2020	10,464,384	34,096,515	2,002,464	1,610,258,312	(345,324,094)	(9,571,993)	(99,387,776)	1,202,537,812	26,604,255	1,229,142,066
Total recognised income and expenses					83,143,754	4,090,045	(45,579,885)	41,653,914	(38,716,438)	2,937,476
Application of 2020 results				(99,387,776)			99,387,776			
Dividends									(2,213,039)	(2,213,039)
Business combination				117,690,800		5,204,915		122,895,715	18,795,307	141,691,022
Others										
Balance at December 31, 2021	10,464,384	34,096,515	2,002,464	1,628,561,336	(262,180,340)	(277,033)	(45,579,885)	1,367,087,441	4,470,085	1,371,557,526
Total recognised income and expenses					127,560,428	3,886,344	170,089,117	301,535,889	(53,012,910)	248,522,979
Application of 2021 results				(45,579,885)			45,579,885			
Dividends									(2,326,418)	(2,326,418)
Business combination				(104,673,401)				(104,673,401)	80,456,018	(24,217,383)
Others				33,000,410	(31,120,076)	(2,377,146)		(496,812)	65,583	(431,229)
Balance at December 31, 2022	10,464,384	34,096,515	2,002,464	1,511,308,460	(165,739,988)	1,232,165	170,089,117	1,563,453,117	29,652,358	1,593,105,475

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

2022 and 2021		
Euros	2022	2021
OPERATING ACTIVITIES		
PROFIT BEFORE TAX AND MINORITY INTERESTS	158,391,689	(130,417,778)
Adjustments for:		
- Amortisation and impairment (Notes 6, 7 and 8)	225,016,488	218,968,364
- Finance result	47,491,950	40,687,567
- Participation in results of Associates (Note 9)	1,601,211	2,081,126
- Results from investing activities	-	-
- Provisions (Note 20)	(10,824,014)	13,829,460
- Other effects on results without cash flow generation	223,097	1,635,159
- Changes in debtors, creditors and other current accounts receivable	27,028,087	43,530,379
- Changes in other non-current liabilities	30,111,209	18,547,109
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	479,039,717	208,861,386
INVESTING ACTIVITIES		
- Acquisition intangible assets (Note 6)	(17,197,531)	(8,738,098)
- Acquisition Property, Plant & Equipment (Note 7)	(54,545,540)	(17,982,126)
- Acquisition investments in Associates (Note 9)	-	-
- Acquisition minority interest	(15,397,738)	-
- Acquisition other non-current financial assets (Note 10)	(44,611,229)	3,696,477
- Acquisition subsidiaries (Note 5.1)	(27,286,336)	26,553,440
- Proceeds from sale of Property, Plant & Equipment, Intangible Assets and Investment Property	33,000,000	-
- Income from interest	10,579,951	3,124,748
- Disposals/Proceeds from other current financial assets (Note 13)	(13,064,413)	3,262,394
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(128,522,836)	9,916,835
FINANCING ACTIVITIES		
- Payment of dividends (Note 18.4)	(2,326,418)	(2,582,085)
- New financing with credit entities (Note 21)	405,461,243	612,650,043
- Amortisation and repayment of bank debt (Note 21)	(863,324,274)	(226,022,795)
- Interest paid	(30,993,960)	(18,536,180)
- Other non-current liabilities (Note 22)	(16,967,452)	(2,977,026)
- Lease payments (IFRS-16) (Note 34)	(113,468,526)	(109,604,480)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	(621,619,387)	252,927,477
Cash and cash equivalents - exchange rate variations	(12,781,914)	6,913,643
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(283,884,420)	478,619,341
CASH AND CASH EQUIVALENTS AT JANUARY 1	1,049,018,699	570,399,358
CASH AND CASH EQUIVALENTS AT DECEMBER 31	765,134,279	1,049,018,699

The accompanying notes form an integral part of the Consolidated Annual Accounts.

1. CORPORATE INFORMATION

Barceló Corporación Empresarial, S.A (hereinafter the “Parent Company”) was incorporated on December 22, 1962, for an indefinite period of time with limited liability in Spain, under the name of Hotel Hamilton, S.A. On June 23, 2000, the Company modified its official name to the current name.

Barceló Corporación Empresarial, S.A. and its subsidiaries, which are detailed in Appendix 1 (part of Note 1) comprise the Barceló Group (hereinafter the Group). The Group's activities are basically the management and operation of hotels under an ownership, leasing or management basis, the operation of retail travel agencies, tour operators and airlines. The Group also promotes projects broadly related to the tourist and hotel industries, owning shares in other companies. In 2022, the Group has mainly carried out its activities in Spain, the Dominican Republic, Costa Rica, Nicaragua, the United States, Mexico, Guatemala, the Czech Republic, Tunisia, Turkey, Switzerland, Morocco, Portugal, Cuba, Egypt, Italy, Germany, Aruba and El Salvador.

The Group's registered address and head offices are located in C/ José Rover Motta, 27, in Palma de Mallorca (Spain).

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1. BASIS OF PRESENTATION

These consolidated annual accounts have been prepared from the internal accounting records of the Parent Company, Barceló Corporación Empresarial, S.A. and from the accounting records of each of the consolidated subsidiaries, duly adjusted according to the accounting principles established in the EU-IFRS, to give a true and fair view of the consolidated equity and consolidated financial position of Barceló Corporación Empresarial, S.A. and subsidiaries at December 31, 2022, and consolidated results of operations, consolidated cash flows and changes in consolidated equity for the year then ended.

The accompanying consolidated annual accounts for 2022, also include, for each individual caption of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes thereto, comparative figures for the previous period.

The definition of these financial indicators is as follows:

EBITDA: Consolidated earnings before Income Tax, finance result, exchange rate differences, participation in results of associates, amortisation and impairment.

EBIT: Earnings before interest and taxes.

The Group adopted IFRS-EU on 1 January 2007 and applied IFRS 1 “First-time Adoption of International Financial Reporting Standards”.

The accompanying consolidated annual accounts are expressed in euros, unless otherwise indicated.

These consolidated annual accounts are authorised for issue by the Board of Directors, and subsequently submitted for approval by the shareholders at their Annual General Meeting and are expected to be approved with no changes.

GOING CONCERN PRINCIPLE

At December 31, 2022, the Group presents positive working capital for an amount of 26 million euros and profit, before minority interest, amounting to 114 million euros (losses before minority interest of 90 million in 2021). The management of the Barceló Group manages the liquidity risk by ensuring that there is always sufficient cash to cover debt in all the Group companies and, at December 31, 2022, the Group held cash and cash equivalents for an amount of 765 million euros and undrawn credit lines for an amount of 593 million euros (Note 21). As a result, the Directors of the Parent Company have prepared the consolidated annual accounts considering the going concern principle.

EFFECTS OF THE COVID-19 PANDEMIC AND THE WAR IN UKRAINE ON THE GROUP'S ACTIVITY

In 2022, due to the improvement in the general conditions and the increase in the activity and results of the Group's Hotel Division to pre-pandemic levels, it has not been necessary for any measures additional to those adopted in 2021 and 2020 in order to mitigate the effects of the pandemic.

During 2022, the effects of the pandemic on the Travel Division have considerably decreased, resulting in a significant increase in the Group's revenue and a return to almost pre-pandemic levels. However, the rise in the cost of fuel and the increasing interest rate, as a result of the war in Ukraine, have affected the profitability of this Division's transactions. It is worth mentioning that on December 1, 2022, the sales contract of the participation in Ávoris Corporación Empresarial, S.L.U., between Barceló Trips & Travel, S.L.U. and Globalia Corporación Empresarial, S.A., has resulted in the structuring of new financing in the Travel Division, due to the voluntary cancellation, in advance, of the debt with the SEPI for an amount of 320 million euros of principal and, its substitution with intercompany financing consisting of a credit line and a participation loan (Note 21).

STANDARDS AND INTERPRETATIONS APPROVED FOR THE FIRST TIME THIS YEAR

a. Standards and interpretations approved by the European Union and applied for the first time this year

The accounting policies used in the preparation of these consolidated annual accounts are the same as those applied in the year ended December 31, 2021, since none of the standards, interpretations or modifications applicable for the first time this year have had an impact on the Group's accounting policies.

b. Standards and interpretations issued by the IASB, but not applicable this year

The Group intends to adopt the standards, interpretations and modifications to the standards issued by the IASB, that are not compulsory in the European Union, when they come into force, if applicable. Although the Group is currently analysing their impact, depending on the analysis performed to date, the Group estimates that their initial application will not have a significant impact on the consolidated annual accounts.

2.2. CONSOLIDATION PRINCIPLES

The accompanying consolidated annual accounts of the Group include the accounts of Barceló Corporación Empresarial, S.A. and subsidiaries.

The consolidation methods applied are the following:

SUBSIDIARIES

These companies are directly or indirectly controlled by the Parent company and are fully consolidated from the date said control is obtained until it is terminated. This method consists in aggregating the items which represent assets and liabilities, income and expenses and equity items generated after the control is effective. All intergroup transactions and balances are eliminated in the consolidation process.

ASSOCIATES

These are companies over which the Parent holds significant influence, owning between 20% and 50% of share capital, but does not have direct or indirect control.

These companies are consolidated by the equity method.

Appendix I includes information regarding the subsidiaries, associates and companies integrated by the joint operation method.

NON-CONTROLLING INTERESTS (MINORITY INTEREST)

Non-controlling interests in subsidiaries are recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

Profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

The increase and reduction of non-controlling interests in a subsidiary in which control is retained is recognised as an equity instrument transaction. Consequently, no new acquisition cost arises in increases nor is a gain recorded on reductions, rather, the difference between the consideration transferred or received and the carrying amount of the non-controlling interests is recognised in the reserves of the investor, without prejudice to reclassifying consolidation reserves and reallocating other comprehensive income between the Group and the non-controlling interests.

2.3. TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

Financial statements with a functional currency that is not the euro (the Parent Company's functional currency) are translated based on the following criteria:

- Assets and liabilities are translated at the exchange rate prevailing at closing.
- Income statement items have been translated using a weighted average exchange rate for the year.
- Equity is translated at the historical exchange rate.
- Differences generated by the application of the abovementioned criteria are included under equity in the consolidated balance sheet as "Translation differences". The translation differences accumulated at the transition date (January 1, 2007) were reclassified to full integration reserves or associates according to IFRS 1. Therefore, the translation differences included in the consolidated balance sheet relate to those generated since said date.

The only Group companies that operate in a hyperinflationary economy are those located in Turkey. According to Turkey's National Institute of Statistics, in 2022, the country's Consumer Price Index has increased by 98% (256% in the last three years). The inflationary effect on the income statement is revenue amounting to 2.8 million euros (included under the net exchange differences heading).

2.4. SIGNIFICANT JUDGEMENTS AND ESTIMATES

On preparing the Group's consolidated annual accounts, the directors have made estimates to determine the carrying value of some of the assets, liabilities, income, expenses and contingent liabilities disclosures. Moreover, despite the difficulty, under the current circumstances of uncertainty, of determining the effects of the war in Ukraine and high inflation on the Group's activities, as well as on the valuation of its assets and liabilities, these estimates have been made using the best information available at year end. However, given the inherent uncertainty, future events may arise that could result in said estimates being changed, prospectively in subsequent years.

Key assumptions regarding the future, together with other relevant data regarding the uncertainty estimate at year-end closing, that carry a significant risk of changing the value of assets and liabilities in the following year, are as follows:

IMPAIRMENT OF GOODWILL

Impairment testing of goodwill is based on calculations of the value in use applied in the discounted cash flow model. Cash flows are based on the projected results for the next five years. The post-tax discount rate used has been 10.4% and the perpetual growth rate was 1%. The recoverable amount of goodwill is sensitive to the discount rate, achieving the projected cash flows, the assumptions applied and projected growth rates.

IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND LEASE RIGHTS

The Group recognises asset impairment losses when the recoverable amount of the assets is less than their carrying amount.

The recoverable amount is the higher of fair value less costs to sell and value in use. With very few exceptions, each hotel is considered as an independent cash generating unit. The Group mainly uses EBITDA multipliers to identify the existence of impairment in the hotels it owns. For those hotels that show signs of impairment, the cash flow discount model is used in order to determine possible impairment, based on estimated projected results for the next 5 years plus a residual value. The post-tax discount rate applied has been 9.37% for hotels in Spain and 11.09% and 13.33% for hotels in Latin America and the perpetual growth rate has been between 1% and 2%. For certain hotels in Spain, valuations performed by independent experts have been taken into account.

The cash flow discount rate method has also been used to estimate the impairment of transfer rights, based on the results projected for a minimum lease period. The post-tax discount rate has been applied for hotels in Spain.

To evaluate the impairment of land with no buildings, the Group has used both internal valuations and the valuations performed by independent experts based on real estate indicators.

The recoverable amount is very sensitive to the discount rate used in the cash flow discount rate model, the expected cash inflows and the growth rate used.

LEASES

The Group has entered into non-current lease agreements for hotels, aircraft and offices as a lessee. Based on the terms and conditions of each of the contracts and leased assets, Management has determined the most probable lease term. Said estimated period may vary in the future, according to changes in the evolution of the asset's results and the conditions permitted by the contract.

DEFERRED TAX ASSETS

The Group recognises assets corresponding to all the tax loss carryforwards and deductible temporary differences it expects to offset against future taxable income. Management bases this criterion on judgements and estimates with regards to future estimated results, the years in which profits are expected to be obtained, annual application limits, the statute of limitation of tax credits and future tax planning strategies.

Note 26 shows details of capitalised and uncapitalised tax losses.

LONG-TERM EMPLOYEE BENEFIT LIABILITIES

The amount of defined benefit employment liabilities at the reporting date is determined based on actuarial calculations. The actuarial calculations are based on a number of judgements and assumptions detailed in Note 20.

PROVISIONS

The amount of the provisions for responsibilities recognised under liabilities on the balance sheet is based on judgements made by Group management, together with their lawyers and external advisors, according to their estimates regarding the degree of probability. The provisions for major repairs related to the maintenance of leased aircraft are made based on historical prices and/or those established in the maintenance contracts, considering the hours/cycles and months of operation of each aircraft. The amount of these provisions may vary due to new evidence obtained in the future.

IMPAIRMENT OF FINANCIAL ASSETS

The value adjustment for client insolvencies and credit granted to third parties implies a high degree of judgment by Management and the review of individual balances based on the credit quality of the clients and debtors, current market trends, historical analysis of the insolvencies at aggregate level and the value of the underlying guarantees related to the credit.

3. ACCOUNTING PRINCIPLES

3.1. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recognised applying the acquisition method. The acquisition date is the date on which the Group obtains control of the acquiree.

The acquisition cost is the consideration transferred, which is valued at fair value on the acquisition date. Acquisition costs are recognised as an expense when incurred.

At the acquisition date the Group recognises the assets acquired and liabilities assumed (and any non-controlling interest) at fair value. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. Non-controlling interests in the acquiree are recognised at the proportionate interest in the fair value of the net assets acquired.

Goodwill is initially measured at cost, which reflects the excess of the cost of the combination over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.2. INVESTMENTS IN ASSOCIATES

Group investments in associates are accounted for using the equity method. An associate is an entity over which the Group does not have control but over which it does have significant influence. Significant influence is the power to participate in the financial and operating decisions of an entity but does not constitute control or joint control over the entity. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Equity-accounted investments in associates are recorded in the statement of financial position at cost, with any changes in the net assets of the associate following acquisition of the interest. The excess of the cost of the investment over the Group's share of the fair values of the identifiable net assets is recognised as goodwill, which is included in the carrying amount of the investment. Any shortfall, once the cost of the investment and the identification and measurement of the associate's net assets have been evaluated, is recognised as income when determining the investor's share of the profit or loss of the associate for the year in which it was acquired.

The financial statements of the associate are prepared for the same accounting period as for the Parent. If necessary, adjustments are made to harmonise the accounting policies with those of the Group.

The income statement reflects the share of results of operations in the associate. This is the profit attributable to the holders of the share in the associate and therefore, it is profit after tax and minority interest in the subsidiaries of the associates. When there is a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised losses and gains arising from transactions between the Group and the associate are eliminated in proportion to the share.

Losses of an associate attributable to the Group are limited to the extent of its net investment, except where the Group has legal or constructive obligations or when payments have been made on behalf of the associate.

On each reporting date, the Group determines whether there is objective evidence of impairment of the investment in the associate. Impairment is calculated by comparing the carrying amount in the associate with its recoverable value. The recoverable amount is the higher of value in use and fair value less costs to sell. Accordingly, value in use is calculated to the extent of the Group's interest in the present value of estimated cash flows from ordinary operations and the income generated on final disposal of the associate.

3.3. JOINT ARRANGEMENTS

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of the Group and the remaining venturers or operators. The existence of joint control is assessed considering the definition of control over subsidiaries.

JOINT VENTURES

Investments in joint ventures are accounted for using the equity method described previously.

JOINT OPERATIONS

For joint operations, the Group recognises the following in the consolidated annual accounts:

- Assets and liabilities, including its share of any assets held jointly and liabilities which have been jointly incurred with the other operators.
- Income and expenses arising from the joint operation.

In sales or contributions by the Group to the joint operation, it recognises the resulting gains and losses only to the extent of the other parties' interests in the joint operation. When such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets transferred, such losses are recognised in full.

In purchases by the Group from a joint operation, it only recognises the resulting gains and losses when it resells the acquired assets to a third party. However, when such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets, the Group recognises its entire share of such losses.

The Group's acquisition of an initial and subsequent share in a joint operation is recognised following the same criteria used for business combinations, at the percentage of ownership of each individual asset and liability. However, in subsequent acquisitions of additional shares in a joint operation, the previous share in each asset and liability is not subject to revaluation.

3.4. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset or liability is current when it is:

- Expected to be realised or settled within 12 months after the reporting period.
- Expected to be realised, sold, used or settled in the normal operating cycle.
- A cash or cash equivalent unless restricted for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

3.5. INTANGIBLE ASSETS

Intangible assets are measured at acquisition or production cost.

- Intangible assets with finite useful life are amortised over the useful economic life. The amortisation expense is included under the "Amortisation and impairment" heading of the consolidated income statement.
- Intangible assets with indefinite life are not amortised but are tested for impairment annually either individually or at the cash-generating unit level.

Other intangible assets mainly comprise:

- Industrial property, licenses and similar items, measured at costs incurred and amortised on a straight-line basis over a period of between 3 and 10 years.
- Computer software is measured at acquisition cost and amortised on a straight-line basis over a period of three to five years. Computer software maintenance costs are charged as expenses when incurred.
- Leaseholds: Leaseholds primarily comprise measurement of a lease contract for the Barceló Sants Hotel acquired through a business combination prior to the transition to IFRS. The contract is amortised on a straight-line basis over the duration of the lease, ending in 2050.

3.6. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is stated at cost, plus the financial and acquisition expenses related to the debt which finances the purchase of assets until they are put into use.

At transition date, the plots of land on which certain hotels are located were revalued, taking into account their fair value as an attributable cost as of the transition date as permitted in IFRS 1. The valuations of assets in Latin America were performed by American Appraisal at December 31, 2008. The valuations were performed by means of the discounted cash flow method using a discount rate ranging between 8% and 10% and taking into account the investment risk and the profitability required for comparable investments. The valuations of assets in Spain were performed by Eurovaloraciones, S.A. at December 31, 2008. The valuations were performed by calculating the net present value and the residual value. Annual discount rates ranging between 7% and 10% were used.

The increase in the deemed cost of the land at the transition date (January 1, 2007), based on the revaluations performed, is 254 million euros. At December 31, 2022, the balance of these revaluations amounts to 131.3 million euros (125.0 million euros at December 31, 2021).

For those assets in leased properties, amortisation is calculated on a straight-line basis over the estimated useful life of the assets or over the remaining period of the lease contract, whichever is lower, as follows:

Estimated years of useful life	
Buildings	33 - 35
Technical installations, machinery, furniture and other items	2.5 - 18

Repairs and maintenance are charged to expenses when they are incurred.

3.7. INVESTMENT PROPERTIES

Investment properties are accounted for at the carrying value of the real estate assets maintained in order to obtain rental income or property sale gains. These assets are measured at cost and are amortised on a straight-line basis following the same criteria used for property, plant and equipment.

3.8. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group evaluates annually whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. In the case of hotel assets PP&E, to which almost all of this balance relates, the Group mainly uses EBITDA multiple indicators in order to identify the existence of impairment.

The Group tests goodwill, intangible assets with indefinite useful lives and intangible assets that are not yet ready to enter service for potential impairment at least annually.

The recoverable amount of the assets is the higher of their fair value less costs of disposal and their value in use.

An asset's value in use is measured based on the future cash flows the Company expects to derive from use of the asset, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows the Group expects to derive from the asset. For those assets which do not generate cash inflows that are largely independent, the recoverable amount is determined for the cash generating units to which the assets belong.

In the case of certain hotel assets, which due to their individual characteristics include a significant proportion of real estate, market indicators for real estate have been applied to measure their recoverable amount by the Group's internal department, or appraisals have been obtained from independent experts.

When assessing value in use of the hotel assets, the Group performs internal valuations using market-based discount rates. To determine the net selling price, independent experts perform valuations.

Impairment losses are recognised for all assets, and where applicable for the cash generating units containing them, when their carrying amount exceeds their corresponding recoverable amount. Impairment losses are recognised in the consolidated income statement.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the original carrying amount net of depreciation or amortisation.

3.9. LEASES

IFRS 16 establishes the principles for the recognition, valuation, presentation and information to be disclosed regarding leases.

Apart from a number of exceptions mentioned at the end of this point, all leases are recognised under a sole balance sheet model, similar to the recognition of finance leases in accordance with IAS 17.

As a general rule, on the date a lease begins, the lessee will recognise a liability for the lease payments to be made (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

The lessees must separately recognise the expense for interest corresponding to the lease liability and the expense for the amortisation of the right of use.

The standard includes two exclusions to the recognition of leases by the lessees, leases for low value assets (for example, personal computers) and current leases (i.e. lease contracts with a term of 12 months or less). These leases are accounted for as operating leases and are recognised as an expense in the income statement according to the accrual principle during the lease period.

Moreover, variable rent is not taken into account when evaluating the lease contracts under IFRS 16 and is recognised in the income statement as a lease expense, according to its accrual.

3.10. FINANCIAL INSTRUMENTS

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument set out in IFRS 9.

FINANCIAL INSTRUMENTS CLASSIFIED AS ASSETS

On initial recognition financial instruments are classified as assets based on two criteria:

- Group Business Model to manage financial instruments.
- Characteristics of financial assets from the point of view of the contractual cash flows. Financial instruments classified as assets are classified in four categories:
 - Financial assets at amortised cost (debt instruments)
 - Financial assets at fair value through other comprehensive income with recycling in results (debt instruments)
 - Financial assets at fair value through profit or loss

All the financial assets are initially recognised at fair value including the directly attributable transaction costs.

Trade debtors that do not possess a significant financial component are recognised at the transaction value determined under IFRS 15.

Financial assets at amortised cost (debt instruments)

This heading includes all those assets that fulfil the following two criteria:

- **Business Model:** The assets are included in the Group's business model in order to pay or collect the contractual cash flows.
- **Characteristics of the cash flows:** the cash flows solely relate to principal and interest.

Financial assets at amortised cost are subsequently valued using the effective interest method and are subject to impairment. Profit and loss are recognised in results when withdrawn, modified or impaired.

Accrued interest from loans is recognised in the income statement in accordance with the effective rate.

Financial assets at fair value through other comprehensive income (debt instruments)

This heading includes all those assets that fulfil the following two criteria:

- **Business Model:** The asset is included in the Group's business model in order to pay or collect the contractual cash flows or for its sale.
- **Characteristics of the cash flows:** the cash flows solely relate to principal and interest.

Following initial recognition, financial assets classified under this heading are valued at fair value, recognising the profit or loss under Equity.

When this type of financial asset is partially or totally disposed of, or the profit or loss recognised under Equity is impaired, they are carried to results for the year.

In the same way as financial assets at amortised cost, interest, exchange rate adjustments and impairment are recognised in the income statement.

Financial assets at fair value through profit or loss

The following assets are included under this heading:

- Available-for-sale financial assets
- Non-hedge derivatives
- Equity instruments not valued at fair value through other comprehensive income.

IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period the Group assesses whether there is any objective evidence of impairment regarding its financial assets not valued at fair value through profit or loss.

The Group recognises impairment for expected losses, i.e. for the difference between the cash flows according to the contract and those which the Group expects to receive.

There are two policies for the recognition of expected losses:

- **Credit losses expected within 12 months:** losses arising from possible events of default within 12 months. This policy can be applied to financial instruments with a low credit risk. For the hotel business clients, the Group applies impairment criteria mainly based on the age of the outstanding balance, impairing 25%, 50% and 100% of outstanding credits of more than 180, 270 and 365 days, with the exception of the balances receivable for the sale of time share rights, which, if they mature in a term of more than 90 days are impaired by 80% and are otherwise impaired by 5%.
- **Credit losses expected over the instrument's life term:** losses that arise from possible events of default over the instrument's life term. Applicable to finance instruments with a high credit risk or a risk that has increased since initial recognition.

FINANCIAL INSTRUMENTS CLASSIFIED AS LIABILITIES

Financial instruments are classified as liabilities in three categories:

- Financial liabilities at fair value through profit and loss
- Loans and credits
- Hedge derivatives

Financial liabilities are initially recognised at fair value and for loans, credits and accounts payable, the directly attributable transaction costs are netted.

Financial liabilities at fair value through profit or loss

This heading only includes cash flow derivatives (SWAPs) contracted by the Group, which do not fulfil the requirements to be considered as hedging instruments and the fair value of which does not favour the Group. As indicated in the heading's title, the financial liabilities are measured at closing for their fair value through profit or loss.

Loans, borrowings and accounts payable

Loans, borrowings and accounts payable relate to payment obligations of a determinable amount and date. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The accrued interest from the loans is recognised in the income statement in accordance with the effective rate.

Hedging derivatives

The Group contracts derivatives to hedge exchange rates and jet fuel prices for its airline and travel business.

These derivative financial instruments are initially measured at fair value. Derivatives are recognised as financial assets if their value is positive and as financial liabilities if their value is negative.

The Group initially formally designates and documents the hedging relationship. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years.

The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in equity. The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised with a debit or credit to finance costs or finance income.

Hedge accounting criteria ceases to be applied when the hedging instrument expires or is sold, cancelled or settled, or when the hedging relationship no longer complies with the criteria to be accounted for as such, or the instrument is no longer designated as a hedging instrument. In these cases, the cumulative gains or losses on the hedging instrument that have been recognised in equity are not taken to profit or loss until the forecast transaction or transaction to which the Group has committed affects results. However, if the transaction is no longer considered probable, the accumulated gains or losses recognised in equity are immediately transferred to the consolidated income statement.

FINANCIAL INSTRUMENTS AT FAIR VALUE

The Group classifies measurements at fair value using a hierarchy which reflects the significance of the inputs used in measurement, in accordance with the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Variables other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Variables for the asset or liability that are not based on observable market data (unobservable inputs).

The techniques used to measure interest rate, exchange rate and fuel hedges include future price models, using actual value calculations. The models include various data such as spot and forward exchange rates, yield curves and differentials between the various currencies, interest rate curves and future exchange rate curves for fuel.

The fair value of all current financial assets and liabilities is considered to be the same as the amortised cost, as the maturity date of the assets and liabilities is close to year end.

3.11. NON-CURRENT ASSETS HELD FOR SALE

The Group classifies assets as non-current assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and when the following requirements are met:

- They are available for immediate sale in their current condition.
- Their sale is highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These assets are not depreciated, and if necessary, the required impairment is recognised so that the carrying amount does not exceed the fair value less costs to sell.

A non-current asset that ceases to be classified as held for sale is valued at the lower of the carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and its recoverable amount at the date of reclassification. Any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held-for-sale is included in profit or loss from continuing operations.

3.12. DISCONTINUED OPERATIONS

In accordance with IFRS 5, the activity or asset held for sale is considered to be a discontinued operation if it:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

The revenues and expenses deriving from this activity are included as a single amount under profit/(loss) from discontinued operations, net of income tax, after deducting the tax effect. This item also includes the profit after tax recognised for the measurement at fair value less costs to sell of the assets or disposal groups of items constituting the discontinued operation.

If the Group ceases to classify a component as a discontinued operation, the results previously disclosed as discontinued operations are reclassified to continuing operations for all years presented.

3.13. INVENTORIES

These are the assets which are consumed or sold during the hotels' ordinary activities (food and beverages, gift shops, maintenance) or which are related to gift items or the sales of the Travel division or replacement parts for the airline business. Inventories are measured at the lower of the average weighted price or realisable value.

3.14. CASH AND CASH EQUIVALENTS

All those investments with an original maturity of three months or less and which do not have any risk of change in value are considered by the Group to be cash equivalents.

3.15. CAPITAL GRANTS

Monetary grants are measured at the fair value of the amount awarded. They are taken to the income statement in accordance with the estimated useful life of the asset for which the grant is received.

3.16. PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event; it is probable that an outflow of Group resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

PROVISIONS FOR MAINTENANCE OF LEASED AIRCRAFT

In accordance with the commitments acquired in the leasing of aircraft, the Group must assume the costs of any maintenance programmed for the leased aircraft, as well as the costs related to fulfilling the aircraft in the agreed condition.

The aircraft held by the Group accrue expenses for maintenance reviews included in the clauses of the contracts with the aircraft owners (general maintenance of the aircraft, engines and components). These expenses are calculated depending on the flight hours/cycles and months elapsed. The calculation of the maintenance provision is calculated based on the estimated cost for the next scheduled check, using historical costs of which the Group are aware due to the know-how of the management team and the data obtained from the aircraft manufacturer. The variations in the maintenance provisions arising from changes in the amount or temporary structure of the payments, are prospectively recognised in the consolidated income statement.

PROVISIONS FOR ONEROUS CONTRACTS

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract.

Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

If the Group has a contract that is onerous, the present obligation under the contract are recognised and measured as a provision.

Note 20 shows details of the main contingencies provided for in the balance sheet.

3.17. REMUNERATION AND OTHER LONG-TERM EMPLOYMENT LIABILITIES

DEFINED BENEFIT PLANS

Defined benefit liabilities reflect the present value of defined benefit obligations at the reporting date, less the fair value at that date of plan assets.

In Spain, these defined benefit plans correspond to long-service benefits and retirement benefits related to a number of collective labour agreements in the hospitality sector and the national collective labour agreement for travel agencies.

These commitments are defined benefits and are quantified based on actuarial calculations. Income or expense related to defined benefit plans is recognised as employee benefits expense and is the sum of the net current service cost and the net interest cost of the net defined benefit asset or liability.

The remeasurement of the net defined benefit liability or asset is recognised in equity and comprises actuarial gains and losses, the net return on plan assets and any change in the effect of the asset ceiling, excluding any amounts included in net interest on the net defined benefit liability or asset.

TERMINATION BENEFIT

Termination benefits are recognised when the Group can no longer withdraw the offer and when the cost of restructuring result in the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer, the Group cannot withdraw the offer as of the moment it is accepted by the employees.

In the case of involuntary termination benefits, the Group can no longer withdraw the offer when it has communicated the plan to the affected employees or trade union representatives.

3.18. REVENUE RECOGNITION

The Group's revenue recognition policies for each revenue area are as follows:

- a. **Revenues from rendering of services relating to the activity of operating owned and leased hotels:** These revenues are recognised on an accrual basis. The Group recognises sales and operating expenses from its owned hotels and from hotels leased from third parties in profit or loss and assumes the rights and obligations inherent to the hotel business in its own name.
- b. **Revenues from rendering services in the hotel management activity:** These revenues from management fees charged are recognised on an accrual basis.
- c. **Revenues from rendering services in the activity of operating casinos:** These revenues are recognised as the difference between the amount played and the player's winnings, on an accrual basis.
- d. **Revenues from the travel agency activity:** The Travel division primarily carries out an intermediation activity in the sale of travel-related products. Revenue is presented as the margin between the selling price and the cost to sell and is recognised on the date travel documents are handed over, at which point the risks and rewards are transferred to the customer, irrespective of the date of travel or the date from which the contracted services will be rendered.
- e. **Revenues from the tour operator activity:** Sales and costs of supplies are recognised on the initial date of travel.
- f. **Revenues from the airline activity:** Revenues from air transport services rendered are recognised when the flight takes place. The amount received from clients for future flights is recognised under the "Prepayments from clients" heading on the liabilities side of the consolidated balance sheet.
The airlines recognise the ordinary income arising from the air transport services provided when the client has actually taken their flight.
The amount received for tickets sold for future flights is recognised under the "Current prepayments and accruals" on the liabilities side of the consolidated balance sheet. The "Current prepayments and accruals" balance represents the estimated liabilities for tickets sold before closing each year, that have still not been used.
- g. **Revenue from the sale of rights of use (Time Share):** From January 1, 2018 (date of entry into force of IFRS 15), the sale of Time Share rights is recognised as revenue throughout the average estimated life of the contract. The amount of the sale is recognised as deferred income under "Long-term prepayments and accruals" on the liabilities side of the consolidated statements of financial position, in the year in which it is contracted, and is carried to results on a straight-line basis over the contract's average term. The incremental expenses incurred to obtain a contract and the other expenses necessary in order to begin the contracted service are capitalised as intangible assets and are carried to results through amortisation, also over the contract's average life. Contracts which have been signed and cancelled in the same year are recognised as revenue for the year for the amount collected in cash. Moreover, only those contracts which have been signed but not cancelled in the same year are recognised as deferred income.

3.19. INCOME TAX

The income tax expense and tax income for the year comprises current tax and deferred tax.

Current tax reflects the income tax amounts payable in the year.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted at the reporting date.

In general, deferred tax liabilities are recognised due to taxable temporary differences, which are differences that will give rise to larger amounts of tax payable or smaller amounts of tax recoverable in future years. A deferred tax asset is recognised when there are deductible temporary differences, tax loss carryforwards or available tax deductions that the Company expects to be able to offset against future taxable profit. For this purpose, a temporary difference is understood to be the difference between the carrying amount of the assets and liabilities and their amount for tax purposes, giving rise to smaller amounts of tax payable or larger amounts recoverable in future years.

Deferred liabilities arising from taxable temporary differences are recognised in all cases, except when:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.
- They are associated with investments in subsidiaries for which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the temporary difference will reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences to the extent that:

- It is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income;
- The temporary differences are associated with investments in subsidiaries that will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when they are reversed, based on prevailing legislation and tax rates that have been enacted or substantively enacted and reflecting the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax expense and tax income is recognised in profit or loss. However, if the expense or income is related to items recognised directly in equity, it is also recognised in equity and not in the income statement

3.20. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated to the functional currency using the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies, other than each company's functional currency, have been translated into the corresponding functional currency at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3.21. EMISSION ALLOWANCES

Emission allowances, which are recognised when the Group becomes entitled to such allowances, are measured at acquisition cost. Allowances acquired free of charge, or, at a price substantially lower than fair value, are carried at fair value. Any difference between fair value and the consideration given is recognised as a non-refundable grant associated with the emission allowances and credited to equity. Grants are carried to the consolidated income statement to the extent that the expenses arising from the gas emissions related to the subsidised emission allowances are recognised, following the same criteria as those established for grants.

Emission allowances deriving from a certified emission reduction or an emission reduction unit, generated through clean development mechanisms or joint implementation projects, are carried at cost of production using the same criteria as for inventories.

Emission allowances are not amortised.

Emission allowances acquired for the purpose of being sold are classified and measured based on the standards applicable to inventories. At December 31, 2022, the amount included under the Inventories heading of the consolidated balance sheet is of 6,962 thousand euros (5,340 thousand euros at December 31, 2021).

4. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group is exposed to credit risk, interest rate risk, currency risk and liquidity risk in the normal course of business. The main financial risks to which the Group is exposed are interest rate risk and currency risk. Group management reviews and authorises the risk management policies, as explained below:

CREDIT RISK

Most of the financial instruments exposed to credit risk are trade receivables. Such receivables are generated by the sale of services to customers. The Group's policies aim to mitigate this risk by setting a credit limit based on the customer's volume and creditworthiness. The approval of the managers of each hotel and each travel agency is required in order to increase the initially established credit limit. Each hotel regularly reviews the ageing of trade receivables and balances which could be doubtful. The Group provides for potential losses based on an assessment by management of the customer's financial position, payment history and debt ageing, in accordance with the loss expected due to bad debt. Historically, losses deriving from this risk are within the range expected by management, which is immaterial.

Moreover, in order to minimise a possible negative influence from the payment behaviour of our debtors, the Group has entered into credit insurance policies that provide prevention services. In order to grant such insurance, the insurance company performs a solvency study of the customers and if the cover is accepted, it guarantees the collection of the insured credit in the event of non-payment. The insurance company manages collection and if the process is unsuccessful it will pay the indemnity within a predetermined period.

Currently, there are no unusually high-risk concentrations. The Group's maximum exposure to risk is the carrying amount, as detailed by heading in Notes 10, 11, 12 and 13. Note 11 includes information regarding clients by age of balance.

Credit risk deriving from other financial assets, which include cash balances and current deposits, arises from the failure of a counterparty (financial institutions) to respond to these balances, with a maximum risk equivalent to the carrying amount of these instruments included in "Cash and cash equivalents" and "Other current financial assets".

The Group has granted loans to third parties which are included under the heading "Other non-current financial assets". The possible impairment of these loans is being assessed taking into account the credit situation of each debtor individually and, where applicable, of the value of the underlying guarantee related to the credit.

MARKET RISK

INTEREST RATE RISK

The risk of changes in market interest rates mainly has an effect on variable interest rate debt. All debt is remunerated at a variable interest rate, with the exception of a bank debt amounting to 310.6 million euros and other financial liabilities amounting to 125.7 remunerated at a fixed rate.

If, at December 31, 2022, the existing interest rates during the period had been 50 basis points lower, with all other variables held constant, consolidated profit before taxes for the year would have been increased by 3,282 thousand euros. On the contrary, if the variable interest rate had been 50 basis points above the existing rates, with all other variables held constant, consolidated profit before taxes would have been decreased by 3,282 thousand euros.

At closing, the Group has signed a variable to fixed interest rate swap contract based on a notional value of 50 million euros, but maturing in April 2024 (Note 15). In April 2022, a derivative contract to cover in the case that the 3-month Euribor does not exceed 0% (cap), for an initial notional value of 80 million euros, was cancelled. This contract had maturity in 2025 (See Note 15).

CURRENCY RISK – HOTELS DIVISION

As the Group has a large volume of investments in hotels located abroad, its consolidated results could be affected by fluctuations in exchange rates. Indebtedness is denominated in a currency which is similar to that generated by the cash flows of the hotel operations, in such way that it is considered a hedge.

The income statements of the hotels located in countries where the local currency is not the euro are affected by the US dollar and euro exchange rates. The sensitivity analysis of the income statement for 2022 and 2021 is based on the profit/loss before taxes in the local currency of the most relevant countries by turnover, calculating the net effect of variations of 5% and 10% (both above and below) of the euro with regard to each currency.

The sensitivity analysis for 2022 is as follows:

VARIATION %	USA and Latin America	Others
+10%	19,025,472	1,458,756
+5%	9,012,066	690,990
-5%	(8,153,774)	(625,181)
-10%	(15,566,295)	(1,193,528)

EXCHANGE RISK AND FUEL TRAVEL DIVISION

In the travel division hedges are contracted for the purchase and sale of currencies. The airlines also contract financial fuel hedging instruments. The contracting of said hedges is performed based on the estimated future transactions. The Group ensures the efficiency of the aforementioned financial instruments establishing coverage for a significant part of future transactions. Notes 15, 24 and 25 include detailed information on this matter.

LIQUIDITY RISK

The Group manages its exposure to liquidity risk by ensuring the availability of sufficient cash to meet its payment obligations in the normal course of business, without incurring unacceptable losses which could impair the Group's reputation.

The Group reviews its liquidity requirements according to cash budgets, taking into account the maturity dates of payables and receivables and projected cash flows. At December 31, 2022, the Group's consolidated balance sheet presents positive working capital amounting to 26.0 million euros (a positive amount of 417.8 million euros at December 31, 2021), and has credit policies with an undrawn amount of 593.4 million euros (Note 21).

CAPITAL MANAGEMENT

The Group manages its capital to maintain an adequate debt ratio which ensures financial stability, looking for investments with optimal rates of return with the aim of generating greater stability and profitability for the Group.

As can be observed in the statement of financial position, most of the debt is non-current. These ratios show that capital management follows prudent criteria since the cash flows expected for the coming years and the Group's equity position will cover the debt service.

5. CHANGES IN THE CONSOLIDATION PERIMETER

CHANGES IN THE CONSOLIDATED GROUP IN 2022

On February 21, 2022, 100% of the shares of the company, Narjis d'Investissements Touristiques, S.A, have been acquired. This company owns the Hotel Fès Medina in Morocco.

On September 28, 2022, 100% of the shares of the company, Graser Turismo S.L.U, have been acquired. This company owns the Hotel Carmen Granada in Spain.

On December 19, 2022, 100% of the shares of the companies, Luba ITG S.L.U and Kawawa ITG S.L.U. have been acquired. The latter owns the Hotel Occidental Pamplona.

During the year, the companies, Fundación Cultural Formentor, PT Barceló Group Indonesia and BAH Maroc S.A.R.L. have been constituted. The companies, Occidental Costa Rica, S.A and Barceló Gestión Hoteles Italia S.R.L. have been liquidated in 2022.

In 2022, the companies, Viajes Tu Billeto, S.L.U. and Wakalua Innovation Hub, S.L. were added to the consolidation perimeter of the Travel Division.

On December 1, 2022, the Group has acquired 49.45% of Ávoris Corporación Empresarial, S.L. from the Globalia Group and now owns 100% of the company.

CHANGES IN THE CONSOLIDATED GROUP IN 2021

Business merger between the Barceló Group and the Globalia Group. The transaction was formalised through the constitution of the company Avoris Corporación Empresarial, S.L. to which the Barceló Group contributed the shares of the subsidiary Avoris Retail Division, S.L. and the Globalia Group contributed the subsidiary Viajes Deneb, S.L. (the Parent companies of each business). The exchange ratio agreed by the parties results in the Barceló Group holding 50.55% of the shares of Avoris Corporación Empresarial, S.L and Globalia holding the remaining 49.45%.

Specifically, the Barceló Group subsidiaries contributed to Avoris Corporación Empresarial, S.L. are Avoris Retail Division, S.L., Dondear Viajes, S.L., Mayorista de Viajes, S.A., Orbest, S.A. (Portugal), Avoris Business, S.A., B Travel Turismo Accesible, S.A., Sextante Viajes, S.L., B the Travel Brand, S.L., Travelsens, S.L., Altagracia Incoming Services, SRL (Dominican Republic), Maguey Incoming Services SI de CV (Mexico), Lepiansens Tours, S.L., Alisios Tours, S.L., Colors Destination Finland, O.Y., Aerosens, S.L., B By BCD Travel partners, S.L., Evelop Airlines, S.L., BCO Congress, S.L., Sibba Neumo, S.L., Avoris Congress Colombia SAS, Avoris División Central, S.L., Viajes Interopa, S.A., Avoris Experience, S.L., Mundo Social AIE, Ocio y Turismo Novotours, AIE, Avoris Italia SRL, Escalatur Viagens e Turismo, Ltda (Portugal), Gregal Viagens, Lda (Portugal), BTTB Unipessoal Lda (Portugal), Nortravel Agencia de Viagens e Turismo Lda (Portugal), Jadetravel Do Oriente Viagens e Turismo Lda (Portugal), Viajes Catai, S.A., Catai India Private Ltd (New Delhi), Viagens Catai Lda (Portugal), Planeta Tierra Viajes, S.A., Contuhijo, S.L. and Gayandpride, S.L.

Viajes Deneb, S.L.U. has contributed the following subsidiaries to Avoris Corporación Empresarial, S.L.: Autocares Ibero-bus, S.A (formerly Globalia Autocares, S.A.), Sekai Corporate Travel (formerly Globalia Corporate Travel, S.L.U.), Iberotours, S.A.U., Welcome Incoming Services, S.L.U., Travelplan Portugal, Agencia de Viagens e Turismo, S.U. Lda, Orbe Travel Club Spain S.L.U. (formerly Globalia Travel Club Spain, S.L.U.) Sekai Trading Services, S.L.U (antes Globalia Trading Services, S.L.U.), Planet Business Travel S.A.U. (antes Globalia Business Travel, S.A.U.), Viajes Ecuador, S.A.U., Viajes Halcón, S.A.U., Geomoon, S.L.U., Sekai Traveling S.L.U (antes Globalia Traveling, S.L.U.), Halcón, Monfobus, Fisterra, UTE, Ocio y Turismo Novotours, AIE, UTE Mundosenior 5, UTE Mundosenior Plus, Mundo Social, AIE, Palacio de Congresos Tenerife Sur, UTE, Central de Cruceros, S.A., Travel V Centenario, Centro de Empresas Rio Tinto, Tamaragua, Central de Cruceros, S.A., La Hispano, Monforte, Castromil, Globalia UTE, Globalia Incoming Services México, S.R.L. de C.V., Globalia Incoming Services Dominicana, S.A., See Europe Tours Limited, M.S. Viajes, S.A. and Rotas Ibéricas Lda..

During the year 2021, the companies Barceló Asian Ocean LTD and PT Barceló Hotel Group Indonesia were constituted.

In 2021, the companies BCLO Flamenco BV, BCLO Puerto Plata Holding BV, Unión Inversora Global S.L, Barceló Eventos Empresariales S.L., Barceló Grupo Empresarial, S.L., Barceló (Mauritius) Holding, LTD and Barhermo S.L. were dissolved.

During the year, the following companies were merged:

The company Asesoría y Servicios Cozumel, S.A. de C.V. has been absorbed by Cozumel Villages, S.A. de C.V.

The company Asesoría y Servicios Playa, S.A. de C.V. has been absorbed by Diamonds Hotels Playacar, S.A. de C.V.

The company Asesoría y Servicios Riviera, S.A. de C.V. has been absorbed by Desarrollo Flamenco Riviera, S.A. de C.V.

The company Asesoría y Servicios Royal, S.A. de C.V. has been absorbed by Hotel Royal Playacar, S.A. de C.V.

The company Las Glorias Del Pacífico, S.A. de C.V. has been absorbed by Diamonds Hotels Nuevo Vallarta, S.A. de C.V.

The company Monitoreo Maya, S.A. de C.V. has been absorbed by Quiroocan, S.A. de C.V.

The company Servicios de Personal De Hostelería, SRL de C.V. has been absorbed by BCO Tucancún, SRL de C.V.

The company Servicios Hoteleros de Manzanillo, SRL de C.V. has been absorbed by BCO Resorts Manzanillo, SRL de C.V.

The company Servicios Hoteleros de Huatulco, SRL de C.V. has been absorbed by BCO Huatulco, SRL de C.V.

The company Servicios Hoteleros de Ixtapa, SRL de C.V. has been absorbed by Grubarges Inversiones Hoteleras Mexicanas SRL de C.V.

The company Servicios Hoteleros de Vallarta, SRL de C.V. has been absorbed by BCO Mismaloya, SRL de C.V.

The company Servicios Hoteleros Kukulcan, SRL de C.V. has been absorbed by BCO Kukulcán, SRL de C.V.

The company Servicios, Asesoría y Sistemas DH, S.A. de C.V. has been absorbed by Diamonds Hotels Cozumel, SA de C.V.

The company Gregal Viagens, Ltda. has absorbed the companies Rotas Ibéricas - Viagens e Turismo Unipessoal., LDA. and Travelplan Portugal, Agencia de Viagens e Turismo, S.U. Lda.

5.1. BUSINESS COMBINATION

NARJIS D'INVESTISSEMENTS TOURISTIQUES, S.A.

On February 21, 2022, 100% of the shares of the company, Narjis d'Investissements Touristiques, S.A, have been acquired. This company owns the Hotel Fès Medina in Morocco. The cost of the business combination has been 4.3 million euros. The assets and liabilities acquired in the business combination, at fair value, for the purchase of this company were as follows:

	Thousands of euros
Non-current assets	12,420
Current assets	1,502
Total Assets	13,922
Non-current liabilities	8,162
Current liabilities	1,425
Total Liabilities	9,587
Business combination cost	4,335

The integrated result as of the date of the business combination has been as follows:

	Thousands of euros
Operating income	2,510
Personnel expenses	(591)
Other operating expenses	(1,287)
Amortisation	(520)
Finance results	42
Result before tax	154

If the company had been integrated with effect from January 1, 2022, the operating income and result for the year incorporated into the consolidated income statement would have amounted to 2,704 and 37 thousand euros, respectively.

GRASER TURISMO S.L.U.

On September 28, 2022, 100% of the shares of the company, Graser Turismo S.L.U, have been acquired. This company owns the Hotel Carmen Granada in Spain. The cost of the business combination has been 15 million euros. The assets and liabilities acquired in the business combination (provisional), at fair value, for the purchase of this company were as follows:

	Thousands of euros
Non-current assets	27,525
Current assets	880
Total Assets	28,405
Non-current liabilities	11,037
Current liabilities	2,292
Total Liabilities	13,330
Business combination cost	15,075

The integrated result as of the date of the business combination has been as follows:

	Thousands of euros
Operating income	771
Personnel expenses	(418)
Other operating expenses	(377)
Amortisation	(227)
Finance results	(213)
Result before tax	(464)

If the company had been integrated with effect from January 1, 2022, the operating income and result for the year incorporated into the consolidated income statement would have amounted to 5,541 and a loss of 398 thousand euros, respectively.

LUBA ITG S.L.U Y KAWAWA ITG S.L.U.

On December 19, 2022, 100% of the shares of the companies, Luba ITG S.L.U and Kawawa ITG S.L.U. have been acquired. The latter owns the Hotel Occidental Pamplona. The cost of the business combination has been 773 thousand euros. The assets and liabilities acquired in the business combination (provisional), at fair value, for the purchase of this company were as follows:

	Thousands of euros
Non-current assets	7,141
Current assets	45
Total Assets	7,187
Non-current liabilities	6,384
Current liabilities	30
Total Liabilities	6,414
Business combination cost	773

The integrated result as of the date of the business combination has been as follows:

	Thousands of euros
Operating income	0
Personnel expenses	0
Other operating expenses	0
Amortisation	(6)
Result before tax	(6)

If the company had been integrated with effect from January 1, 2022, the operating income and result for the year incorporated into the consolidated income statement would have amounted to zero and a loss of 98 thousand euros, respectively.

6. INTANGIBLE ASSETS

6.1. GOODWILL

Details of movement in goodwill in 2022 are as follows:

	Balance at 31/12/2021	Additions	Withdrawals	Translation differences	Impairment	Balance at 31/12/2022
Goodwill	282,622,347	5,587	(3,744,451)	378,492	-	279,261,975
Total	282,622,347	5,587	(3,744,451)	378,492	-	279,261,975

The balance at December 31, 2022, mainly relates to Viajes Deneb (176.8 million euros), Viajes Catai (46 million euros), Mayorista de Viajes (27.5 million euros), Punta Umbría Turística (6.6 million euros) and Nortravel (6.4 million euros). 3,265 thousand euros of the withdrawal in 2022 relates to the impairment of goodwill in the company, Crestline Hotels & Resorts, LLC.

Details of movement in goodwill in 2021 are as follows:

	Balance at 31/12/2020	Additions	Withdrawals	Translation differences	Impairment	Balance at 31/12/2021
Goodwill	105,348,062	176,796,996	-	477,289	-	282,622,347
Total	105,348,062	176,796,996	-	477,289	-	282,622,347

The balance at December 31, 2021, mainly relates to Viajes Deneb (176.8 million euros), Viajes Catai (46 million euros), Mayorista de Viajes (27.5 million euros), Punta Umbría Turística (6.6 million euros) and Nortravel (6.4 million euros). The addition in 2021, relates to goodwill generated through the acquisition of the Globalia Group's travel business (Viajes Deneb), as detailed in Note 5.

RECOVERABLE VALUE OF THE CGUS

In order to calculate the recoverable value of the CGUs, the degree of economic development in the economy in which they operate is taken into account, together with other variables such as the market quota, in those markets in which the CGUs are present, etc.

Discount rate variables (ke) and the perpetual growth rate (g) are also taken into account and are normally defined as follows:

Discount rate (ke) = the country's risk-free rate + (β * Equity risk premium).

Perpetual growth rate (g): taking into account the long-term IMF inflation forecast.

The cash flow projections of the Travel Division have taken into account the cash flows, without synergies, foreseen in the Viability Plan approved by SEPI in order to obtain the financing available for the first five years, while in the subsequent years the residual value is calculated establishing a perpetual income based on the cash flows of the estimates' last period, with a growth rate based on the inflation rate forecast for the geographical area in which each cash-generating unit operates. Projections are calculated in the currency in which they are generated. The acquisition price of the minority interest, acquired in December 2022, mentioned in Note 18.5, has also been considered as a contrast test.

The discount rate is based on the risk-free rate which, in general, relates to the effective profitability of the 10-year Spanish Government Bonds, on the country risk premium, on the sector's risk premium, calculated using the Beta coefficient of comparable entities and the market risk premium.

The cost of the debt is based on the debt's real cost at the date of the impairment test equivalent to the interest rates of the credits that the cash-generating unit is obliged to return.

The resulting post-tax discount rate applied in the impairment tests is of 10.4% and the perpetual growth rate was 1%.

SENSITIVITY ANALYSIS

Moreover, at least annually, the company evaluates the hypotheses used in the estimate of the future cash flows and updates them according to the actual results and past experience.

If there are fair variations in any of the key hypotheses, the carrying value will not exceed the recoverable value of the CGUs.

6.2. OTHER INTANGIBLE ASSETS

Details of movement in intangible assets during 2022 are as follows:

	Balance at 31/12/2021	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2022
Acquisition cost							
Patents, licences and similar rights	4,389,581	6,122	108,408	-	15,254	3,106	4,522,471
Leaseholds	32,579,220	-	-	-	-	-	32,579,220
Computer software	196,086,332	158,531	15,811,213	(387,632)	832,359	1,598,267	214,099,070
Time Share contracts	77,868,879	-	14,315,731	-	9,222,085	-	101,406,695
Other intangible assets	48,259,079	-	1,277,911	-	2,731,881	-	52,268,871
	359,183,091	164,653	31,513,263	(387,632)	12,801,579	1,601,373	404,876,327
Accumulated Amortisation							
Patents, licences and similar rights	(4,245,242)	(5,888)	(156,169)	-	(9,636)	(3,105)	(4,420,041)
Leaseholds	(17,143,608)	-	(1,207,229)	-	-	-	(18,350,836)
Computer software	(164,937,410)	(155,958)	(16,827,982)	359,658	(2,475,075)	(2,284,287)	(186,321,055)
Time Share contracts	(15,744,228)	-	(6,462,342)	-	(2,029,858)	-	(24,236,428)
Other intangible assets	(19,608,625)	-	(5,426,315)	-	2,378,750	(17,672)	(22,673,861)
	(221,679,113)	(161,846)	(30,080,037)	359,658	(2,135,819)	(2,305,064)	(256,002,221)
Carrying value	137,503,978	2,807	1,433,226	(27,974)	10,665,760	(703,691)	148,874,106

New incorporations relate to the integration of intangible assets from the hotels Barceló Fes Medina (Narjis d'Investissements Touristiques, S.A.), Barceló Carmen Granada (Graser Turismo S.L.U) and Occidental Pamplona (Kawawa ITG S.L.U), the purchase of which is detailed in Note 5.

Details of movement in intangible assets during 2021 are as follows:

	Balance at 31/12/2020	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2021
Acquisition cost							
Patents, licences and similar rights	3,510,549	876,310	-	(4,249)	6,971	-	4,389,581
Leaseholds	33,713,375	-	-	-	-	(1,134,155)	32,579,220
Computer software	130,336,384	56,302,570	8,547,578	(2,118,892)	261,763	2,756,929	196,086,332
Time Share contracts	63,171,237	-	10,969,544	-	3,728,098	-	77,868,879
Other intangible assets	45,374,979	1,514,336	190,520	(2,897,211)	3,169,054	907,401	48,259,079
	276,106,526	58,693,216	19,707,642	(5,020,352)	7,165,886	2,530,175	359,183,091
Accumulated Amortisation							
Patents, licences and similar rights	(3,262,008)	(837,874)	(146,591)	4,226	(2,995)	-	(4,245,242)
Leaseholds	(17,021,783)	-	(1,207,229)	-	-	1,085,404	(17,143,608)
Computer software	(103,637,563)	(46,533,581)	(16,441,837)	1,952,426	(276,855)	-	(164,937,410)
Time Share contracts	(10,484,280)	-	(4,505,056)	-	(754,892)	-	(15,744,228)
Other intangible assets	(13,954,841)	(1,500,997)	(1,232,790)	85,035	(1,919,628)	(1,085,404)	(19,608,625)
	(148,360,474)	(48,872,452)	(23,533,503)	2,041,687	(2,954,370)	-	(221,679,113)
Carrying value	127,746,051	9,820,764	(3,825,861)	(2,978,665)	4,211,516	2,530,175	137,503,978

New incorporations relate to the integration of intangible assets from the Viajes Deneb, S.L. Group, as a result of the merger of the travel businesses of the Barceló Group and the Globalia Group, as detailed in Note 5.

The main additions in 2021 relate to incremental costs incurred to obtain time-share contracts. See Note 3.18.g.

At December 31, 2022, the Group has totally amortised intangible assets for an amount of 152.5 million euros (125.4 million euros at December 31, 2021).

7. PROPERTY, PLANT & EQUIPMENT

Details of movement in Property, Plant & Equipment in 2022 are as follows:

	Balance at 31/12/2021	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2022
Acquisition cost							
Land and natural resources	511,326,783	17,260,118	67,325	(304,788)	37,435,649	-	565,785,087
Buildings	1,432,907,840	36,074,284	6,210,487	(18,028,929)	114,621,010	11,121,511	1,582,906,203
Technical installations	261,302,759	5,817,073	8,220,248	(6,694,534)	17,235,759	(29,683,625)	256,197,681
Machinery	98,624,753	658,375	2,918,346	(125,821)	9,646,827	14,671	111,737,151
Tools	3,348,537	39,694	231,648	-	290,096	-	3,909,975
Other installations	77,089,454	4,352,960	5,397,108	(1,362,323)	4,413,022	29,776,508	119,666,729
Furniture	265,487,940	4,894,469	6,576,359	(591,108)	17,597,161	278,802	294,243,623
IT equipment	28,183,413	172,848	2,250,858	(1,445,788)	1,584,505	856,783	31,602,619
Vehicles	29,586,591	-	189,336	(4,783,629)	1,971,374	45,570	27,009,242
Other property, plant & equipment	53,859,860	1,053,225	2,996,583	(55,634)	3,018,985	107,888	60,980,907
Property, plant & equipment under construction	26,181,382	5,041	19,487,243	(228,476)	(140,384)	(11,289,699)	34,015,107
	2,787,899,312	70,328,087	54,545,541	(33,621,030)	207,674,004	1,228,409	3,088,054,323
Accumulated depreciation							
Buildings	(374,551,220)	(9,092,139)	(52,301,005)	1,970,542	(30,801,195)	-	(464,775,017)
Technical installations and machinery	(253,565,461)	(5,303,618)	(25,640,516)	1,605,264	(17,014,695)	45,080,035	(254,838,991)
Other assets	(302,235,468)	(9,822,480)	(25,639,644)	5,480,275	(22,045,320)	(46,419,330)	(400,681,967)
	(930,352,149)	(24,218,237)	(103,581,165)	9,056,081	(69,861,210)	(1,339,295)	(1,120,295,975)
Impairment of property, plant & equipment	(67,719,962)	-	-	9,983,340	(1,504,662)	-	(59,241,284)
Carrying value	1,789,827,201	46,109,850	(49,035,624)	(14,581,609)	136,308,132	(110,886)	1,908,517,064

New incorporations relate to the integration of Property, plant and equipment from the hotels Barceló Fes Medina (Narjis d'Investissements Touristiques, S.A.), Barceló Carmen Granada (Graser Turismo S.L.U) and Occidental Pamplona (Kawawa ITG S.L.U.), the purchase of which is detailed in Note 5.

Withdrawals for the year mainly relate to the sale of the buildings of the Group's head offices of the Travel and Hotel Division, located in Palma de Mallorca.

Details of movement in Property, Plant & Equipment in 2021 are as follows:

	Balance at 31/12/2020	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2021
Acquisition cost							
Land and natural resources	489,842,728	90,464	3,345	-	21,390,246	-	511,326,783
Buildings	1,370,797,017	756,449	2,055,377	(465,441)	69,108,344	(9,343,906)	1,432,907,840
Technical installations	220,244,266	31,365,812	1,417,281	(2,221,516)	10,223,808	273,108	261,302,759
Machinery	92,069,335	21,527	1,224,725	(9,260)	5,314,380	4,046	98,624,753
Tools	3,210,555	131	119,102	(5,147)	23,896	-	3,348,537
Other installations	75,102,079	12,023	745,190	(1,623,579)	2,583,268	270,473	77,089,454
Furniture	237,339,696	20,802,949	2,276,981	(4,110,641)	9,057,999	120,956	265,487,940
IT equipment	21,619,515	5,893,631	443,323	(261,997)	469,951	18,990	28,183,413
Vehicles	20,167,630	8,132,966	695,591	(57,183)	687,752	(40,165)	29,586,591
Other property, plant & equipment	53,471,102	1,258	885,252	(1,813,383)	1,287,709	27,922	53,859,860
Property, plant & equipment under construction	13,332,681	23,740	8,115,959	(909,621)	(484,372)	6,102,994	26,181,382
	2,597,196,605	67,100,950	17,982,126	(11,477,768)	119,662,981	(2,565,582)	2,787,899,312
Accumulated depreciation							
Buildings	(309,877,324)	(403,798)	(46,893,539)	247,715	(17,624,274)	-	(374,551,220)
Technical installations and machinery	(179,401,095)	(28,180,723)	(22,631,621)	2,943,576	(10,734,354)	(15,561,244)	(253,565,461)
Other assets	(253,578,956)	(33,851,284)	(28,473,586)	6,024,432	(7,952,725)	15,596,651	(302,235,468)
	(742,857,374)	(62,435,805)	(97,998,746)	9,215,723	(36,311,353)	35,407	(930,352,149)
Impairment of property, plant & equipment	(67,544,060)	-	708,536	-	(884,438)	-	(67,719,962)
Carrying value	1,786,795,171	4,665,145	(79,308,084)	(2,262,045)	82,467,190	(2,530,175)	1,789,827,201

New incorporations relate to the integration of Property, plant and equipment from the Viajes Deneb, S.L. Group, as a result of the merger of the travel businesses of the Barceló Group and the Globalia Group, as detailed in Note 5.

The Amortisation and impairment heading of the 2022 consolidated statement of financial position includes impairment reversal of PP&E for an amount of 10 million euros (reversal of 0.7 thousand euros in 2021), related to a hotel in Mexico that had better than expected results. The post-tax discount rate applied to determine the recoverable amount was 11.09% and the perpetual growth rate (g) was 2%

No finance expenses have been capitalised in 2022 or 2021.

At December 31, 2022, the Group has fully depreciated property, plant and equipment amounting to 477.3 million euros (422 million euros at December 31, 2021).

8. INVESTMENT PROPERTY

Investment property reflects the carrying amount of the assets held to generate rental income or capital gains. Details of investment property held by the Group are as follows:

2022:

	Balance at 31/12/2021	Withdrawals	Translation differences	Amortisation	Balance at 31/12/2022
Shopping centres and retail premises in Spain	5,058,510	(4,918,494)	-	(74,323)	65,693
Land in Costa Rica	5,247,999	-	667,905	-	5,915,904
Total	10,306,509	(4,918,494)	667,905	(74,323)	5,981,597

2021:

	Balance at 31/12/2020	Impairment property investments	Translation differences	Amortisation	Balance at 31/12/2021
Shopping centres and retail premises in Spain	5,153,823	-	-	(95,313)	5,058,510
Land in Costa Rica	5,070,199	-	177,800	-	5,247,999
Total	10,224,023	-	177,800	(95,313)	10,306,509

The fair value of these assets does not differ significantly from their carrying amount. The value of these assets has been adjusted for impairment for an amount of 8,933 thousand euros (11,822 thousand euros at December 31, 2021). No impairment has been recognised in either 2022 or 2021.

Withdrawals correspond to the sale of carparking spaces in the building where the Travel Division head offices are currently located.

9. EQUITY-ACCOUNTED INVESTEEES

Movement in investments in associates in 2022 is as follows:

	Balance at 31/12/2021	Profit/(Loss)	Additions	Impairment	Balance at 31/12/2022
Santa Lucía, S.A.	1,241,115	-	-	-	1,241,115
Hotel Rívoli SA	443,787	(138,987)	-	-	304,800
Contuijo, S.L.	125,000	-	-	-	125,000
Caravel, S.A.	12,602,145	(252,367)	-	-	12,349,778
Société Financière d'Africa Palace, SA	8,080,010	(1,209,857)	-	-	6,870,153
UTE Segitur	10	-	-	-	10
Total	22,492,067	(1,601,211)	-	-	20,890,856

Movement in investments in associates in 2021 is as follows:

	Balance at 31/12/2020	Profit/(Loss)	Additions	Impairment	Balance at 31/12/2021
Santa Lucía, S.A.	1,241,115	-	-	-	1,241,115
Hotel Rívoli SA	996,896	(553,109)	-	-	443,787
Contuijo, S.L.	125,000	-	-	-	125,000
Caravel, S.A.	12,928,050	(325,905)	-	-	12,602,145
Société Financière d'Africa Palace, S.A.	9,282,122	(1,202,112)	-	-	8,080,010
UTE Segitur	-	-	10	-	10
Total	24,573,183	(2,081,126)	10	-	22,492,067

The key indicators from the balance sheets and income statements of associates in 2022 are as follows:

Thousands of euros		Non-current asset	Current asset	Equity	Non-current liability	Current liability	Total revenue	Net profit/(loss)	Net profit/ (loss) attributable to the Group
Santa Lucía, S.A.	50%	7,973	2,729	6,861	3,838	4	-	-	-
Hotel Rívoli SA	20%	21,525	4,182	1,303	23,770	655	7,716	(2,579)	(139)
Contuijo, S.L.	33%	82	618	169	137	395	1,555	(91)	-
Société Financière d'Africa Palace, S.A.	48%	29,064	3,430	(121)	27,048	5,568	8,007	(2,366)	(1,210)
Caravel, S.A.	20%	45,322	17,526	45,189	13,130	4,529	16,258	1,568	(252)

The key indicators from the balance sheets and income statements of associates in 2021 are as follows:

Thousands of euros		Non-current asset	Current asset	Equity	Non-current liability	Current liability	Total revenue	Net profit/(loss)	Net profit/ (loss) attributable to the Group
Santa Lucía, S.A.	50%	7,509	2,570	6,462	3,614	3	-	-	-
Hotel Rívoli SA	20%	26,064	1,660	2,767	24,651	307	5,745	(2,377)	(553)
Contuijo, S.L.	33%	48	701	307	38	404	1,492	190	-
Société Financière d'Africa Palace, SA	48%	21,869	2,277	2,760	19,464	1,923	2,801	(734)	(1,202)
Caravel, S.A.	20%	19,838	8,694	23,987	3,436	1,110	1,890	(48)	(326)

The difference between the % of participation from the equity value of the investee and the value of the participation method, mainly relates to unrealised gains existing on the acquisition date of the participation and also at closing.

10. OTHER NON-CURRENT FINANCIAL ASSETS

At December 31, 2022 and 2021, the breakdown of "Other non-current financial assets" is as follows:

	Balances at 31/12/2022	Balances at 31/12/2021
Credits to associates	2,453,928	712,651
Deposits and guarantees	66,800,791	54,760,816
Equity instruments	139,128	109,128
Derivatives (Note 15)	561,957	106,015
Assets related to labour liabilities (Note 20.1)	5,279,251	5,609,832
Loans to third parties	41,551,921	12,692,174
Balance receivable for Time Share contracts	31,912,724	25,620,331
Prepayments for assets	1,980,975	996,910
Other loans	275,273	1,018,201
Total	150,955,948	101,626,058

NON-CURRENT DEPOSITS AND GUARANTEES

This balance primarily comprises security deposits related to lease contracts for hotels and aircraft. It also includes prepayments made to the lessors of aircraft for the maintenance programme of the leased aircraft and the future amounts to be compensated by the lessors of the aircraft for an amount of 42,793 thousand euros (33,932 thousand euros in 2021).

LOANS TO THIRD PARTIES

The Loans to third parties balance mainly relates to a loan of 21.7 million given to Fundación Barceló, maturing in December 2027 and remunerated at market rate, a loan of 10 million to the company, Wamos, S.A., maturing in March 2024, and to various loans given to the owners of hotels leased or operated by the Group.

BALANCES RECEIVABLE FOR THE SALE OF RIGHTS TO USE ROOMS (TIME SHARE)

The Group extends financing to customers who purchase rights to use rooms, mainly for a term between three and five years.

11. TRADE DEBT

The breakdown is as follows:

	Balance at 31/12/2022	Balance at 31/12/2021
Trade debt	344,342,540	220,596,161
Total	344,342,540	220,596,161

The balance of the bad debt provision at December 31, 2022, amounts to 27 million euros. At December 31, 2021, the balance amounted to 24 million euros. The balance of the bad debt provision at December 31, 2022 has amounted to 11.7 million euros (9.5 million in 2021).

The ageing of past-due receivables at year-end in thousands of euros is as follows:

	2022	2021
Less than 90 days	119,509	58,725
More than 90 days and less than 180	30,632	8,657
More than 180 days and less than 360	2,356	10,170
More than 360 days	4,730	7,172
	157,227	84,724

12. OTHER RECEIVABLES

Details are as follows:

	Balance at 31/12/2022	Balance at 31/12/2021
Receivables	11,391,673	34,180,557
Advances to creditors	61,064,980	33,514,209
Tax receivables - others	22,529,439	20,923,192
Tax authorities - VAT recoverable	4,456,500	18,254,667
Withholdings and payments on account	17,112,825	11,065,455
Total	116,555,417	117,938,080

13. OTHER CURRENT FINANCIAL ASSETS

Details are as follows:

	Balance at 31/12/2022	Balance at 31/12/2021
Deposits, Guarantees and Others	17,594,423	4,530,011
Interest receivable	842,572	30,082
Derivatives (Note 15)	3,864,512	116,068
Total	22,301,507	4,676,161

14. FINANCIAL INSTRUMENTS

The breakdown of financial instruments, by category, is as follows:

Financial assets	Equity instruments		Loans, derivatives and others		Total	
	2022	2021	2022	2021	2022	2021
Non-current financial assets						
Assets at fair value with changes in comprehensive income	139,128	109,128	-	-	139,128	109,128
Assets at fair value with changes in profit and loss	-	-	561,957	106,015	561,957	106,015
Assets at amortised cost	-	-	150,254,862	101,410,915	150,254,862	101,410,915
	139,128	109,128	150,816,819	101,516,930	150,955,947	101,626,058
Current financial assets						
Assets at amortised cost	-	-	435,236,189	292,851,021	435,236,189	292,851,021
Hedging derivatives	-	-	3,864,512	116,068	3,864,512	116,068
	-	-	439,100,701	292,967,089	439,100,701	292,967,089
TOTAL	139,128	109,128	589,917,520	394,484,019	590,056,648	394,593,147

Current financial assets at amortised cost include "trade receivables", "other receivables" and "other current financial assets" in the Statement of Financial Position, less the amounts receivable from public entities.

15. ASSETS AT FAIR VALUE

Details of the assets and liabilities measured at fair value and the hierarchy in which they are classified are as follows:

	Level 2	
	2022	2021
Derivatives - Assets		
Non-current		
- Interest rates	561,957	106,015
- Exchange rate	-	-
- Fuel (Notes 24 and 25)	-	-
Current		
- Exchange rate (Notes 24 and 25)	-	116,068
- Fuel	1,770,180	-
- Interest rates	2,094,332	-
Total Assets	4,426,469	222,083

The Group has an interest rate swap contract of the 3-month Euribor, for a fixed negative interest of 0.1% on a notional amount of 50 million euros. This swap was contracted on April 1, 2020, and matures on April 1, 2024. The change of the fair value of this derivative in 2022 amounted to 750 thousand euros and has been recognised under the Finance income heading of the consolidated income statement (Note 30). The fair value at December 31, 2022 is 561,957 euros. In 2021, said derivative was payable and was presented together with the derivative financial liabilities. In 2021, the change in fair value amounted to 83 thousand euros and it was recognised under expenses.

In April 2022, a finance contract has been settled in order to cover in the case that the 3-month Euribor does not exceed 0% (cap) for an initial notional amount of 80 million euros. This contract matures in 2025, obtaining a profit of 1,573 miles de euros recognised under the Finance income heading of the consolidated income statement (Note 30).

The Group has contracted fuel derivative financial instruments with a net debtor fair value, at December 31, 2022, amounting to 1,770 thousand euros.

The Group has an interest rate swap contract of the 6-month Euribor, for a fixed interest of 1.50% on a notional amount of 30 million euros. At December 31, 2022, the fair value amounted to 2,094 thousand euros.

Fuel hedges consist of futures for the purchase of fuel by tonnes, amounts and years as detailed in the table below:

Maturity date	Tonnes of Fuel	Us dollars
2023	66,500	56,756,000

There have been no transfers between levels 1, 2 and 3 during 2022 or 2021. The measurement technique has not been modified with regard to 2021.

16. CASH AND CASH EQUIVALENTS

At December 31, 2022, the balance of this heading amounts to 765.1 million euros, 504.2 million euros of which (878.7 million euros in 2021) related to bank accounts and 261.0 million euros (170.3 million euros in 2021) related to bank deposits maturing in the short-term. These bank deposits include 123.8 million that mature between 3 and 12 months and 62.0 million of this amount is pledged as collateral for the repayments of credits.

As established in articles 42.bis, 42 ter and 52 bis of the General Regulations on Tax Management and Inspection Actions and Procedures, the Parent has the required entries in its accounts to comply with the obligation to declare its assets and rights located abroad, in accordance with the Eighteenth Additional Provision of the General Tax Law 58/2003 of December 17, 2003, the General Regulations on Tax Management and Inspection Actions and Procedures, and the development of the Shared Regulations for Procedures for Applying Taxes, approved by Royal Decree 1065/2007 of July 27.

The accounting balances of the bank accounts belonging to foreign subsidiaries of Barceló Corporación Empresarial, S.A. controlled by individuals with powers of attorney who are resident in Spain for tax purposes, are duly recognised and identified in their respective individual accounts and are included in the preparation of the accompanying consolidated annual accounts.

17. PREPAYMENTS

This heading includes payments of amounts which have not yet been accrued. It also includes an amount of 2.2 million euros corresponding to balances pending collection from insurance companies related to incidents in certain hotels and which have been approved by said companies.

18. EQUITY

18.1. SHARE CAPITAL

At December 31, 2022 and 2021, share capital is represented by 10,464,384 registered shares of 1 euro par value each, subscribed and fully paid. All shares are of the same type, have the same rights and are not quoted on the stock exchange.

The companies SILUMAR FAMILY HOLDING S.L., SIAN PARTNERS S.L. and SAN JOSE TAMBOR S.L., hold 34.61%, 21.27% and 13.87%, respectively, of the Parent's share capital.

18.2. SHARE PREMIUM

The share premium is freely distributable.

18.3. RESERVES

LEGAL RESERVE

Spanish companies are obliged to transfer a minimum of 10% of the profits for the year to a legal reserve until this reserve reaches an amount equal to at least 20% of the share capital. This reserve is not distributable to shareholders and may only be used to cover the debtor balance of the income statement if no other reserves are available. Under certain conditions it may be used to increase share capital provided that the balance left in the reserve is at least equal to 10% of the nominal value of the total share capital after the increase. The Parent Company has fully provided for the legal reserve.

OTHER NON-DISTRIBUTABLE RESERVES – CAPITALISATION RESERVE

Income Tax Law 27/2014 introduced as of 2015, article 25 regulating the capitalisation reserve. This article stipulates the possibility of reducing taxable income to 10% of the increase in an entity's capital and reserves, provided that a number of requirements, including the following, are met:

- That the amount of the increase in the entity's capital and reserves is maintained for a period of five years from the closing of the tax period to which this reduction pertains unless the entity has incurred accounting losses.
- That a reserve be allocated, equivalent to the amount of the decrease, which should be reflected on the balance sheet as a separate heading and will be non-distributable during the period forecast in the preceding point.

At December 31, 2022, the Group has 27 million euros of restricted capitalisation reserves.

Moreover, the Group foresees crediting 2022 Corporate Tax for an amount of 3.5 million euros for which an additional restricted reserve would be charged.

VOLUNTARY RESERVES (OTHER RESERVES)

The voluntary reserve is freely distributable.

RESERVES IN FULLY CONSOLIDATED COMPANIES AND ASSOCIATES

This heading includes the contribution to consolidated equity of the profits generated by Group companies since their incorporation. As indicated in Note 2.3, accumulated translation differences until the date of the transition to IFRS were also classified under this heading.

18.4. DISTRIBUTION OF DIVIDENDS

The proposal for the distribution of dividends, prepared by the Board of Directors and pending approval at the General Shareholders' Meeting, is for an amount of 20,000,000 euros (11,385,989 euros charged to the 2022 results and 8,614,011 euros charged to the 2019 reserves).

At their 2022 General Meeting, the shareholders agreed that no dividends should be distributed.

18.5. NON-CONTROLLING INTERESTS

The most significant non-controlling interests are mainly held by Desarrollo Flamenco Riviera SA de CV, Emeraldtown and Empreendimentos Imobiliários e Turísticos, Lda and Michamwi Resort Development LTD.

Appendix I details the information relating to these companies.

At December 31, 2022, details of non-controlling interests are as follows:

	Thousands of euros
Non-current assets	55,843
Current assets	13,747
Total Assets	69,590
Equity	29,652
Non-current liabilities	29,599
Current liabilities	10,339
Total liabilities	69,590
Income	383,104
Profit/(loss) for the year	(56,425)

On December 1, 2022, the Group acquired 49.45% of Ávoris Corporación Empresarial, S.L., from the Globalia Group, converting the Barceló Group in the owner of 100% of the shares. The production cost amounted to 24.2 million euros. As a consequence of this acquisition there has been a decrease in the consolidated net equity for said amount, with a decrease of consolidated reserves of 104 million and an increase in the Minority interest balance of 80 million (See the Consolidated Statement of Changes in Equity). The result attributable to minority interest related to Ávoris Corporación Empresarial, S.L. and subsidiaries until the acquisition date of the minority interest has amounted to 58.7 million of losses.

18.6. TRANSLATION DIFFERENCES

This balance includes the effects of the translation to euros of the balance sheets of those companies whose functional currency is different to the euro, in accordance with the criteria detailed in Note 2.3. In 2022, the company Occidental Costa Rica, S.A. has been liquidated without generating any significant effect on the income statement. In 2021, the companies Flamenco BV, Puerto Plata Holding BV and Mauritius Holding have been liquidated without generating any significant effect on the income statement.

19. GRANTS

Capital grants were primarily extended to acquire or build hotel assets, recognising the profit or loss according to the useful life of the subsidised asset.

Movement in 2022 is as follows:

	Balances at 31/12/2021	Additions	Taken to income statement	Balances at 31/12/2022
Grants	1,154,554	-	(220,921)	933,633
Total	1,154,554	-	(220,921)	933,633

Movement in 2021 is as follows:

	Balances at 31/12/2020	Additions	Taken to income statement	Balances at 31/12/2021
Grants	110,171	1,660,955	(616,572)	1,154,554
Total	110,171	1,660,955	(616,572)	1,154,554

20. PROVISIONS

20.1. NON-CURRENT PROVISIONS

Movement in provisions in 2022 is as follows:

	Balances at 31/12/2021	New incorporations	Additions	Withdrawals	Transfers	Translation differences	Balances at 31/12/2022
Commitments with employees	27,691,601	235,894	2,421,725	(4,675,162)	-	1,357,001	27,031,059
Provisions for liabilities	41,383,340	64,300	9,374,718	(18,669,493)	(62,456)	496,045	32,586,454
Provisions for overhauls	38,293,680	-	8,768,160	(112,951)	62,456	-	47,011,345
Non-current provisions for onerous contracts	2,062,184	-	-	(2,062,184)	-	-	-
Non-current provisions	109,430,805	300,194	20,564,603	(25,519,790)	-	1,853,046	106,628,858
Provisions for overhauls and others	12,467,123	-	2,010,757	(1,882,873)	-	-	12,595,007
Current provisions	12,467,123	-	2,010,757	(1,882,873)	-	-	12,595,007
Total provisions	121,897,928	300,194	22,575,360	(27,402,663)	-	1,853,046	119,223,865

Movement in provisions in 2021 is as follows:

	Balances at 31/12/2020	New incorporations	Additions	Withdrawals	Translation differences	Balances at 31/12/2021
Commitments with employees	24,439,595	179,686	2,841,129	(603,392)	834,583	27,691,601
Provisions for liabilities	39,374,103	54,169	10,136,710	(8,148,763)	(32,879)	41,383,340
Provisions for overhauls	2,661,690	-	35,631,990	-	-	38,293,680
Non-current provisions for onerous contracts	-	-	2,062,184	-	-	2,062,184
Non-current provisions	66,475,390	233,855	50,672,013	(8,752,155)	801,704	109,430,805
Provisions for overhauls and others	3,658,432	-	10,929,709	(2,121,018)	-	12,467,123
Current provisions	3,658,432	-	10,929,709	(2,121,018)	-	12,467,123
Total provisions	70,133,822	233,855	61,601,722	(10,873,173)	801,704	121,897,928

COMMITMENTS WITH EMPLOYEES

The provision for long-service benefits covers the accrued liability of commitments established in a number of collective labour agreements in the Spanish hospitality sector and the national collective labour agreement for travel agencies. It also includes commitments with employees in accordance with Mexican and Aruban labour legislation, as well as the pension plan of certain employees of the US company, Crestline Hotels & Resorts, LLC.

The expense included in the 2022 consolidated income statement for this concept amounts to 1,541 thousand euros (2,213 thousand in 2021). The amount of the expense directly recognised in equity (Value adjustment) amounts to 3,794 thousand euros (628 thousand euros expense in 2021).

Long-service benefits in Spain

Under prevailing employment legislation in Spain for hospitality companies, Group companies in Spain with this activity are obliged to pay employees who have completed a specific length of service, an amount equivalent to a number of monthly salary instalments in cash, in accordance with the worker's length of service and age at the end of their employment relationship. These long-service benefits are calculated based on the basic salary and the worker's personal supplements. The collective labour agreement for travel agents in Spain also regulates retirement benefits, subject to an agreement between the worker and the company. In 2022 and 2021, the required provisions have been recognised for this purpose, based on the terms of the corresponding collective labour agreements. The liabilities relating to defined benefit obligations are measured based on actuarial calculations. The method used for this calculation in 2022 and 2021, was the projected unit credit method using the PERMF2022 tables applying an interest rate of 3.67% (0.63% in 2021), an employee turnover assumption of 8.42% (8.95% in 2021), an annual salary increase rate of 1.5% and a retirement age of 65 years. The provision for this commitment amounts to 9.1 million euros at closing 2022 (12.7 million in 2021).

Long-term remunerations in Mexico and Aruba

The prevailing labour legislation in Mexico also includes a number of commitments from companies to their employees. At closing, the liability recognised for said commitments amounts to 9.5 million euros (6.5 million euros in 2021), which has been calculated using the projected unit credit method. The actuarial hypotheses used for the calculation of the related liability are EMSSAH-09/EMSSAH-09 mortality tables, staff rotation indexes depending on the age of the employee, a discount rate of 9.27%, a salary increase of 5.04% and a long-term inflation rate of 4%.

Finally, Aruban labour law obliges the company to pay a minimum pension to its employees in the case that the pension contributions made by the workers do not reach the minimum legal limit. The Group has recognised a provision to cover this liability amounting to 2.6 million euros (2.1 million euros in 2021). The main hypotheses used in the calculation have been retirement at 65 years old, a discount rate of 4.6%, a salary increase of 0% (0% in 2021) and a staff rotation hypothesis of 9.50%.

Pension plan employees United States (Crestline Hotels & Resort, LLC)

The Company has an executive plan awarding additional retirement benefits to a select group of Management employees, allowing them to totally or partially defer their remuneration. The amounts contributed in these plans by both the company and the employees, together with the profit and loss attributed to these amounts are transferred to a Trust Fund. The Trust Fund is exclusively owned by the company, subject to the demand of Crestline's creditors, until the payment is made to the participating employee or their beneficiary. At December 31, 2022, the plan's assets amount to 5,6 million USD (6.4 million in 2021), and consists of cash and cash equivalents, shares and bonds. At December 31, 2022, the non-current liability for this concept amounts to 5,5 million USD (6.2 million in 2021).

PROVISIONS FOR LIABILITIES

Provisions for liabilities cover miscellaneous risks and contingencies arising from the Group's operations and litigations.

ONEROUS CONTRACTS

Provisions for onerous contracts are those derived from lease contracts. In 2022, the provision for onerous contracts amounting to 2.1 million, corresponding to 2 hotels in Italy, has been reversed.

PROVISIONS FOR OVERHAULS

This heading includes the provision to cover future aircraft overhauls for the concept of programmed maintenance that, according to the stipulation of the lease contracts should be performed before the return of the aircraft.

In order to calculate said provision, the Company differentiates between overhauls that must be performed during the term of the aircraft lease contract and those that must be undertaken following the maturity of said contract. The Company makes a provision based on historical prices and those established in the maintenance contracts in the first case, and those stated in the aircraft lease contracts in the second case. In both cases, the Company considers the hours/cycles and working months of each aircraft.

20.2. CURRENT PROVISIONS

At December 31, 2022, current provisions amounted to 12.5 million (12.3 million in 2021). Of this amount, 5.8 million euros relate to the provision for overhauls related to aircraft maintenance and the remainder to current provisions for the ordinary activities of the Travel Division.

21. BORROWINGS FROM BANKS AND PUBLIC ADMINISTRATIONS

At December 31, 2022, the breakdown of borrowings with Banks and Public Administrations, by nature and maturity are as follows:

	2022	
	Non-current maturities	Current maturities
Personal loans	580,860,727	232,284,666
Credit facilities	-	-
Promissory notes issued in MARF	-	153,800,000
Interest	-	3,506,094
Total bank debt	580,860,727	389,590,760
Total borrowings	580,860,727	389,590,760

At December 31, 2021, the breakdown of borrowings with Banks and Public Administrations, by nature and maturity are as follows:

	2021	
	Non-current maturities	Current maturities
Personal loans	649,793,689	136,476,416
Credit facilities	199,854,920	3,417,778
Promissory notes issued in MARF	-	200,000,000
Interest	-	1,315,267
Total bank debt	849,648,609	341,209,461
SEPI loans	220,000,000	-
Interest	-	3,271,713
Total debt with Public Administrations	220,000,000	3,271,713
Total borrowings	1,069,648,609	344,481,174

At December 31, 2022, the credit facilities with annual maturity have not been drawn down. They are regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread. All of these are denominated in euros. The limit of these credit facilities amounts to 593.4 million euros.

The amount of the policies with non-current maturities drawn down at December 31, 2021, is of 199.9 million euros. They were regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread. All of these are denominated in euros. The limit of these credit facilities amounted to 603 million euros.

In 2021, the Group subscribed ICO guarantee loans with various financial entities. Many of these loans have been cancelled in 2022 through the issue of new unguaranteed loans with the same financial entities. Of the total amount of the personal loans mentioned above, 123.5 million euros (389.7 million euros in 2021), relate to ICO guarantee loans.

All the loans are pegged to a floating market rate, except for an amount of 310.6 million euros at a fixed rate (445.1 million at December 31, 2021). Their fair value is similar to their carrying amount.

On December 16, 2022, the Group has cancelled, in advance, all the debt with the Fund to Support Solvency of Strategic Companies (Fondo de Apoyo a la Solvencia de Empresas Estratégicas) and the State Industrial Ownership Corporation (SEPI), that had a limit of 320 million euros. As of said date, this line of financing no longer exists.

On November 24, 2021, a new promissory note issue programme was signed for an amount of 200 million euros, maturing on November 24, 2022 and on November 22, 2022, a new programme linked to sustainability was signed for an amount of 200 million euros, maturing on November 22, 2023. The outstanding issues at December 31, 2022 are as follows:

- 6.3 million euros, issued on January 11, 2022, maturing on January 20, 2023, at 1.35%.
- 3.1 million euros, issued on February 1, 2022, maturing on January 20, 2023, at 1.35%.
- 1.2 million euros, issued on February 16, 2022, maturing on February 15, 2023, at 1.35%.
- 0.3 million euros, issued on April 4, 2022, maturing on January 20, 2023, at 1.101%.
- 4.2 million euros, issued on April 22, 2022, maturing on January 20, 2023, at 1.10%.
- 3.2 million euros, issued on May 5, 2022, maturing on February 15, 2023, at 0.151%.
- 7.8 million euros, issued on May 30, 2022, maturing on March 7, 2023, at 1.101%.
- 0.4 million euros, issued on June 15, 2022, maturing on March 7, 2023, at 1.102%.
- 0.5 million euros, issued on July 5, 2022, maturing on January 20, 2023, at 1.103%.
- 0.7 million euros, issued on July 27, 2022, maturing on January 20, 2023, at 1.153%.
- 6.1 million euros, issued on September 6, 2022, maturing on February 15, 2023, at 1.658%.
- 10.1 million euros, issued on September 22, 2022, maturing on January 20, 2023, at 1.457%.
- 0.4 million euros, issued on September 22, 2022, maturing on March 7, 2023, at 1.708%.
- 10.8 million euros, issued on October 7, 2022, maturing on February 15, 2023, at 1.79%.
- 1.0 million euros, issued on October 7, 2022, maturing on April 5, 2023, at 2.162%.

- 0.4 million euros, issued on October 27, 2022, maturing on February 15, 2023, at 1.862%.
- 3.7 million euros, issued on October 27, 2022, maturing on April 5, 2023, at 2.315%.
- 7.6 million euros, issued on November 10, 2022, maturing on January 20, 2023, at 2.037%.
- 18.2 million euros, issued on November 10, 2022, maturing on March 7, 2023, at 2.389%.
- 6.1 million euros, issued on December 9, 2022, maturing on February 15, 2023, at 2.526%.
- 5.7 million euros, issued on December 9, 2022, maturing on April 5, 2023, at 2.929%.
- 8.7 million euros, issued on December 9, 2022, maturing on June 9, 2023, at 3.297%.
- 2.5 million euros, issued on December 9, 2022, maturing on December 11, 2023, at 3.75%.
- 2.0 million euros, issued on December 20, 2022, maturing on December 11, 2023, at 3.752%.
- 20.9 million euros, issued on December 22, 2022, maturing on February 15, 2023, at 2.68%.
- 3.9 million euros, issued on December 22, 2022, maturing on May 15, 2023, at 3.282%.
- 10.0 million euros, issued on December 28, 2022, maturing on January 20, 2023, at 2.478%.
- 5.0 million euros, issued on December 28, 2022, maturing on January 23, 2023, at 2.478%.
- 3.0 million euros, issued on December 29, 2022, maturing on March 7, 2023, at 2.73%.

These promissory note issue programmes are registered in the Alternative Fixed Income Market (MARF) in Spain.

The promissory notes issued in MARF in 2021 were as follows:

- 5 million euros, issued on June 15, 2021, maturing on March 15, 2022, at 1.302%.
- 1 million euros, issued on July 5, 2021, maturing on April 4, 2022, at 1.30%.
- 8.7 million euros, issued on July 15, 2021, maturing on January 11, 2022, at 1.05%.
- 7.9 million euros, issued on July 15, 2021, maturing on April 4, 2022, at 1.30%.
- 11.5 million euros, issued on September 2, 2021, maturing on March 2, 2022, at 1.00%.
- 4.6 million euros, issued on September 2, 2021, maturing on May 30, 2022, at 1.25%.
- 15 million euros, issued on September 13, 2021, maturing on January 11, 2022, at 0.75%.
- 18.8 million euros, issued on September 13, 2021, maturing on March 15, 2022, at 1.00%.
- 1.1 million euros, issued on September 13, 2021, maturing on June 15, 2022, at 1.25%.
- 9.7 million euros, issued on October 4, 2021, maturing on January 11, 2022, at 0.75%.
- 8.4 million euros, issued on October 4, 2021, maturing on April 4, 2022, at 1.00%.
- 1.6 million euros, issued on October 4, 2021, maturing on July 5, 2022, at 1.25%.
- 14.2 million euros, issued on October 14, 2021, maturing on February 1, 2022, at 0.7%.
- 5.4 million euros, issued on October 14, 2021, maturing on April 22, 2022, at 0.95%.
- 9.3 million euros, issued on October 14, 2021, maturing on July 5, 2022, at 1.2%.
- 12 million euros, issued on October 27, 2021, maturing on February 1, 2022, at 0.7%.
- 8.4 million euros, issued on October 27, 2021, maturing on May 5, 2022, at 0.95%.
- 5.5 million euros, issued on October 27, 2021, maturing on July 27, 2022, at 1.2%.
- 4.1 million euros, issued on November 4, 2021, maturing on October 27, 2022, at 1.4%.
- 2 million euros, issued on November 15, 2021, maturing on February 16, 2022, at 0.7%.
- 4 million euros, issued on November 15, 2021, maturing on May 30, 2022, at 0.95%.
- 7.2 million euros, issued on November 15, 2021, maturing on September 6, 2022, at 1.2%.
- 5 million euros, issued on December 1, 2021, maturing on March 2, 2022, at 0.70%.
- 10 million euros, issued on December 1, 2021, maturing on May 30, 2022, at 0.95%.
- 16.9 million euros, issued on December 1, 2021, maturing on September 6, 2022, at 1.2%.

22 OTHER NON-CURRENT LIABILITIES

Details are as follows:

	2022	2021
Guarantees and deposits	1,765,357	1,649,257
Non-current loans	84,907,067	103,006,852
Other non-current liabilities	47,497,884	56,641,985
Total Other non-current financial liabilities	134,170,308	161,298,094

On December 22, 2022, the loan with Fundación Barceló, that amounted to 13.0 million euros, was cancelled.

At December 31, 2022, the balance of non-current loans includes loans extended by various members of the Barceló family and related parties for an amount of 84.9 million euros (90.0 million euros at December 31, 2021) remunerated at a market interest rate.

The fair value of these loans, valued at amortised cost, is similar to their carrying amount. These loans are renewed annually and are presented as non-current due to the lenders' express acceptance of their extension with maturity in 2024.

The "Other non-current liabilities" balance includes the non-current deferred payment for the purchase of the shares of Viajes Catai, S.A. and Punta Umbría Turística, S.L., for an amount of 4.1 and 36.7 million euros respectively, valued at amortised cost.

23. MATURITIES OF FINANCIAL LIABILITIES

Details by maturity of non-current financial liabilities at December 31, 2022, are as follows:

	2024	2025	2026	2027	2028 and subsequent years
Personal loans	213,329,816	178,240,361	72,560,753	69,900,256	46,829,542
Credit facilities	-	-	-	-	-
Total bank debt	213,329,816	178,240,361	72,560,753	69,900,256	46,829,542
Guarantees and deposits	-	-	-	-	1,765,357
Other non-current loans	84,907,067	-	-	-	-
Other non-current liabilities	8,509,533	3,719,185	3,775,713	3,833,163	27,660,291
Total other non-current liabilities	93,416,600	3,719,185	3,775,713	3,833,163	29,425,648

Details by maturity of non-current financial liabilities at December 31, 2021, are as follows:

	2023	2024	2025	2026	2027 and subsequent years
Personal loans	321,114,575	153,741,308	136,249,186	23,684,311	235,004,309
Credit facilities	199,854,920	-	-	-	-
Total bank debt	520,969,495	153,741,308	136,249,186	23,684,311	235,004,309
Guarantees and deposits	-	-	-	-	1,649,257
Other non-current loans	103,006,852	-	-	-	-
Other non-current liabilities	10,511,934	8,153,150	4,102,852	4,275,094	29,598,954
Total other non-current liabilities	113,518,786	8,153,150	4,102,852	4,275,094	31,248,211

Movement in 2022 is as follows:

	Balance at 31/12/2021	Cash flows	Current transfers	Translation differences	Balance at 31/12/2022
Bank borrowings	1,069,648,609	(297,124,470)	(191,663,412)	-	580,860,727
Bank borrowings	1,069,648,609	(297,124,470)	(191,663,412)	-	580,860,727
Guarantees and deposits	1,649,257	(13,305)	-	129,405	1,765,357
Non-current loans	103,006,852	(18,099,785)	-	-	84,907,067
Non-current liabilities	56,641,985	(7,594,567)	(1,675,172)	125,638	47,497,884
Other non-current liabilities	161,298,094	(25,707,657)	(1,675,172)	255,043	134,170,308

Movement in 2021 is as follows:

	Balance at 31/12/2020	Cash flows	Current transfers	Translation differences	Balance at 31/12/2021
Bank borrowings	714,651,687	354,996,922	-	-	1,069,648,609
Bank borrowings	714,651,687	354,996,922	-	-	1,069,648,609
Guarantees and deposits	1,542,603	(1,826)	-	108,480	1,649,257
Non-current loans	106,084,027	(3,077,175)	-	-	103,006,852
Non-current liabilities	64,808,901	(2,714,015)	(5,461,061)	8,160	56,641,985
Derivatives	2,696,614	(2,696,614)	-	-	-
Others	6,506	(6,506)	-	-	-
Other non-current liabilities	175,138,651	(8,496,136)	(5,461,061)	116,640	161,298,094

At December 31, 2022, the breakdown for non-current lease liabilities by years of maturity is as follows:

	2024	2025	2026	2027	2028 and subsequent years	TOTAL
Hotels	41,393,707	44,177,729	41,391,463	37,624,808	426,668,450	591,256,157
Aircraft	40,087,704	39,177,121	28,651,749	29,299,172	120,319,792	257,535,538
Offices	2,932,466	2,357,650	1,683,012	1,014,521	2,683,317	10,670,966
Non-current lease liabilities	84,413,877	85,712,500	71,726,224	67,938,501	549,671,559	859,462,661

At December 31, 2021, the breakdown for non-current lease liabilities by years of maturity is as follows:

	2023	2024	2025	2026	2027 and subsequent years	TOTAL
Hotels	46,501,402	36,135,057	34,762,333	31,411,947	388,471,873	537,282,612
Aircraft	37,875,123	37,766,362	36,935,206	27,042,447	142,030,709	281,649,847
Offices	4,284,104	2,000,411	1,492,339	1,069,298	1,867,383	10,713,535
Non-current lease liabilities	88,660,629	75,901,830	73,189,878	59,523,692	532,369,965	829,645,994

24. FINANCIAL INSTRUMENTS - LIABILITIES

The breakdown of financial instruments for liabilities is as follows:

	Total	
Financial liabilities	2022	2021
Non-current financial liabilities		
Loans and payables	715,031,036	1,230,946,703
Lease liabilities (Note 34)	859,462,661	829,645,994
	1,574,493,697	2,060,592,697
Current financial liabilities		
Financial liabilities at fair value through profit or loss (Note 25)	48,420	188,473
Hedging derivatives (Note 25)	3,505,515	1,056,743
Loans and payables	1,073,627,910	849,480,761
Lease liabilities (Note 34)	92,502,225	92,206,893
	1,169,684,070	942,932,870
TOTAL	2,744,177,767	3,003,525,567

In February 2020, the Group contracted two interest rate hedging derivative financial instruments for two aircraft lease contracts indexed to the interest rate, in order to cover the fluctuation of the interest rate fluctuations between said date and the delivery date of the aircraft in July/August 2020. Since this derivative has been considered as a hedge instrument for the purchase of the lease's right-of-use, the fair value has been classified under the "Right-of-use assets" heading for the effective portion of the hedge and lease liability. At December 31, 2022, the fair value amounts to 11,398 thousand euros (13,062 thousand euros at December 31, 2021).

The Group has contracted exchange rate derivative financial instruments with a net creditor fair value, at December 31, 2022, of 3,506 thousand euros as liabilities.

Exchange rate derivatives relate to purchase or sale operations of the following currencies in 2022:

Underlying	Nominal in foreign currency	Insurance type
453,670	AUD	Purchase
58	CAD	Purchase
335,974,910	JPY	Purchase
160,000,000	USD	Purchase

For those derivatives that fulfilled the requirements established in the standards for applying hedge accounting, the Group has recognised hedging derivatives at fair value through changes in equity. The amount recognised in equity for variations in the fair value of hedge derivatives has amounted to 1,387,850 euros .

25. LIABILITIES AT FAIR VALUE

Details of liabilities measured at fair value and the hierarchy in which they are classified are as follows:

	Level 2	
	2022	2021
Non-current		
- Interest rate	-	-
- Exchange rate	-	-
- Fuel	-	-
Current		
- Interest rate	(48,420)	(188,473)
- Exchange rate	(3,505,515)	(189,984)
- Fuel	-	(866,759)
Total Liabilities	(3,553,935)	(1,245,216)

There have been no transfers between Levels 1, 2 and 3 in 2022 or 2021. The valuation technique has not varied from the previous year.

The fair value of interest rate, exchange rate and fuel derivatives is based on the valuation techniques and models normally used in the market, such as future cash flow discounts, using the interest and exchange rate curves available in the markets.

26. TAXES

Companies file annual income tax returns. The profits of Spanish companies, determined in accordance with tax legislation, are subject to a tax rate of 25% in 2022. Other Group companies are subject to nominal income tax rates of between 8.5% and 35%. Certain deductions may be made from the resulting tax amount.

The majority of the Group's Spanish companies have filed consolidated income tax returns.

Since 2021, there are two consolidated groups in Spain. The Parent of one group is Barceló Corporación Empresarial S.A. and of the other it is Avoris Corporación Empresarial, S.L. The subsidiaries of the latter are the companies that make up the Travel Division. See Note 5.

Since January 1, 2023, the Avoris Corporación Empresarial, S.L. Group will be included in the tax group headed by Barceló Corporación Empresarial S.A. since, in December 2022, Barceló Corporación has acquired 49.45% of the shares of Avoris Corporación, becoming the owner of 100% of the shares. In the month of December, the corresponding agreements have been reached.

Under this tax regime, the taxable income of Group companies is not determined by the Group's consolidated accounting profit, but by the taxable income of the Group companies, determined as for individual tax returns, eliminating those results that form part of the individual taxable income of each Group company originating from intragroup transactions and including results which were eliminated in prior periods which are understood to have been realised by the Group in the tax period.

The Spanish Group companies have tax loss carryforwards available for offset against future taxable income amounting to 587 million euros. At December 31, 2022, of the aforementioned amount, tax losses amounting to 340 million euros have been capitalised resulting in a deferred tax asset of 84.8 million euros. In the case of the remaining tax losses, the accounting criteria necessary for their capitalisation are not fulfilled.

Furthermore, Spanish Group companies have various unused deductions, generated in prior years and in the current year, for an amount of 4.9 million euros, mainly corresponding to the deduction for technological innovation, of which the last limitation period is 2039.

At December 31, 2022, of the total unused deductions, deferred tax assets have been recognised for an amount of 4.4 million euros.

Moreover, there are financial expenses pending deduction for which a deferred amount of 8.6 million euros has been recognised.

Details of the main characteristics of Corporate Tax in other countries which are significant for the Group are detailed below.

In the Dominican Republic, Group companies are subject to the higher of one of the following two taxes: (i) Asset Tax, at 1% of total assets less investments in shares, prepaid tax and rural properties, or (ii) Income Tax on taxable income based on accounting profit with various tax and accounting adjustments, at a rate of 27%, with a minimum, in certain cases, of 2.4% of the period's revenue. It should be noted that the companies located in said country have total tax losses amounting to 5.1 million euros. Two companies domiciled in this country have taken advantage of the tax benefits regulated by Confotur for investments made in hotels they own and that imply the exemption from these taxes for 15 years as of, and including, 2018.

In 2022, Group companies resident in Mexico are subject to Income Tax on accounting profit adjusted for fiscal inflationary effects on monetary assets and liabilities and amortisation, at a rate of 30%. It should be noted that the companies located in said country have a total of 8.7 million euros of tax losses that are recoverable within 10 years of their generation. For this reason, the Group has capitalised tax credits for an amount of 1.1 million euros.

The travel division has tax losses pending application in Portugal. 73 million euros of this amount have recognised deferred tax of 9.5 million euros.

In accordance with prevailing Spanish legislation, taxes cannot be considered definitive until they have been inspected and agreed by the tax authorities or before the inspection period of four years has elapsed. At December 31, 2022, the Spanish Group companies are open to inspection by the tax authorities for the last four years for all the applicable taxes.

Moreover, the Group is involved in judicial review proceedings for the following Spanish companies:

COMPANY	YEAR	TAX	STATUS OF CLAIM
Avoris Retail División, S.L.	2004-2006	Corporate Tax	Spanish National High Court
Alisios Tours, S.L.	2013-2014	VAT	TEAC (Central Economic Administrative Court)
Alisios Tours, S.L.	07/2015-12/2016	VAT	TEAC (Central Economic Administrative Court)
Barceló Corporación Empresarial, S.A.	2012-2014	VAT	Spanish National High Court
Orbe Travel Club, S.L.	2016-2019	VAT	Canary Islands TEAC (Central Economic Administrative Court) Canarias

In 2022, the amount related to the 2006 Corporate Tax for the company, Inmuebles de Baleares, S.L., has been paid.

The proceedings related to the Corporate Tax of Ávoris Retail División, S.L. in the Spanish National High Court, are still pending resolution. However, the instalment, as well as the penalty and interest have already been paid to the tax authorities.

A writ of amparo has been presented in the Constitutional Court regarding the VAT payment of Orbe Travel Club for the year 2010-2011, that was paid in 2022. Moreover, the subsidiary Iberotours, S.A. is under inspection by the tax authorities for VAT payments in 2018-2019.

In the case of the Ávoris Group's international companies, Halcon Viagens de Portugal has presented an appeal for the 2007 VAT in the Central Administrative Court.

With the acquisition, in December 2022, of the minority participation owned by Globalia Corporación Empresarial S.A., the Group has assumed all the liabilities that could arise from contingencies related to the subsidiaries that, until said date, were assumed by the vendor and they have been provided for them, if considered to present a probable risk, under the Provisions for responsibilities (Note 20).

The relationship between the pre-tax result of the Parent and the Corporate tax expense is as follows:

	2022	2021
PROFIT FROM CONTINUING OPERATIONS	158,391,689	(130,417,778)
PROFIT BEFORE INCOME TAX	158,391,689	(130,417,778)
Profit of equity-accounted investees	1,601,211	2,081,126
Profit of fully consolidated companies	159,992,900	(128,336,652)
Parent tax rate	25%	25%
Tax expense at rate applicable to Parent	39,998,225	(32,084,163)
At other tax rates	9,070,050	2,418,616
Permanent differences (non-deductible expenses and non-taxable income) and others	(27,479,076)	(13,362,325)
Deductions/incentives generated in the year capitalised	(5,119)	(1,557,807)
Deductions/incentives generated in previous years capitalised	(538,518)	(4,595,581)
Uncapitalised deductions from previous years applied in the year	-	(505,958)
Temporary differences from previous years capitalised in the year	-	(6,090,106)
Impairment of tax losses capitalised in previous years	-	-
Impairment of deductible temporary differences capitalised in previous years	-	-
Tax losses from prior years, capitalised during the year	-	(798,272)
Uncapitalised tax losses from previous years, applied during the year	(91,728)	(376,686)
Uncapitalised tax losses for the year	25,005,298	16,450,650
Tax expense from prior years	(1,231,206)	(152,964)
Accounting expense	44,727,926	(40,654,596)

DEFERRED TAX ASSETS AND LIABILITIES

The breakdown and movement of deferred tax assets and liabilities during 2022 are as follows:

	Balances at 31/12/2021	New incorporations	Results	Translation differences	Value adjustments	Balances at 31/12/2022
Tax deductions	9,748,832	288,081	(5,565,522)	-	-	4,471,390
Tax losses	114,969,033	143,498	(19,151,717)	1,811,804	-	97,772,619
Property, plant & equipment and intangible assets	8,442,300	74,612	5,817,726	967,199	-	15,301,837
Hedging derivatives	(153,570)	-	65,125	(3,537)	(346,963)	(438,944)
Provisions, impairment and other	11,284,499	-	1,297,916	582,416	-	13,164,832
Advances from customers	2,342,052	-	7,762,414	301,882	-	10,406,349
Time Share	15,108,716	-	(8,247,672)	1,947,455	-	8,808,499
Loyalty premium	3,010,189	-	80,364	-	(948,486)	2,142,066
Lease assets and liabilities - IFRS-16	6,900,261	-	6,606,089	(116,840)	-	13,389,511
Finance expenses	6,478,134	-	2,189,874	-	-	8,668,007
Valuation reserve	1,816,305	-	(1,512,114)	-	-	304,190
Other	6,200,943	7,603	(3,989,914)	2,990,096	-	5,208,727
Total deferred tax assets	186,147,694	513,793	(14,647,432)	8,480,476	(1,295,448)	179,199,083
Intangible assets	(4,404,640)	-	-	228,536	-	(4,176,104)
Property, plant & equipment	(146,276,450)	(3,071,010)	9,848,045	(17,922,526)	-	(157,421,941)
Time Share	-	-	-	-	-	-
Others	(1,605,767)	-	(1,279,394)	77,118	-	(2,808,043)
Total deferred tax liabilities	(152,286,857)	(3,071,010)	8,568,651	(17,616,872)	-	(164,406,088)
TOTAL	33,860,837	(2,557,217)	(6,078,781)	(9,136,396)	(1,295,448)	14,792,995

The breakdown and movement of deferred tax assets and liabilities during 2021 are as follows:

	Balances at 31/12/2020	New incorporations	Results	Translation differences	Value adjustments	Balances at 31/12/2021
Tax deductions	5,352,250	1,719,417	2,677,165	-	-	9,748,832
Tax losses	79,723,597	10,294,388	25,519,970	(568,922)	-	114,969,033
Property, plant & equipment and intangible assets	6,338,317	1,306,172	464,159	333,652	-	8,442,300
Hedging derivatives	2,835,743	-	18,673	-	(3,007,986)	(153,570)
Provisions, impairment and other	5,204,945	864,154	5,021,358	194,042	-	11,284,499
Advances from customers	1,322,110	-	953,790	66,152	-	2,342,052
Time Share	11,978,200	-	2,531,181	599,335	-	15,108,716
Loyalty premium	2,599,566	-	253,434	-	157,189	3,010,189
Lease assets and liabilities - IFRS-16	(1,752,568)	-	8,990,277	(337,448)	-	6,900,261
Finance expenses	4,415,952	-	2,062,182	-	-	6,478,134
Capitalisation reserve	-	-	1,816,305	-	-	1,816,305
Others	13,632,506	86,029	(8,096,935)	579,344	-	6,200,943
Total deferred tax assets	131,650,618	14,270,160	42,211,559	866,155	(2,850,797)	186,147,694
Intangible assets	(2,922,548)	(1,296,548)	(289,147)	103,603	-	(4,404,640)
Property, plant & equipment	(147,741,518)	(130,059)	9,561,312	(7,966,185)	-	(146,276,450)
Time Share	(3,478,183)	-	3,652,216	(174,033)	-	-
Others	(8,678,337)	-	7,389,693	(317,123)	-	(1,605,767)
Total deferred tax liabilities	(162,820,586)	(1,426,607)	20,314,074	(8,353,738)	-	(152,286,857)
TOTAL	(31,169,968)	12,843,553	62,525,633	(7,487,583)	(2,850,797)	33,860,837

Deferred tax liabilities for property, plant and equipment mainly reflect the recognition at fair value of property, plant and equipment acquired through business combinations and at the deemed cost of land owned by the Group at the transition date to IFRS.

INCOME TAX EXPENSE

	2022	2021
Current tax expense	38,649,146	21,871,036
Deferred tax expense	6,078,780	(62,525,632)
Total Income Tax expense	44,727,926	(40,654,596)

Deferred tax income allocated to equity (Value adjustments) amounts to 1,295 thousand euros (2,851 thousand euros revenue in 2021).

27. LATE PAYMENTS TO SUPPLIERS

In accordance with the second final provision of Law 31/2014, which amends Law 15/2010 of 5 July, details of the average hotel supplier payment period in Spain for 2022 and 2021 are as follows:

	2022	2021
(Days)		
Average payment period for suppliers	38.24	87.5
Transactions paid ratio	32.36	62.51
Transactions payable ratio	135.04	316.54
(Thousands of euros)		
Total payments made	2,621,110,120	1,149,288,688
Total payments outstanding	168,693,591	125,379,630
Monetary volume of invoices paid in a period less than the maximum established in arrears regulations	1,712,575,486	n/a
Percentage represented by the payments lower than said maximum of the total payments performed	65.34	n/a
(Number of invoices)		
Invoices paid in a period less than the maximum established in arrears regulations	1,291,643	n/a
Percentage of total invoices	59.73	n/a

28. OTHER CURRENT LIABILITIES

The breakdown is as follows:

	Balance at 31/12/2022	Balance at 31/12/2021
Spanish tax authorities	37,496,360	40,596,919
Social Security	7,048,441	5,658,295
Salaries payable	41,825,263	25,602,870
Other payables	11,827,111	10,071,483
Guarantees and deposits received	193,800	141,793
Hedging derivatives (Notes 24 and 25)	3,553,935	1,245,215
Dividends	-	-
Total	101,944,910	83,316,575

29. OPERATING INCOME AND OTHER OPERATING INCOME

29.1. OPERATING INCOME

This balance reflects the revenue from hotel services and management, the Travel division's travel intermediation and tour operator travel sales and the airline activity. The amounts corresponding to the Travel Division (intermediation, tour operator and airline) for 2022 and 2021 are 1,806.4 and 657.1 million euros, respectively. The amounts corresponding to hospitality in 2022 and 2021 amount to 1,478.0 and 804.1 million euros, respectively.

In 2022, operating income by geographical market is as follows: 2,410.1 million in Spain, 636.5 million in Latin America and 237.9 million in the remaining areas. In 2021, operating income by geographical market were as follows: 987.1 million in Spain, 378.4 million in Latin America and 95.7 million in the remaining areas.

29.2. OTHER OPERATING INCOME

Revenue recognised in 2022 includes 270 thousand euros related to rent waivers by lessors and, 5.7 million related to public grants, 434 thousand euros of which correspond to Social Security subsidies. The remaining revenue mainly relates to income from hotel management fees and from other revenue complementary to the normal operations.

Revenue recognised in 2021 includes 9.2 million euros related to rent waivers by lessors and, 68.3 million related to public grants, 44.5 million of which correspond to Social Security subsidies for the Temporary Redundancy Plans (ERTEs) of the Spanish companies. The remaining revenue mainly relates to income from hotel management fees and from other revenue complementary to the normal operations.

30. FINANCE RESULT

The finance result recognised under this heading relates to finance expenses amounting to 59.3 million euros (50.2 million in 2021) and finance revenue amounting to 11.9 million euros (9.5 million in 2021).

31. PERSONNEL EXPENSES

The breakdown of personnel expenses at December 31, 2022 and 2021 as follows:

	2022	2021
Salaries and wages	636,577,697	393,326,732
Termination benefits	4,801,630	4,031,795
Social security	109,345,546	93,239,806
Other employee benefits expenses	29,377,066	16,571,393
	780,101,939	507,169,726

As a result of the effects of the COVID-19 pandemic, in the month of March 2020, in Spain, temporary redundancy plans (ERTEs) were formalised, affecting, to some extent, the majority of the workforce of the Spanish companies. These ERTes were extended until March 2022. Under these Plans, employment was temporarily suspended and the salary of the affected employees was paid directly by the Government. No money was transferred to the Group. The Group was obliged to continue paying part of the associated Social Security expenses.

The average number of employees in the Group, by category, is as follows:

	2022	2021
Senior management	1,029	1,005
Middle management	3,924	3,873
Core staff	26,571	20,688
	31,524	25,566

At December 31, 2022 and 2021, the distribution of employees by gender is as follows:

	2022	2021
Male	15,549	14,945
Female	17,920	17,371
	33,469	32,316

The Parent Company's Board of Directors is made up of three legal representatives and one individual.

In the Spanish companies, the Group has contracted 49 employees with a registered disability of over 33% (42 in 2021).

32. OTHER EXPENSES

Details of other operating expenses are as follows:

	2022	2021
Leases and royalties	84,431,583	20,524,747
Repairs and maintenance	67,961,576	46,020,724
Independent professional services	24,180,911	20,722,195
Insurance premiums	17,883,984	16,227,626
Advertising and publicity	50,334,956	23,304,688
Utilities	104,729,568	65,306,411
Others	284,386,500	188,601,393
	633,909,078	380,707,784

33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main transactions undertaken by the Parent or subsidiaries with related companies are as follows:

	2022		2021	
	Associates	Joint ventures	Associates	Joint ventures
Income	1,664,083	-	578,687	-
	1,664,083	-	578,687	-

All transactions with related parties are carried out at arm's length.

At December 31, 2022 and 2021, there are no balances with related parties, with the exception of the balances with Fundación Barceló and the members of the Barceló family and related parties detailed in Note 22. The finance cost associated with these liabilities amounts to 1.9 million euros in 2022 and 2 million euros in 2021.

34. LEASES

The Group has lease contracts mainly relating to hotel properties, aircraft and offices used during the course of operations. The hotel assets mature between 2023 and 2057, the aircraft between 2023 and 2032 and the offices between 2023 and 2035. In general, Barceló has restricted rights regarding the subleasing of said assets.

The movement of right-of-use assets in 2022 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2021	568,090,897	309,882,429	15,721,864	893,695,191
New incorporations	-	-	-	-
Additions	102,682,861	-	6,342,543	109,025,403
Withdrawals	(3,346,516)	(1,664,082)	(246,593)	(5,257,191)
Amortisation	(54,520,144)	(40,059,429)	(6,669,751)	(101,249,324)
Translation differences	596,989	-	129,077	726,066
December 31, 2022	613,504,087	268,158,918	15,277,140	896,940,145

Additions in 2022 refer to the new contracts that have been signed, extensions of contracts and the increase in inflation during the year.

The movement of right-of-use assets in 2021 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2020	500,188,704	349,676,360	7,595,225	857,460,290
New incorporations	-	-	13,145,314	13,145,314
Additions	123,503,774	305,392	-	123,809,166
Withdrawals	(4,441,204)	-	(21,393)	(4,462,597)
Amortisation	(52,640,810)	(40,099,323)	(5,201,698)	(97,941,831)
Translation differences	1,480,433	-	204,416	1,684,849
December 31, 2021	568,090,897	309,882,429	15,721,864	893,695,191

The new incorporations corresponded to the integration of the contracts of the subsidiaries of Viajes Deneb, S.L., as a result of the acquisition of the businesses detailed in Note 5.

The movement of right-of-use liabilities in 2022 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2021	537,282,612	281,649,847	10,713,535	829,645,994
New incorporations	-	-	-	-
Additions	101,018,778	-	7,934,300	108,953,078
Withdrawals	(3,475,786)	(1,664,082)	(251,014)	(5,390,882)
Interest	16,209,291	6,939,304	169,317	23,317,912
Payments	(59,771,798)	(45,367,025)	(8,329,702)	(113,468,525)
Translation difference	619,227	-	-	619,227
Exchange difference	-	16,081,188	-	16,081,188
Current transfer	(626,168)	(103,694)	434,531	(295,331)
December 31, 2022	591,256,156	257,535,538	10,670,967	859,462,661
Current				92,502,225
Non-current				859,462,661

The movement of non-current right-of-use liabilities in 2021 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2020	464,540,658	296,653,749	5,129,305	766,323,712
New incorporations	-	-	13,145,314	13,145,314
Additions	123,467,742	613,870	-	124,081,612
Withdrawals	(4,447,746)	2,919	(38,951)	(4,483,778)
Interest	13,426,638	7,915,341	147,052	21,489,031
Payments	(59,000,114)	(45,924,440)	(4,991,323)	(109,915,877)
Translation difference	1,258,787	-	381,562	1,640,348
Exchange difference	-	26,168,412	-	26,168,412
Current transfer	(1,963,353)	(3,780,004)	(3,059,424)	(8,802,780)
December 31, 2021	537,282,612	281,649,847	10,713,535	829,645,994
Current				92,206,893
Non-current				829,645,994

The effect on the income statement for the year is as follows:

	2022	2021
Amortisation rights of use	101,249,324	97,941,831
Interest lease liabilities	23,317,912	21,489,031
Variable, low value and current rent	84,431,583	20,524,747
Other expenses	(98,082)	(60,131)
Exchange differences	16,081,188	26,168,411
RESULT BEFORE TAX	224,981,925	166,063,889
Corporate tax	(6,606,089)	(8,990,277)
RESULT FOR THE YEAR	218,375,836	157,073,612

Lease expenses in 2022 and 2021 have been as follows:

Thousands of euros	2022	2021
Variable rent	84,432	20,525
Fixed rent	113,468	109,916
TOTAL Rent	197,900	130,441

The Group has hotel lease contracts containing variable rents, the majority based on the operating result and the remainder on the sales figure. The table below details the information regarding rent, differentiating between fixed and variable:

	2022		2021	
	Fixed rent	Variable rent	Fixed rent	Variable rent
Fixed rent	73,863,717	-	74,204,669	-
Variable rent with guaranteed minimum	39,604,809	11,933,431	35,711,208	5,023,923
Solely variable rent	-	72,498,152	-	15,500,824
TOTAL Rent	113,468,526	84,431,583	109,915,877	20,524,747

The Group has various contracts that include clauses with options for early cancellation or deadline extensions. These options are negotiated by Management in order to allow flexibility when managing the lease contracts portfolio, adapting them to the business' evolution. The Group exercises significant judgments in order to determine if it is reasonable to exercise the early termination or extension options.

The table below shows the possible payments of future rental payments that have not been discounted, related to periods following the exercise date of the options for early termination that are expected to be exercised and of extension options that are not expected to be exercised and that are, therefore, included in the lease term considered for the valuation of the lease contracts in accordance with IFRS 16:

Thousands of euros	2022			2021		
	Up to 5 years	More than 5 years	TOTAL	Up to 5 years	More than 5 years	TOTAL
Contract extension options not expected to be exercised	170,456	156,204	326,660	163,225	114,629	277,854
Contract termination options expected to be exercised	112,927	57,427	170,354	115,207	108,299	223,506
	283,383	213,631	497,014	278,432	222,928	501,360

35. GUARANTEES WITH THIRD PARTIES AND CONTINGENT ASSETS AND LIABILITIES

Royal Mediterránea, S.A., in which the Group holds a non-controlling interest, has bank loans on which the Group has extended a guarantee of 54.2 million euros. The counter-guarantees extended by Royal Mediterránea, S.A. in favour of the Group will cover potential repayments to be made by the Barceló Group should Royal Mediterránea be unable to meet its financial commitments.

Moreover, the Group has several litigations underway from which no loss or liability is expected to arise, as well as those provided for in Note 20.

The Group has reached an agreement with Grupo Hotelero Santa Fe, to acquire a hotel in Guadalajara (Mexico), for an amount of 59 million dollars. The transaction is subject to approval from the competition authorities. The operation is expected to be finalised in the second quarter of 2023.

At December 31, 2022, the Group has guarantees amounting to 81.3 million euros in favour of third parties.

36. ENVIRONMENTAL ISSUES

The Parent Company's directors consider that the environmental risks deriving from the Group's activity are minimal and adequately covered and that no additional liabilities will arise therefrom. The Group has not incurred any expenses or received any environment-related grants during 2022 and 2021.

37. INFORMATION ON DIRECTORS AND MANAGEMENT

In 2022, remuneration paid to the members of the Board of Directors of the Parent, as individuals or legal representatives, and the Group's senior management, in allowances, salaries and wages, amounted to a total of 4.1 million euros (1.9 million euros in 2021). In 2022 and 2021, the members of the Board of Directors extended loans to the Group amounting to 28.8 and 39.3 million euros, remunerated at a fixed market interest rate (See Note 22). At December 31, 2022 and 2021, the Company has no pension or similar obligations with the members of the Parent's Board of Directors or with senior management personnel. The amount of the civil liability insurance premium related to the Board members in 2022 amounted to 0.1 million euros (0.1 million euros in 2021).

At December 31, 2022 and 2021, no prepayments or credits were given to top management personnel or to members of the Parent's Board of Directors nor has it extended any guarantees on their behalf. In June 2022, the Company has cancelled the credit granted to a company controlled by a member of top management (at December 31, 2021, the credit amounted to 1.4 million euros).

The Directors of the Parent and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

38. OTHER INFORMATION

At December 31, 2022 the fees accrued by the Parent's auditor for professional audit services have amounted to 577 thousand euros (438 thousand euros in 2021) and 50.3 thousand euros for other accounting review services (45.1 thousand euros in 2021). Fees accrued for audit services for the years ending December 31, 2022 and 2021 by other audit firms have amounted to 567 and 372 thousand euros, respectively.

These amounts comprise the total fees for the 2022 and 2021 audits, irrespective of the invoice date.

Furthermore, fees for other services related to the years 2022 and 2021 for companies associated with the audit firms amounted to 319 thousand euros (219 thousand euros with companies related to Ernst & Young and 100 thousand euros for companies related to the other audit firms) and 209 thousand euros (186 thousand euros with companies related to Ernst & Young and 23 thousand euros to companies related to the other audit firms), respectively.

39. POST-BALANCE SHEET EVENTS

There have been no other post-balance sheet events which significantly affect these consolidated annual accounts or that should be disclosed.

40. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These annual accounts are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDIX I . CONSOLIDATION PERIMETER DECEMBER 31, 2022

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
2 Dsp S.R.O.	Czech Rep.	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Aerosens, S.L.	Spain	Air ticket broker		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Alisios Tours, S.L.	Spain	Tour operator		100.00	Fully consolidated	Travelsens, S.L.
Allegro Club de Vacaciones, SRL	Dominican Rep	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Allegro Palm Beach, V.B.A.	Aruba	Hotel business		100.00	Fully consolidated	Holding Administrative Hotelier Limited and others
Allegro Resorts Marketing Corporation	USA	Marketing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Allegro Vacation Club Aruba, NV	Aruba	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Altagracia incoming services, SRL	Dominican Rep	Travel agency		100.00	Fully consolidated	Travelsens, S.L. and others
Asociados Corp San José S.A.	Costa Rica	Dormant		100.00	Fully consolidated	Barceló Hotel Trading Internacional, S.A.
Autocares Iberobus, S.A.	Spain	Transport		90.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Ávoris Business, S.A.	Spain	Holding company		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Ávoris Congress Colombia S.A.S	Colombia	Travel agency		100.00	Fully consolidated	BCO Congress, S.L.U.
Ávoris Corporación Empresarial, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Trips and Travel, SL
Ávoris División Central	Spain	Management services		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Ávoris Experience, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Ávoris Retail Division, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Corporación Empresarial, S.L.
Ávoris Travel Partner, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division, S.L.
BAH Maroc, S.A.R.L.	Morocco	Management company		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros, S.L.
Barceló Trips and Travel, SL	Spain	Holding company	100		Fully consolidated	Barceló Corporación Empresarial, S.A.
B Travel Turismo Accesible S.A.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Barceló Arrendamientos Hoteleros, S.L.	Spain	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Arrendamientos Península, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Arrendamientos Roma S.R.L.	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Arrendamientos Turísticos, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Asian Ocean LTD	Dubai	Holding company		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Business Services, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
B the Travel Brand, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Barceló Cabo Verde Gestao Hotéis, S.A.	Cape Verde	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Cologne GMBH	Germany	Hotel business		100.00	Fully consolidated	Grundstrückgesellschaft Hamburg GmbH
Barceló Condal Hoteles, S.A.	Spain	Hotel business	56.6	43.40	Fully consolidated	Barceló Corporación Empresarial, S.A and others
Barceló Crestline Corporation	USA	Holding company		100.00	Fully consolidated	BCE BCC LLC
Barceló Egypt LLC	Egypt	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros, S.L.
Barceló Expansión Global, S.L.	Spain	Holding company		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Hoteleras Canarias, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Hoteleras Mediterráneo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Insulares, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Gestión Global, S.L.	Spain	Management company		100.00	Fully consolidated	Inversiones Turística Global, S.L.
Barceló Gestion Hotelera Grecia, LTD	Greece	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hotelera Maroc SARL	Morocco	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hotelera, S.A.	Guatemala	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Gestión Hotelera, S.L.	Spain	Management company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Gestión Hoteles Italia, SRL	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hoteles Roma S.R.L.	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hoteles Italia, SRL
Barceló Gestión Tunisie SARL	Tunisia	Dormant		99.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barcelo Grundstrück Berlin GMBH&CO KG	Germany	Dormant	5.00	95.00	Fully consolidated	Barceló Corporación Empresarial, S.A.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Barceló Grubarges Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Hotel Group Gulf DMCC	Dubai	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Hotels Mediterráneo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Spain, S.L.
Barceló Hotels Spain, S.L.	Spain	Holding company		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Hotel Trading Internacional, S.A.	Spain	Dormant		100.00	Fully consolidated	Barceló Switzerland, S.A.
Barceló Huatulco Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Hungary KFT	Hungary	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros, S.L.
Barceló Karmina Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Kukulcán Hoteles, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Lucía, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Porfolio Holding, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Resorts, S.L.
Barceló Portugal Gestão Hotelera, Unipessoal LDA	Portugal	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Punta Umbria, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Raval, S.L.	Spain	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Resorts, S.L.	Spain	Holding company	22.75	77.25	Fully consolidated	Grubarges Inversión Hotelera, S.L. and others
Barceló Santiago Tenerife, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hoteles Spain, S.L. and others
Barceló Servicios Turísticos, S.A.	Guatemala	Hotel services	98.00	2.00	Fully consolidated	Barceló Corporación Empresarial, S.A. and others
Barceló Switzerland, S.A.	Switzerland	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Títulos y Valores, S.L.	Spain	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Tucancún Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Turizm Otellik Limited	Turkey	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Vallarta Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Verwaltungs Gbhm	Germany	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Bávaro Holding Limited	United Kingdom	Holding company		100.00	Fully consolidated	Turavia Holding Limited
BCE BCC LLC	USA	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
BCLO Brisa Punta Cana, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Resorts, S.L.
BCO Congress, S.L.U.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division, S.L.
BCO Huatulco, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Huatulco Hotels, S.L.
BCO Kukulcán, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Kukulcán Hoteles, S.L.
BCO Lucía, SRL de CV	Mexico	Dormant		100.00	Fully consolidated	Barceló Lucía, S.L.
BCO Mismaloya, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Vallarta Hotels, S.L.
BCO Resorts Manzanillo, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Karmina Hotels, S.L.
BCO Tucancún, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Tucancún Hotels, S.L.
BTTB Unipessoal LDA	Portugal	Travel agency		100.00	Fully consolidated	Escalatur Viagens, Lda.
Caribbean Hotels Agency, S.L.	Spain	Dormant		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
Catai India Private LTD	India	Travel agency		100.00	Fully consolidated	Viajes Catai, S.A.
Central de Cruceros, S.A.	Spain	Dormant		66.70	Fully consolidated	Viajes Ecuador, SAU
Colors Destination Finland O.Y.	Helsinki	Travel agency		100.00	Fully consolidated	Travelsens, S.L.
Condominio DO Mar, Gestao Inmobiliaria S.A.	Cape Verde	Dormant		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Corporación Algard, S.A.	Costa Rica	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Corporación Vonderball, S.A.	Costa Rica	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Cozumel Villages, S.A. de C.V.	Mexico	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others
Crestline Hotels & Resorts, LLC	USA	Management company		100.00	Fully consolidated	Barceló Crestline Corporation and subsidiaries
Desarrollo Flamenco Riviera, S.A. de C.V.	Mexico	Hotel business		73.96	Fully consolidated	Occidental Ampersand Holding, SARL
Diamonds Hotels Cozumel, S.A. de C.V.	Mexico	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others
Diamonds Hotels Nuevo Vallarta, S.A. de C.V.	Mexico	Hotel business		100.00	Fully consolidated	Village Resorts México, S de CV and others
Diamonds Hotels Playacar, S.A. de C.V.	Mexico	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Dondear Viajes, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division SL
Emeraldtown - Empreendimentos Imobiliários e Turísticos, Lda	Portugal	Hotel business		51.00	Fully consolidated	Barceló Portugal Gestión Hotelera, Unipessoal LDA
Escalatur Viagens, Lda.	Portugal	Travel agency		100.00	Fully consolidated	Ávoris Business, S.A.
Evelop Airlines, S.L.	Spain	Airline		100.00	Fully consolidated	Ávoris Retail Division SL
Evelop Airlines Dominicana S.A.	Spain	Airline		100.00	Fully consolidated	Evelop Airlines, SL and others
Expansión Inversora Global, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Expansión Global, S.L.
Expansión Turística Barceló, S.L.	Spain	Holding company	0.09	99.91	Fully consolidated	Unión Hotelera Barceló, S.L., and others
Flamenco Tenerife Inmobiliaria y Obras, S.L.	Spain	Dormant		100.00	Fully consolidated	Occidental Hoteles Management, S.L.
Flamingo Bávaro, S.L.	Spain	Holding company		100.00	Fully consolidated	Flamingo Cartera, S.L.
Flamingo Cartera S.L.	Spain	Holding company	99.08	0.92	Fully consolidated	Barceló Corporación Empresarial, S.L. and others
Fundación Cultural Formentor	Spain	Holding company	33.33	33.33	Fully consolidated	Barceló Corporación Empresarial, S.L. and others
Gayandpride, SL	Spain	Dormant		50.00	Fully consolidated	Viajes Catai, S.A.
Geomoon, S.L.U.	Spain	Travel agency		100.00	Fully consolidated	Viajes Halcón, S.A.U.
Gestión de Viajes Deneb, S.L.U.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Corporación Empresarial, S.L.
Globalia Incoming Services Dominicana, S.A.	Dominican Rep.	Incoming services		100.00	Fully consolidated	Welcome Incoming Services, S.L.U.
Globalia Incoming Services Mexico, S.R.L. de C.V.	Mexico	Incoming services		100.00	Fully consolidated	Welcome Incoming Services, S.L.U.
Graser Turismos S.L.U.	Spain	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Gregal Viagens, Ltda.	Portugal	Travel agency		99.98	Fully consolidated	Escalatur Viagens, Lda. and others
Grubar Hoteles, S.L.	Spain	Holding company		100.00	Fully consolidated	Expansión Turística Barceló, S.L.
Grubarges Canada, Ltd	Canada	Marketing		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Grubarges Gestión Hotelera Integral, S.A.	Spain	Holding company		100.00	Fully consolidated	Grubar Hoteles, S.L., and others
Grubarges Gestión Hotelera Mexicana, S.A. de C.V.	Mexico	Management company		100.00	Fully consolidated	Grubarges Gestión Hotelera Integral, S.A.
Grubarges Inversiones Hoteleras Mexicanas SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Grubarges Hotels, S.L.
Grubarges Inversión Hotelera Canarias, S.L.	Spain	Dormant		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
Grubarges Inversión Hotelera, S.L.	Spain	Trading company		100.00	Fully consolidated	Grubar Hoteles, S.L., and others
Grundstrückgesellschaft Hamburg GmbH	Germany	Hotel business	100		Fully consolidated	Barceló Corporación Empresarial, S.A.
Grupo Turístico Barceló, S.L.	Spain	Finance company	0.3	99.70	Fully consolidated	Unión Hotelera Barceló, S.L., and others
Holding Administrative Hotelier Limited	Malta	Holding company		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Hotel Assets Holding Limited	Malta	Time sharing		100.00	Fully consolidated	Holding Administrative Hotelier Limited
Hotel Campos de Guadalmina S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Hotel El Toyo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Hotel Isla Cristina, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Hotel Montelimar, S.A.	Nicaragua	Hotel business	1	98.00	Fully consolidated	Bávaro Holding Limited
Hotel Royal Playacar, S.A. de CV	Mexico	Hotel business		100.00	Fully consolidated	Occidental Royal Holding, SARL and others
Hotelera Bávaro S.A.	Dominican Rep	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L., and others
Hoteles e Inversiones, S.A. de CV	El Salvador	Hotel business	100		Fully consolidated	Barceló Corporación Empresarial, S.A.
Iberotours, S.A.U.	Spain	Tour operator		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Inmuebles de Baleares S.L.	Spain	Real estate	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Inmuebles en Desarrollo y Proyección, S.A.	Spain	Holding company		100.00	Fully consolidated	Inmuebles de Baleares, S.L.
Inversiones Turísticas Globales, S.L.	Spain	Dormant		100.00	Fully consolidated	Barceló Expansión Global, S.L.
Inversora Internacional Hotelera, SRL	Dominican Rep	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Jack Tar Villages Resorts de México, S.A. de CV	Mexico	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, S.L. and others
Jade Travel do Oriente, Viagens e Turismo LDA	Portugal	Travel agency		90.00	Fully consolidated	Nortravel Ag.Viagens e Turismo, S.A.
JTV RMx Limited	Malta	Dormant		100.00	Fully consolidated	Occidental Hoteles Management, S.L. and others
Kawawa ITG S.L.U.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Las Glorias del Golfo de Cortés, SA de CV	Mexico	Personnel services		100.00	Fully consolidated	Village Resorts México, S de CV. and others
Leplansens Tours, S.L.	Spain	Tour operator		100.00	Fully consolidated	Travelsens, S.L.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Luba ITG S.L.U.	Spain	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros, S.L.
Marina Punta Piedra Amarilla, S.A.	Costa Rica	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Mayorista de Viajes, S.A.	Spain	Tour operator		100.00	Fully consolidated	Ávoris Retail Division, S.L.
Mestský dvůr, sro	Czech Rep.	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Michamwi Resort Development LTD	Tanzania	Hotel business		90.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
MK Puerto Rico S.A.	Puerto Rico	Travel agency		100.00	Fully consolidated	Planet Business Travel, S.A.
M.S. Viajes, S.A.	Spain	Tour operator		100.00	Fully consolidated	Sekai Trading Services, S.L.U.
Montecastillo Sport Catering, S.L.	Spain	Hotel business		100.00	Fully consolidated	Inmuebles de Baleares, S.L.
Mundo Social, AIE	Spain	Travel agency		100.00	Fully consolidated	Viajes Halcón, S.A.U. and others
Naviera Tambor, S.A.	Costa Rica	Shipping company		100.00	Fully consolidated	Marina Punta Piedra Amarilla, S.A.
Narjis D'investissements Touristiques, S.A.	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Nortravel Ag.Viagens e Turismo, S.A.	Portugal	Tour operator		100.00	Fully consolidated	Escalatur Viagens, Lda.
Occidental Ampersand Holding, SARL	Luxembourg	Holding company		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occidental Hoteles Costa Rica, S.A.	Costa Rica	Dormant		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occidental Hoteles Management, S.L.	Spain	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Occidental Royal Holding, SARL	Luxembourg	Holding company		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occidental Smeralda, S.A.	Costa Rica	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Occidental Vacation Club Costa Rica, SA	Costa Rica	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, S.L.
Occifitur Dominicana, SRL	Dominican Rep	Hotel business		100.00	Fully consolidated	Occidental Hoteles Management, S.L.
Ocio y Turismo Novotours AIE	Spain	Incoming services		100.00	Fully consolidated	Viajes Halcón, S.A.U. and others
Operadora de Servicios Varios, S.A.	Guatemala	Personnel services		100.00	Fully consolidated	Corporación Vonderball, S.A. and others
Orbe Travel Club Spain, S.L.U.	Spain	Tour operator		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Orbest, S.A.	Portugal	Airline		100.00	Fully consolidated	Avoris Retail División, SL and others
Palmeriae Maroc Emirats, S.A.	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Planet Business Travel, S.A.U.	Spain	Tour operator		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Planeta Tierra Viajes, S.A.U.	Spain	Travel agency		100.00	Fully consolidated	Viajes Catai, S.A.
Poblados de Bávaro S.L.	Spain	Holding company	0.11	99.89	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Promotora QVB, SA de CV	Mexico	Holding company		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
PT Barceló Hotel Group Indonesia	Indonesia	Hotel business		100.00	Fully consolidated	Barceló Hotel Group Gulf DMCC
Punta Umbria Turística, S.A.	Spain	Hotel business	80.00	20.00	Fully consolidated	Barceló Corporación Empresarial, S.A.
Quiroocan, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Promotora QVB, SA de CV and others
Restaurante Lina S.A.	Dominican Rep	Hotel business		100.00	Fully consolidated	Bávaro Holding Limited
See Europe Tours Limited	United Kingdom	Incoming services		100.00	Fully consolidated	Welcome Incoming Services, S.L.U.
Sekai Corporate Travel, S.L.U.	Spain	Management company		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Sekai Traveling, S.L.U.	Spain	Dormant		100.00	Fully consolidated	Viajes Halcón, S.A.U.
Sekai Trading Services, S.L.U.	Spain	Tour operator		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Servicios de Construcciones Maya, SRL de CV	Mexico	Personnel services		100.00	Fully consolidated	Quiroocan, SA de CV
Sextante Viajes, S.L.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division SL
Sibba Neumo, S.L.	Spain	Dormant		100.00	Fully consolidated	BCO Congress, S.L.U.
Standard Reservation Limited	Malta	Holding company		100.00	Fully consolidated	Occidental Royal Holding, SARL
Sunsea Place Ltd	Malta	Dormant		100.00	Fully consolidated	Holding Administrative Hotelier Limited
Tagredo Investments SRL	Dominican Rep.	Dormant		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Tenedora Inmobiliaria El Salado, SRL	Dominican Rep.	Real estate		99.00	Fully consolidated	Restaurante Lina, CxA
Títulos Bávaro, S.L.	Spain	Holding company		100.00	Fully consolidated	Poblados de Bávaro S.L.
Transporte Turístico San Miguel S.R.L.	Dominican Rep.	Transport		100.00	Fully consolidated	Altagracia Incoming Services, SRL
Trapezio S.A.	Dominican Rep.	Holding company		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Travelsens, S.L.	Spain	Tour operator		100.00	Fully consolidated	Ávoris Retail Division SL
Turavia Holding Limited	United Kingdom	Holding company		100.00	Fully consolidated	Turavia International Holidays, S.L.
Turavia International Holidays, LTD	United Kingdom	Holding company		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Turiempresa, S.A.	Dominican Rep.	Dormant		98.80	Fully consolidated	Trapezio S.A.
Unión Hotelera Barceló, S.L.	Spain	Holding company	100		Fully consolidated	Barceló Corporación Empresarial, S.A.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
UTE Mundosenior Plus	Spain	Travel agency		100.00	Fully consolidated	Viajes Halcón, S.A.U. and others
UTE Turismosocial	Spain	Travel agency		100.00	Fully consolidated	Avoris Retail División, S.L. and others
Vacaciones Barceló México, S.A.	Mexico	Travel agency		100.00	Fully consolidated	Vacaciones Barceló, S.A. and others
Vacaciones Barceló, SA	Dominican Rep.	Travel agency		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
Viagens Catai, SU LDA	Portugal	Tour operator		100.00	Fully consolidated	Viajes Catai, S.A.
Viajes Catai, S.A.	Spain	Tour operator		100.00	Fully consolidated	Ávoris Retail Division SL
Viajes Ecuador, S.A.U.	Spain	Travel agency		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Viajes Halcón, S.A.U.	Spain	Travel agency		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Viajes Interopa, S.A.	Spain	Travel agency		100.00	Fully consolidated	Ávoris Retail Division SL
Viajes Tu Billeto, S.L.	Spain	Travel agency		100.00	Fully consolidated	Sextante Viajes, S.L.
Village Resorts México, S de CV	Mexico	Holding company		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others
Wahate Aguedal, S.A.	Morocco	Dormant		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Wakalua Innovation Hub S.L.	Spain	Holding company		100.00	Fully consolidated	Sextante Viajes, S.L.
Welcome Incoming Services, S.L.U.	Spain	Incoming services		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.

Associates						
Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Santa Lucía, S.A.	Cuba	Dormant		50.00	Proportionate consolidation	Unión Hotelera Barceló, S.L.
Hotel Rívoli, S.A.	Morocco	Hotel business		20.37	Proportionate consolidation	Barceló Hotels Mediterráneo, S.L.
Caravel, S.A.	Tunisia	Hotel business		20.00	Proportionate consolidation	Barceló Gestión Hotelera, S.L.
Société Financière d' Africa Palace, S.A.	Morocco	Hotel business		48.00	Proportionate consolidation	Barceló Hotels Mediterráneo, S.L.

CONSOLIDATED MANAGEMENT REPORT

In 2022, the Barceló Group has obtained a **Consolidated net profit attributable to the Group's Parent company of 170.1 million euros** in comparison with (45.6) in 2021.

In 2022, **we have improved our results** and also the recurring results of the prior year in Revenue, Ebitda and Net Profit. As a result of this improvement, we have **reduced the consolidated net finance debt** to 205.3 million euros in comparison with 365.1 million euros in 2021. The net consolidated finance debt is calculated as the sum of the loans and credits with banks and Public Administrations (SEPI), less the amount of cash and other equivalent financial assets.

In 2022, **the commitments with financial entities have been fulfilled** in the payment of interest and amortisation of principal. The consolidated balance has positive cash and banks for an amount of 765.1 million euros (cash and financial deposits of less than one year) and a liquidity situation of over 1,358 million euros (cash and banks plus the amount of credit policies and loans that have not been drawn down).

Based on this consolidated **balance sheet position**, we are confident of continuing to meet our financial commitments.

1. MILESTONES FOR 2022

1.1 HOTEL ACTIVITY

Barceló Hotel Group is the hotel division of the Barceló Group. The Group's brand architecture is made up of: Royal Hideaway Luxury Hotels & Resorts, Barceló Hotels & Resorts, Occidental Hotels & Resorts and Allegro Hotels.

The Group has closed the year with a total of 61,996 rooms in 277 hotel establishments located in Latin America, Europe, the United States, Africa and the Middle East.

Of this total number, **17,888 rooms are Group-owned**, 16,512 are leased and 27,596 rooms are managed or under franchise.

During the year, new establishments have been incorporated in the United States, Spain, Turkey, Tunisia, Sri Lanka and Indonesia.

In Spain, Europe, the Middle East and North Africa, occupancy was 67.3% compared to 49.3% in the previous year and the total Revpar total (total revenue per available room) was 106.0 euros compared to 69.0 euros in the previous year.

Occupancy in **Latin America** has been 67.9% in comparison to 48.6% in the previous year and the total Revpar has been 150.1 dollars in comparison to 92.3 dollars in the previous year.

In the **United States**, occupancy has been 70.4% in comparison to 60.9% in the previous year and the total Revpar has been 128.4 dollars in comparison to 90.7 dollars in the previous year.

1.2 TRAVEL ACTIVITY

One of the major milestones in 2022 has been the acquisition of 49.5% of Ávoris from the Globalia Group, giving the Barceló Group 100% control of the company and also the cancellation of the SEPI loan signed in 2021 for an amount of 320 million euros, ending the year with an important reduction of the Group's net financial debt and a significant improvement in its balance sheet.

Ávoris Corporación Empresarial is one of the leading tourism groups in Europe, with a workforce of more than 5,000 professionals, over 1,500 points of sale and brands with excellent values and reputations, such as: Viajes Halcon, B Travel, Iberojet, Travelplan, Catai, Special Tours, Vivatours, BCD Travel, etc.

Our airline Iberojet has a fleet of 7 aircraft. The company operates both scheduled and charter flights to holiday destinations, particularly in the Caribbean and the Canary Islands. In 2022, new routes have been added from Madrid to Santiago de Cuba and Palmarola (Honduras), from Barcelona to the Dominican Republic and Cancun and from Oporto to the Dominican Republic.

2. THE GROUP'S CONSOLIDATED RESULTS

In 2022, a **Net consolidated profit of 170.1 million** has been obtained in comparison to (45.6) million euros in the previous year.

There has been an improvement of the consolidated gross **Revenue**, which amounted to 5,729.8 million euros in comparison to 2,822.2 million euros in the previous year. The consolidated gross Revenue is made up of the consolidated income from the owned and leased hotels, hotels under management contracts, and gross income without intercompany eliminations from the Travel Division.

The consolidated Ebitda has also improved in comparison with 2021, reaching 422.6 million euros in comparison to 146 million euros.

As a result of this improvement, the consolidated Net Finance Debt has reduced from 365.1 million euros in 2021 to 205.3 million euros in 2022. These debt levels include the finance debt of Ávoris.

However, it is worth noting that the consolidated balance sheet presents a **net cash and banks position of 765.1 million euros**, and a **liquidity position exceeding 1,358 million euros**, which will allow the Group to meet its commitments without any difficulties in 2023.

3. OUTLOOK FOR 2023

The goal for **2023** is to reach a consolidated EBITDA of approximately 436 million (excluding the effect of IFRS 16), a positive net consolidated profit of 209 million euros. In the first months of 2023, the Group is obtaining results in line with the budget.

4. OTHER INFORMATION

The Group's risk management policies are established to identify and analyse the risks faced by the Group, define appropriate risk limits and controls and to control risks and comply with limits. Risk management policies and procedures are reviewed regularly so that they reflect changes in market conditions and the Group's activities.



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Ávoris Corporación Empresarial

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SUSTAINABILITY

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Barceló
GRUPO