



ZAFIRO

by Entertainment Solutions

ES Annual Report 2021

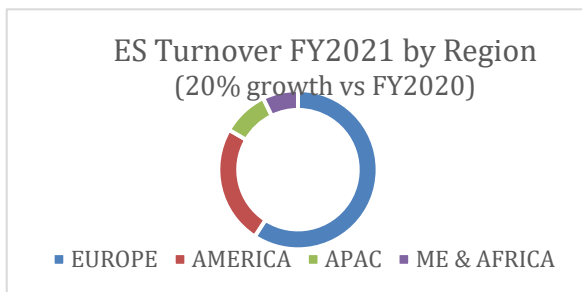
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Financial highlights & ZAFIRO Cloud insights

Fiscal Year 2021 closes in Entertainment Solutions with a clear message: COVID-19 global pandemic issue has just raised the need of process digitalization and redesign. We need to show respect to those fighters that cope with the same issue once and another, century over century. We must support population now, reapplying learnings from the past. And after listening carefully to those experts that could find the right approach in record time, we decided to accelerate the architecture redesign in the AWS cloud environment. As a matter of fact, ZAFIRO Cloud Digital Ecosystem is ready at the end of December to provide Hospitality Sector with our very best approach. We care of these digital solutions, protect our closest environment, and offer our vision to the rest of the global teams.



With this philosophy, ES has maintained its global business with a low reduction of structure despite current Hospitality Sector situation, to keep figures and maintain as much as possible the process that led us to double our financial figures some years ago.

Thanks to our commitment and key resources that led the successful deployment of the ZAFIRO branding, the cloud migration is completed: ZAFIRO Guest, IPTV, Mobile, Cast, WiFi and Digital Signage are into the new concept **ZAFIRO Cloud Digital Ecosystem**. We keep our A leading position in international Duns & Bradstreet Comprehensive Report. ES Management Team minimized the Risk of Business Failure with the highest Financial Strength, best in class in comparison with Hospitality Sector. ES has been a leader in technology, in diversity and in social commitment, ever since the very first IPTV deployment in that European hotel in 2007.

Growing together since 2006

Entertainment Solutions develops and implements interactive and connectivity solutions that enhance the guest experience. We are specialized in the hotel environment with massive deployments in other areas and sectors: hospitals, stadiums or airports.

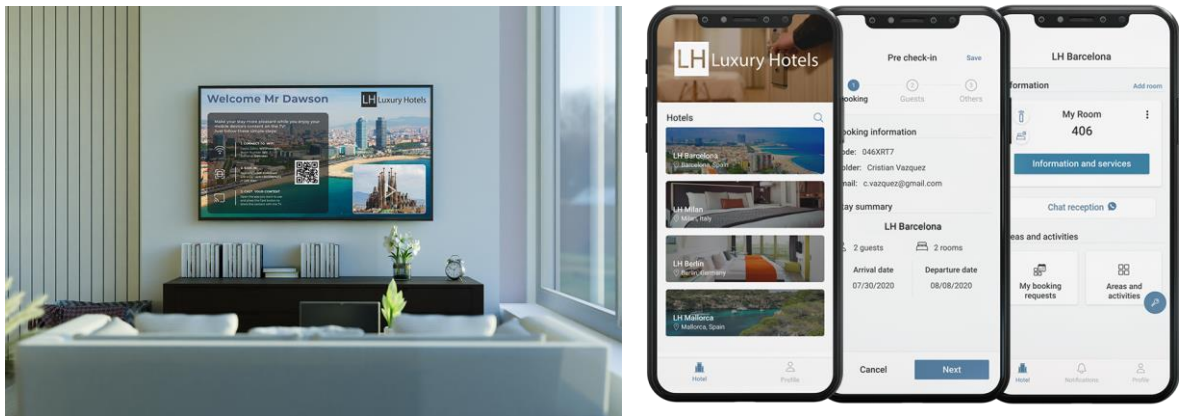
Present in 60 countries and more than 80.000 hotel rooms in the main hotel groups



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ZAFIRO new cloud architecture and its functionalities based on AWS are here thanks to our deep experience in previous developments to support global population. Codes that started from scratch and were ready in record time, available for different environments across Sectors, to reach as maximum people as possible, no matter where they are or who are them, if Internet is available. This is ES contribution to Digitalization, the 7th Commitment raised in the 75 Anniversary UN Reports..

We would like to thank again to everyone, to our suppliers, to our customers, and especially to our team. ZAFIRO Hospitality Interactive Platform is now widely deployed in more than 60 countries, our IPTV service points in key references allow people to experience a better place, (available in Hotels, Hospitals and Corporations). This is all down to: connectivity; availability of services; information access; plus management and customer orientation.



Thanks to **ES Team** strong commitment and internal procedures, **ES** has been prepared to support Hospitality customers in their recovery plans, Hotels and Hospitals that supported population during a really stressing period, and hope together towards a global challenge, aligned with **UN Sustainability Development Goals** (<http://www.unglobalcompact.org/what-is-gc/participants/77371>).

We are committed to society and the environment





Team

At Entertainment Solutions we have **highly qualified professionals** who accompany our clients in all stages of their technological projects.

We are aware that **each client is unique** and their projects must be addressed as such, considering their particular needs and characteristics.



Entertainment Solutions is committed to the ten principles of the United Nations Global Compact on human rights, labor, the environment and the fight against corruption.

Furthermore, as a company attached to the Global Compact, Entertainment Solutions annually presents a Communication on Progress (COP) that shows the company's efforts to implement these principles and support any action related to compliance with them.



dun & bradstreet E.S has D & B's A financial rating showing the solidity and financial reliability of the company.

Additional CEO insights to stakeholders

ZAFIRO Cloud Digital Ecosystem now answers to challenges: **ZAFIRO Guest, TV, Mobile, Cast, WiFi, Digital Signage**, the modules are now in the Cloud as an OTT, to be recognised as a key technology, ES as a global player in the Hospitality Sector. **ES** corporate strategy also works on partnerships confidence and customer intimacy during this hard period. This policy traditionally led into external recognition:



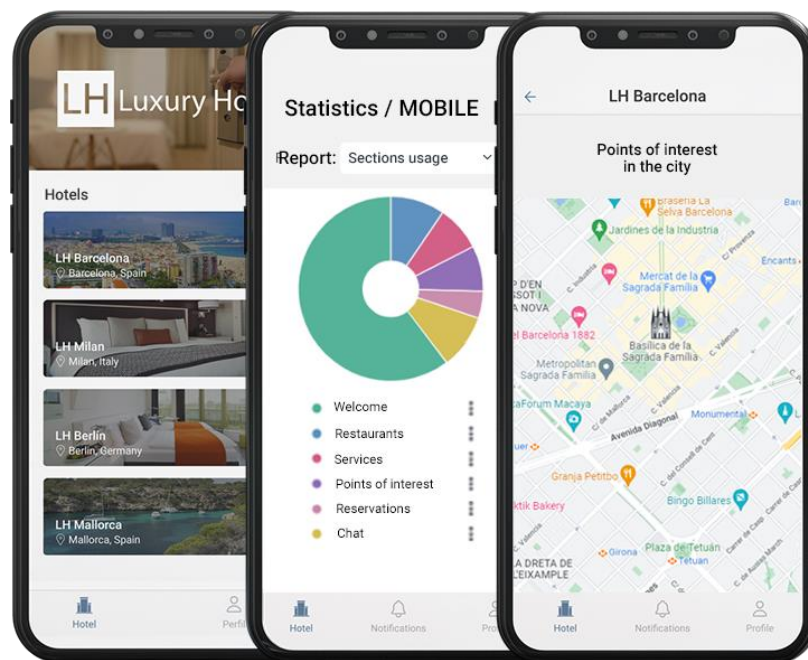
From the awarded customers, like Royalton Luxury Resorts in Cuba (LUXlife Magazine), BLESS Collection Hotels in Spain (Luxury Lifestyle Awards), Sofitel Athens Airport (Best Venue for Product Launch), The Hotel Five Flowers & Spa Formentera (CaixaBank Hotels & Tourism),...

... To the global population protection during 2020 COVID pandemic issue and the recovery plans that came after, with the highest commitment and professionalism we could imagine. We saw them closing their facilities and converting into hospitals at their own risk in record timings. We felt protected and well led because they took care of restarting critical services. They were there, just working and learning, hoping, and waiting for the best procedure, sharing, changing and delivering. When they asked all of us for support to come back and restore, our team response was migrating ZAFIRO to the cloud, to develop the next wave of functionalities as the right response to the global challenge in terms of digital ecosystems. ZAFIRO Cloud Digital Ecosystem is our very best approach: ES Team is open to discuss, glad to test, ready to pilot and to further develop.

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... In 2021 we are especially proud of our customers' success and international awards, congratulations Melià Hotel Group as "Top Employer" by Universum in Spain, Mexico and Dominican Republic; Melià as a Top Company and its CEO Gabriel Escarrer as a Top Leader in Merco Ranking, Barceló Hotel Group (Top Company in Merco and World's Leading Hotel Management Company 2021 at World Travel Awards), Palladium Hotel Group (Traveler's Choice Award by Tripadvisor, "Turismo Responsable y Sostenible" at FITUR), Royalton Riviera Cancun (Condé Nast Traveler's at Readers' Choice) etc.

... In 2020 Palladium Hotel Group (Traveler's Choice Award by Tripadvisor), VP Plaza España ("Best of the Best" Prize), Barceló Hotel Group (nomination at the World Travel Awards), IHG (Green Hotel Chain of the Year by Finder Green Awards), Blue Diamond Resorts (Gold Sustainability by Green Globe in a couple of properties), Mason Pattaya (Innovative Architecture by Iconic Awards), etc.



... In 2019 Iberostar Group "Wave of Change" (International Travel & Tourism Award), BLESS Collection Hotels Madrid (National Geographic Traveler's Big Sleep Awards), Only YOU Hotels and Melià Hotels International (Premio Hotels Tourism CaixaBank Baleares), etc.

... In 2018 Gran Melià Palacio de los Duques (Best Heritage Hotel in Europe) and ME Milano Il Duca (Best City Hotel in Italy, both by International Hotel), The Royal Suites Yucatán (Best Entertainment by Crystal Apple), Gran Hotel Miramar (Best Luxury Hotel by Spain Luxury Hotel), etc.

... In 2017 Sofitel Athens (Guest Review by Booking), Banyan Tree Vabbinfaru (Luxury Eco Friendly Resort by Luxury Travel Guide), Hard Rock Hotel Tenerife (Best Thematic Hotel in Spain by La Razón), etc.

I am pleased to confirm that **ENTERTAINMENT SOLUTIONS** supports the ten principles of the **UN Global Compact** on human rights, labour, environment and anti-corruption. We continue our commitment and further implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative project which advance the broader development goals of the **United Nations**, particularly the **Sustainable Development Goals**. **ENTERTAINMENT SOLUTIONS** has zero-tolerance of corporate corruption. **ES** makes a clear statement. I would personally appreciate your continuous effort to keep this outstanding company spirit in the breaking point, supporting our customers, and further explore new sectors to deploy our knowledge and styling, to cope with massive deployments of high tech. I have the strong feeling that open collaboration frames would lead us to contribute to long term goals in our Society.

Best of luck for all of us to achieve new 2030 challenges,



Mr. Miguel Mora Marín
Founder & CEO, authorised signature
Entertainment Solutions, S.L.

I MANAGEMENT REPORT

ES position at business and economic environment

IT means change management. High Tech means vision, long term objectives and challenges. IPTV was a disruptive technology, and now, we discover its capability of defining the basement of a Cloud Digital Ecosystem for Hospitality during this hard period of recovery plans after global COVID pandemic issue. The functional architecture is now redesigned to a pure AWS cloud environment, ready to deploy national or even global scenarios. We start the pilot phase, the proof of concept.

ZAFIRO's ecosystem



Entertainment Solutions has developed **ZAFIRO's modular ecosystem** to accompany guests throughout their **customer journey**, providing them a **complete interactive experience**



ES position in the business and economic IT environment was to keep a small corporate size with the highest value. Together with a close collaboration with trend departments of global IT players

ES Team has evolved IPTV codes continuously: after launching the first Hotel in Europe supporting a brand new IPTV code in 2007, the branding **ZAFIRO** as the fourth generation of software in 2017 (Marketing and Communication in Hospitality Sector), **ZAFIRO Cast** in 2018 as a straightforward solution for Hospitality rooms that integrates Google Chromecast, **ZAFIRO WiFi** in 2019 to merge infrastructure learnings of wired-wireless mix landscape of networks, where WiFi and Optic Fibers become the best alliance to generate premium guest

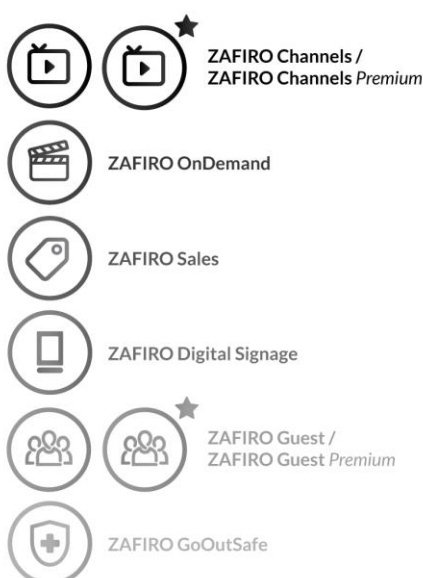
experiences. **ZAFIRO Mobile** in 2020 to integrate the best hospitality procedures in guest & hoteliers mobiles thanks to APPs development, and a robust **ZAFIRO Manager** able to support the overall **ZAFIRO Digital Ecosystem** with several new functionalities in every module, and ready to support new Hospitality scenarios and challenges.

Worldwide close collaboration with Hoteliers, Partners and Players, across boundaries and sectors. The Hotel becomes the centre of the guest world, they support your business, family or leisure activities, providing both local and international access to any services that travellers may demand, specially when our customers are facing hard situations like these last years.



ZAFIRO Cloud is ready to the next wave of challenges: Elder generation and Millennials' travellers may not differ from Business travellers and their available needs in remote, if Hospitality has a digital environment in the Cloud. Hotels, hospitals and residential areas may not be so different if their needs can

be supported by a Digital Ecosystem. Innovation and open-minded design are more necessary than ever to activate and follow up recovery plans. This landscape means adaptation of the local products and services to the global scenarios and best practices. Are we ready for this evolution and new procedures and how are they going to affect to Hospitality Sector? Are we as Society able to cope with this challenge, with this pandemic effect, both in short and long term? Shall we move towards the very first concept of Hospitality, that means Hotel & Hospital, customer care and guest experience at the same time? Does it mean moving from Tourism to Healthcare residences? Shall we be prepared for adding value and the best experience to enhance home and residential areas?



ZAFIRO Cloud is ready to be deployed as a **Digital Ecosystem**, able to provide a home - work environment, a reliable and robust tool. Again, this is about people, social disruption, digitalization challenges: our **ZAFIRO Cloud** guests are now at home, some of them are HealthCare & Security Personnel. We will support them, as Hospitality Sector did.

How to combine the hotel beautiful spa with the new healthy treatment for your guest that may need your support at home, and then to the hotel-hospital treatment. Together with access to Learning Platforms, Applications, Healthcare recommendations, or the nicest restaurant food at

your premises, while your population seeks for an in-room entertainment or educational content?

ZAFIRO Cloud Digital Ecosystem is the answer: **ZAFIRO IPTV, ZAFIRO Mobile, ZAFIRO Cast, ZAFIRO WiFi and ZAFIRO Digital Signage** to generate this environment, check with your guests' experience, and re-adapt as many times as the hotel expert management team decides. Combine Hotel – Hospital branding and corporate colours with team ideas, propose an interface so different for patients, guests or professionals... and monitor your results. With a statistic careful study, the Hotel Chain or new Hospitals - Residences may even decide the new corporate procedures, reward best practises, define healthcare best practices, local adaptations... Imagination and collaboration seem to be the real **ZAFIRO Cloud Manager** limit for Hospitality Teams.

External collaborations and recognitions

ES is a cross sectorial reference at national level, not just a beyond the limit of a high-tech company that works to improve worldwide Hospitality Sector. An important lesson learned from this hard period 2020-2021. It's really more important for **ES Team** to understand customer stress, and support their teams' ideas to enable their success, than attend an Awards Gala to get the prize: during 2020 and 2021 Fiscal Years, the famous 2020 Targets and commitments were over passed by the real scenario: ES is proud to congratulate its Hospitality Customers in Social Media, not just for their international awards, but for their commitment towards population protection and recovery commitments. This is why **ES Volunteers Team** developed platforms like (OFFTIME) for digital detox, and **SolidaryOS**, ready for international organizations to support people that have to #Stay Home, like Red Cross International, Food & Pharma Chains, ...

This is the reason why we congratulate on Social Networks ES committed and awarded customers on daily basis. But, how to say the biggest thank you to all those teams that have been fighting together with their guests and partners on daily basis, with their closest proposal to help and welcome back all of us?



Duns & Bradstreet report qualified ES as a top SME, we will try to keep this rating. In terms of Sustainability, **United Nations Communication On Progress** – Advanced Level is public available at **UN COP** website, together with the highest

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recognized companies at worldwide level, 14.000 organizations where Hospitality is also represented by top hotel chains.

AENOR R&D Audit processes take place every year, leading into the Research & Development Personnel Certification, and the Research & Development Project Certification, too. This helps us to improve, as a year review & benchmarking.

Best Practises and 2050 targets: ES shares knowledge and know how, works proactively with customers and players in Hospitality Sector and High-Tech forums, in order to develop long term vision and the highest quality products and services. **ES** also participates in Hospitality Corporate events, especially during these years with virtual environments on, and also leads Customer Groups in different regions to enable healthy ideas sharing and Sector development.

ES commitment leads us to collaborate with the Spanish Hospitality initiative towards digitalization in the country, Paradores Nacionales is now deploying ZAFIRO Digital Ecosystem in our dearest monuments, nearly a hundred of our ancients' castles, monasteries and palaces spread all over the country.

This is for us much more than a pioneer response to a global challenge. This is our way of sending a VERY BIG THANK YOU to our ancients, that were working hard to make our lives much easier than theirs.



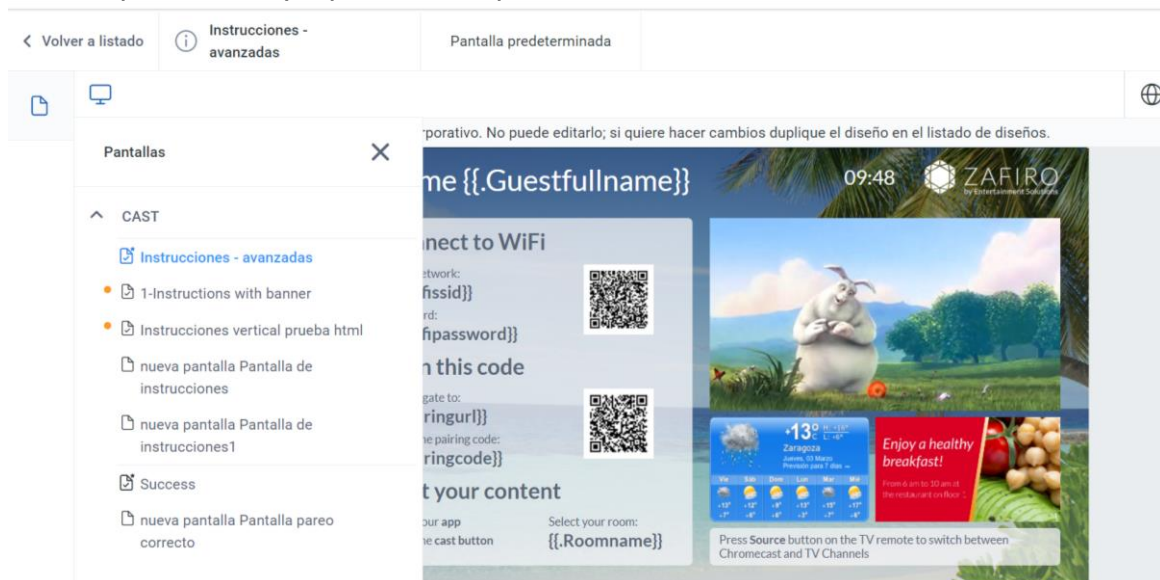
II ES TEAMS CONTRIBUTION TO ZAFIRO STRATEGY

Let's highlight main roles of the **ES Organization**, and major 2021 milestones achieved thanks to their member's effort, fully aligned with the highest sustainability and responsibility standards pointed by United Nations that have been inspiring this hard global scenario:

Marketing & Sales oversees the market development and provides awareness to the hospitality sector. MKT&S delivers the necessary information relating to the company's capabilities in terms of its products, its services and its potential.

They also work proactively to achieve that the customer orders are able to pilot the new scenarios in the real marketplace. According to the Ten Principles, MKT&S looks for customers and partnerships who are also supporting UN strategies. This leads ES to a wide scope of deployments that could help us to further understand the trends and needs of a society, and to avoid any risk of discrimination, fraud or miss-use.

Technology, Research & Development is the key engine of the company. Together with Service Operations, are the ES Technical Departments, SO-R&D team is committed to the growth of products and services, according to the highest standards of techs and reliability. They provide necessary support on daily basis, either by on-site deployments or by remote assistance.

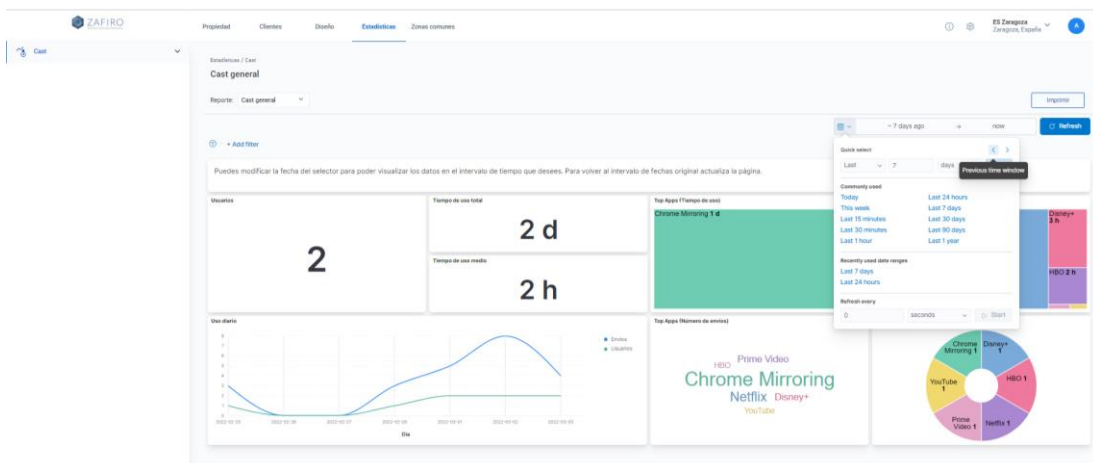


The first IPTV solution in a European hotel was developed and deployed by ENTERTAINMENT SOLUTIONS. Now, our SO-R&D team evolve towards a Cloud Digital Ecosystem, a new architecture based on AWS for those modules branded as ZAFIRO some years before. It enables our customers to deliver excellent support to the guests at a hotel; the patient in a hospital; the employee of a company; or the student at a university.

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A new cloud environment and a simple management enables the SO-R&D to customise services, to monitor, and to react to issues on-line. SO-R&D are the core which support the Ten Principles and provide a flexible tool to protect people and the environment wherever the ZAFIRO Cloud Digital Ecosystem is installed. SO-R&D is a diverse group of highly qualified professionals that support the UN strategy wherever they work, either at ES HQ or Customer Premises.

Service Operations & Supply Chain (SO & SC) develops long term relationships with market players, existing and potential customers, to ensure ES vision of the sector's evolution, people's needs, and successful products in the market. As a key function for the social contribution of the company in the long term, SO ensures that the ES product & service portfolio itself could help our customers to deliver their best offers to the right guest at the right time. SC integrates and supports customer logistics and warehouse. In order to ensure the UN GC, they develop the right supply chain to ensure the successful country deployments in the long term, together with the right customer support for a long-term relationship.



ES understands that a long-term collaboration means having a respect for a global rule, both for people and environment. The highest standards have been supported by UN GP, this is why they proactively use the Ten Principles to search for the right players in the marketplace to further develop the hospitality sector, and also to integrate this other feedback in the product roadmap.

In terms of UN Global Compact, SO&SC fully subscribes the Ten Principles, even going as far as to ask proactively in the sector forums for a more in-depth commitment to, and short-term realisation of; not only information but also health, energy, water and food management; thanks to the availability of new emerging technologies.

Finance & Accounting reports the economic and financial results of the company. The responsibility of our F&A is to operate and report with complete transparency, according to the national rules and to international criteria. The daily contribution of ES to our 21st century society, is to show respect to our customers, to our employees, to our shareholders and to all the agents of the marketplace in the hospitality sector.

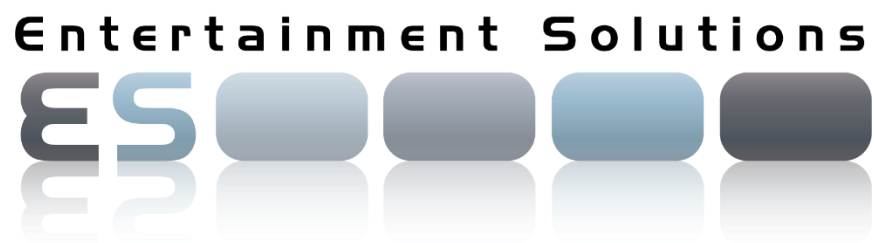
On top of this, this central department also supports Human Resources function, that has the highest responsibility of taking care of our employees. Recruiting processes are open and transparent, with a long-term integration of the candidates in the labour framework. Human resources allocate the right facility to the right team, respecting individual interests and the specific needs of a department.

This is achieved through proactive internal and external training, flexible policies and open promotion. ES endeavours to go further than the UN GC objectives: our employees' commitment and results will lead to a new society model, where professional and family balance is a reality. This, together with social respect, and with the contribution of the individual, helps to build a sustainable model in an environmentally friendly company with a "I want to work here" commitment.

ES closes 2021 asking the Team to deploy ZAFIRO Cloud Digital Ecosystem, to provide awareness, to collect feedback, challenging remote & on-site working as needed to achieve best in class results. In order to better support local partners and develop a global internal strategy, **ES Team** was reinforced with local support for customers' business cases, especially in LATAM.



THANK YOU FOR YOUR SUPPORT & GO BEYOND 2030 TARGETS!



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