Barceló GROUP

2023 Annual Report

Consolidated Annual Accounts 2023

AUDIT REPORT OF THE CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED ANNUAL ACCOUNTS

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, 2023

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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, 2023, 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, 2023 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.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.
A member firm of Ernst & Young Global Limited.

Valuation of Property, Plant and Equipment

Description	The Group has a Property, Plant & Equipment investment of over 2,044 million euros relating to hotel and other assets, which represent 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 2.4, 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 2023 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. According to the requirements of the prevailing audit regulations, our responsibility for the information contained in the consolidated management report, 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 2023 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

CONSOLIDATED ANNUAL ACCOUNTS AT DECEMBER 31, 2023

BARCELÓ CORPORACIÓN EMPRESARIAL, S.A.
AND SUBSIDIARIES

Barceló
GRUPO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euros	31/12/2023	31/12/2022
NON-CURRENT ASSETS	**3,804,202,526**	**3,590,620,774**
Goodwill (Note 6.1)	288,783,660	279,261,975
Right-of use assets (Note 34)	952,823,040	896,940,145
Other intangible assets (Note 6.2)	156,242,687	148,874,106
Property, plant and equipment (Note 7)	2,043,505,501	1,908,517,064
Investment property (Note 8)	6,588,713	5,981,597
Investments using the equity method (Note 9)	25,859,747	20,890,856
Other non-current financial assets (Note 10)	133,826,147	150,955,948
Deferred taxes (Note 26)	196,573,031	179,199,083
CURRENT ASSETS	**1,410,665,863**	**1,309,987,631**
Inventories	20,993,113	19,707,816
Trade receivables (Note 11)	290,606,319	344,342,540
Other receivables (Note 12)	171,348,260	116,555,417
Tax assets	54,389,677	27,097,347
Other current financial assets (Note 13)	20,308,300	22,301,507
Cash and cash equivalents (Note 16)	827,090,991	765,134,279
Prepayments (Note 17)	25,929,203	14,848,725
TOTAL ASSETS	**5,214,868,389**	**4,900,608,405**
EQUITY (Note 18)	**1,798,975,286**	**1,593,105,475**
Equity attributable to the Parent Company	**1,768,838,780**	**1,563,453,117**
Share capital	10,464,384	10,464,384
Issue premium	34,096,515	34,096,515
Reserves	1,662,372,512	1,513,310,924
Translation differences	(133,500,325)	(165,739,988)
Value adjustments	1,553,209	1,232,165
Result attributable to the Parent Company	193,852,485	170,089,117
Equity attributable to Minority Interest	**30,136,506**	**29,652,358**
NON-CURRENT LIABILITIES	**1,891,207,468**	**2,023,527,056**
Grants (Note 19)	712,712	933,633
Provisions (Note 20)	100,788,656	106,628,858
Borrowings from banks (Note 21)	381,974,577	580,860,727
Lease liabilities (Notes 23 and 34)	911,443,682	859,462,661
Other non-current liabilities (Note 22)	132,840,075	134,170,308
Deferred taxes (Note 26)	172,194,740	164,406,088
Accruals (Note 3.16 (g))	191,253,026	177,064,781
CURRENT LIABILITIES	**1,524,685,635**	**1,283,975,874**
Bank borrowings from (Note 21)	502,083,539	389,590,760
Lease liabilities (Note 34)	96,456,647	92,502,225
Trade creditors	738,095,318	630,190,976
Other current liabilities (Note 28)	122,947,547	101,944,910
Tax liabilities	32,226,851	23,496,759
Provisions (Note 20)	6,650,080	12,595,007
Accruals	26,225,653	33,655,237
TOTAL LIABILITIES	**5,214,868,389**	**4,900,608,405**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED INCOME STATEMENT

Euros	31/12/2023	31/12/2022
Operating income (Note 29.1)	3,970,510,943	3,284,424,671
Other operating income (Note 29.2)	304,369,851	269,318,250
Supplies	(2,041,015,786)	(1,717,169,064)
Personnel expenses (Note 31)	(901,082,295)	(780,101,939)
Other expenses (Note 32)	(799,086,376)	(633,909,078)
EBITDA	**533,696,337**	**422,562,840**
Amortisation and impairment (Notes 6, 7 and 8)	(242,912,579)	(225,016,488)
EBIT	**290,783,758**	**197,546,352**
Finance result (Note 30)	(44,009,281)	(47,491,950)
Net result exchange rate differences	(3,657,019)	9,938,498
Participation in results of associates (Note 9)	871,257	(1,601,211)
CONSOLIDATED RESULT BEFORE TAX	**243,988,715**	**158,391,689**
Income tax (Note 26)	(49,231,276)	(44,727,926)
CONSOLIDATED RESULT FOR THE YEAR ARISING FROM CONTINUING OPERATIONS	**194,757,439**	**113,663,763**
RESULT FROM DISCONTINUED OPERATIONS	**-**	**-**
CONSOLIDATED RESULT FOR THE YEAR	**194,757,439**	**113,663,763**
Result Attributable to:		
Minority interest (Note 18.5)	904,954	(56,425,354)
RESULT ATTRIBUTABLE TO THE PARENT COMPANY	**193,852,485**	**170,089,117**

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euros	31/12/2023	31/12/2022
CONSOLIDATED RESULT FOR THE YEAR	**194,757,439**	**113,663,763**
Other comprehensive result:		
Items to be reclassified to results		
For cash flow hedge derivatives (Notes 15 and 24)	157,137	1,387,850
Tax effect of cash flow hedges (Note 26)	(39,284)	(346,962)
Conversion differences	35,466,813	130,972,872
Long-term employee benefit liabilities (Note 20)	270,921	3,793,942
Tax effect of long-term employee benefit liabilities (Note 26)	(67,730)	(948,486)
TOTAL COMPREHENSIVE RESULT:	**230,545,296**	**248,522,979**
Attributable to the Parent Company	226,630,265	301,535,889
Attributable to minority interest	3,915,031	(53,012,910)
TOTAL COMPREHENSIVE RESULT:	**230,545,296**	**248,522,979**
Attributable to continuing activities	230,545,296	248,522,979
Attributable to discontinued activities		

The accompanying notes form an integral part of the Consolidated Annual Accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Legal reserve Parent Company	Reserves in fully integrated companies and associates	Other global results: Translation differences	Other global results: Value adjustments	Profit and loss attributable to the Parent Company	Total	Minority interest	Total Equity
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**
TOTAL RECOGNISED INCOME AND EXPENSES					**32,456,736**	**321,044**	**193,852,485**	**226,630,265**	**3,915,031**	**230,545,296**
Application of 2022 results				170,089,117			(170,089,117)			
Dividends				(20,000,000)				(20,000,000)	(4,536,000)	(24,536,000)
Acquisition non-controlling interest				(1,250,254)				(1,250,254)	896,039	(354,215)
Others				222,725	(217,073)			5,652	209,078	214,730
BALANCE AT DECEMBER 31, 2023	**10,464,384**	**34,096,515**	**2,002,464**	**1,660,370,048**	**(133,500,325)**	**1,553,209**	**193,852,485**	**1,768,838,780**	**30,136,506**	**1,798,975,286**

CONSOLIDATED STATEMENT OF CASH FLOWS

Euros	2023	2022
OPERATING ACTIVITIES		
PROFIT BEFORE TAX AND MINORITY INTERESTS	243,988,715	158,391, 689
Adjustments for:		
- Amortisation and impairment (Notes 6, 7 and 8)	242,912,579	225,016,488
- Finance result	44,009,281	47,491,950
- Participation in results of Associates (Note 9)	(871,257)	1,601,211
- Results from investing activities	-	-
- Provisions (Note 20)	(12,460,231)	(10,824,014)
- Other effects on results without cash flow generation	1,479,204	223,097
- Changes in debtors, creditors and other current accounts receivable	(15,773,810)	27,028,087
- Changes in other non-current liabilities	14,188,248	30,111,209
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	**517,472,729**	**479,039,717**
INVESTMENT ACTIVITIES		
- Acquisition intangible assets (Note 6)	(15,768,656)	(17,197,531)
- Acquisition Property, Plant & Equipment (Note 7)	(87,385,226)	(54,545,540)
- Acquisition investments in Associates (Note 9)	(537,500)	-
- Acquisition minority interest	(354,215)	(15,397,738)
- Acquisition other non-current financial assets (Note 10)	22,137,067	(44,611,229)
- Acquisition subsidiaries (Note 5.1)	(109,502,208)	(27,286,336)
- Proceeds from sale of Property, Plant & Equipment, Intangible Assets and Investment Property	-	33,000,000
- Income from interest	30,304,695	10,579,951
- Disposals/Proceeds from other current financial assets (Note 13)	3,338,589	(13,064,413)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	**(157,767,454)**	**(128,522,836)**
FINANCING ACTIVITIES		
- Payment of dividends (Note 18.4)	(24,536,000)	(2,326,418)
- New financing with credit entities (Note 21)	490,778,941	605,461,243
- Amortisation and repayment of bank debt (Note 21)	(581,140,637)	(1,063,324,274)
- Interest paid	(38,001,531)	(30,993,960)
- Other non-current liabilities (Note 22)	2,249,255	(16,967,452)
- Lease payments (IFRS-16) (Note 34)	(118,490,570)	(113,468,526)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	**(269,140,542)**	**(621,619,387)**
Cash and cash equivalents - exchange rate variations	(28,608,021)	(12,781,914)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**61,956,712**	**(283,884,420)**
CASH AND CASH EQUIVALENTS AT JANUARY 1	765,134,279	1,049,018,699
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**827,090,991**	**765,134,279**

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 2023, the Group has mainly conducted 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, 2023, and consolidated results of operations, consolidated cash flows and changes in consolidated equity for the year then ended.

The accompanying consolidated annual accounts for 2023, 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 of non-financial assets.
- **EBIT:** Earnings before interest and taxes.

The Group adopted IFRS-EU on January 1, 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, 2023, the Group presents negative working capital for an amount of 114 million euros and profit, before minority interest, amounting to 195 million euros (profit before minority interest of 114 million in 2022). 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, 2023, the Group held cash and cash equivalents for an amount of 827 million euros million euros and undrawn credit lines for an amount of 463 million euros (Note 21). Moreover, the consolidated result before tax for 2024 is expected to exceed 300 million euros. As a result, the Directors of the Parent Company have prepared the consolidated annual accounts considering the going concern principle.

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, 2022, since, with the exception of the following, none of the standards, interpretations or modifications applicable for the first time this year have had an impact on the Group's accounting policies:

Modifications to IAS 12 International Tax Reform Pillar Two Model Rules

In May 2023, the IASB issued modifications to IAS 12 Income Taxes, due to the new tax standard of the Pillar Two Model Rules of the OECD's inclusive framework. These modifications provisionally introduce a mandatory temporary exception for the accounting of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. This modification also requires additional disclosure to help users of the financial statements better understand the Group's exposure to said legislation.

The modifications related to the mandatory temporary exception and disclosure requirements are already applicable this year.

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 debtor balance with 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 2023, the country's Consumer Price Index has increased by 44% (185% in the last three years). The inflationary effect on the income statement is revenue amounting to 0.5 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 various geopolitical situations 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, which 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 in the impairment test for the goodwill of the travel businesses has been 10.38% 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 9.46% for hotels in Spain and 11.61% 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 tax profits. 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.

NON-CURRENT 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.

On December 13, 2023, the National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia) opened a file to investigate possible anti-competitive practices in the distribution of public tenders in the Travel Agency sector. The opening of this file does not prejudice the investigation's result. Since the Parent Company considers that the risks related to this this inspection are not probable, no provision has been booked at December 31, 2023.

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 evaluated 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, 2023, the balance of these revaluations amounts to 129.9 million euros (131.3 million euros at December 31, 2022).

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. 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.

3.12. 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.

3.13. 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.

3.14. 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 return of 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 overhaul, using historical costs of which the Group is aware due to the knowledge 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.

3.15. 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.

3.16. 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 conducts 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, which 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.

3.17. 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 near 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 used, 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 near future and taxable profit will be available against which the temporary differences can be used.

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.

3.18. 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.

3.19. 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, 2023, the amount included under the Inventories heading of the consolidated balance sheet is of 3,397 thousand euros (6,962 thousand euros at December 31, 2022).

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” (Note 10). 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 313.2 million euros and other financial liabilities amounting to 124.1 million euros remunerated at a fixed rate.

If, at December 31, 2023, 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 2,826 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 2,826 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, the Group cancelled a contract signed to cover the 3-month Euribor not exceeding 0% (cap), for an initial notional value of 80 million euros, maturing 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 2023 and 2022 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 2023 is as follows:

VARIATION %	USA and Latin America	Others
+10%	17,509,290	997,833
+5%	8,293,874	472,658
-5%	(7,503,982)	(427,643)
-10%	(14,325,783)	(816,409)

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, 2023, the Group's consolidated balance sheet presents negative working capital amounting to 114 million euros (a positive amount of 26.0 million euros at December 31, 2022), but has credit policies with an undrawn amount of 463 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.

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 2023

On May 16, 2023, the Group acquired 100% of the shares of the company, Servicios e Inmuebles Turísticos, S de R.L de C, the owner of the Hotel Guadalajara in México.

On November 30, 2023, the Group acquired 100% of the shares of the company, Hotel Felipe IV, S.A., the owner of the Hotel Felipe IV, in Spain.

In October 2023, the Group acquired 30% of the shares of the company, Canfranc Estación 2018 S.L, owner of the Hotel Canfranc in Spain.

In 2023, the Group acquired 51% of the shares of the company, Gea Grupo de Agencias Independiente S.L, and 100% of the shares of the company, Travelgea Tours, S.L.U.

During the year, the companies, Barceló Poland Spolka, Barceló Dejavnost Hotelov in Podov, Barceló Ocean Indian Private Limited and BBIMO, LDA., were constituted.

In 2023, the companies Deansfield Company LTD, Allegro Vacation Club Aruba NV and Occidental Vacation Club Costa Rica, S.A. have been liquidated.

CHANGES IN THE CONSOLIDATED GROUP IN 2022

On February 21, 2022, 100% of the shares of the company, Narjis d'Investissements Touristiques, S.A, were 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, were 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. were 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. were constituted. The companies, Occidental Costa Rica, S.A and Barceló Gestión Hoteles Italia S.R.L. was liquidated in 2022.

In 2022, the companies, Viajes Tu Billete, 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 acquired 49.45% of Ávoris Corporación Empresarial, S.L. from the Globalia Group and now owns 100% of the company.

5.1. BUSINESS COMBINATION

SERVICIOS E INMUEBLES TURÍSTICOS, S. DE R.L DE C

On May 16, 2023, the Group acquired 100% of the shares of the company, Servicios e Inmuebles Turísticos, S de R.L de C, the owner of the Hotel Guadalajara in México. The cost of the business combination has been 54.9 million euros. The assets and liabilities acquired in the (provisional) business combination, at fair value, for the purchase of this company were as follows:

	Thousands of euros
Property, Plant & Equipment	55,260
Deferred tax assets	4,733
Current assets	2,518
TOTAL ASSETS	**62,511**
Non-current liabilities	5,780
Current liabilities	1,837
TOTAL LIABILITIES	**7,617**
Business combination cost	54,894

The integrated result as of the date of the business combination has been as follows:

	Thousands of euros
Operating income	345
Personnel expenses	(111)
Other operating expenses	(207)
Amortisation	(115)
Finance results	(3)
Result before tax	(91)

If the company had been integrated with effect from January 1, 2023, the operating income and negative result before taxes for the year incorporated into the consolidated income statement would have amounted to 10,536 and 1,804 thousand euros, respectively.

HOTEL FELIPE IV, S.A.

On November 30, 2023, the Group acquired 100% of the shares of the company, Hotel Felipe IV, S.A., owner of the Hotel Felipe IV in Spain. The cost of the business combination has been 9.1 million euros. The assets and liabilities acquired in the (provisional) business combination, at fair value, for the purchase of this company were as follows:

	Thousands of euros
Non-current assets	11,469
Current assets	1,330
TOTAL ASSETS	**12,799**
Non-current liabilities	2,516
Current liabilities	1,225
TOTAL LIABILITIES	**3,741**
Business combination cost	9,058

The integrated result as of the date of the business combination has been as follows:

	Thousands of euros
Operating income	456
Personnel expenses	(88)
Other operating expenses	(238)
Amortisation	-
Finance results	1
Result before tax	131

If the company had been integrated with effect from January 1, 2023, the operating income and result for the year incorporated into the consolidated income statement would have amounted to 3,354 and 953 thousand euros, respectively.

HOTEL FARAH CASABLANCA AND FARAH RABAT

In the middle of 2023, the Group acquired the Hotels Farah Casablanca and Farah Rabat, in Morocco. The cost of the business combination has been 19.8 and 17.7 million euros, respectively. The assets and liabilities acquired in the (provisional) business combination, at fair value, for the purchase of these businesses were as follows:

Thousands of euros	Farah Casablanca	Farah Rabat
Non-current assets	17,039	11,847
Current assets	94	70
TOTAL ASSETS	**17,133**	**11,917**
Non-current liabilities	-	-
Current liabilities	-	-
TOTAL LIABILITIES	**-**	**-**
Business combination cost	19,807	17,655
Goodwill (Note 6.1)	2,674	5,738

The integrated result as of the date of the business combination has been as follows:

Thousands of euros	Farah Casablanca	Farah Rabat
Operating income	1,388	1,130
Personnel expenses	(1,862)	(520)
Other operating expenses	(1,346)	(474)
Amortisation	(690)	(463)
Finance results	(6)	(8)
Result before tax	(2,517)	(335)

GEA GRUPO DE AGENCIAS INDEPENDIENTES, S.L. AND TRAVELGEA TOURS, S.L.U.

On July 27, 2023, the Group acquired 51% of the shares in the company, GEA, Grupo de Agencias Independientes, S.L. The main activity of this company is the management of related travel agencies. Moreover, at the same time, the Group acquired 100% of the shares of the company, Travelgea Tours, S.L.U. The main activity of this company is that of a consolidator of airline products. Both companies are domiciled in Torremolinos (Malaga), in Calle Las Mercedes, 28.

Although the Group acquired 51% of GEA Grupo de Agencias Independientes, S.L., 100% of the assets and liabilities have been fully consolidated. In order to consider the cost of the business combination, the amount of 49% corresponding to minority interest has been discounted.

6. INTANGIBLE ASSETS

6.1. GOODWILL

Details of movement in goodwill in 2023 are as follows:

	Balance at 31/12/2022	Additions	Withdrawals	Translation differences	Impairment	Balance at 31/12/2023
Goodwill	279,261,975	9,633,404	-	(111,719)	-	288,783,660
TOTAL	**279,261,975**	**9,633,404**	**-**	**(111,719)**	**-**	**288,783,660**

The balance at December 31, 2023, 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). Additions in 2023, mainly relate to goodwill generated through the purchase of the Hotels Farah Casablanca (2.7 million euros) and Farah Rabat (5.7 million euros), detailed in Note 5.

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). The withdrawal of 3,265 thousand euros in 2022 relates to the impairment of goodwill in the company, Crestline Hotels & Resorts, LLC.

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 (already amortised) 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 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 10.38% and the perpetual growth rate was 2%.

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 2023 are as follows:

	Balance at 31/12/2022	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2023
Acquisition cost							
Patents, licences and similar rights	4,522,471	5,218	700,001	(3,171)	15,808	-	5,240,327
Leaseholds	32,579,220	-	-	-	-	-	32,579,220
Computer software	214,099,070	159,284	13,072,488	(384,666)	155,384	(25,706)	227,075,854
Time Share contracts (Note 3.16g)	101,406,695	-	13,418,839	-	7,122,106	-	121,947,640
Other intangible assets	52,268,871	-	1,996,167	(183,386)	(936,129)	-	53,145,523
	404,876,327	**164,502**	**29,187,495**	**(571,223)**	**6,357,169**	**(25,706)**	**439,988,564**
Accumulated Amortisation							
Patents, licences and similar rights	(4,420,041)	-	(130,990)	3,044	(10,599)	-	(4,558,586)
Leaseholds	(18,350,836)	-	(1,207,229)	-	-	-	(19,558,065)
Computer software	(186,321,055)	(152,471)	(14,859,683)	331,841	(190,670)	7,982	(201,184,056)
Time Share contracts	(24,236,428)	-	(7,289,460)	-	(1,789,186)	-	(33,315,074)
Other intangible assets	(22,673,861)	-	(3,121,420)	183,386	481,799	-	(25,130,096)
	(256,002,221)	**(152,471)**	**(26,608,782)**	**518,271**	**(1,508,656)**	**7,982**	**(283,745,877)**
CARRYING VALUE	**148,874,106**	**12,031**	**2,578,713**	**(52,952)**	**4,848,513**	**(17,724)**	**156,242,687**

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 (Note 3.16g)	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**

At December 31, 2023, the Group has totally amortised intangible assets for a value of 173.0 million euros (152.5 million euros at December 31, 2022).

7. PROPERTY, PLANT & EQUIPMENT

Details of movement in Property, Plant & Equipment in 2023 are as follows:

	Balance at 31/12/2022	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2023
Acquisition cost							
Land and natural resources	565,785,087	16,821,973	4,421,088	(37,583)	19,866,379	2,701,984	609,558,927
Buildings	1,582,906,203	85,404,816	10,887,077	(225,372)	47,529,578	32,229,099	1,758,731,401
Technical installations	256,197,681	3,511,773	8,478,242	(143,996)	6,596,533	2,915,472	277,555,705
Machinery	111,737,151	5,206,999	7,658,062	(297,427)	3,812,640	61,098	128,178,523
Tools	3,909,975	105,421	207,013	-	(79,961)	-	4,142,448
Other installations	119,666,729	1,515,882	6,461,621	(2,973,455)	1,972,125	210,519	126,853,421
Furniture	294,243,623	6,216,609	14,017,170	(2,225,975)	5,841,180	3,254,340	321,346,947
IT equipment	31,602,619	628,838	2,352,235	(888,009)	427,236	172,314	34,295,233
Vehicles	27,009,242	110,478	3,832,346	(771,650)	1,547,999	-	31,728,415
Other property, plant & equipment	60,980,907	1,628,920	8,236,034	(1,460,675)	718,742	1,421,110	71,525,038
Property, plant & equipment under construction	34,015,107	-	21,361,019	(10,622)	(110,467)	(43,512,168)	11,742,869
	3,088,054,323	**121,151,709**	**87,911,907**	**(9,034,764)**	**88,121,984**	**(546,232)**	**3,375,658,927**
Accumulated depreciation							
Buildings	(464,775,017)	(14,311,913)	(56,858,207)	(1,751,689)	(12,247,702)	-	(549,944,528)
Technical installations and machinery	(254,838,991)	(3,730,165)	(23,915,827)	293,793	(4,022,714)	-	(286,213,904)
Other assets	(400,681,967)	(6,754,926)	(33,254,408)	5,126,059	(3,872,643)	(7,982)	(439,445,867)
	(1,120,295,975)	**(24,797,004)**	**(114,028,442)**	**3,668,163**	**(20,143,059)**	**(7,982)**	**(1,275,604,299)**
Impairment of property, plant & equipment	**(59,241,284)**	**-**	**-**	**3,162,311**	**(470,154)**	**-**	**(56,549,127)**
CARRYING VALUE	**1,908,517,064**	**96,354,705**	**(26,116,535)**	**(2,204,290)**	**67,508,771**	**(554,214)**	**2,043,505,501**

New incorporations relate to the integration of Property, plant and equipment from the hotels Barceló Guadalajara (Servicios e Inmuebles Turísticos, S de RL de CV), Barceló Felipe IV (Hotel Felipe IV, S.A), Farah Casablanca and Farah Rabat, the purchase of which is detailed in Note 5.

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.

The Amortisation and Impairment heading of the 2023 Consolidated Income Statement includes impairment reversal of PP&E for an amount of 3.2 million euros (impairment reversal for an amount of 10 million euros in 2022), related to the Hotel Barceló Emperatriz, due to better than expected results.

No financial expenses have been capitalised in 2023 or 2022.

At December 31, 2023, the Group has fully depreciated property, plant and equipment amounting to 543.1 million euros (477.3 million euros at December 31, 2022).

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:

2023:

	Balance at 31/12/2022	Withdrawals	Translation differences	Amortisation	Balance at 31/12/2023
Shopping centres and retail premises in Spain	65,693	-	-	(1,343)	64,350
Land in Costa Rica	5,915,904	-	608,459	-	6,524,363
TOTAL	**5,981,597**	**-**	**608,459**	**(1,343)**	**6,588,713**

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**

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 9,852 thousand euros (8,933 thousand euros at December 31, 2022). No impairment has been recognised in either 2023 or 2022.

There have been no withdrawals in 2023. In 2022, withdrawals related to the sale of carparking spaces in the building where the Travel Division head offices are currently located.

9. EQUITY-ACCOUNTED INVESTEES

Movement in investments in associates in 2023 is as follows:

	Balance at 31/12/2022	Profit/(Loss)	Additions	Impairment	Balance at 31/12/2023
Santa Lucía, S.A.	1,241,115	-	-	-	1,241,115
Hotel Rívoli SA	304,800	(230,550)	-	-	74,250
Contuijo, S.L.	125,000	-	-	(125,000)	-
Caravel, S.A.	12,349,778	412,923	-	-	12,762,701
Societé Financière d'Africa Palace, SA	6,870,153	600,311	-	-	7,470,464
UTE Segitur	10	-	-	-	10
Canfranc Estación 2018, S.L.	-	88,573	4,222,634	-	4,311,207
TOTAL	**20,890,856**	**871,257**	**4,222,634**	**(125,000)**	**25,859,747**

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
Societé 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**

The key indicators from the balance sheets and income statements of associates in 2023 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%	7,697	2,609	9,813	-	494	-	-	-
Hotel Rívoli SA	20%	19,017	2,938	725	20,810	419	8,800	(939)	(231)
Societé Financière d'Africa Palace, SA	48%	28,408	4,480	3,260	24,281	5,347	16,587	(1,992)	600
Caravel, S.A.	20%	42,698	27,847	48,056	9,833	12,656	21,068	3,441	413
Canfranc Estación 2018, S.L.	30%	6,265	1,878	(45)	5,050	3,138	5,956	(33,525)	(33,525)

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)	-
Societé Financière d'Africa Palace, SA	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 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, 2023 and 2022, the breakdown of "Other non-current financial assets" is as follows:

	Balances at 31/12/2023	Balances at 31/12/2022
Credits to associates	2,765,958	2,453,928
Deposits and guarantees	55,664,501	66,800,791
Equity instruments	140,128	139,128
Derivatives (Note 15)	128,645	561,957
Assets related to labour liabilities (Note 20.1)	6,414,163	5,279,251
Loans to third parties	30,128,938	41,551,921
Balance receivable for Time Share contracts	35,953,798	31,912,724
Prepayments for assets	2,367,198	1,980,975
Other assets	262,818	275,271
TOTAL	**133,826,147**	**150,955,948**

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 32,550 thousand euros (42,255 thousand euros in 2022).

LOANS TO THIRD PARTIES

The Loans to third parties balance mainly relates to a loan of 16.6 million given to Fundación Barceló, maturing in December 2027 and remunerated at market rate and to various loans given to the owners of hotels leased or operated by the Group. The maturities of these loans range between 2026 and 2034. During the year, impairment of 1.8 million euros has been recognised for loans to third parties.

In April 2023, the loan of 10 million to the company, Wamos, S.A. was cancelled.

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, applying a market interest rate.

11. TRADE DEBT

The breakdown is as follows:

	Balances at 31/12/2023	Balances at 31/12/2022
Trade debt	290,606,319	344,342,540
TOTAL	**290,606,319**	**344,342,540**

The balance of the bad debt provision at December 31, 2023, amounts to 74 million euros. At December 31, 2022, the balance amounted to 64 million euros. The balance of the bad debt provision at December 31, 2023 has amounted to 15.8 million euros (11.7 million in 2022).

The ageing of past-due receivables at year-end in thousands of euros is as follows:

	2023	2022
Less than 90 days	158,083	119,509
More than 90 days and less than 180	38,675	30,632
More than 180 days and less than 360	20,963	2,356
More than 360 days	4,164	4,730
	221,885	**157,227**

12. OTHER RECEIVABLES

Details are as follows:

	Balance at 31/12/2023	Balance at 31/12/2022
Receivables	59,965,286	11,391,673
Advances to creditors	68,996,275	61,064,980
Tax receivables - others	21,458,122	22,529,439
Tax authorities - VAT recoverable	7,324,614	4,456,500
Withholdings and payments on account	13,603,963	17,112,825
TOTAL	**171,348,260**	**116,555,417**

13. OTHER CURRENT FINANCIAL ASSETS

Details are as follows:

	Balance at 31/12/2023	Balance at 31/12/2022
Deposits, Guarantees and Others	14,255,834	17,594,423
Interest receivable	2,982,711	842,572
Derivatives (Note 15)	3,069,755	3,864,512
TOTAL	**20,308,300**	**22,301,507**

14. FINANCIAL INSTRUMENTS

The breakdown of financial instruments, by category, is as follows:

Financial assets	Equity instruments		Loans, derivatives and others		Total	
	2023	2022	2023	2022	2023	2022
Non-current financial assets						
Assets at fair value with changes in comprehensive income	140,128	139,128	-	-	140,128	139,128
Assets at fair value with changes in profit and loss	-	-	128,645	561,957	128,645	561,957
Assets at amortised cost	-	-	133,557,374	150,254,862	133,557,373	150,254,862
	140,128	**139,128**	**133,686,019**	**150,816,819**	**133,826,147**	**150,955,947**
Current financial assets						
Assets at amortised cost	-	-	436,806,424	435,236,189	436,806,424	435,236,189
Hedging derivatives	-	-	3,069,755	3,864,512	3,069,755	3,864,512
	-	**-**	**439,876,179**	**439,100,701**	**439,876,179**	**439,100,701**
TOTAL	**140,128**	**139,128**	**573,562,198**	**589,917,520**	**573,702,326**	**590,056,648**

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	
	2023	2022
Derivatives - Assets		
Non-current		
- Interest rates	128,645	561,957
Current		
- Exchange rate (Notes 24 and 25)	2,026,317	-
- Fuel	1,043,438	1,770,180
- Interest rates	-	2,094,332
TOTAL ASSETS	**3,198,400**	**4,426,469**

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 2023 amounted to 433 thousand euros and has been recognised under the Finance expense heading of the consolidated income statement (Note 30). The fair value at December 31, 2023 is 128,645 euros. In 2022, the fair value was 561,957 euros and the change in fair value amounted to 750 thousand euros and it was recognised under income.

The Group had 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, which matured in 2023. At December 31, 2022, the fair value amounted to 2,094 thousand euros.

The Group applies conservative hedging policies in its Travel Division (Avoris Corporación Empresarial, S.A. and subsidiaries) and contracts exchange rate and fuel hedging financial instruments with financial entities.

Said hedges are contracted based on the highly probable foreseen transactions, for payments to suppliers, aircraft lease payments and fuel insurance and purchases, guaranteeing their efficiency, establishing a hedging range of between 80 95% of the total needs.

The efficiency of the hedges is controlled by the Group at the beginning of the year and during the months in which the hedging instrument is contracted.

Exchange rate derivatives:

In order to determine the fair value of the exchange rate derivatives (Exchange risk insurance or Forwards), the Company uses the spot rate of the euro against the USD, together with the forward points of the currencies involved and, through cash flow discounts, determines the value of the contracted derivatives.

The fair value of the exchange rate derivatives at December 31, 2023, is a debtor balance of 1,661 thousand euros. Said balance consists of a debtor balance of 2,026 thousand euros and a creditor balance of 365 thousand euros (See Note 25). The notional value covered amounts to 241 million USD.

Fuel derivatives:

The Group company, Evelop Airlines, S.L.U., has contracted financial derivatives on the price of the metric tonne (Tm) of Jet Fuel, in order to cover the fluctuations of the price of Jet Fuel to which the purchase of fuel is referenced. The net fair value at December 31, 2023, is a credit balance of 1,013 thousand euros. It consists of a debtor balance of 1,043 thousand euros and a creditor balance of 2,056 thousand euros (See Note 25).

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
2024	**82,600**

There have been no transfers between levels 1, 2 and 3 during 2023 or 2022. The measurement technique has not been modified with regard to 2022.

16. CASH AND CASH EQUIVALENTS

At December 31, 2023, the balance of this heading amounts to 827.1 million euros, 574.3 million euros (504.2 million euros in 2022) of which are related to bank accounts and 252.8 million euros (261.0 million euros in 2022) to bank deposits maturing in a period of between 3 and 12 months. 59.8 million euros 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.

18. EQUITY

18.1. SHARE CAPITAL

At December 31, 2023 and 2022, 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.

Although at December 31, 2023, the Group has 30.5 million euros of restricted capitalisation reserves, at said date, 11.2 million euros are released. Moreover, it is foreseen that an additional restricted reserve amounting to 6 million will be charged in 2024, due to the possible reduction to be undertaken in the current year's Corporate Tax.

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

At the General Shareholders' Meeting, the Board of Directors will propose that no dividends be distributed with a charge to the 2023 results.

The proposal for the distribution of the Parent Company's dividends, prepared by the Directors and approved at the General Shareholders Meeting, which took place on June 5, 2023, amounted to 20,000,000 euros (11,385,989 euros charged to the 2022 results and 8,614,011 euros charged to the 2019 reserves). This dividend was paid in June 2023.

18.5. NON-CONTROLLING INTERESTS

The most significant non-controlling interests are mainly held by Desarrollo Flamenco Riviera SA de CV and Emeraldtown - Empreendimentos Imobiliários e Turisticos, Lda.

Appendix I details the information relating to these companies.

At December 31, 2023, details of non-controlling interests are as follows:

	Thousands of Euros
Non-current assets	56,082
Current assets	11,719
TOTAL ASSETS	**67,801**
Equity	30,137
Non-current liabilities	31,814
Current liabilities	5,850
TOTAL LIABILITIES	**67,801**
Income	17,956
Profit/(loss) for the year	905

In April 2023, the Group has acquired an additional 19% of Emeraldtown – Empreendimentos Inmobiliários e Turísticos, Lda, now holding 70% of the shares. Said transaction has had no effect on equity.

In July 2023, the Barceló Group has acquired 10% of Michamwi Resort Development LTD, and now holds 100% of the shares. The cost of the acquisition has amounted to 0.4 million euros. As a result of this acquisition, the consolidated equity has been reduced by the same amount.

On December 1, 2022, the Group acquired 49.45% of Ávoris Corporación Empresarial, S.L., from the Globalia Group, making the Barcelo Group the owner of 100% of the shares. The acquisition cost amounted to 24.2 million euros. As a consequence of this acquisition there was 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 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 2023, the companies Deansfield Company LTD, Allegro Vacation Club Aruba NV, and Occidental Vacation Club Costa Rica, S.A. have been liquidated without a significant effect on the income statement.

In 2022, the company Occidental Costa Rica, S.A. was 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 2023 is as follows:

	Balances at 31/12/2022	Additions	Taken to income statement	Balances at 31/12/2023
Grants	933,633	-	(220,921)	712,712
TOTAL	**933,633**	**-**	**(220,921)**	**712,712**

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**

20. PROVISIONS

20.1. NON-CURRENT PROVISIONS

Movement in provisions in 2023 is as follows:

	Balances at 31/12/2022	New incorporations	Additions	Withdrawals	Transfers	Translation differences	Balances at 31/12/2023
Commitments with employees	27,031,059	-	4,035,500	(618,653)	-	723,788	31,171,694
Provisions for liabilities	32,586,454	-	7,274,699	(8,444,178)	(40,334)	107,719	31,484,360
Provisions for overhauls	47,011,345	-	7,253,974	(16,173,051)	40,334	-	38,132,602
NON-CURRENT PROVISIONS	**106,628,858**	**-**	**18,564,173**	**(25,235,882)**	**-**	**831,507**	**100,788,656**
Provisions for overhauls and others	12,595,007	212,724	288,645	(6,446,296)	-	-	6,650,080
CURRENT PROVISIONS	**12,595,007**	**212,724**	**288,645**	**(6,446,296)**	**-**	**-**	**6,650,080**
TOTAL PROVISIONS	**119,223,865**	**212,724**	**18,852,818**	**(31,682,178)**	**-**	**831,507**	**107,438,736**

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**

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 2023 consolidated income statement for this concept amounts to 3,688 thousand euros (1,541 thousand euros in 2022). The amount of revenue directly recognised in equity (Value adjustment) amounts to 271 thousand euros (3,794 thousand euros expense in 2022).

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 2023 and 2022, 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 2023 and 2022, was the projected unit credit method using the PERMF2022 tables applying an interest rate of 3.67% (3.67% in 2022), an employee turnover assumption of 8.42% (8.42% in 2022), an annual salary increase rate of 1.5% and a retirement age of 65 years. The provision for this commitment amounts to 9.6 million euros at closing 2023 (9,1 million euros 2022).

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 12 million euros (9.5 million euros in 2022), which has been calculated using the projected unit credit method. The actuarial hypotheses used for the calculation of the related liability are EMSSAH-09/EMSSAM-09 mortality tables, staff rotation indexes depending on the age of the employee, decreasing from 19.93% at 25 years of age to 0% at 55 years, a discount rate of 9.36%, 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 (2.6 million euros in 2022). 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 2022) 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, 2023, the plan's assets amount to 7.1 million USD (5.6 million in 2022), and consists of cash and cash equivalents, shares and bonds. At December 31, 2023, the non-current liability for this concept amounts to 7.1 million USD (5.5 million in 2022).

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. At December 31, 2022 and 2023, there is no provision for this concept. In 2022, the provision for onerous contracts amounting to 2.1 million, corresponding to 2 hotels in Italy, was 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 Group 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 Group 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. Charges for the year have been recognised under "Supplies" of the Consolidated Income Statement and correspond to the hours/cycles and months of operation of the aircraft based on the applicable contract price in each case. The Group recognises daily maintenance. No provision is booked for this concept under "Other operating expenses."

20.2. CURRENT PROVISIONS

At December 31, 2023, current provisions amounted to 6.7 million (12.5 million in 2022). Of this amount, 2.5 million euros relate to the provision for aircraft maintenance overhauls and the remainder to current provisions for the ordinary activities of the Travel Division.

21. BANK BORROWINGS

At December 31, 2023, the breakdown of bank borrowings, by nature and maturity are as follows:

	2023	
	Non-current maturities	Current maturities
Personal loans	381,974,577	184,272,895
Credit facilities	-	114,666,730
Promissory notes issued in MARF	-	197,400,000
Interest	-	5,743,914
TOTAL BANK DEBT	**381,974,577**	**502,083,539**
TOTAL BORROWINGS	**381,974,577**	**502,083,539**

At December 31, 2022, the breakdown of bank borrowings, 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, 2023, the amount drawn down from the credit facilities is 114.7 million euros. These credit facilities are regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread and they are all denominated in euros. Their limit amounts to 578.1 million euros.

At December 31, 2022, the credit facilities with annual maturity were not drawn down. They are regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread and they are all denominated in euros. Their limit amounts to 593.4 million euros.

All the loans are pegged to a floating market rate, except for an amount of 65.8 million euros at a fixed interest rate (106.8 million at December 31, 2022). This amount does not include the hedge for the floating-to-fixed interest rate for a notional value of 50 million, as explained in Note 15. At both December 31, 2023 and 2022, the promissory notes issued in the MARF, are all remunerated at a fixed interest rate. Their fair value is similar to their carrying amount.

On December 16, 2022, the Group 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 ceased to exist.

On November 22, 2022, a new promissory note issue programme linked to sustainability was signed for an amount of 200 million euros, maturing on November 22, 2023. On November 22, 2023, another programme linked to sustainability was signed for an amount of 200 million euros, maturing on November 22, 2024. The outstanding issues at December 31, 2023 are as follows:

- 2.0 million euros, issued on April 5, 2023, maturing on April 4, 2024, at 3.95%.
- 1.9 million euros, issued on September 13, 2023, maturing on September 4, 2024, at 4.602%.
- 49.5 million euros, issued on October 9, 2023, maturing on January 18, 2024, at 4.843%.
- 4.7 million euros, issued on October 9, 2023, maturing on April 11, 2024, at 4.928%.
- 0.7 million euros, issued on October 9, 2023, maturing on July 11, 2024, at 4.98%.
- 1.7 million euros, issued on October 9, 2023, maturing on October 9, 2024, at 4.95%.
- 6.4 million euros, issued on October 26, 2023, maturing on February 16, 2024, at 4.911%.
- 4.4 million euros, issued on October 26, 2023, maturing on June 17, 2024, at 4.993%.
- 23.7 million euros, issued on November 13, 2023, maturing on February 16, 2024, at 4.834%.
- 4.2 million euros, issued on November 13, 2023, maturing on May 14, 2024, at 4.970%.
- 0.6 million euros, issued on November 13, 2023, maturing on September 16, 2024, at 4.939%.
- 22.9 million euros, issued on November 13, 2023, maturing on November 13, 2024, at 4.930%.
- 6.4 million euros, issued on December 11, 2023, maturing on January 18, 2024, at 4.592%.
- 53.8 million euros, issued on December 11, 2023, maturing on March 15, 2024, at 4.741%.
- 4.3 million euros, issued on December 11, 2023, maturing on June 17, 2024, at 4.815%.
- 2.8 million euros, issued on December 11, 2023, maturing on September 16, 2024, at 4.816%.
- 7.4 million euros, issued on December 11, 2023, maturing on December 16, 2024, at 4.820%.

The promissory note issues in MARF that took place in 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.

22. OTHER NON-CURRENT LIABILITIES

Details are as follows:

	2023	2022
Guarantees and deposits	1,873,831	1,765,357
Non-current loans	87,100,330	84,907,067
Other non-current liabilities	43,865,914	47,497,884
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	**132,840,075**	**134,170,308**

At December 31, 2023, the balance of non-current loans includes loans extended by various members of the Barceló family and parties related to the Group for an amount of 82.2 million euros (80.5 million euros at December 31, 2022) 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 2025.

The "Other non-current liabilities" balance includes the non-current deferred payment for the purchase of the shares of Punta Umbría Turística, S.L. and Canfranc Estación 2018 S.L, for an amount of 33.3 and 3.7 million euros respectively, valued at amortised cost.

23. MATURITIES OF FINANCIAL LIABILITIES

Details by maturity of non-current financial liabilities at December 31, 2023, are as follows:

	2025	2026	2027	2028	2029 and subsequent years
Personal loans	154,176,765	65,075,599	90,799,773	58,318,531	13,603,909
Credit facilities	-	-	-	-	-
TOTAL BANK DEBT	**154,176,765**	**65,075,599**	**90,799,773**	**58,318,531**	**13,603,909**
Guarantees and deposits	-	-	-	-	1,873,831
Other non-current loans	87,100,330	-	-	-	-
Other non-current liabilities	3,926,206	3,889,921	3,946,538	7,843,972	24,259,277
TOTAL OTHER NON-CURRENT LIABILITIES	**91,026,536**	**3,889,921**	**3,946,538**	**7,843,972**	**26,133,108**

Details by maturity of non-current financial liabilities at December 31, 2022, were 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**

Movement in 2023 is as follows:

	Balance at 31/12/2022	Cash flows	Current transfers	Translation differences	Balance at 31/12/2023
Bank borrowings	580,860,727	(113,424,102)	(85,462,048)	-	381,974,577
BANK BORROWINGS	**580,860,727**	**(113,424,102)**	**(85,462,048)**	**-**	**381,974,577**
Guarantees and deposits	1,765,357	134,292	-	(25,818)	1,873,831
Non-current loans	84,907,067	2,193,263	-	-	87,100,330
Non-current liabilities	47,497,885	4,805,898	(8,373,593)	(64,275)	43,865,914
OTHER NON-CURRENT LIABILITIES	**134,170,308**	**7,133,452**	**(8,373,593)**	**(90,093)**	**132,840,075**

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**

At December 31, 2023, the breakdown for non-current lease liabilities by years of maturity is as follows:

	2025	2026	2027	2028	2029 and subsequent years	TOTAL
Hotels	58,745,256	56,272,143	47,990,146	43,944,803	476,401,924	683,354,273
Aircraft	39,685,955	28,243,401	28,307,455	28,953,485	87,252,632	212,442,927
Offices	2,375,426	2,251,253	2,096,908	1,506,379	7,416,515	15,646,482
NON-CURRENT LEASE LIABILITIES	**100,806,637**	**86,766,797**	**78,394,508**	**74,404,668**	**571,071,072**	**911,443,682**

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**

24. FINANCIAL INSTRUMENTS - LIABILITIES

The breakdown of financial instruments for liabilities is as follows:

Financial liabilities	2023	2022
Non-current financial liabilities		
Loans and payables	514,814,652	715,031,036
Lease liabilities (Note 34)	911,443,682	859,462,661
	1,426,258,334	**1,574,493,697**
Current financial liabilities		
Financial liabilities at fair value through profit or loss (Note 25)	-	48,420
Hedging derivatives (Note 25)	2,421,377	3,505,515
Loans and payables	1,309,238,938	1,073,627,910
Lease liabilities (Note 34)	96,456,647	92,502,225
	1,408,116,962	**1,169,684,070**
TOTAL	**2,834,375,296**	**2,744,177,767**

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, 2023, the fair value amounts to 9,957 thousand euros (11,398 thousand euros at December 31, 2022).

The Group has contracted exchange rate and aircraft fuel derivative financial instruments with a net creditor fair value, at December 31, 2023, of 2,421 thousand euros as liabilities (Note 15).

Exchange rate derivatives relate to purchase or sale operations of the following currencies in 2023:

Underlying	Nominal in foreign currency	Insurance type
241,000,000	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 157,137 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	
	2023	2022
Non-current		
Interest rate	-	-
Exchange rate	-	-
Fuel	-	-
Current	.	.
Interest rate	-	(48,420)
Exchange rate	(365,245)	(3,505,515)
Fuel	(2,056,132)	-
TOTAL LIABILITIES	**(2,421,377)**	**(3,553,935)**

There have been no transfers between Levels 1, 2 and 3 in 2023 or 2022. 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. More detailed information regarding these financial instruments is included in Note 15.

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 2023. Other Group companies are subject to nominal income tax rates of between 0% (tax rate in Dubai, although in 2024, it increases to 9%) 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.

In 2022, there were two consolidated groups in Spain. The Parent of one group was Barceló Corporación Empresarial S.A. and of the other, it was Avoris Corporación Empresarial, S.L The subsidiaries of the latter were the companies that make up the Travel Division. (See Note 5).

Since January 1, 2023, the Avoris Corporación Empresarial, S.L. Group has been part of the tax group headed by Barceló Corporación Empresarial S.A. since, in December 2022, Barceló Corporación acquired 49.45% of the shares of Avoris Corporación, becoming the owner of 100% of the shares. In the month of December 2022, the corresponding agreements were signed.

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 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 500.8 million euros. At December 31, 2023, of the aforementioned amount, tax losses amounting to 303.9 million euros have been capitalised resulting in a deferred tax asset of 75.99 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 10.7 million euros, mainly corresponding to the deduction for technological innovation, of which the last limitation period is 2041.

At December 31, 2023, of the total unused deductions, deferred tax assets have been recognised for an amount of 10.7 million euros.

Moreover, there are financial expenses pending deduction for which a deferred amount of 10.1 million 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 3.06 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 2023, 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 24.9 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 6.2 million euros.

The Group companies in the EMEA area have total tax losses amounting to 214 million euros, mainly generated by subsidiaries located in Morocco, Italy, Portugal, Luxembourg and Germany. Deferred tax amounting to 1.2 million euros has been recognised in Portugal.

The travel division has tax losses pending application in Portugal amounting to 79 million euros. 5.6 million euros of this amount has been recognised as a deferred tax. Moreover, the travel division has tax losses in subsidiaries located in Colombia, Mexico, the Dominican Republic and the United Kingdom for a total amount of 3.5 million euros that have not been capitalised.

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, 2023, 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
Iberotours	2018-19	VAT	TEAC (Central Economic Administrative Court)
Barceló Corporación Empresarial, S.A.	2012-2014	VAT	Spanish National High Court
Orbe Travel Club Spain, S.L.	2016-2019	VAT	Canary Islands TEAC (Central Economic Administrative Court)

Barceló Corporación Empresarial, as the Head of the VAT group, has an ongoing claim before the Spanish National High Court (Audiencia Nacional) for the VAT group assessment signed on a contested basis for the years 2012-2014.

In 2022, the amount related to the 2006 Corporate Tax for the company, Inmuebles de Baleares, S.L., was paid.

The hotel division has various international tax proceedings underway in Mexico and Costa Rica, for which no provision has been made in the balance sheet since a favourable resolution is expected in both cases.

Regarding the proceedings related to VAT for the years 2016 - 2019 of the company, Orbe Travel Club Spain, S.L., an appeal was filed before the Canary Islands Central Economic Administrative Court on December 19, 2022.

In January 2022, the Spanish tax authorities began a general verification of the VAT for Iberotours S.A. in the years 2018 and 2019. In May 2023, the Company signed a tax assessment in disagreement and in July, presented an appeal before the Central Economic Administrative Court. At the preparation date of these annual accounts, the Company is pending the Resolution of said Court. Moreover, on March 15, 2024, the tax authorities have notified of the opening of sanctions proceedings for the years 2018 and 2019. The Company is preparing the corresponding allegations.

Alisios Tours S.L.U. had two proceedings underway in the Central Economic Administrative Court for VAT corresponding to the years 2013-2014 and 2015 (July) - 2016. On November 9, 2023, the Central Economic Administrative Court ruled in favour of Alisios in both cases.

In the case of the Ávoris Group's international companies, on June 26, 2023, VAT and Corporate tax proceedings began for the year 2020 in Nortravel. At the date of preparation of these annual accounts, the inspection is not yet complete.

The directors of the Parent Company and their tax advisors, do not consider that any significant tax contingencies exist that could arise, in the case of an inspection, from possible interpretations of the tax standard applicable to the transactions undertaken by the Group.

Effects of Pillar 2 on the annual accounts

The Pillar 2 legislation has been approved, or substantially approved, in certain areas in which the Group operates. It is possible that the legislation will be effective for the Group's annual accounts as of January 1, 2024. The Group has performed an evaluation to determine if it is potentially exposed to the Pillar 2 taxes.

The evaluation of the potential exposure to Pillar 2 taxes, is based on the most recent tax declarations, country by country reports and the financial statements of the entities that make up the Group. According to this evaluation, in the majority of the areas in which the Group operates, the effective Pillar 2 tax rates are above 15%. Nonetheless, there are a limited number of areas in which the safe harbour exemption is not applicable in the transition. The Group does not expect a material exposure to the Pillar 2 taxes in these areas.

The relationship between the pre-tax result of the Parent and the Corporate tax expense is as follows:

	2023	2022
PROFIT FROM CONTINUING OPERATIONS	243,988,715	158,391,689
PROFIT BEFORE INCOME TAX	**243,988,715**	**158,391,689**
Profit of equity-accounted investees	(871,257)	1,601,211
Profit of fully consolidated companies	243,117,458	159,992,900
Parent tax rate	**25%**	**25%**
Expense at Parent tax rate	**60,779,365**	**39,998,225**
At other tax rates	6,553,134	9,070,050
Permanent differences (non-deductible expenses and non-taxable income) and others	(1,131,834)	(27,479,076)
Deductions/incentives generated in the year capitalised	(2,351,600)	(5,119)
Deductions/incentives generated in previous years capitalised	(3,384,270)	(538,518)
Temporary differences from previous years capitalised in the year	(3,043,669)	-
Tax losses from prior years, capitalised during the year	(10,672,820)	-
Uncapitalised tax losses from previous years, applied during the year	(3,395,527)	(91,728)
Uncapitalised tax losses for the year	3,227,044	25,005,298
Tax expense from prior years	2,491,800	(1,231,206)
Others	159,653	-
ACCOUNTING EXPENSE	**49,231,276**	**44,727,926**

DEFERRED TAX ASSETS AND LIABILITIES

The breakdown and movement of deferred tax assets and liabilities during 2023 are as follows:

	Balances at 31/12/2022	New incorporations	Results	Translation differences	Value adjustments	Balances at 31/12/2023
Tax deductions	4,471,390	-	6,204,907	-	-	10,676,297
Tax losses	97,772,619	5,306,142	(12,332,831)	299,687	-	91,045,617
Property, plant & equipment and intangible assets	15,301,837	(741,112)	(2,567,305)	1,068,109	-	13,061,529
Hedging derivatives	(438,944)	-	23,630	-	(39,284)	(454,598)
Provisions, impairment and other	13,164,832	74,076	(3,683,402)	806,877	-	10,362,383
Advances from customers	10,406,349	103,201	2,423,265	1,105,879	-	14,038,694
Time Share	8,808,499	-	(2,197,993)	936,076	-	7,546,582
Loyalty premium	2,142,066	-	429,873	-	(67,730)	2,504,209
Lease assets and liabilities - IFRS-16	13,389,511	-	(29,932)	(59,847)	-	13,299,732
Finance expenses	8,668,007	-	1,510,277	-	-	10,178,284
Valuation reserve	304,190	-	(304,184)	-	-	6
Deductibility limitation consolidated tax losses	-	-	13,697,049	-	-	13,697,049
Others	5,208,727	95,992	5,412,365	(99,837)	-	10,617,247
DEFERRED TAX ASSETS	**179,199,083**	**4,838,299**	**8,585,719**	**4,056,944**	**(107,014)**	**196,573,031**
Intangible assets	(4,176,104)	-	1,058,162	-	-	(3,117,942)
Property, plant & equipment	(157,421,941)	(7,095,561)	5,225,994	(7,902,584)	-	(167,194,092)
Time Share	-	-	-	-	-	-
Others	(2,808,043)	-	1,019,842	(94,505)	-	(1,882,706)
TOTAL DEFERRED TAX LIABILITIES	**(164,406,088)**	**(7,095,562)**	**7,303,997**	**(7,997,089)**	**-**	**(172,194,740)**
TOTAL	**14,792,995**	**(2,257,261)**	**15,889,716**	**(3,940,146)**	**(107,014)**	**24,378,291**

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**

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.

At the preparation date of these annual accounts, the ruling of the Spanish Constitutional Court related to the unconstitutionality issue, number 2577/2023, regarding Article 3, first sections one and two of the Royal Decree Law 3/2016, has established that the limit of the tax base to be offset in Spain has increased from 25% to 70%. As a result, according to the business plan of the Avoris Group in Spain, the intention is to offset as many tax losses as possible in accordance with the new limit.

INCOME TAX EXPENSE

	2023	2022
Current tax expense	65,120,992	38,649,146
Deferred tax expense	(15,889,716)	6,078,780
TOTAL INCOME TAX EXPENSE	**49,231,276**	**44,727,926**

Deferred tax expense allocated to equity (Value adjustments) amounts to 107 thousand euros (1,295 thousand euros revenue in 2022).

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 supplier payment period in Spain for 2023 and 2022 are as follows:

	2023	2022
(Days)		
Average payment period for suppliers	40.39	38.55
Transactions paid ratio	40.07	32.38
Transactions payable ratio	50.81	135.04
(Thousand euros)		
Total payments made	2,901,086,418	2,621,110,121
Total payments outstanding	88,532,261	168,693,591
Monetary volume of invoices paid in a period less than the maximum established in arrears regulations	2,587,931,911	1,712,575,486
Percentage represented by the payments lower than said maximum of the total payments performed	89.21	65.34
(Number of invoices)		
Invoices paid in a period less than the maximum established in arrears regulations	2,090,421	1,291,643
Percentage of total invoices	74.35	59.73

28. OTHER CURRENT LIABILITIES

The breakdown is as follows:

	Balance at 31/12/2023	Balance at 31/12/2022
Spanish tax authorities	37,501,815	37,496,360
Social Security	13,964,274	7,048,441
Salaries payable	40,017,578	41,825,263
Other payables	28,113,281	11,827,111
Guarantees and deposits received	929,222	193,800
Hedging derivatives (Notes 24 and 25)	2,421,378	3,553,935
Dividends	-	-
TOTAL	**122,947,547**	**101,944,910**

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 2023 and 2022 are 2,195.3 and 1,806.4 million euros, respectively. The amounts corresponding to hospitality in 2023 and 2022 amount to 1,775.2 and 1,478.0 million euros, respectively.

In 2023, operating income by geographical market is as follows: 2,902.6 million in Spain, 723.5 million in Latin America and 344.4 million in the remaining area. In 2022, operating income by geographical market were as follows: 2,410.1 million in Spain, 636.5 million in Latin America and 237.9 million in the remaining areas.

29.2. OTHER OPERATING INCOME

Revenue recognised in 2023 includes 813 thousand euros related to public grants. The remaining revenue mainly relates to income from hotel management fees and from other revenue complementary to the normal operations.

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.

30. FINANCE RESULT

The finance result recognised under this heading relates to finance expenses amounting to 76.0 million euros (59.3 million in 2022) and finance revenue amounting to 32.0 million euros (11.9 million in 2022).

31. PERSONNEL EXPENSES

The breakdown of personnel expenses at December 31, 2023 and 2022 as follows:

	2023	2022
Salaries and wages	734,954,417	636,577,697
Termination benefits	8,290,395	4,801,630
Social security	131,869,382	109,345,546
Other employee benefits expenses	25,968,101	29,377,066
	901,082,295	**780,101,939**

The average number of employees in the Group, by category, is as follows:

	2023	2022
Senior management	901	1,029
Middle management	4,513	3,924
Core staff	29,350	26,571
	34,764	**31,524**

At December 31, 2023 and 2022, the distribution of employees by gender is as follows:

	2023	2022
Male	19,638	15,549
Female	16,668	17,920
	36,306	**33,469**

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 55 employees with a registered disability of over 33% (49 in 2022).

It should be noted that, in 2023, we are continuing to homogenise professional positions and categories, taking into account the specific needs and peculiarities of each of the Company's divisions. This focus on the homogenisation of professional positions and categories demonstrates our desire for equality and transparency within our organisation, as well as our continuous pursuit of efficiency and effectiveness in our human resources management. This homogenisation process has implied changes in criteria when grouping personnel in the various categories in 2023 in comparison with 2022.

32. OTHER EXPENSES

Details of other operating expenses are as follows:

	2023	2022
Leases and royalties	153,275,647	84,431,583
Repairs and maintenance	83,517,476	67,961,576
Independent professional services	25,925,750	24,180,911
Insurance premiums	20,047,937	17,883,984
Advertising and publicity	58,124,942	50,334,956
Utilities	103,541,172	104,729,568
Others	354,653,452	284,386,500
	799,086,376	**633,909,078**

33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main transactions undertaken by the Parent or subsidiaries with related companies are as follows:

	2023		2022	
	Associates	Joint ventures	Associates	Joint ventures
Income	2,980,652	-	1,664,083	-
	2,980,652	**-**	**1,664,083**	**-**

All transactions with related parties are conducted at arm's length.

At December 31, 2023 and 2022, the balances with Fundación Barceló and the members of the Barceló family and related parties and other associated entities are detailed in Note 10 and Note 22. The finance cost associated with these liabilities amounts to a 3.6 million euros in 2023 and 1.8 million euros in 2022. In 2023, the finance income associated with these assets amounts to 0.5 million euros. Moreover, the Group has client balances with associated companies for an amount of 1.7 million euros.

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 2024 and 2057, the aircraft between 2024 and 2032 and the offices between 2024 and 2042. In general, Barceló has restricted rights regarding the subleasing of said assets.

The movement of right-of-use assets in 2023 is as follows:

	Hotels	Aircraft	Offices	TOTAL
DECEMBER 31, 2022	**613,504,087**	**268,158,918**	**15,277,140**	**896,940,145**
New incorporations	-	-	-	-
Additions	151,571,199	5,075,853	16,737,411	173,384,463
Withdrawals	(1,475,934)	(1,441,147)	(10,671,137)	(13,588,218)
Amortisation	(61,408,240)	(38,370,762)	(3,929,745)	(103,708,746)
Translation differences	(159,564)	-	(45,041)	(204,605)
DECEMBER 31, 2023	**702,031,548**	**233,422,862**	**17,368,629**	**952,823,040**

Additions in 2023 refer to the new contracts that have been signed, extensions of contracts and the increase in rent due to inflation during the year.

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 also 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 liabilities in 2023 is as follows:

	Hotels	Aircraft	Offices	TOTAL
DECEMBER 31, 2022	**591,256,156**	**257,535,538**	**10,670,967**	**859,462,661**
New incorporations	-	-	-	-
Additions	151,547,039	5,075,853	16,729,423	173,352,315
Withdrawals	(1,475,934)	(1,317,217)	(7,964,703)	(10,757,854)
Interest	19,235,860	6,152,727	965,797	26,354,384
Payments	(70,415,917)	(43,206,080)	(4,868,574)	(118,490,570)
Translation difference	47,329	-	61,658	108,987
Exchange difference	-	(11,579,590)	-	(11,579,590)
Current transfer	(6,840,262)	(218,304)	51,914	(7,006,652)
DECEMBER 31, 2023	**683,354,271**	**212,442,927**	**15,646,483**	**911,443,682**
Current				96,456,647
Non-current				911,443,682

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				92,505,225
Non-current				859,462,661

The effect on the income statement for the year is as follows:

	2023	2022
Amortisation rights of use	103,708,746	101,249,324
Interest lease liabilities	26,354,384	23,317,913
Variable, low value and current rent	153,275,647	84,431,583
Other expenses	(221,866)	(98,082)
Exchange differences	(11,579,590)	16,081,188
RESULT BEFORE TAX	**271,537,322**	**224,981,926**
Corporate tax	29,932	(6,606,089)
RESULT FOR THE YEAR	**271,567,254**	**218,375,836**

Lease expenses in 2023 and 2022 have been as follows:

(Thousands of euros)	2023	2022
Variable rent	153,276	84,432
Fixed rent	118,491	113,469
TOTAL RENT	**271,766**	**197,900**

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:

	2023		2022	
	Fixed rent	Variable rent	Fixed rent	Variable rent
Fixed rent	72,090,818	-	73,863,717	-
Variable rent with guaranteed minimum	46,399,752	19,435,639	39,604,809	11,933,431
Solely variable rent	-	133,840,008	-	72,498,152
TOTAL RENT	**118,490,570**	**153,275,647**	**113,468,526**	**84,431,583**

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 if the options were not exercised 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	2023			2022		
	Up to 5 years	More than 5 years	TOTAL	Up to 5 years	More than 5 years	TOTAL
Contract extension options and advance termination	304,067	289,490	593,557	244,261	265,629	509,890
	304,067	**289,490**	**593,557**	**244,261**	**265,629**	**509,890**

35. COMMITMENTS AND 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 52.9 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.

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 Non-Financial Information Statement (Note 6.1 Environmental care in Barceló), that forms part of the consolidated Management Report, details the investments made to prevent environmental risks and to protect and improve the environment.

37. INFORMATION ON DIRECTORS AND MANAGEMENT

In 2023, 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 2.9 million euros (4.1 million euros in 2022). In 2023 and 2022, the members of the Board of Directors extended loans to the Group amounting to 33.3 and 28.8 million euros, remunerated at a fixed market interest rate (See Note 22). At December 31, 2023 and 2022, 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 2023 amounted to 46 thousand euros (0.1 million euros in 2022).

At December 31, 2023 and 2022, 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.

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, 2023, the fees accrued by the Parent's auditor for professional audit services have amounted to 722 thousand euros (336 thousand euros in 2022) and 17 thousand euros for other accounting review services (50.3 thousand euros in 2022). Fees accrued for audit services for the years ending December 31, 2023 and 2022 by other companies belonging to the international network of Ernst & Young and other audit firms have amounted to 328 and 244 thousand euros, respectively (in 2022, 241 and 567 thousand euros, respectively).

These amounts comprise the total fees for the 2023 and 2022 audits, irrespective of the invoice date.

Furthermore, fees for other services related to the years 2023 and 2022 for companies associated with the audit firms amounted to 289 thousand euros (273 thousand euros with companies related to Ernst & Young and 16 thousand euros for companies related to the other audit firms) and 400 thousand euros (219 thousand euros with companies related to Ernst & Young and 181 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, 2023

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 SL
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
Allegro Resorts Marketing Corporation	USA	Marketing		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 SL
Ávoris Congress Colombia S.A.S	Colombia	Travel Agency		100.00	Fully consolidated	BCO Congress, S.L.
Ávoris Corporación Empresarial, S.L	Spain	Holding company		100.00	Fully consolidated	Barceló Trips and Travel, SL and others
Ávoris División Central, S.L.	Spain	Management services		100.00	Fully consolidated	Ávoris Retail Division SL
Ávoris Experience, S.L.	Spain	Travel Agency		100.00	Fully consolidated	Ávoris Retail Division SL
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 SL
BAH Maroc S.A.R.L	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Trips and Travel, S.L.	Spain	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A
B Travel Turismo Accesible S.A.	Spain	Travel Agency		100.00	Fully consolidated	Ávoris Retail Division SL
Barceló Arrendamientos Hoteleros, S.L.	Spain	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
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 Bávaro Holdings S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló TVA Holdings 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 SL
Barceló Cabo Verde Gestao Hotéis, SA	Cabo 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	56.60	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 Dejavnost Hotelov in Podobnih Nastanitven	Slovenia	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Barceló Egypt LLC	Egypt	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros. SL and others
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 Globales, S.L.
Barceló Gestion Hoteles Grecia, LTD	Greece	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L. and others
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. and others
Barceló Gestión Hotelera, S.L.	Spain	Management company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Gestión Hoteles Roma S.R.L	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Tunisie SARL	Tunisia	Dormant		99.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barcelo Grundstrück Berlín GMBH&CO KG	Germany	Dormant	5.00	95.00	Fully consolidated	Barceló Corporación Empresarial, S.A. and others
Barceló Grubarges Hotels, S.L	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio 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 Portfolio Holding, S.L.
Barceló Hungary KFT	Hungary	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros. SL
Barceló Indian Ocean Private Limited	Maldives	Hotel business		100.00	Fully consolidated	Barceló Hotel Group Gulf DMCC
Barceló Karmina Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Kukulcán Hotels, 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 Poland Spolka Z Ograniczona	Poland	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L. and others
Barceló Portfolio Holding, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Resorts, SL
Barceló Portugal Gestión Hotelera, Unipessoal LDA	Portugal	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Punta Umbría, 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, SA	Guatemala	Servicios Hoteleros	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.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Barceló Títulos y Valores, S.L.	Spain	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Tucancún Beach, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Turizm Otelcilik, LTD	Turkey	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló TVA Holdings S.L.	Spain	Holding company		100.00	Fully consolidated	Turavia International Holidays, S.L.
Barceló Vallarta Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Portfolio Holding, S.L.
Barceló Verwaltungs Gbhm	Germany	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
BBIMO, Lda.	Portugal	Hotel business		100.00	Fully consolidated	Barceló Portugal Gestión Hotelera, Unipessoal LDA
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.	Spain	Travel Agency		100.00	Fully consolidated	Ávoris Retail Division SL
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 Hotels, 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 Beach, S.L.
BTTB Unipessoal LDA	Portugal	Travel Agency		100.00	Fully consolidated	Escalatur Viagens e Turismo, Ltda.
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,
Condominio DO Mar, Gestao Inmobiliaria SA	Cabo 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.
Corporación Vonderball, S.A.	Costa Rica	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Cozumel Villages, SA de CV	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, SA de CV	Mexico	Hotel business		73.96	Fully consolidated	Occidental Ampersand Holding, SARL
Diamonds Hotels Cozumel, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others
Diamonds Hotels Nuevo Vallarta, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Village Resorts México, S de CV and others
Diamonds Hotels Playacar, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL and others
Dondear Viajes, S.L.	Spain	Travel Agency		100.00	Fully consolidated	Ávoris Retail Division SL
Emeraldtown - Empreendimentos Imobiliários e Turisticos, S.A.	Portugal	Hotel business		70.00	Fully consolidated	Barceló Portugal Gestión Hotelera, Unipessoal LDA
Escalatur Viagens e Turismo, Ltda.	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.	Dominican Rep.	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, SL
Flamingo Bávaro, S.L.	Spain	Holding company		100.00	Fully consolidated	Flamingo Cartera S.L.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
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
Gea Grupo de Agencias Independiente S.L.	Spain	Travel Agency		51.00	Fully consolidated	Geo Travel Partner S.L.U.
Geo Travel Partner 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.
Graser Turismos S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Gregal Viagens, Ltda.	Portugal	Travel Agency		99.98	Fully consolidated	Escalatur Viagens e Turismo, Ltda. and others
Grubar Hoteles, S.L.	Spain	Holding company		100.00	Fully consolidated	Expansión Turística Barceló, S.L.
Grubarges Canada, Ltd	Canada	Dormant		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. and others
Grubarges Inversiones Hoteleras Mexicanas SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Grubarges Hotels, S.L and other
Grubarges Inversiones Hoteleras Canarias, S.L.	Spain	Dormant		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L. and others
Grubarges Inversión Hotelera, S.L.	Spain	Comercial		100.00	Fully consolidated	Grubar Hoteles, S.L., and others
Grundstrückgesellschaft Hamburg Gmbh	Germany	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Grupo Turístico Barceló, S.L.	Spain	Finance company	0.30	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 Felipe IV, S.A.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, 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	1.00	98.00	Fully consolidated	Barceló Bávaro Holdings, S.L. and others
Hotel Royal Playacar, SA 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, SA de CV	El Salvador	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A. and others
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.L.	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, SA de CV	Mexico	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL and others
Jade Travel do Oriente, Viagens e Turismo LDA	Portugal	Dormant		90.00	Fully consolidated	Nortravel Ag. Viagens e Turismo, SA
JTV RMx Limited	Malta	Dormant		100.00	Fully consolidated	Occidental Hoteles Management, SL and others
Kawawa ITG S.L.U.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
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
Luba ITG S.L.U	Spain	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros. SL
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 SL
Mestský dvur, sro	Czech Rep	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L
Michamwi Resort Development LTD	Tanzania	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
MK Puerto Rico S.A.	Puerto Rico	Dormant		100.00	Fully consolidated	Planet Business Travel S.A.U.
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 and others
Narjis D'investissements Touristiques, S.A.	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Nortravel Ag.Viagens e Turismo, SA	Portugal	Tour operator		100.00	Fully consolidated	Escalatur Viagens e Turismo, Ltda.
Occidental Ampersand Holding, SARL	Luxembourg	Holding company		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occidental Hoteles Management, SL	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, SA	Costa Rica	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Occifitur Dominicana, SRL	Dominican Rep.	Hotel business		100.00	Fully consolidated	Occidental Hoteles Management, SL and others
Ocio y Turismo Novotours AIE	Spain	Travel Agency		100.00	Fully consolidated	Viajes Halcón, S.A.U. and others
Operadora de Servicios Varios, S.A.	Guatemala	Servicios personal		100.00	Fully consolidated	Corporación Vonderball, S.A. and others
Orbe Travel Club Spain, S.L.U.	Tour operator	Tour operator		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Orbest, SA	Portugal	Airline		100.00	Fully consolidated	Avoris Retail División, SL and others
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.	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. and others
PT Barceló Hotel Group Indonesia	Indonesia	Hotel business		100.00	Fully consolidated	Barceló Hotel Group Gulf DMCC and others
Punta Umbría Turística, S.A.	Spain	Hotel business	84.97	15.03	Fully consolidated	Barceló Corporación Empresarial, S.A. and others
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	Barceló Bávaro Holdings, S.L. and others
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, S.A de CV	Mexico	Servicios personal		100.00	Fully consolidated	Quiroocan, SA de CV and others
Servicios e Inmuebles Turísticos, S de R.L de C	Mexico	Hotel business		100.00	Fully consolidated	Barceló Vallarta Hotels, S.L. and others
Sextante Viajes, S.L.	Spain	Travel Agency		100.00	Fully consolidated	Ávoris Retail Division SL

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Sibba Neumo, S.L.	Spain	Dormant		100.00	Fully consolidated	BCO Congress, S.L.
Societe Palmeraie Maroc Emirats	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
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, S.A.
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
Trapecio S.A.	Dominican Rep.	Holding company		100.00	Fully consolidated	Grupo Turístico Barceló, S.L, and others
Travelgea Tours S.L.U	Spain	Travel Agency		100.00	Fully consolidated	Geo Travel Partner S.L.U.
Travelsens, S.L	Spain	Tour operator		100.00	Fully consolidated	Ávoris Retail Division SL
Turavia International Holidays, LTD	United Kingdom	Holding company		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Turiempresa, CXA	Dominican Rep.	Dormant		98.80	Fully consolidated	Trapecio S.A.
Unión Hotelera Barceló, S.L.	Spain	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
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
UTE Turismosocial II	Spain	Dormant		100.00	Fully consolidated	Avoris Retail División, S.L. and others
UTE Turismosocial III	Spain	Dormant		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 S.L.
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 Billete, 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	Holding company		100.00	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Welcome Incoming Services México, S.R.L.	Mexico	Holding company		100.00	Fully consolidated	Welcome Incoming Services, S.L.U.
Wisaces S.A.S	Dominican Rep.	Dormant		100.00	Fully consolidated	Welcome Incoming Services, S.L.U.
Associates						
Santa Lucía, S.A.	Cuba	Dormant		50.00	Proportionate consolidation	Expansión Inversora Global, S.L
Hotel Rívoli SA	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.
Societé Financière d´Africa Palace, SA	Morocco	Hotel business		48.00	Proportionate consolidation	Barceló Hotels Mediterráneo, S.L.
Canfranc Estación 2018 S.L.	Spain	Hotel business		30.00	Proportionate consolidation	Unión Hotelera Barceló, S.L.

CONSOLIDATED MANAGEMENT REPORT

In 2023, the Barceló Group has obtained a **Consolidated net profit attributable to the Group's Parent company of 193.9 million euros** in comparison with 170.1 in 2022.

In 2023, 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 57 million euros in comparison with 205.3 million euros in 2022. The net consolidated finance debt is calculated as the sum of the loans and credits with banks, less the amount of cash and other equivalent financial assets.

In 2023, **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 827.1 million euros (cash and financial deposits of less than one year) and a liquidity situation of over 1,290 million euros (cash and banks plus the amount of credit policies and loans that have not been drawn down).

Thanks to this consolidated **balance sheet position**, we are confident of continuing to meet our financial commitments and consider that we have the capability for growth.

1. MILESTONES FOR 2023

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 65,204 rooms** in 300 hotel establishments located in Latin America, Europe, the United States, Africa and Asia.

Of this total number, **19,171 rooms are Group-owned**, 18,752 are leased and 27,281 rooms are managed or under franchise.

During the year, new establishments have been incorporated in the United States, Spain, Portugal, Poland, Slovenia, Malta, Morocco, Sri Lanka, the Maldives and Mexico.

In EMEA, occupancy was 73.3% compared to 67.3% in the previous year and the total Revpar total (total revenue per available room) was 123.0 euros compared to 106.0 euros in the previous year.

Occupancy in **Latin America** has been 74.9% in comparison to 67.9% in the previous year and the total Revpar has been 171.8 dollars compared to 150.1 dollars in the previous year.

In the **United States**, occupancy has been 71.4% in comparison to 70.4% in the previous year and the total Revpar has been 134.1 dollars compared to 128.4 dollars in the previous year.

1.2 TRAVEL ACTIVITY

Ávoris Corporación Empresarial is the Travel Group owned by Barceló. This Group's main activities are those related to retail travel agencies and tour operators, incoming services agencies and both air and land passenger transport. As a global tour operator, the Group has evolved towards vertical integration with specialised brands offering a unique experiences, tailored to each client.

All the Ávoris Corporación Empresarial brands are focused on complete customer satisfaction, sharing the company's values: commitment to the client, personal growth, teamwork, passion, responsibility and innovation. Ávoris Corporación Empresarial places a special emphasis on innovation in its services and products, adapting to market trends with the aim of reinventing and becoming pioneers in the industry.

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

Business activity focuses on creating trips that give clients added value in five business areas: distribution, tour-operating, transport, in-destination service and experiences.

2. THE GROUP'S CONSOLIDATED RESULTS

In 2023, a **Net consolidated profit of 193.9 million** has been obtained in comparison to 170.1 million euros in the previous year.

There has been an improvement of the consolidated gross **Revenue**, which amounted to 6,700.9 million euros in comparison to 5,729.8 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 2022, reaching 533.7 million euros in comparison to 422.6 million euros.

As a result of this improvement, the consolidated Net Finance Debt has reduced from 205.3 million euros in 2022 to 57 million euros in 2023. 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 827.1 million euros**, and a **liquidity position exceeding 1,290 million euros**, which will allow the Group to meet its commitments without any difficulties in 2024 and to continue to grow.

3. OUTLOOK FOR 2024

The goal for **2024** is to reach a consolidated EBITDA of approximately 510 million (excluding the effect of IFRS 16), a positive net consolidated profit of 258 million euros. In the first months of 2024, 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.

The Group's Audit Committee supervises how management controls compliance with the Group's risk management procedures and policies and reviews whether the risk management policy is suitable considering the risks to which the Group is exposed.

The Group's financial risk management policies and objectives are explained in Note 4 of the Consolidated Annual Accounts.

Note 27 of the Consolidated Annual Accounts includes the information regarding late payments to suppliers in Spain and their average payment period.

Neither the Parent nor the subsidiaries hold any own shares or Parent shares, nor did they conduct any research and development activities during 2023.

Note 39 of the Notes to the consolidated annual accounts includes information on post-balance sheet events.

Although the non-financial information report for the year 2023 has been prepared in a separate document, it forms part of this consolidated Management Report.

Barceló Hotel Group

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Josep Rover Motta, 27
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Ávoris Corporacion Empresarial

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SUSTAINABILITY
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Barceló
GROUP