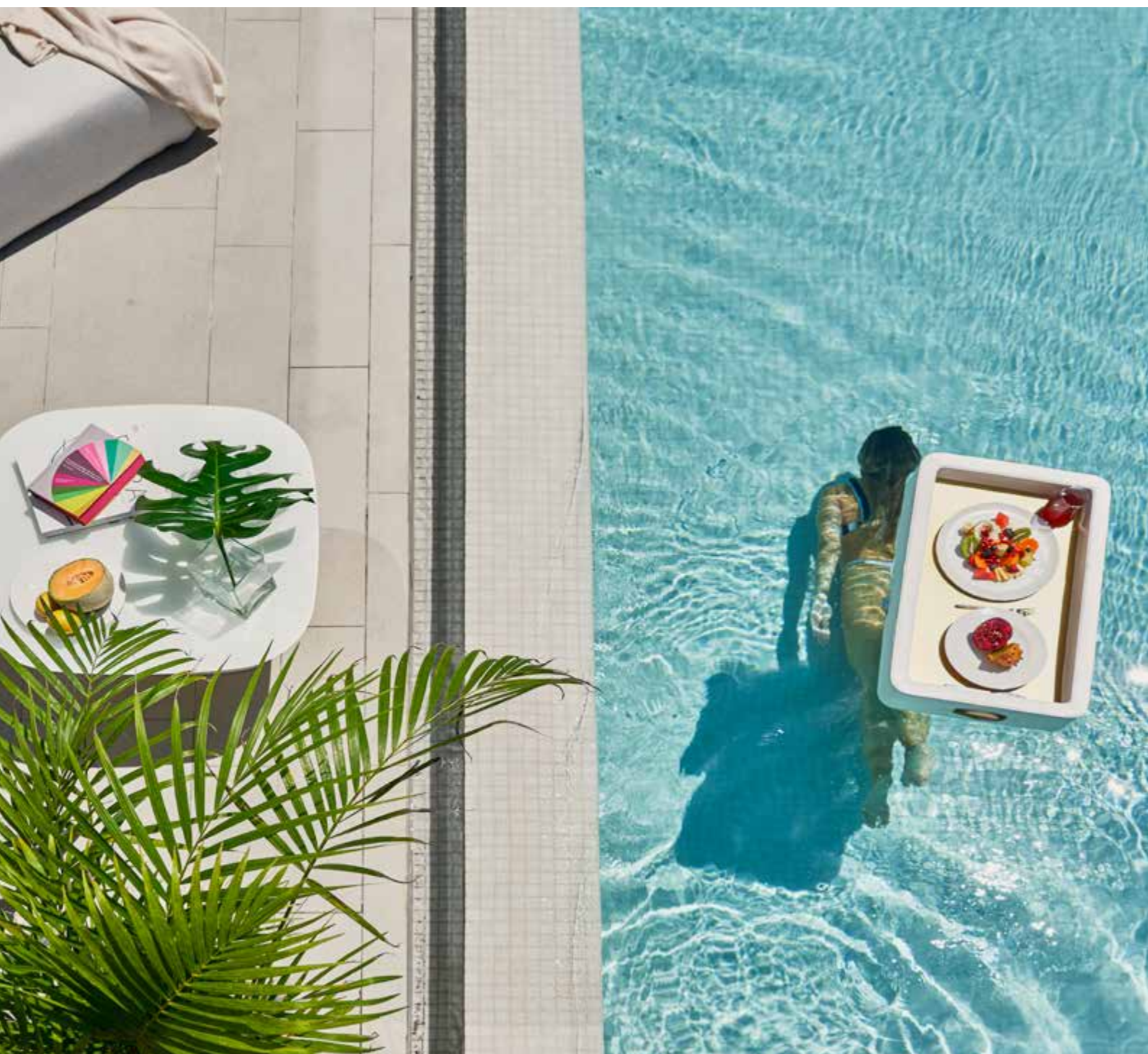


2021 Annual Report

Barceló
GRUPO



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Dear friends,

We present the Annual Report containing information for 2021. Despite the struggles faced by the industry and the company due to the pandemic, we have worked hard to face the challenges and responded quickly with a sense of calm to the ever-changing situation.

At the close of 2021, the Barceló Group's consolidated net loss amounted to €-45.6 million. Although this is a negative number, it allows us to plan for the inevitable recovery after surviving 2020, the company's worst year since it was founded 90 years ago. Total revenue reached €1.698 billion, with 79% growth over the previous year.

One of the biggest milestones for 2021 has been the merger between Ávoris and the Globalia Group's parallel operations. The Barceló Group now holds 50.5 % of the shares to remain in control of the resulting company. The transaction has led to the creation of one of Europe's leading tourism groups, with more than 6,000 employees, over 1,500 points of sale and more than 40 highly specialised brands. Iberojet, our airline with a modern fleet of six long-range and one mid-range aircraft, has re-established flights between Spain and Havana, Cancun, Punta Cana and Costa Rica, which will remain in place indefinitely. It also plans to begin operating the first route that will connect Madrid with Los Cabos in the Mexican state of Baja California Sur.

Additionally, this year, the Barceló Hotel Group was named the World's Leading Hotel Management Company at the 28th edition of the World Travel Awards, the Oscars of the tourism industry. This recognition has arrived during a historic moment for the company, filled with changes and challenges that have taught us how to adjust to the situation in the best way possible, whilst continuously improving thanks to the hard work and determination of the entire team.

Protecting our employees and customers remains a top priority for the company. During these months, we have adjusted our We Care About You programme to the latest recommendations from the WHO, international entities and governmental institutions in the countries where we operate to ensure the peace of mind of our guests.

Another major transformation lever that plays a key role in our business is digitalisation, which we have relied on strategically to obtain better knowledge about customers and personalise their experience. We are also applying artificial intelligence and implementing technology to enhance the contactless concept.

Our plans will continue to focus on harnessing sustainability, developing local economies and protecting the environment. Ultimately, our goal is to be economically sustainable and ethically responsible. This is encompassed

in our Barceló Responsible strategy, which is based on the principles of the United Nations Global Compact and establishes our commitment to actively helping to create a better future by maximising our positive impact on society. Our strategy has been named one of the best sustainability projects in Spain at the 2022 Re Think Hotel Awards. This has always been the Barceló Group's driving force, and we continue to grow in a manner that is aligned with the family business values that define us.

Despite having overcome the most challenging era of our history, the company's growth plans for 2021 have been shaped by the commitment to continue expanding in Spain with new hotels in Alicante, Barcelona, Cádiz, León, Málaga and Menorca, as well as to internationalise and reach new destinations with the addition of hotels in Portugal, Sri Lanka, the United Arab Emirates and Oman. These grand openings confirm the Barceló Hotel Group's position as the top Spanish hotel chain in the Middle East and North Africa (MENA), where it operates 20 hotels in 5 countries.

The hotel chain currently has more than 270 establishments in 24 countries. In 2022, it plans to add 20 new hotels and continue expanding in faraway nations such as Indonesia, the Maldives and Thailand, as well as Poland and Slovenia. In Spain, this year it plans to open Canfranc Estación, a Royal Hideaway Hotel, a new 5* GL establishment located in Huesca's historic Canfranc train station.

The sum of all of this helps us look towards the future with optimism, backed by the soundness and internationalisation that the Barceló Group has been known for throughout its 90-year history. We continue moving ahead.

Yours faithfully,

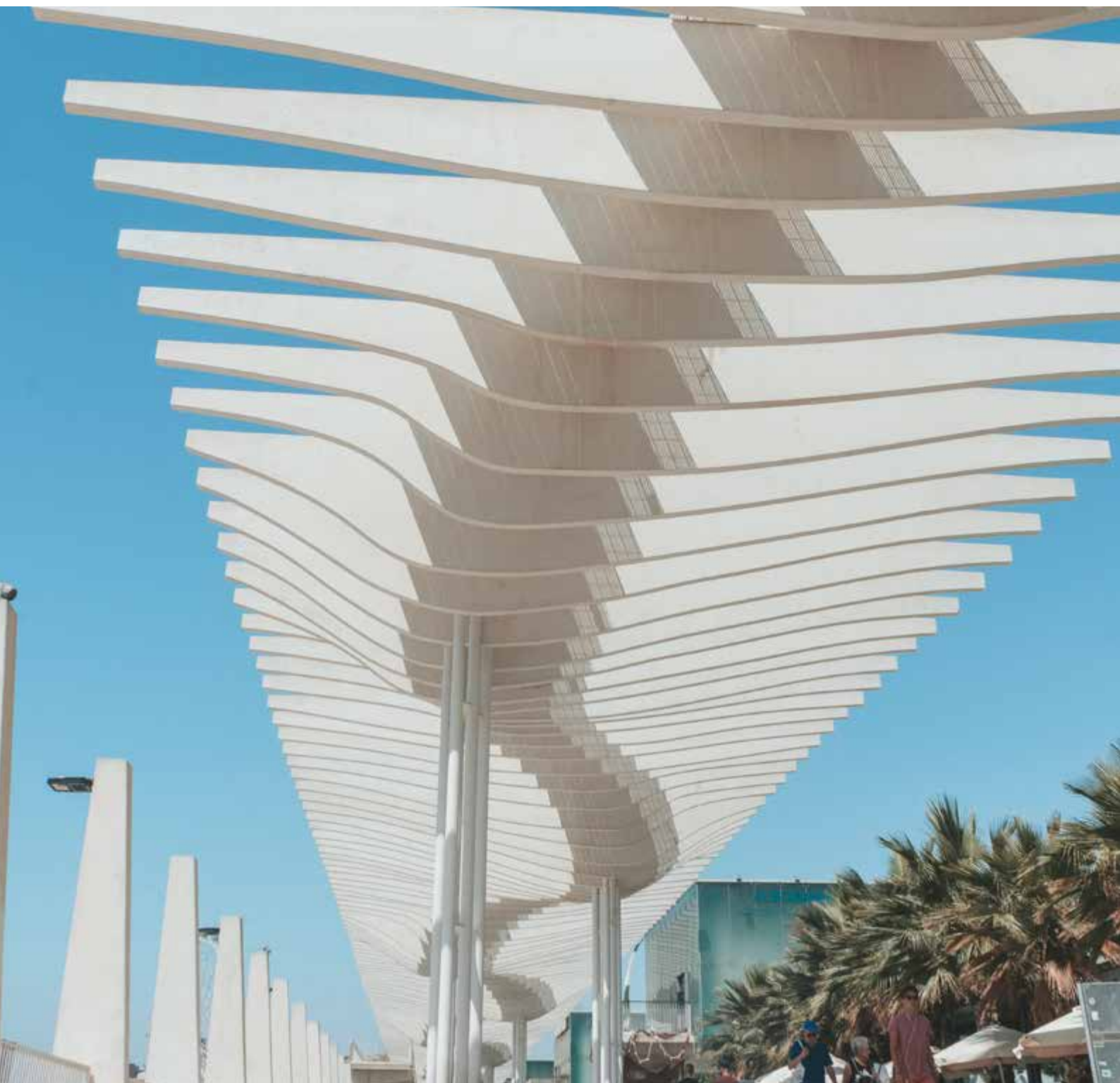
Simón Barceló Tous

Simón Pedro Barceló Vadell

Co-Chairmen of the Barceló Group



2021 **Non-Financial Information Statement**



Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the Shareholders of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Statement of Non-Financial Information (hereinafter NFIS) for the year ended December 31, 2021, of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A. and subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in Annex III "Legal Requirements under Law 11/2018 and GRI Indicators", included in the accompanying NFIS.

Directors' Responsibility

The Directors of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A. are responsible for the approval and content of the NFIS included in the Consolidated Management Report of the Group. The NFIS has been prepared in accordance with the contents established in prevailing mercantile regulations and following Sustainability Reporting Standards selected criteria of the Global Reporting Initiative (GRI standards), as well as other criteria described in accordance with that indicated for each subject in Annex III "Legal Requirements under Law 11/2018 and GRI Indicators", included in the accompanying NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

The Directors of BARCELÓ CORPORACIÓN EMPRESARIAL, S.A. are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our Firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less extent in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFIS, reviewing the process for gathering and validating the information included in the NFIS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the 2021 NFIS based on the materiality analysis made by the Group and described in Annex I “Identification of Important Sustainability Issues” of the NFIS, considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2021 NFIS.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFIS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFIS and its correct compilation from the data sources.
- ▶ Obtaining a representation letter from the Directors and Management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the 2021 NFIS of the Group for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in Annex III “Legal Requirements under Law 11/2018 and GRI Indicators”, included in the NFIS.

Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Capella Elizalde

April 6, 2022

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About this report

CRITERIA USED TO PREPARE THIS REPORT

This Non-Financial Information Statement (NFIS) forms part of the 2021 Consolidated Management Report of Barceló Corporación Empresarial, S.A. and fulfils the requirements of Law 11/2018 of 28 December 2018, amending the Code of Commerce, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on Account Auditing of non-financial information and diversity.

The requirements set forth by Law 11/2018 and the selected Global Reporting Initiative (GRI) standards were applied for this report. Appendix III of the NFIS contains a correlation between the two. Additionally, European Commission Guidelines on Non-Financial Reporting (2017/C 215/01) derived from Directive 2014/95/EU were also taken into consideration.

In accordance with GRI standards, the contents of this NFIS comply with the principles of comparability, materiality, relevance and reliability, and the information included is accurate, comparable and verifiable. This is the fourth NFIS to be drawn up and published by the Barceló Group. The results for 2020 and 2019 have been included in the report's appendices (Appendix III).

This report and the previous versions are available at the Group's website www.barcelogrupo.com/.

SCOPE AND COVERAGE OF THE INFORMATION

A global business approach was used for the scope/perimeter of this report, consolidating all the data of the Group's two business divisions: the Barceló Hotel Group, including hotels that are owned, leased or managed; and Ávoris Corporación Empresarial, the travel division that also includes data from the merger of the Globalia retail travel and tour operator divisions with Ávoris as of March 2021.

This report excludes data for the hotels in Tunisia because there is only partial control of how those hotels are managed. There may be additional specific exclusions in certain indicators or information that will be specified accordingly throughout the report.

The financial data is consolidated as per the principles of consolidation defined in the Barceló Group's 2021 Consolidated Accounts.

VERIFICATION

To ensure the transparency and accuracy of the information, the NFIS is verified by an independent third party. The non-financial information for 2021 has been verified by the firm Ernst & Young.



La Bobadilla, a Royal Hideaway Hotel

1. The Barceló Group in 2021





Royal Hideaway Corales

The Barceló Group's financial soundness and 90-year history enable us to face this situation with a sense of serenity and tranquillity, convinced that we can overcome this unprecedented crisis.

1.1 MOVING TOWARD RECOVERY

Our drive toward recovery is based on the following strategic areas:



BUSINESS

Stimulating occupancy and expanding the portfolio.



ECONOMIC

Launching the economic recovery following the COVID-19



EMPLOYEES

Reintroducing and continuing to focus on training.



CUSTOMERS

Strengthening our commitment to the customer experience.



ENVIRONMENT

Focusing strongly on tourism that is more sustainable and responsible.



SOCIETY

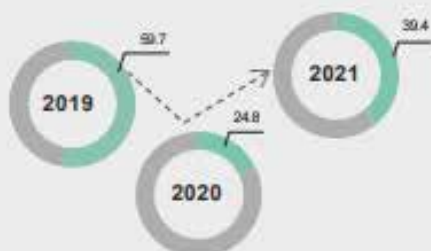
Maintaining and expanding our commitment to society.

Indicators and evolution toward recovery.



Business

RevPar(M€)



%



Portfolio (No. of hotels)



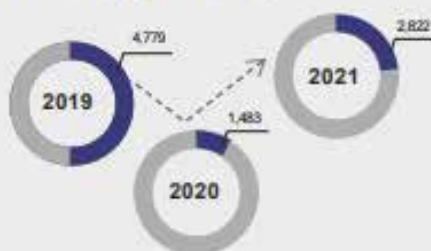
2021 Milestones

- 90th anniversary of The Barceló
- 15 grand openings at new destinations like Sri Lanka
- 6 contracts signed for grand openings at new destinations like Bali.
- Barceló Hotel Group World's Leading Hotel Management Company and BCD Travel Spain Leading Travel Management Company at the World Travel Awards.

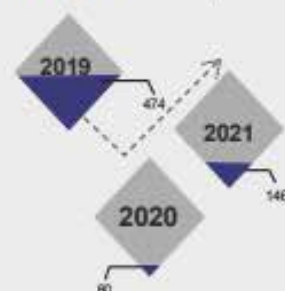


Financial

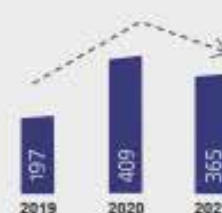
Turnover (millions of €)



EBIDTA (with IFRS 16)



Net debt (millions)



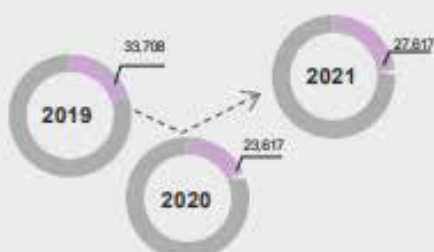
2021 Milestones

- Improvements in all the financial indicators.
- Ávoris and Globalia
- €80 million in financing approved for sustainable projects.

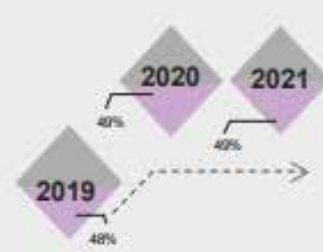


Employees

Average active workforce (AW)



% Female workforce



Total hours of training on average



2021 Milestones

- The Barceló Hotel Group has been listed in Mexico's *Súper Empresas* 2021 ranking as one of the best places to work.
- Return to the office for all corporate employees.
- Bronze medal for Barceló Campus in the Brand on Hall Group Awards.

Indicators and evolution toward recovery.

Clients

Net Promoter Score (NPS)



Unique Customers



Barceló Hotel Group App (Thousands of downloads)



2021 Milestones

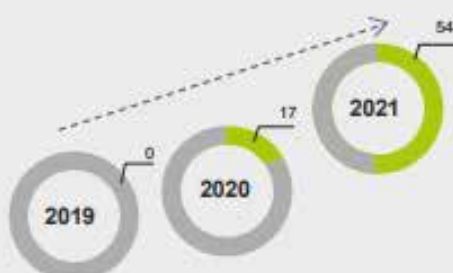
115 hotels received Traveler Review Awards from

Creation of unique experiences with hotel staff.

Michelin star for the restaurant at Royal Hideaway Corales Resort, El rincón de Juan Carlos, and for Poemas by Hermanos Padrón at Santa Catalina, a Royal Hideaway Hotel.

Environment

Hotels with green energy



Resources for preventing environmental risks (millions)



Reducing plastic waste generated (metric tonnes)



2021 Milestones

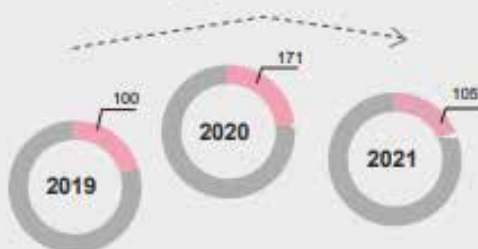
30% fewer emissions in scope 2 at the Barceló Hotel Group.

First Iberia flight with biofuel

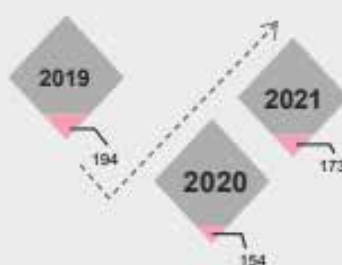
Focus on electric mobility with 162 vehicle charging points.

Society

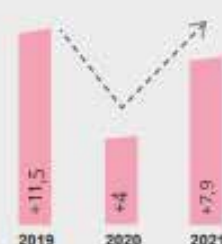
Number of Barceló Foundation projects



Supporting job placement



Contracts with special



2021 Milestones

More than €1 million allocated to Barceló Foundation projects.

20 years with the Integra Foundation.

Agreements with local suppliers to offer experiences to customers through Barceló Experiences.

1.2 MANAGEMENT POST COVID-19

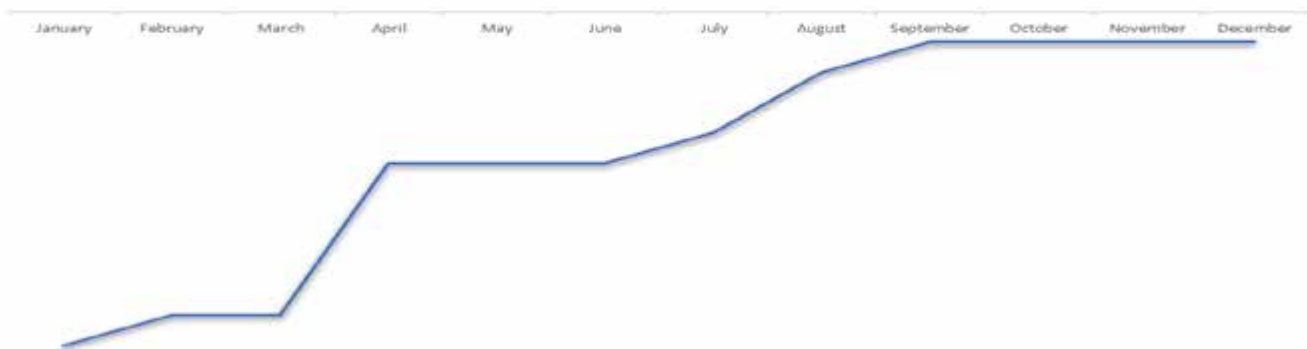
2021 has been defined by a moderate recovery of the tourism sector. According to data from the UNWTO barometer, **global tourism experienced a 4% upturn in 2021**, compared to 2020 (€415 million versus €400 million). However, the international tourist arrivals (overnight visitors) were still 72% below the pre-pandemic year of 2019.

The rate of recovery continues to be slow and varies by region due to the different degrees of mobility restrictions, vaccination rates and traveller confidence.

As international tourism recovers, domestic tourism continues to drive the industry's recovery at a growing number of destinations, particularly those with large internal markets. According to tourism, domestic tourism and trips near home, along with outdoor activities, products based on nature and rural tourism are some of the biggest travel trends that will continue to shape tourism in 2022.

The Barceló Hotel Group has observed a **drop in cancellations** throughout 2021 thanks to the improved health situation spurred by the launch of vaccination programmes, the gradual easing of mobility restrictions (national and international), and the continued existence of flexible sales policies.

Moderate recovery of tourism, with 4% growth over 2020.



Graphic evolution of cancellations in our channels

1.2.1 MANAGEMENT OF THE POST-COVID SITUATION AT THE BARCELÓ GROUP

In line with the sound judgement that Barceló is known for, this year we have prioritised having all of our hotels operational as soon as possible. By late 2021, **99% of hotels were open compared with 55% at the end of 2020**. In 2021, we also added 15 new hotels to the portfolio: 11 in Spain and 4 at international destinations.

This year has continued to be marked by the uncertainty caused by the impact of COVID-19 waves, so the main initiatives we implemented in 2020 have remained active throughout the year to **sustain operations and ensure the long-term viability** of the business:

99% of hotels were open by the end of 2021.



BUSINESS

Renegotiating leases during the first quarter, with an impact on 2021 as a whole.

Renegotiating contracts with our biggest suppliers and suspending contracts for non-priority services.

Focusing on obtaining all the European and Spanish subsidies resulting from the pandemic.

Maintaining and improving liquidity.

Holding periodic meetings (weekly at the start of the year and every two or three weeks by the end of the year) with the Group's entire senior management team to **analyse our situation** at every step and in all the markets where we operate.



EMPLOYEES

Reinstating as many employees as possible to their jobs as a top priority.

Restructuring on a corporate level to integrate departments and leverage synergies.

Making the executive structure lighter.

Maintaining flexibility and remote work at corporate offices.

Keeping our commitment to **protecting employees and ensuring their safety.**



CUSTOMERS

Continuing to offer an excellent customer experience by having our hotels create emotions and happy moments. Using campaigns such as **#ViajarMeHaceFeliz** (#TravelMakesMeHappy) to restore people's desire to travel.

Guaranteeing the safety of all customers with the **We Care About You** programme, which has been modified accordingly throughout the pandemic based on the changing situation and applicable regulations.

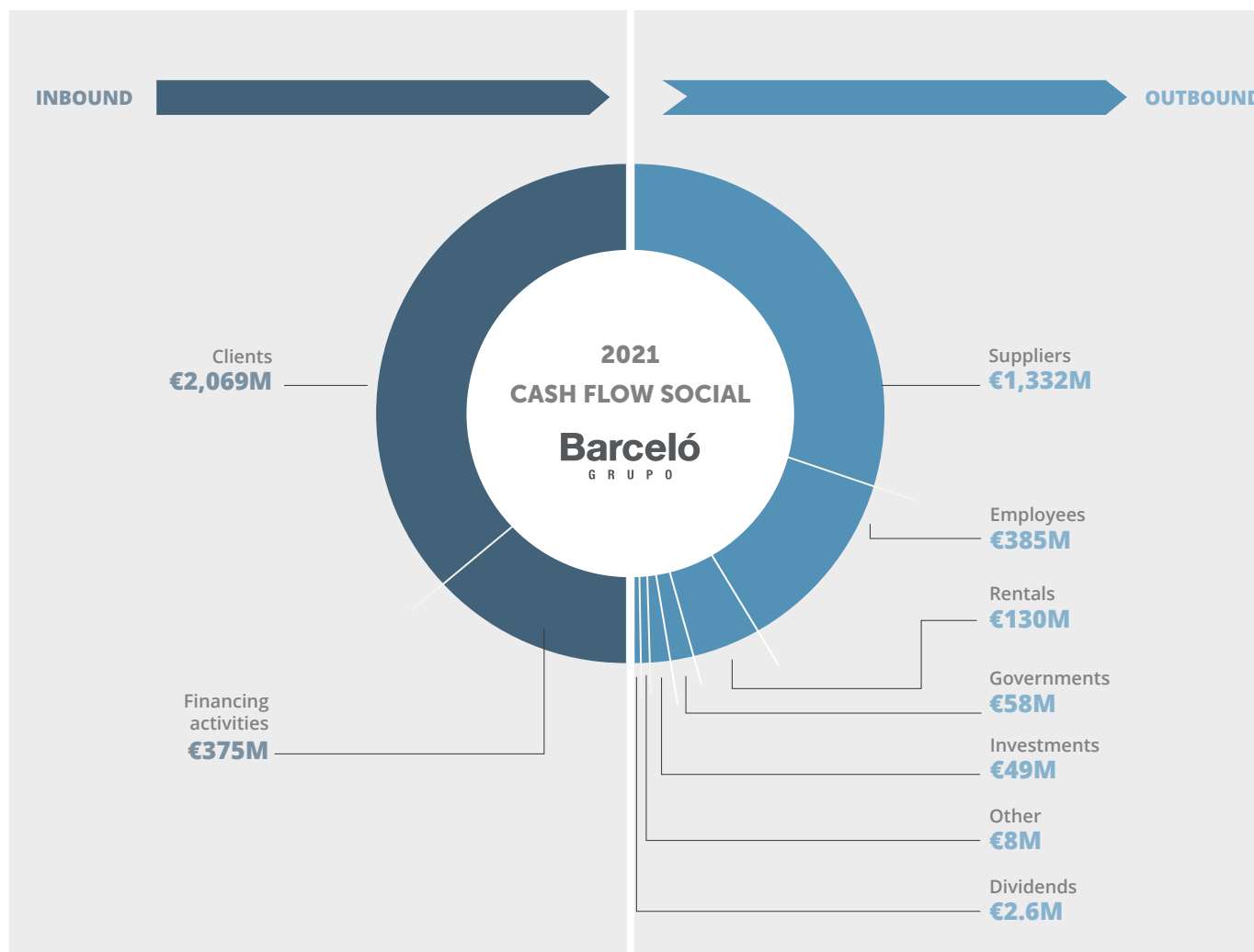
Maintaining flexible sales policies for customers who were unable to travel due to COVID-19.

Launching a new perk for our most loyal customers (my Barceló Intense and Unique) that allows them to modify their booking dates, regardless of the type of reservation.

Barceló contributes to economic, social and environmental progress.

1.2 CREATING SHARED VALUE

Barceló's operations contribute significantly to the economic, social and environmental progress of the countries where we operate. The figure below graphically summarizes the main economic contributions for 2021¹ and therefore how we redistribute the wealth generated by our value chain:



Customers

Revenue from Group operations

Financing activities

Revenue from loans and other financing activities

Suppliers

Payments to suppliers and service providers, including provisions and supplies, repairs and maintenance, advertising, insurance, professional services and outsourced services.

Employees

Staff payments.

Public Administration

Corporate taxes, social contributions, VAT, etc.

Investments

Payments for investments, maintenance and renovations carried out on company assets.

Leases

Payments to the owners of real estate assets.

Other

Other payments not included in the previous categories.

Dividends

Dividends paid to shareholders/owners.

¹ The difference between 'inbound' and 'outbound' is the value withheld by the company.

2. Our Company



2021 has been a challenging year for the Barceló Group, just like 2020.

Global tourism experienced a 4% upturn in 2021, compared to 2020, but international tourist arrivals (overnight visitors) were still 72% below the pre-pandemic year of 2019, according to the latest data published by the World Tourism Organisation (UNWTO).

Increased vaccination rates, combined with eased travel restrictions due to greater cross-border coordination and new protocols, as well as improved traveller confidence, have helped release some of the demand, although the rate of recovery continues to be slow and varied throughout the world.

To date, **2022 continues to be marked by uncertainty**, although we are certain that the major effort made and the initiatives implemented in 2021 will allow us to face 2022 with a sense of serenity and certain optimism.

Improved financial results, despite the uncertainty.



Occidental Barcelona 1929

2.1 FINANCIAL DATA

The Barceló Group **has significantly improved its financial results** compared with last year. Turnover and net sales have nearly doubled since 2020. We have achieved a positive EBITDA and increased our net profit over last year.

These improvements **have made it possible to reduce the Group's net financial debt to €365.1 million** in 2021, down from €408.9 million in 2020. These debt levels include the financial debt of Ávoris Corporación Empresarial. No assets were sold in 2021, so this improvement is solely from generating positive cash flow in the recurrent business in 2021.

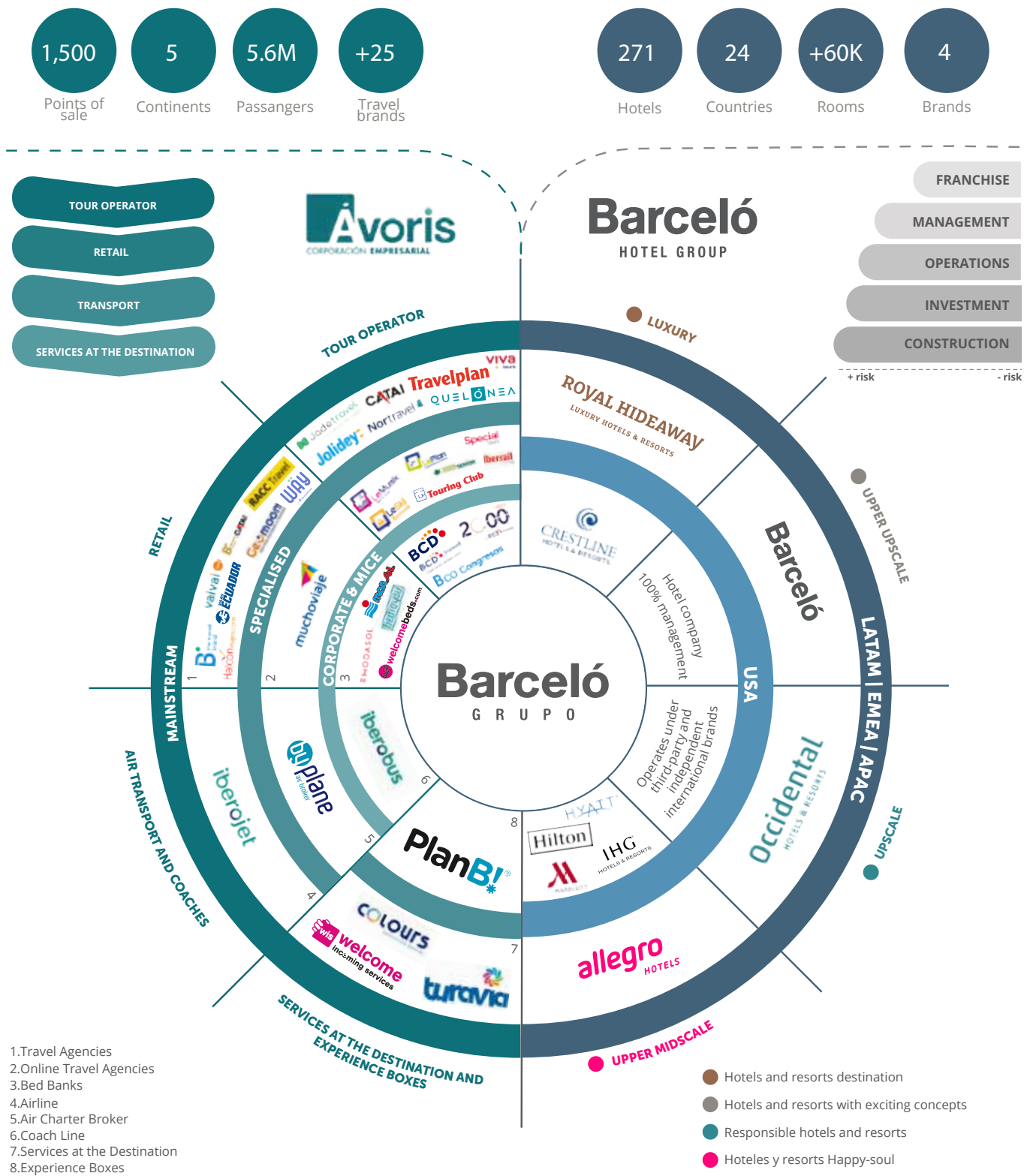
2021 - 2019 KEY INDICATORS (MILLIONS OF €) ²			
	2021	2020	2019
Turnover	2,822.2	1,483.5	4,779.3
Net sales	1,698.2	949.3	2,850.3
EBITDA (w/o IFRS 16)	36.4	-28.9	342.6
EBITDA (w/ IFRS 16)	146.0	80.4	474.0
BDI (w/o IFRS 16)	-23.4	-111.0	142.0
BDI (w/ IFRS 16)	-45.6	-99.4	134.6
Occupancy (%)	49.0	31.9	74.9
ADR (Euros)	80.4	77.8	79.7
RevPAR (Euros)	39.4	24.8	59.7
Net Financial Debt	365.1	408.9	197.4

²ADR: average daily rate per occupied room. RevPAR: revenue per available room.

2.2 THE BARCELÓ BUSINESS MODEL

The Barceló Group is a family-owned business that operates in every part of the value chain that comprises the hotel and travel segment, defined by the combination of business travel and hotels, geographic diversification and a balanced portfolio. Throughout its 90-year history, Barceló has shaped **its business model** according to the development stages and geographic realities faced by the Group as it grew.

From a shipping company to a top tourism group.



Barceló Hotel Group, the 29th largest in the world and the 2nd in Spain.

2.2.1 HOTEL DIVISION: BARCELÓ HOTEL GROUP

Barceló Hotel Group, the hotel division, is the **2nd largest chain in Spain** and the **29th largest in the world in terms of the number of rooms**. For the second year in a row, it was named the **World's Leading Hotel Management Company** at the 2021 edition of the World Travel Awards. It currently has more than 270 urban and leisure hotels with 4 and 5 stars, and over 62,000 rooms spread out across 24 countries and marketed under four brands: It also forms part of Crestline Hotels & Resorts, an independent hotel company with more than 120 establishments and a business model focused on managing third-party (most under third-party brands such as Marriott, Hilton, Hyatt, etc.).



▸ **271**
Hotels

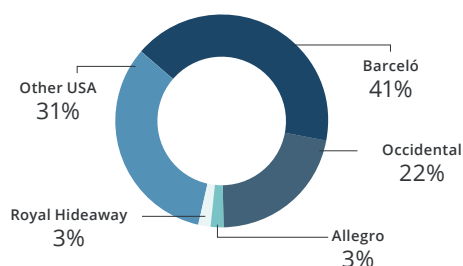
▸ **62,069**
rooms

▸ **28**
Hotels
in pipeline

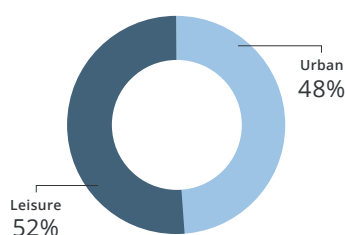
▸ **6**
New countries
in pipeline

▸ **6,324**
rooms in
pipeline

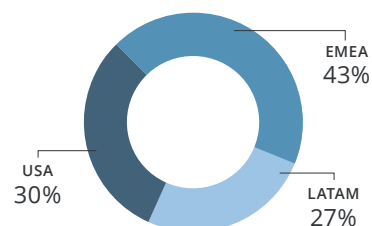
Brands



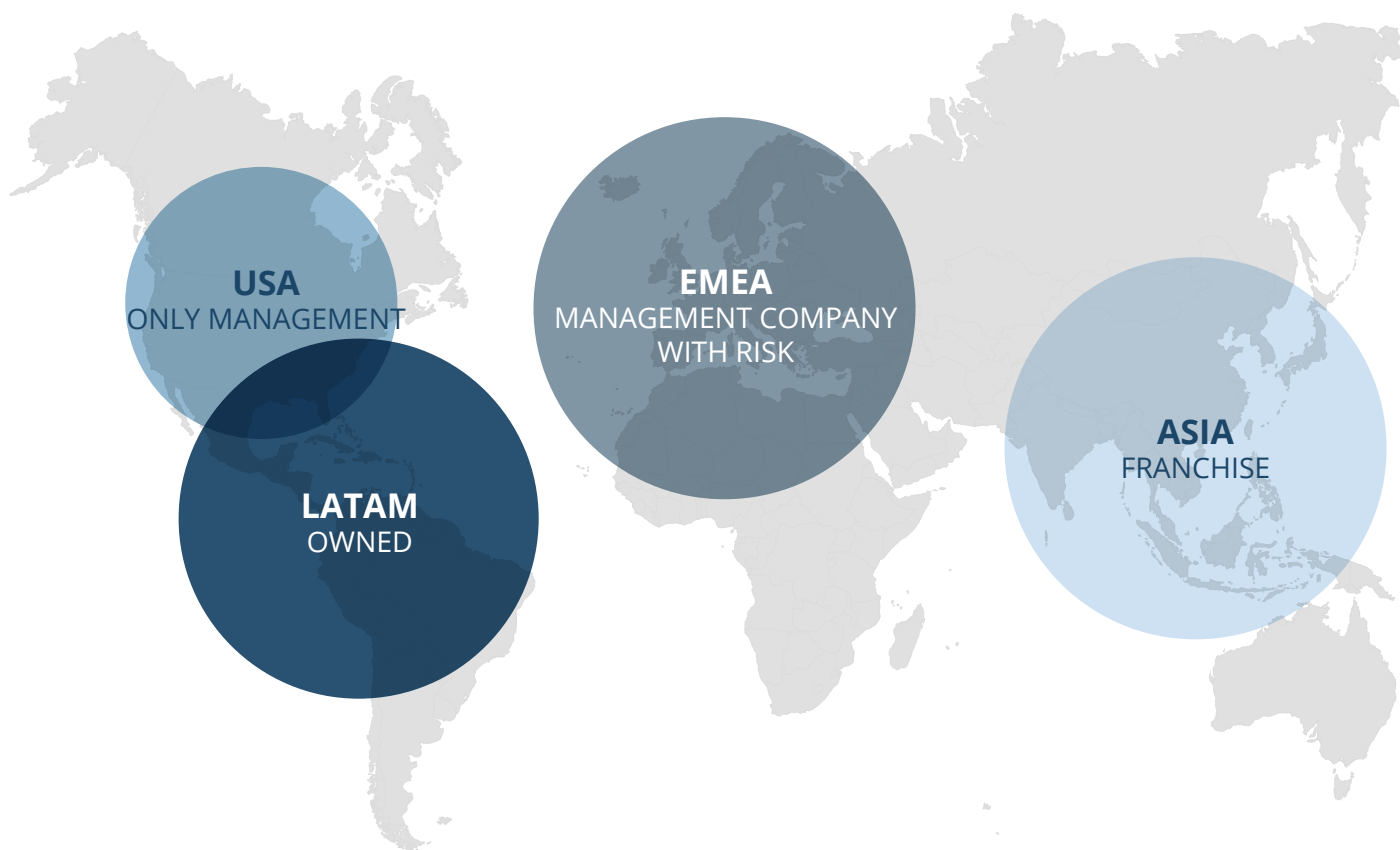
Segments



Regions



Note: Data on January 2022



The hotel division's business model combines decentralisation and geographic specialisation

Strategy based on differentiation and personalisation.

Our customer experience strategy differentiates us from competitors and is based on personalising key moments in order to thrill and amaze guests. To make this a reality, we rely on our four brands—**Royal Hideaway**, **Barceló**, **Occidental** and **Allegro**—as well as on unique experiences, technology centred on the customer experience, and our teams, which play a key role in guest relations.



Royal Hideaway Corales

ROYAL HIDEAWAY

LUXURY HOTELS & RESORTS

Luxury

The art of fine moments

Destination hotels at which to experience the art of special moments.

Brand attributes

Elegant and eclectic
Cultured and select
Genuine
Respectful and attentive

Royal Hideaway is a collection of unique hotels in spectacular locations. Incomparable experiences linked to art and culture, with exquisiteness, authenticity, attention to detail and discretion as the identifying symbols. At Royal Hideaway, we believe that every trip has soul, which is why we highlight the most extraordinary aspects of each destination and invite guests to try luxurious experiences that are impossible to forget.

Barceló

HOTELS & RESORTS

Upper Upscale

Live up to more Inspiring and impressive hotels that invite guests to feel better than at home

Brand attributes

Creative and imaginative
Impressive and inspiring
Innovative and nonconformist
Friendly and ambassador

Welcome to **Barceló**, where hospitality, creativity and innovation are put at the service of guests through concepts that are anything but conventional. Barceló believes in exceeding expectations, and we do this thanks to hotels inspired by the local culture at destinations and cutting-edge hotels with fascinating features in which to savour inspiring, exciting and, above all, unforgettable experiences.

Occidental

HOTELS & RESORTS

Upscale

Responsible Living Hotels Hotels that prove another way to travel is in fact possible

Brand attributes

Responsible and committed
Trustworthy and empathetic
Honest and simple
Open and aware

We suggest an emotional journey that begins with the smallest thing: a simple gesture. At **Occidental**, we believe that the time has come to achieve sustainability through convenience. Our goal is to play a role in the well-being of guests. We prove that it is possible to enjoy destinations in a sustainable manner, and we make it easy for visitors to travel in a way that is respectful of the environment, the local setting and society, all through a network of responsible, service-oriented hotels

allegro

HOTELS

Upscale Midscale

Enjoy life

Happy soul hotels.

A place where everyone is welcome to enjoy life

Brand attributes

Cheerful and optimistic
Flexible and relaxed
Full of life
Spontaneous and fun

At **Allegro**, joy and happiness are everywhere. We create hotels designed to convey fun and energy, and that invite people to share quality moments with family and friends, spaces in which to get away from it all and bask in a universe of colour. We offer an oasis of positive energy in which to feel free to be oneself. Welcome to a place where life is colour

Decentralised model and geographic specialisation.

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

- **Decentralisation:** our structure shifts decisions to business units, backed by a corporate structure containing strategic departments to create economies of scale through centralisation. Decentralisation allows us to be highly efficient and adapt to different markets and surroundings.
- **Geographic specialisation:** although the industry leans towards asset-light models, Barceló has tailored its profile according to the regions where it operates. We can therefore cover all the links in the value chain, from franchisors (Asia) to full-cycle operators (Latin America), as well as pure management (USA) and hotel operation with risk in EMEA.



Barceló Anfa Casablanca

Ávoris Corporación Empresarial

Global tourism company.

2.2.2 TRAVEL DIVISION: ÁVORIS CORPORACIÓN EMPRESARIAL

Ávoris Corporación Empresarial, the travel group joint venture in which the majority of shares are held by Barceló, specialises in designing, selling and providing leisure travel services, holidays and business trips. The company operates as a **global tourism company**, vertically integrated (for greater complementarity and synergies between different businesses) with specialised brands to offer a unique experience tailored to each traveller through four broad areas: distribution, product, airline, and services at destination and experiences.

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



Occidental at Xcaret Destination

Merger between the Barceló Group and Globalia.

In March 2021, the Barceló and Globalia groups announced that they were set to begin the merger of their retail travel and tour operator divisions by creating an investee company. The start of this transaction perfected the agreement reached between the two companies in 2019, which had been approved by the National Commission on Markets and Competition. In 2021, the biggest challenges have been to design and launch the integration model for all the businesses by optimising the management structures, implementing good governance practices and working intensively on integrating the information systems.

segment and provide services to over three million travellers. While B the Travel Brand and Halcón Viajes are undoubtedly the main networks of retail travel agencies in Spain and Portugal, they also offer their services in a multichannel manner through their respective portals for travellers who prefer to buy online.

- In addition to these two primary brands, Ávoris also has Viajes Ecuador, RACC Travel by Ávoris, Wäy (which specialises in trips for millennial audiences) and B Cruises as brands specialised by product or geographic coverage, and Geomoon, an independent travel agency management group that offers third-party travel agencies all the perks of belonging to a large vertical group, but keeping their identity.
- **Online Department.** The Ávoris Online Department has Muchoviaje.com, the online travel agency through which the company strengthens its commitment to e-commerce; and Iberojet.es, which is linked to the group's airline and offers a varied array of unbeatable special deals on trips to the Caribbean, circuits and grand tours.



Miguel Ángel Sánchez and Vicente Fenollar

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

a) Distribution

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

- **Holiday Department.** The Ávoris holiday department includes the top Spanish brands B the Travel Brand and Halcón Viajes, with a vast network of 1,500 travel agencies in Spain and nearly 60 in Portugal. Both have a long tradition in the holiday



Oficina B Cruises



Oficina B the travel brand

- **Corporate Department.** Travel, events and conferences. With a presence in Spain and Portugal, the division for corporate travel, events, conventions, incentives and conferences is comprised of BCD Travel and BCO Congressos. In total, there are more than 1,450 employees, over 5,000 customers and a turnover that surpasses €860 million in Spain.

BCO Congressos is the division specialised in the PCO market, with more than 1,000 conferences organised in Europe and Latin America.

BCD Travel Spain (named Spain's Leading Travel Management Company at the 2021 World Travel Awards) and BCD M&E Spain are benchmarks for their segments thanks to the agreement with the BCD Group, the third-largest business travel management company in the world, with a presence in more than 109 countries and a customer loyalty rate of 98%, the highest in the industry. Viajes 2000 by BCD travel is a brand specialised in personalised corporate travel and events, backed by BCD travel technology and a special employment centre.



Iberjet employees.

b) Product

Mainstream Brands



Travelplan, Quelóna and Jolidey: Tour operators with destinations for all types of travellers

Catai: Leading tour operator for grand tours in Spain.

VivaTours: Tour operator that works exclusively with Iberia flights.

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

Notravel: Mainstream tour operator in Portugal.

Specialised Brands



Jadetravel: Tour operator for grand tours in Portugal.

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

LeSki: Brand with ski, sports and adventure alternatives.

LeMusik: Programmes for music and concerts.

Iberrail: Train + hotel programmes.

Bed Banks



Mundosenior: Joint venture between Ávoris Retail Division S.L. And Viajes Halcón, SAU, specialised in senior tourism for more than 25 years. Its Social Tourism programme manages the IMSERSO programme.

Welcomebeds, Rhodasol, Marsol and Bedtoyou: Hotel bed banks open to all agencies with more than 150,000 establishments.

iberojet

Since 2013, Ávoris has had two airlines, which began operating under the unified brand Iberojet in 2021.

Evelop (Spain) & Orbest (Portugal)

Two types of business units:

1. Regular flights.
2. Charter flights to holiday destinations, with a strong presence in the Caribbean and the Canary Islands. A new flight route with Costa Rica was established in 2021.

Ávoris has the following fleet:



7 aircraft

- 2 A350-900 with 432 seats.
- 3 long-haul A330-300 with 388 seats.
- 1 A330-900 with 388 seats.
- 1 mid-haul A-320 with 180 seats.

iberobus

Three types of business units:

1. Private transport.
2. Regular transport (between terminals T1 and T4 at Adolfo Suárez Madrid Barajas).
3. Regular transport for special use.

Iberobus has the following vehicles:



59 buses

d) Destination Services and Experiences

Ávoris offers inbound tourism services under the following brands, allowing us to assist customers during their trips to guarantee quality service.



Thanks to a global service distribution platform and our inbound and third-party products, Ávoris offers a real and agile solution to buy and hire accommodation, transfers, tours, multilingual professional guides and service at hotels for all types of groups, individual and personalised private services, providing assistance to more than four million customers at the destinations where we operate.



Zip-line experience at Occidental Puerto Vallarta

Strategy adjusted to the changing surroundings.

2.3 STRATEGIC PLAN AND EXPANSION

The strategic plan has enhanced the Group's ability to adapt to its changing surroundings, transforming threats into opportunities and shaping the Group into its present form.

Before the pandemic, the Barceló Group was immersed in its 2019-2021 Strategic Plan: **Towards a New GOAL**. This plan, designed according to the strategic pyramid of the Bain & Company model, has defined the Group's objective for 2025 as: 'To provide the best customer experience, and to become the top Spanish hotel group in terms of EBITDA and return on investment', and it is based on two strategic pillars: Optimising the existing platform's full potential (management development) and growth initiatives (corporate development).

To make these pillars a reality, 9 strategic initiatives have been defined:

1	Customer experience
2	Business strategy
3	Operational efficiency
4	Digital transformation
5	Organic growth
6	Organizational structure
7	Inorganic growth
8	Employees, managing talent and cultural change
9	Family business with an excellent governance model

2019-2021 Strategic Plan, designed according to the strategic pyramid of the Bain & Company model.

SPAIN



Barceló Conil Playa - Cádiz



Barceló Nura - Menorca



Barceló La Nucía Hill - Alicante



Barceló La Nucía Palms - Alicante



Occidental Barcelona 1929 - Barcelona



Hotel Guadalmina - Málaga



Occidental Torremolinos Playa - Málaga



Barceló Illetas Albatros - Mallorca



Hotel Alfonso V - León



Hotel Conde Luna - León



Hotel Canopy by Hilton Madrid Castellana - Madrid

The pandemic has slowed down the implementation of certain projects during several months, although many others have continued thanks to the company's financial strength. The situation has made us more cautious with our finances to make sure we are prepared for the worst scenario, no matter how unlikely it may be, but we continue to leverage opportunities that arise.

In 2021, the chain added 15 establishments: 11 in Spain and 4 at international destinations like Sri Lanka and Oman, the Barceló Group's first hotels in these countries. Throughout 2022, we plan to include additional hotels in Ankara, the Maldives and Portugal. Another highlight for late 2022 is the grand opening of Canfranc Estación, a Royal Hideaway Hotel, housed in the historic Canfranc train station located in Huesca.

INTERNATIONAL



Occidental Al Jadaf - Dubai (UAE)



Barceló Mussanah Resort - Mussanah (Oman)



Barceló Angra Marina - Azores (Portugal)



Occidental Paradise Dambulla - Dambulla (Sri Lanka)

15 additions in 2021, with new destinations like Sri Lanka and Oman

2.4 ORGANISATIONAL STRUCTURE AND CORPORATE GOVERNANCE

The strategic plan has enhanced the Group's ability to adapt to its changing surroundings, transforming threats into opportunities and shaping the Group into its present form.

Information updated on January 2022

Co-Chairmen	Simón Barceló Tous and Simón Pedro Barceló Vadell	
Ávoris	Executive Chairman Vicente Fenollar	CEO Miguel Ángel Sánchez
Barceló Hotel Group	CEOs Raúl González CEO EMEA Barceló Hotel Group James Carroll CEO Crestline (EE.UU)	Executive Vice President of Finance Vicente Fenollar

The Group's governing bodies were reorganised in 2021.

BARCELÓ GROUP BOARD OF DIRECTORS
<p><i>The Board of Directors is the body to which shareholders delegate the company's broadest strategic management and leadership duties. It approves, supervises and tracks annual budgets; analyses and approves strategic plans; makes decisions on investment opportunities and growth; and more.</i></p>
<p>Directors</p> <p>Simón Barceló Tous _____ Co-chairman</p> <p>Simón Pedro Barceló Vadell _____ Co-chairman</p> <p>Guillermo Barceló Tous _____ Member</p> <p>Pedro Fernández-Martos _____ Member</p> <p>Non-Executive Secretary *</p> <p>Raúl González _____ CEO EMEA Barceló Hotel Group</p> <p>Non-Executive Deputy Secretary</p> <p>Vicente Fenollar _____ Executive Chairman Ávoris</p> <p>Members with the right to attend Board meetings *</p> <p>Gabriel Barceló Oliver _____ Honorary Chairman</p> <p>ECB shareholders with more than 5% of capital</p> <p>Non-executive director independent advisers *</p> <p>Jaime Torrens</p>
* Without voting rights

ÁVORIS CORPORACIÓN EMPRESARIAL BOARD OF DIRECTORS
<p>Vicente Fenollar _____ Executive Chairman</p> <p>María José Hidalgo _____ Vice President</p> <p>Miguel Ángel Sánchez _____ CEO</p> <p>Raúl González _____ Member</p> <p>Antonio Oliver _____ Secretary</p>
AUDIT COMMISSION
<p><i>The Audit Commission supervises the process of preparing financial information and internal control systems, and ensuring they comply with legal regulations and the procedures defined by the Group.</i></p>
<p>Pedro Fernández-Martos _____ Chairman of the Commission</p> <p>Guillermo Barceló _____ Member</p> <p>Jaime Torrens _____ Member</p> <p>Antonio Darder _____ Secretary</p> <p>The Commission is attended by: Simón Barceló Tous (Co-Chairman), Simón Pedro Barceló Vadell (Co-Chairman), Raúl González (EMEA CEO) and Vicente Fenollar (Executive Vice President of Finance), in addition to any other internal or external individuals deemed necessary by the Group.</p>
ÁVORIS CORPORACIÓN EMPRESARIAL AUDIT COMMISSION
<p>Vicente Fenollar _____ Executive Chairman</p> <p>Miguel Ángel Sánchez _____ CEO</p> <p>Valentín Costa _____ Executive Vice President of Finance</p> <p>Andrés Montané _____ Ávoris Internal Audit Director</p> <p>Antonio Darder _____ Barceló Group Controller</p>

³ Information updated on January 2022

THE GROUP'S STEERING COMMITTEE

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

Simón Barceló Tous _____ Co-chairman
 Simón Pedro Barceló Vadell _____ Co-chairman
 Raúl González _____ CEO EMEA, Barceló Hotel Group
 Vicente Fenollar _____ Executive Chairman Ávoris

There are also Steering Committees for each business unit (EMEA Steering Committee, EMEA Expansion Steering Committee, Ávoris Steering Committee, Crestline Steering Committee).

BARCELÓ HOTEL GROUP EMEA STEERING COMMITTEE

Simón Pedro Barceló _____ Co-chairman
 Raúl González _____ CEO EMEA
 José Canals _____ Regional Director of the Mediterranean, Middle East and Asia
 Rafael Asuar _____ Regional Director of Northern Spain and Europe
 Ángel Esquinas _____ Regional Director of the Canary Islands, Madeira, Azores and Morocco
 Gaspar Sáez _____ Regional Director of Andalusia and Levante
 M^a Carmen Oliver _____ Director of Human Resources
 Bernardo Campins _____ Director of Business Support Services
 Sara Ramis _____ Director of Marketing, Customer Experience and Sustainability
 Lucía Prieto _____ Assistant Deputy Director to the CEO*

* Acting Secretary

BARCELÓ HOTEL GROUP LATAM STEERING COMMITTEE

Simón Pedro Barceló _____ Co-chairman
 Jose Brichs _____ Corporate Director of Sales and Marketing
 Alfonso Benito _____ Corporate Director Administration and Systems
 Miguel Ángel Guardado _____ CEO Mexico
 Fernando Gómez _____ CEO Dominican Republic and Cuba
 Juan José Ribas _____ CEO Central America and Aruba

Reorganisation of governing bodies to adjust the business.

ÁVORIS CORPORACIÓN EMPRESARIAL STEERING COMMITTEE

Vicente Fenollar _____ Executive Chairman Ávoris
 Miguel Ángel Sánchez _____ CEO Ávoris
 Valentín Costa _____ Ávoris Executive Vice President of Finance
 Joan Vargas _____ Ávoris Executive Vice President of Human Resources
 Ricardo Fernández _____ Ávoris Director of Communications
 Juan Carlos González _____ Ávoris Executive Vice President of Distribution
 Emilio Rivas _____ Ávoris Executive Vice President of Tour Operators
 Juan Manuel Molina _____ Ávoris Executive Vice President of Mundosenior
 Antonio Mota _____ Ávoris Executive Vice President of Airline
 Michell Arellano _____ Ávoris Executive Vice President of Strategy and OTA
 Mar Nuñez _____ Ávoris Executive Vice President of Technology and Innovation
 Juan Miguel Morales _____ Ávoris Executive Vice President of Holidays
 Johan Tyren _____ Executive Vice President of Sales
 Paul Verhagen _____ Executive Vice President of Sales

BARCELÓ HOTEL GROUP EMEA EXPANSION COMMITTEE

Simón Pedro Barceló _____ Co-chairman
 Jaime Torrens _____ Council Advisor
 Raúl González _____ CEO EMEA
 Vicente Fenollar _____ Barceló Group Executive Vice President of Finance
 Juan Manuel Godillo _____ Deputy Director General Construction
 José Canals _____ Regional Director of the Mediterranean, Middle East and Asia
 Rafael Asuar _____ Regional Director of Northern Spain and Europe
 Ángel Esquinas _____ Regional Director of the Canary Islands, Madeira, Azores and Morocco
 Gaspar Sáez _____ Regional Director of Andalusia and Levante
 Antonio Oliver _____ Director of Legal Affairs
 Bernardo Campins _____ Director of Business Support Services
 Eduardo Gisbert _____ Director of Expansion EMEA
 Marisa Frontera _____ Director of Expansion
 Pilar Parejo _____ Director of Expansion Canary Islands
 Duarte Vasconcellos _____ Director of Huelva Region
 Carlos Domínguez _____ Alliance Development Manager
 Antonio La Calle Gil _____ Director of Expansion

* Acting Secretary

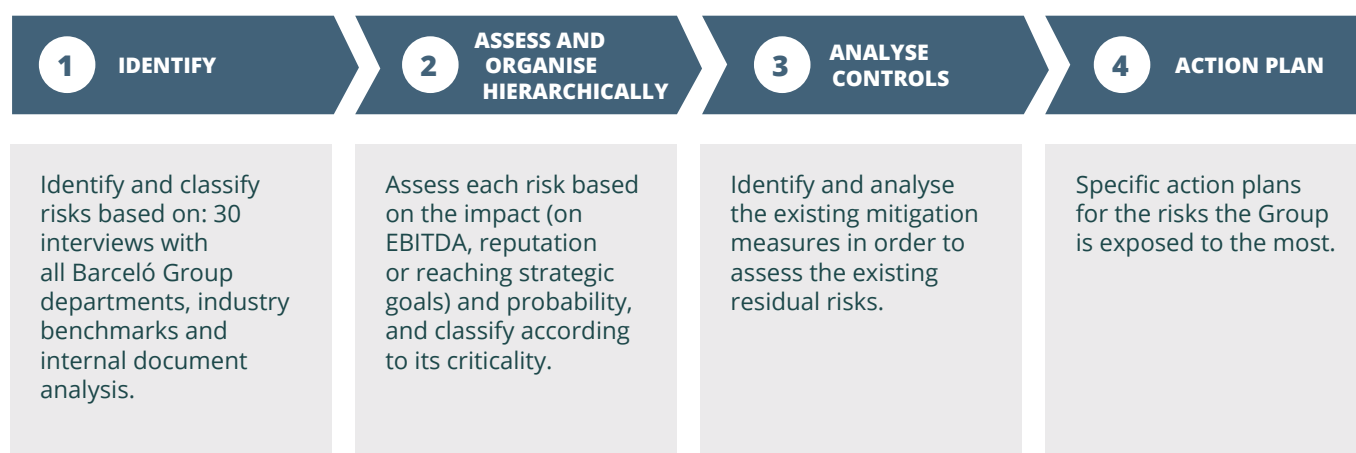
Family business with an excellent governance model.

2.5 MANAGEMENT OF RISKS

Risk management is done globally across the company, in every department and throughout the **Barceló Group's operations**. The goal of Barceló's risk management policies is to identify and analyse the risks faced by the Group, setting the necessary boundaries, measures and controls so as to mitigate the potential impact of those risks. In fact, the Barceló Group's executives have used a risk map since 2014 as the main tool for minimising and optimising this risk management. The **Barceló Group's map of strategic risks and business was updated** in 2019 and later approved in January 2020 by the Board of Directors. The methodology used to prepare this map was as follows:

Risk Map

Identifying strategic and business risks.

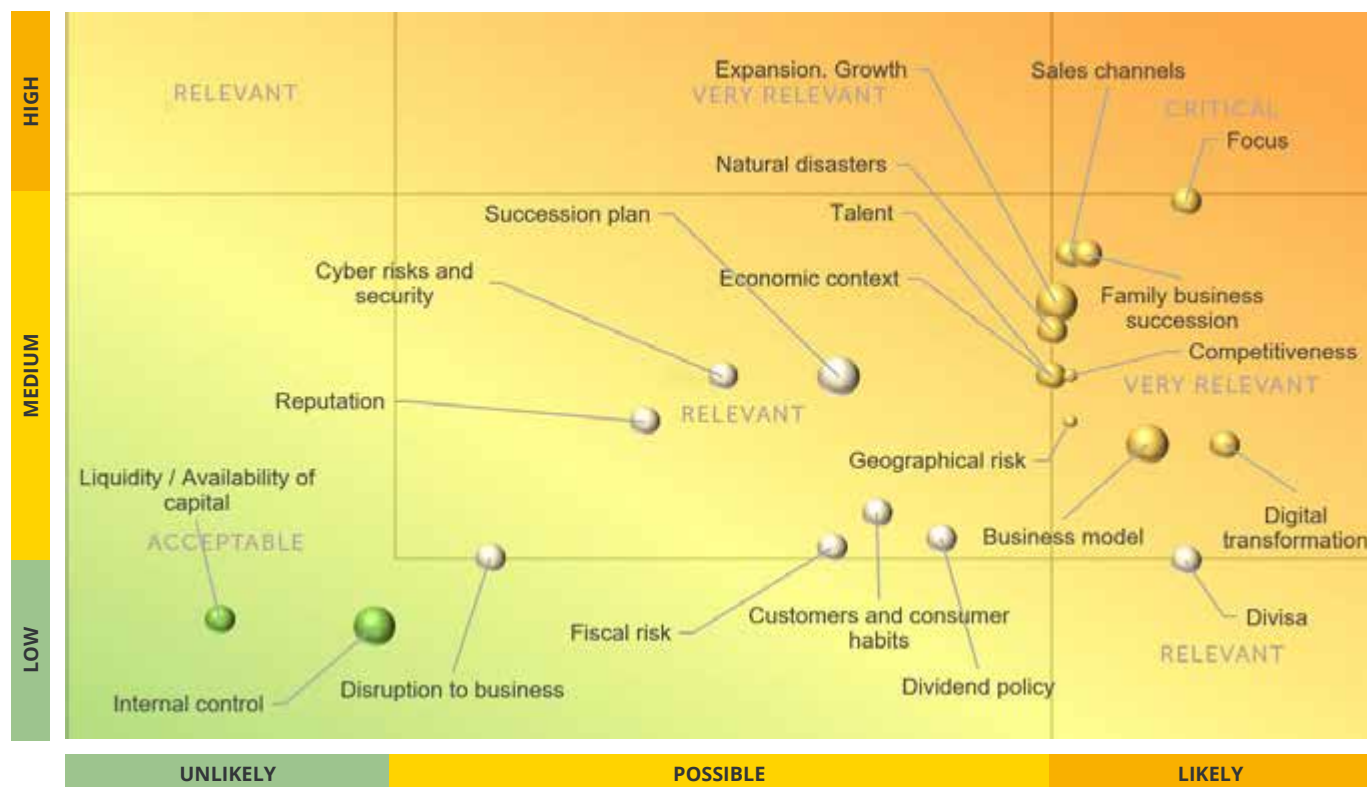


Methodology used to prepare the risk map.



Barceló Málaga

Defined action plan to minimise risks.



A total of **21 risks in the hotel division (including corporate)** and **21 risks in the travel division** were identified and then classified into 27 global risks.

In addition to the company's global risk map, Barceló's Steering Committee also considers industry-specific risks that are in line with the sector's key challenges (e.g., changing consumer habits, seasonality, accessibility/dependence on modes of transportation, the rise of online alternatives, etc.), the situation in the countries where it operates (e.g., climate/natural disasters, political situation, etc.), legislative changes and uncertainty regarding new regulatory frameworks (e.g., changes and new labour legislation), and pandemics or health crises.



La Bobadilla a Royal Hideaway Hotel

2.6 ETHICAL COMMITMENTS IN THE DEVELOPMENT OF THE BUSINESS

Throughout the years, Barceló has created a 'compliance culture' so that complying with applicable regulations is a natural part of how we operate, not so much because of the consequences of the failure to comply, but rather because this forms part of our values and way of being.



2.6.1 CULTURE OF COMPLIANCE, OUR WAY OF BEING

As a result, in 2012, the Barceló Hotel Group began to design and implement the Compliance and Criminal Risk Prevention Model, which we internally refer to as Barceló Corporate Defence. We have continuously updated this model in light of the organisational changes and new regulations that have emerged, and the Audit Commission is the governing body responsible for supervising it.

The model contains a total of 56 criminal risks (26 in the Hotel Division and 30 in the Travel Division), including corruption in business and money laundering, and for which 406 controls have been defined (218 and 188, respectively). By implementing these controls, there are no residual risks classified as high or moderate.

In late 2021 and the first half of 2022, we will adjust our model in the Group's Travel Division due to recent organisational changes, thereby updating the risk matrix and the associated controls.

The Barceló Corporate Defence control environment is made up of the following corporate documents:

- **Regulatory Compliance Policy:** establishes the Group's fundamental elements for preventing, detecting or reacting accordingly to criminal risks. It is also a public statement in which executive management and the governing body fully reject any illegal perks.

The compliance model forms part of how Barceló operates.

- **General Principles of Conduct:** this document stresses the importance of preventing criminal risks in the Group by defining a series of guidelines that all employees must follow, regardless of their job band, hierarchy and geographic location.
- **Corporate Defence Procedure:** defines the process for integrating and sharing information and training on the Criminal Compliance Programme, with specific duties and responsibilities assigned to the various compliance bodies.
- **Code of Ethics:** The Barceló Group's Code of Ethics defines the guiding principles according to the company's values, and summarises the professional conduct that is expected of all Barceló employees. It is available on our website for all stakeholders (<http://www.barcelogrup.com/wp-content/uploads/2017/03/m-codigo-etico-grupo-barcelo-201337-166592.pdf>) and applies to all Group employees.

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

- **Manual for the Prevention of Money Laundering, Terrorism Funding and Corruption:** this document describes the applicable regulatory framework; the activities that could be suspicious or tied to money laundering, terrorism funding or corruption; and the internal procedures and guidelines for business relations to prevent this type of conduct.

We also have tools to guarantee the proper implementation and compliance of Barceló Corporate Defence:

- **Training:** To ensure that Barceló Group employees are familiar with, understand and apply these documents, an online training course is available on the Barceló Campus platform. In 2021, 400 hours of training were taught.
- **Monitoring Committee:** the body that supervises compliance with the principles and rules of conduct specified in the Code of Ethics, and also analyses any irregularities it deems to violate the Code.
- **Reporting channel:** our anonymous and externally managed reporting channel is available to all Barceló employees as a tool for escalating any potential irregularities, violations or actions that go against the ethics, legality and rules that govern the Barceló Group. Starting in late 2021 and through the first half of 2022, we plan to make this channel more flexible to access from any device and more accessible for other stakeholders (aside from employees).

No issues linked to the Code of Conduct or matters related to corruption or other aspects included in the Barceló Corporate Defence were reported in 2021.

Committed to protecting and defending human rights.

2.6.2 COMMITMENT TO HUMAN RIGHTS

The Barceló Group firmly believes that respect for human rights is a fundamental part of our business, and we are committed to preventing any type of risk resulting from their violation. The principle of protecting and complying with human rights, as well as following the legislation in every company, is integrated into Barceló's culture and values, and it applies to all the activities carried out by the Group's employees.

We use the following instruments to guarantee compliance with human rights in all of our activities:

- The **Code of Ethics** that guides the operating principles for everyone who forms part of the Barceló Group. It specifically includes rejecting tourist activities that could violate people's human rights or dignity. The Group's Code of Ethics guarantees respect for human rights in the workplace, and discrimination based on gender, beliefs, religion or any other personal or social aspect is not accepted amongst our employees and partners.

The Code of Ethics also includes an explicit reference to **our commitment to the UN Global Compact** and its 10 Principles, which we signed in 2002. The Barceló Hotel Group was one of the first Spanish hotel chains to do so, thereby showing our firm commitment to respecting human rights. In 2019, BCD Travel (the Ávoris corporate travel department) also signed the Global Compact.

It is worth noting that in 2011, the Barceló Group signed the **UNWTO Global Code of Ethics for Tourism**, through which we are committed to complying with the code's 10 articles, which include economic, social, cultural and environmental aspects related to the travel and tourism industry.



An employee entering Barceló Campus

- On the other hand, the Barceló Group is actively involved in the fight against sexual exploitation in travel and tourism, and this commitment is reflected in our **adhesion to the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism (ECPAT)** since 2007.

Adhering to these international standards is an example of the Barceló Group's commitments to protecting and respecting human rights, eliminating all forms of forced labour, respecting the freedom of association, abolishing child labour, and eliminating all types of discrimination and corruption, as stated in our Code of Ethics.

One of the fundamental aspects of this commitment is to train our team members to identify any type of situation where there could be a risk of sexual exploitation, along with the guidelines for how to react in these circumstances. Since 2016, we have provided ECPAT training at the onboarding sessions held at our hotels, with more than 1,200 hours of training in 2021.

The Barceló Group has a channel for reporting any infringements, irregularities or violations of the company's regulations. There were no reports of human rights violations in 2021.

In the next few years, we will work on defining a Human Rights Policy that encompasses all the commitments made by the Barceló Group on this matter.

0 reports of human rights violations in 2021.

2.6.3 DATA PROTECTION

The Barceló Group's **Privacy Policy**, formally approved by the Board of Directors, establishes guidelines for complying with the General Data Protection Regulation (GDPR) and the applicable data protection legislation. It is based on the following key pillars in order to protect information, particularly the personal data that the

Barceló Group is responsible for:

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

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

To guarantee compliance with the Privacy Policy, the multidisciplinary team comprised by the Legal Department and IT, backed by the Data Protection Officer (outsourced to Deloitte Asesores Tributarios, S.L.), is responsible for applying the necessary mechanisms to protect the privacy of customer and employee data.

The main duties carried out in 2021 were:

- **Assisting hotels** with any data protection queries.
- **Managing and responding to the rights exercised by the Group's customers.** Customers can exercise their rights by sending a message to dpo@barcelo.com, where upon analysing and verifying that the regulatory requirements have been met, they receive a response with the applicable resolution.
- **Handling potential security breaches, and defining and implementing the action plan.**
- Reviewing all contracts signed by the group as well as customer communications and processes carried out by departments to **assess the impact on data protection.**

2.6.4 CYBERSECURITY

Working in a secure technological environment is of vital importance in today's digitalisation era. Additionally, **the rise of teleworking has been accompanied by a greater risk of cyberattacks**. In 2021, efforts were made in the following areas:

1 EMAIL PROTECTION AND AGAINST PHISHING ATTACKS

- **Improving the security settings** of the company's email service, for example by implementing controls to prevent identity theft.
- **Implementing a support channel** to help employees detect phishing.
- **Training employees and raising awareness** of detecting phishing and malicious emails.

2 DEFINING PROTOCOLS AND AUTOMATING THE ROLL-OUT OF SECURITY PATCHES FOR THE COMPANY'S SYSTEMS

3 IMPROVING THE ACCESS CONTROLS FOR CORPORATE APPS

- Implementing **two-factor authentication** in user email.
- **Redefining roles** to reduce risk by separating functions to prevent fraud.

4 CYBERSECURITY AUDITS

- **Reviewing security measures** for the information systems and services of new suppliers (control framework based on ISO 27001).
- **Performing cybersecurity audits** on the Group's websites.

Additionally, in the last quarter of 2021, the Board of Directors approved the **Security Master Plan**, which includes projects to be carried out in 2022, such as:

- Replacing equipment with potential cybersecurity risks.
- Improving the protection, detection, response and recovery capabilities against cybersecurity incidents.
- Defining a plan of action, response and recovery against cyberattacks.
- Continuously improving security in the access to the Group's apps.
- Preparing the annual Cybersecurity Audit Plan.
- Training employees and raising awareness of cybersecurity.



Guest browsing the Internet at Occidental Bilbao

2.6.5 FISCAL INFORMATION

The breakdown of profit after taxes (and before minority interests) by country is as follows (in thousands of euros):

Country	in thousands (€)
Spain	-78,076
Mexico	24,689
Dominican Rep.	1,994
Aruba	1,389
USA	2,242
Costa Rica	2,218
Czech Rep.	287
Guatemala	-451
Egypt	130
Portugal	-28,038
Italy	-6,244
Others	-5,965
TOTAL	-89,763

The company paid €11 million in net corporate tax in 2021.

Capital subsidies, which are received primarily to purchase or build hotel assets, are posted to results based on the service life of the subsidised asset. The balance on 31 December 2020 was €100,000 and €1.7 million were received in 2021, of which €600,000 were posted to results, with a balance of €1.2 million on 31 December 2021.

Additionally, €68.3 million in revenue were posted for public subsidies on social spending, of which €44.5 million were for social security allowances tied to the temporary redundancy plans of Spanish companies.



Barceló Sants

3. Our biggest challenge: people



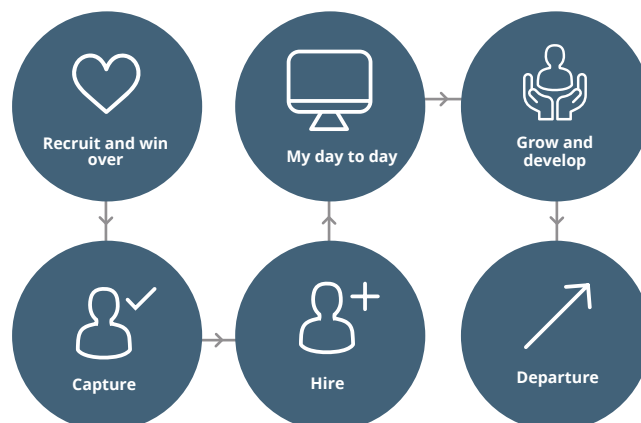


Employees at Barceló Hamburg.

Our employees are the key to achieving the company's challenges.

The **Barceló Group** is known for its high degree of employee commitment and the belief that without them, it would not be possible to achieve the challenges posed by the business. 2021 has not been an easy year for the industry or the Group, but the events that have occurred—most of them unpredictable—have served to bolster the company's foundation: its team.

Living Barceló defines the experience we want our team members to have with us. It is a journey that encompasses all the moments shared between employees and the company, always with a common goal: for every impact, situation or experience to be positive.



Our employee journey is **made up of five key moments** during the time spent with the Group, in addition to when they leave the organisation, which is equally relevant because we understand the importance of their role as opinion leaders of our entity.

In 2021, we were forced to face realities such as brain drain, fewer resources and lower team motivation as a result of events we are all aware of. Part of the Barceló team has continued to be affected by some of the adjustment measures caused by the health crisis that began in March 2020. These primarily consisted of temporary redundancy plans and workforce reductions, but always to safeguard the company's future without risking jobs currently held by our team. All the measures applied have complied with the applicable legislation of the countries where the Barceló Group operates.

It is worth highlighting the responsibility shown by all of our employees. This value has defined us from the onset and has been put into practice these last few months by everyone who forms part of Barceló, showing their commitment to the company and adapting to the decisions made in every situation.

The information contained in this document excludes data on the workforce in Cuba (due to the special features of employee contracts in the country), Sri Lanka (because this country has only recently been added to our portfolio) and Tunisia (for reasons mentioned in the first section titled 'About this report'). These employees represent less than 10% of the total.

3.1 OUR TEAM AND ITS BREAKDOWN IN NUMBERS

All of the information presented below takes into account the Barceló team members who perform their duties at hotels—whether they are owned, leased or managed—as well as Ávoris and Crestline personnel.

It is important to note that the **larger workforce is the result of integrating Ávoris into Globalia's outbound tourism division**, thereby creating the new Ávoris Corporación Empresarial. In general, and except for the aforementioned reason, the number of employees in the Group's remaining businesses has grown slightly since last year due to the higher turnover.

On the other hand, Crestline shows a sharper drop in its average workforce (12%) due to the restructuring of the assets it manages.

Therefore, the workforce statistics—based on the annual average of total contracts—consisted of **27,617 employees** located in more than 20 countries and distributed equally by gender, keeping the same levels as in 2020.



Royal Hideaway Corales employees

Larger workforce following the Globalia merger.

a) Workforce breakdown by country

BREAKDOWN BY COUNTRY AND GENDER			
Country	Workforce average	% Men	% Women
Germany	43	63	37
Aruba	189	48	52
Bulgaria	53	57	43
Costa Rica	819	59	41
Egypt	315	96	4
El Salvador	166	62	38
UAE	483	82	18
Spain	8,648	40	60
United States	3,749	36	64
Greece	39	45	55
Guatemala	251	53	47
Hungary	21	42	58
Italy	32	41	59
Morocco	358	69	31
Mexico	6,870	60	40
Nicaragua	177	56	44
Oman	189	86	14
Portugal	288	35	65
Czech Republic	89	50	50
Dominican Republic	4,702	59	41
Turkey	136	71	29
TOTAL	27,617	51%	49%

Note: Based on the annual average of total contracts.

	BREAKDOWN BY COUNTRY, PROFESSIONAL CATEGORY AND GENDER								
	Management team			Middle management			Core staff		
Country	Workforce Average	% Men	% Women	Workforce Average	% Men	% Women	Workforce Average	% Men	% Women
Germany	6	64%	36%	11	54%	46%	26	66%	34%
Aruba	9	54%	46%	25	52%	48%	155	48%	52%
Bulgaria	8	62%	38%	3	99%	1%	42	53%	47%
Costa Rica	14	59%	41%	41	62%	38%	764	58%	42%
Egypt	13	92%	8%	61	100%	0%	241	96%	4%
El Salvador	6	67%	33%	16	63%	37%	144	62%	38%
UAE	45	84%	16%	105	80%	20%	333	82%	18%
Spain	212	68%	32%	1881	44%	56%	6555	37%	63%
United States	507	50%	50%	277	31%	69%	2965	34%	66%
Greece	6	61%	39%	6	37%	63%	27	42%	58%
Guatemala	6	35%	65%	63	44%	56%	182	56%	44%
Hungary	4	25%	75%	3	36%	64%	14	49%	51%
Italy	1	100%	0%	1	100%	0%	30	36%	64%
Morocco	22	80%	20%	44	66%	34%	292	69%	31%
Mexico	126	72%	28%	715	63%	37%	6029	59%	41%
Nicaragua	5	77%	23%	27	58%	42%	145	55%	45%
Oman	13	64%	36%	46	86%	14%	130	88%	12%
Portugal	13	62%	38%	28	46%	54%	247	33%	67%
Czech Republic	2	37%	63%	21	38%	62%	66	54%	46%
Dominican Republic	103	48%	52%	813	71%	29%	3786	56%	44%
Turkey	17	66%	34%	10	92%	8%	109	69%	31%
TOTAL	1,138	59%	41%	4,197	55%	45%	22,282	49%	51%

b) Workforce breakdown by age

The average employee age is 40 years, with a slight difference between men and women of a single point.

WORKFORCE BY AVERAGE AGE			
Average work-force	Age average	Men	Women
27,617	40	40	39

The majority of our team members are between 30 and 50 years, and most (over 80%) are under the age of 50. **The percentage of personnel under the age of 30 has risen by 2 points since last year**, which is a clear sign of the company's commitment to the employment and development of young people.

Regarding the gender diversity for each age range, the biggest difference appears on the lower end (employees under 30), which is the group with the largest share of men.

Committed to the employment and development of young people.

WORKFORCE BY AGE RANGE			
Average work-force	Range < 30	Range 30-50	Range > 50
27,617	27.9%	54.6%	17.5%

WORKFORCE BY GENDER AND AGE RANGE						
Average work-force	Range < 30		Range 30-50		Range > 50	
	% Men	% Women	% Men	% Women	% Men	% Women
27,617	54%	46%	49%	51%	50%	50%

c) Workforce breakdown by professional category

In general, the management team for each of our business units is made up of a General Manager, Assistant General Manager and Deputy Manager, as well as other positions with major responsibilities in the organisation and who report directly to executive management. There can sometimes be variations in the job bands based on the specific circumstances.

According to data from 2020, there have been no major differences in the breakdown by professional category. The data for the management team shows the greatest difference, with a 1.1% variation due primarily to standardising the criteria for positions at Crestline and LATAM establishments with those for the remaining businesses.

WORKFORCE BY PROFESSIONAL CATEGORY			
Workforce Average	Management team	Middle management	Core staff
27,617	4.1%	15.2%	80.7%

78% of contracts are permanent.

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

In general, the increase in the average workforce has been reflected in the number of employment contracts (+23.4%). **78% of the contracts are for permanent positions**, which reflects a drop from last year due to the pandemic and the uncertainty it has caused. There are no predefined trends because the markets have opened and closed without a mid- to long-term vision, resulting in more temporary contracts.



Barceló Group employees.

WORKFORCE BY CONTRACT BASED ON GENDER, PROFESSIONAL CATEGORY AND AGE RANGE									
	Total	Gender		Professional category			Age range		
		Men	Women	Management team	Middle management	Core staff	<30	30-50	>50
Permanent	78%	78%	79%	94%	93%	75%	60%	83%	91%
Temporary	22%	22%	21%	6%	7%	25%	40%	17%	9%
TOTAL	23,868	12,624	11,244	631	3,920	19,317	6,158	14,150	3,560

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

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

The share of **part-time employees is 3.5%**, representing a slight drop compared with last year (3.8%). On the other hand, data for the Ávoris business has varied the most due to its merger with Globalia.

3.5% of employees are part-time.

PART-TIME WORKFORCE BY LINE OF BUSINESS BASED ON GENDER, PROFESIONAL CATEGORY AND AGE RANGE									
Division	Total	Gender		Professional category			Age range		
		Men	Women	Management team	Middle management	Core staff	<30	30-50	>50
Ávoris	7.5%	8.9%	7.0%	0.7%	1.4%	9.8%	14.9%	6.9%	7.5%
Crestline	7.3%	7.9%	6.9%	0.1%	0.6%	9.1%	10.3%	6.8%	6.2%
EMEA Spain	6.0%	2.2%	9.7%	0.8%	1.8%	7.2%	5.9%	6.6%	4.5%
EMEA International	1.9%	1.2%	4.0%	0.0%	0.0%	2.6%	5.2%	0.6%	1.6%
LATAM	0.4%	0.4%	0.3%	0.0%	0.0%	0.4%	0.6%	0.3%	0.4%
TOTAL	3.5%	2.2%	4.7%	0.2%	0.8%	4.1%	2.8%	3.4%	4.5%

Note: % based on the yearly average of total contracts



Barceló Aguamarina

3.2 LIVING BARCELÓ: HOW TO BUILD A TEAM

2021 has been different than what was expected in the sense that a return to normal in terms of business could have been foreseen, but unexpected events continued to arise that forced us to face new challenges, all of which were overcome thanks to our team. Exceptional times, like the current ones, are when exceptional people step forward, and this is exactly what has happened at Barceló.

For its part, the Group has been listed in Mexico's 'Súper Empresas 2021' ranking as one of the best places to work.

For reasons like these, and this year more than ever, we have remained focused on bolstering our strategy with people: **Living Barceló is the experience we offer to those who work with us and whom we seek to continuously improve daily.**

3.2.1 ATTRACT AND WIN OVER

Attracting the best talent has played a key role in the Group's success throughout its more than 90-year history. Although there have been fewer new hires in recent months due to the current situation in the sector and the pandemic's impact on our type of business, we have continued to drive our employer branding strategy, keeping our brand identity intact and making ourselves known to potential employees so that, when the time arrives, we can relaunch the hiring process as efficiently as possible.

a) Become Barceló, forming part of our team

Remaining visible in the job market has helped us speed up the hiring process for specific needs in certain departments or work sites. As a result, more than 10,324 people have visited and registered on our employment website seeking job opportunities.

Taking into consideration the hotel business under the umbrella of the Barceló Hotel Group, throughout 2021, we recruited over 35,800 candidates who registered in the 305 recruitment processes that took place throughout the year.

Become **Barceló**



Royal Hideaway Playacar

b) The Crestline, searching for new talent

In 2021, our business located in the United States focused its recruitment strategy on searching in places that others would never think of. This has translated into numerous partnership agreements with local associations as well as major advertising impacts on public transportation and in places where the intended audience passes through regularly. Crestline Hotels & Resorts has also expanded its search by turning to industries and sectors that traditionally would not consider tourism and hospitality as a career option.

Crestline has a referral programme that rewards existing employees for recommending candidates, and it also offers incentives aimed at motivating and inspiring new employees to promote the company.

Crestline continues to have a strong social media presence and attends most trade fairs and forums for the hospitality and tourism sector.

**More than 50%
of the candidates
we receive are
women.**

c) Our internship programme, an ongoing effort

In 2021, due to the situation everyone is aware of, the Group was unable to implement its usual internship agreements that help young people develop their skills and experience. However, we continued to build ties with all the universities and schools we partner with every year, making presentations and preparing to relaunch the internship programme in the near future.

3.2.2 RECRUIT

Recruiting the best people is one of the company's biggest challenges. As part of this detailed process, the Recruitment and Talent Management teams make sure that potential candidates fit the profiles needed by the business. We seek highly motivated individuals with personal drive, who want to challenge themselves and bring out their best as they grow and evolve within the company.

We work hard to understand what is important for candidates and how we can help them reach their goals since this is the only way to build a successful relationship for both parties.

The selection process is done quickly and efficiently, searching for the ideal profiles amongst the registered candidates and the profiles available in our database. Following the initial interviews, the finalists are selected and shared with the direct supervisor who has requested the position to be filled. The expertise of both teams is leveraged to make the final selection, and the person responsible for the process submits the hiring offer to the definitive candidate.

As a safety measure in light of the health crisis, online selection processes have been used more extensively in recent months to speed up decision making and coverage for vacancies on every level throughout the Group's business units.

Understanding and helping to achieve our candidates' goals.



Virtual interview.

3.2.3 HIRE

You only have one chance to make a first impression, so we work hard to ensure the initial interaction between a new employee and the company is a special and memorable moment that marks the start of an exciting journey for both parties, especially the new team member.

New management team members complete a **two-day onboarding process at our corporate headquarters** led by the heads of the departments that support the business.

Corporate onboarding for new senior management team members.

a) My first customer is you, our warm welcome

At the end of 2019, we introduced the tagline 'My first customer is you', thereby creating a major milestone for new hires.

Since then, 'My first customer is you' is the brand that has guided us as we open new hotels and arrange onboarding sessions to welcome the entire team and transfer all the necessary knowledge that marks the beginning of the relationship between an employee and the company. These sessions are used to share knowledge with new team members about our history, values, organisation, structure, brands, customer relationships and, most importantly, our commitment to them as new employees.

In 2021, corporate welcomes have also been under the 'My first customer is you' brand.

Twelve 'My first customer is you' sessions took place in 2021, and most were in person except for three international events that, for reasons everyone is aware of, had to be done virtually.

These informative sessions have always been accompanied by casual and informal gatherings between all the members of the new team, paired with a cocktail to celebrate the project's launch.

Various moments of 'My first customer is you' from 2021



Barceló La Nucía Hills.



Occidental Cala Viñas.



Occidental Ibiza.

My first customer
Is You

b) BWelcome detailed onboarding sessions

The perfect ending to the 'My first customer is you' sessions is the e-learning training for B Welcome, our **onboarding and welcome programme** through which new hires learn all the important aspects of joining the Barceló Group.

Throughout the year, the seven modules that comprise the B Welcome online course have been reviewed and updated according to the Group's new dimensions, thereby guaranteeing that the latest information is always available to employees. These seven modules have also been translated into English and are currently being translated into French.



c) Ser Barceló training about the job

Within the third point that completes the educational package for new hires at the Barceló Hotel Group, particularly in the case of operations positions, the team is trained accordingly for their department and position to ensure they understand the standards and procedures, and always strive for service excellence.

Work began on **digitalising all Ser Barceló training materials** in 2021, and the new learning experiences designed to address this educational need for teams are expected to be ready in 2022.

Digitalising Ser Barceló training.

3.2.4 MY DAY TO DAY

As we mentioned in our initial purpose, Barceló's goal is to make the day-to-day work of its employees a positive experience in every sense. This is only possible if we can build solid relationships with all staff members, thereby harnessing their high degree of commitment to help them reach their full potential.

a) |B|inside, improving internal communication

Thanks to |B|inside, we have several communication channels with a high level of recognition by employees more than two years after launching the brand. Three, in particular, stand out: **|B|inside mail**, **|B|inside app** and **|B|inside news**.

|B|inside
News for & from our team



|B|inside mail

101 messages sent.
33% average read rate.

Topics that awaken greater interest:

- Employment information.
- PRL/WCAY regulations.
- Changes in management team.



|B|inside app

+40% employees in Spain are registered.
146 news items shared.
67 hotel groups created.



|B|inside news

393 news items shared.
12 standard editions. +1 extraordinary.
32 news items per month on average.
37% average read rate.



Barceló Imagine.

In addition to optimising our communication channels to keep people connected, other communication initiatives were carried out this year for the temporary redundancy plans and the decisions made by the company for each case, depending on the country in question, but always within the scope of the Barceló Hotel Group EMEA.

Lastly, an extraordinary number of |B|inside News were published in September, coinciding with the **Audience at the Royal Palace for the 90th anniversary of the Barceló Group**. The event was attended by part of the Barceló family, members of the senior management team and three employees who have worked more than 40 years with the Group, all of whom represented the entire company.



b) 'Thank you, from the bottom of our hearts', an initiative carried out by the Barceló Hotel Group's team in EMEA

As part of the internal communication efforts between the company and its employees, during the second half of 2021, we launched the biggest campaign of the year, called 'Thank you, from the bottom of our hearts'. This project is aligned with our FRESH values (Flexibility, Responsibility, Excellent Service and Hospitality) and its design shares the same artwork because the ultimate goal is to thank all of our staff for their daily work and efforts in recent months, setting an example once again of the amazing team we comprise.

The initiative, which was led by executive management, involved more than half of the hotels located in EMEA and included a corporate version led by the CEO and Executive Vice President of Finance, who attended informal gatherings to share first-hand information with employees about the company and its future plans.

Photos taken at these events—held in hotels and corporate locations—along with a thank-you video featuring Raúl González, EMEA CEO of the Barceló Hotel Group, and regional directors from the area, were used to create a montage that was shared with all the teams and to wish them a Merry Christmas.

We truly
thank you
from our



c) Employee benefits

2020 helped actively search for greater advantages and benefits for our employees and their families so they would feel cared for in such an exceptional yet delicate situation. Thanks to this, some of these benefits became a reality in 2021, thereby giving employees a better experience.

One of these benefits is that our employees and their direct family members can enjoy stays at our hotels, particularly Barceló Hotel Group and Ávoris personnel. Additionally, campaigns have been carried out in the EMEA region, inviting our employees' friends to celebrate International Friendship Day (30 July) by sharing various perks when booking stays at our hotels.

Throughout the year, a special focus has been placed on creating special deals for health and safety workers.

Continuously searching for employee benefits and perks.

d) Seniority has its rewards

One of the most consolidated employee recognitions has to do with the number of years they have been with the company. This annual celebration honours staff members who have been 10 and 25 years with the Group, as well as those who will retire.

Although the event was held virtually in 2021 due to pandemic restrictions, the EMEA hotel business continued to honour the employees in question by sending a personalised gift along with a message from our Co-Chairmen and a voucher for a free trip.

In total, 150 people have been recognised and thanked for their efforts and contributions to the Barceló Group.



Employee logging on to Barceló People

e) Helping everyone: Query Channel and Barceló People

As part of the two initiatives linked to communication and making information more accessible to employees, efforts continued in 2021 to encourage the use of the Query Channel and Barceló People.

- **Barceló People** is a portal available to all employees located in Spain and the management team at our international EMEA hotels. It can be accessed from anywhere and using any device to read job-related documents and download specific files to perform administrative tasks. The platform was visited 113,641 times by 6,790 employees in 2021.

In parallel, the Employee Portal has remained available to workers, and the biggest difference is that users can only log in if they are connected to the Barceló network. This platform registered 134,982 connections by 4,205 employees.

- Lastly, we continue to rely on the **Human Resources Query Channel**, which is available to all Barceló Hotel Group employees to resolve any questions that arise, particularly related to labour matters. This channel has been used to process 3,743 tickets, 18% less than the previous year.

f) Initiatives with our team

In addition to the projects announced to date, the hotels that form part of the Barceló Hotel Group have carried out more than 100 initiatives that are completely geared towards improving employee well-being.

Over 6,000 staff members have participated in the initiatives launched by the Barceló Hotel Group.

These initiatives are grouped into six families that include efforts linked to work-life balance, benefits and solidarity projects.

Specifically, there are more than 30 social initiatives that fall under 'Volunteering and social actions', which represent nearly 28% of the total. Some of the best examples of this are the initiatives for cleaning and protecting the environment, especially beaches, at several of our hotels located along the coast, such as in Mexico, Spain and the UAE.

Food, clothing and toiletry donations are also particularly important.

On a corporate level, we have taken advantage of the return to the office to launch an initiative called 'Happy to see you again' to strengthen our values and the importance of in-person work as a way for employees to come together and build strong bonds. Over 300 jars of jelly beans were handed out to sweeten the return to the office.

+6,000 employees have participated in Barceló Hotel Group initiatives.



g) Daily operations in our Travel division

Ávoris has focused its human resources management on being aligned with the immediate needs of the business and the current situation, seeking to integrate the cultures and work methodologies of all the sources of Ávoris Corporación Empresarial into a single reality to maximise the organisational and business synergies.

These goals have been structured into the following lines of work:

- Defining and implementing a new business culture that brings together the best of the two original organisations, optimising the enormous potential of the people who comprise the teams.
- Fostering people's commitment to the project and the company resulting from the merger, aligning people to the business goals.
- Unifying the information systems and processes for better decision making (dashboard, appointments, promotions, etc.).
- Accurately tracking personnel costs.
- Identifying and promoting the best talent to undertake this new stage.

Maximising organisational and business synergies.

h) The Crestline team's commitment

Each year, the Crestline division performs a survey to rate employee commitment. It then uses that information to prepare and implement action plans that will continue improving the situation on a micro and macro level.

This past year, to improve communication with employees and celebrate its successes, Crestline launched several social tools such as Yammer.

For example, a key date in May is Crestline Day, a fun event when the company celebrates with staff to recognise and appreciate its teams.

3.2.5 GROW AND DEVELOP

Training and growth have always been important pillars for the Barceló Group's business units. Whether a person is being prepared for their first job or we refer to the development of our current leaders, the Group has a wide array of training and development programmes that are structured according to the needs of each division.

In 2021, **283,495 hours of training** were registered, or 23% more than the previous year, primarily linked to the training carried out at Ávoris on digitalisation and digital transformation, as well as to refresher courses on occupational risk prevention, safety and health.

HOURS OF TRAINING BY GENDER AND PROFESSIONAL CATEGORY					
Number of hours	Gender		Professional category		
	Men	Women	Management team	Middle management	Core staff
283,495	50%	50%	1%	16%	83%

a) Barceló Campus, creating e-learning experiences

Recent events have led us to turn to e-learning training formats even more so than in the past, allowing us to focus our efforts and resources on creating new learning pills that continue to feed our Barceló Campus online training platform.

This fact has been reflected in the rising number of active users, reaching a total of 10,236 registrations in Spain by the end of 2021.

b) Departmental Meetings, training focused on department heads

Seven Departmental Meetings were held in May for department heads and assistant department heads of hotels located in EMEA. The aim was to reconnect and reinspire middle management through dynamic and participatory virtual meetings led by the EMEA CEO.

715 participants attended these meetings geared towards the operations team, who gave them an **average satisfaction score of 4.8 out of 5**.

The EMEA Human Resources Managers were also invited to a meeting where they were given exclusive information on applicable labour regulations, in addition to a session led by an external speaker on managing uncertainty for them and their teams.

Lastly, there was a final meeting for Assistant General

Managers and Deputy Managers that brought together more than 65 people, creating a unique opportunity to receive updated information and to discuss current matters affecting the company. As part of this initiative, and in line with the content of all the Departmental Meetings held in previous weeks, the current matters discussed included We Care About You, SER Barceló and Barceló Responsible.

Training to reconnect and reinspire.

c) Convention for EMEA General Managers, a hybrid event in this new normal

Following the aforementioned Meetings, the 20th Convention for EMEA General Managers was held for the first time in a hybrid format (organized by geographic region) after being held 100% online in 2020.

This milestone was a special moment in the work calendar of our senior management team because it marked the first hybrid event since the start of the pandemic and it coincided with the Group's 90th anniversary.

Under the tagline 'Embrace the future together', topics related to customers, owners, efficiency, business and dining were addressed during the event, which also included external speakers from the industry and concluded with a special message of appreciation from Raúl González.



5,280 evaluations using different models.

d) Evaluating team performance

The annual team performance review for hotels located in EMEA took place in 2021. There were 5,280 evaluations in total, for which various evaluation models were used based on the profile and job band: senior management, department heads, middle management and technicians.

As in the past, the evaluation period began in October 2021 and was slated to end in January of the following year. To complete the process accordingly, teams were given access to e-learning via Barceló Campus.

e) Ávoris and its commitment to training

In 2021, Ávoris encouraged its entire team to complete a voluntary training programme that had two goals:

- To guarantee continuing education.
- To maintain a connection and relationship between the company and employees, particularly those completely within the temporary redundancy plan.

As part of this extraordinary training plan, the Digital Transformation Programme designed by Schölers specifically for Ávoris is worth mentioning. It included more than 70 learning pills and over 25 interviews with leading industry professionals and pioneers in digital transformation. The content focused on topics such as:

- Technology as a lever for change
- People, the key to success
- Smart city: transforming destinations
- Technology applied to the travel industry

Specific training actions have also been carried out on Ávoris information systems and processes for employees arriving from Globalia to align the team for the upcoming challenges.



Barceló Torre de Madrid.

3.2.6 DEPARTURE

It is just as important to look after new hires and existing team members as it is to take care of employees when they leave the Group. For this, we use several measures that allow us to gather information on the reasons for their departures, such as exit interviews in a pleasant and confidential atmosphere to help us understand the causes and improve policies for the future.

3.3 DIVERSITY AND INCLUSION

The Barceló Group believes that diversity plays a key role in building a varied talent network that can understand customer needs, innovate and be a true reflection of society in the business world. For these reasons, a fundamental pillar of the corporate culture is based on diversity, equality and inclusion.

We continuously strive to create a positive work environment that promotes equal opportunities, diversity and the inclusion of all types of professionals in the lines of business and companies that belong to the Group, applying the applicable legislation of each country and fostering the best practices in the region along with the Sustainable Development Goals (SDGs) approved by the United Nations in this regard.

Another top priority for the Barceló Group is related to our relationships with employees. Our everyday interactions with colleagues, regardless of their rank within the organization, must always be based on respect and consideration. We treat others as we would like to be treated, be considerate about any differences that may exist, and never allow any form of violence, harassment or abuse at work.

Our unique and special team is all thanks to the traits, abilities and skills contributed by every single person who forms part of Barceló.



Allegro Isora.

3.3.1 EQUALITY PLAN

All the new hire procedures in Spain take into consideration the objectives of our Equality Plans, which ensure selection and promotion processes under the same conditions for both genders, thereby preventing vertical and horizontal segregation in addition to the use of sexist language. Hiring decisions must never be based on stereotypes or assumptions about the skills and characteristics of people of a certain gender, race, age, disability and more.

One of the primary short-term goals is to review our Equality Plan in Spain. Barceló is analysing gender equality and remuneration equivalent to share it with employees and involve them in creating the plan to continuously improve social initiatives and good governance, and build shared value. The original schedule has been delayed due to the pandemic, but we hope to share the final results next year. The same applies to Ávoris, where the existing plans at some of its companies are being updated.

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

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

a) Equal opportunities between men and women

On a cultural level, men and women do not have access to the same job opportunities under the same conditions at all the destinations where Barceló is present. However, we believe that the only way to guarantee equal opportunities for men and women is by following ethical principles on equality. **We educate our teams to ensure these values form part of our culture by carrying out training and awareness activities.**

An analysis of the information gathered shows that the data remains stable on every level and the workforce is extremely balanced in terms of men and women. The same applies to the workforce analysis by age range.

EQUALITY BETWEEN MEN AND WOMEN						
Average workforce	% Men		% Women			
27,617	51%		49%			

EQUAL OPPORTUNITIES BY AGE GROUPS						
Average workforce	Range < 30		Range 30-50		Range > 50	
	Men	Women	Men	Women	Men	Women
27,617	54%	46%	49%	51%	50%	50%

Equality. Our workforce is balanced in terms of men and women.

b) Awareness efforts

To raise employee awareness of gender equality using various communication campaigns and to commemorate International Women's Day, two initiatives were carried out in 2021:

#EllaMeInspira, Barceló's initiative on Women's Day

In light of this international commemoration and in partnership with the artist Coco Dávez, Barceló used its social media and internal communication resources to launch a campaign aimed at showcasing the achievements of great female travellers who throughout history have overcome obstacles to reach their destinations. The campaign was accompanied by testimonials from 11 of our female hotel general managers who wanted to share their experiences to give a voice to all the women who form part of Barceló.



Working with the Integra Foundation

On International Women's Day, we also implemented a campaign designed by the Integra Foundation and featuring the quote 'Give me a place to stand and I will move the earth', which sought to raise awareness about women at risk of social exclusion.

The campaign was shared internally using the company's internal communication channels.

3.3.2 ETHICAL PRINCIPLES

Regarding the elimination of workplace discrimination, new hires and promotions are decided solely based on professional skills, availability, effort, knowledge, experience and the ability to perform the assigned tasks. **People must never be discriminated against based on their gender, beliefs, religion or any other personal or social aspects** unrelated to the conditioning factors of merit and capabilities, with a special focus on integrating people with disabilities into the workplace.

This and other information on equality appears in our Code of Ethics, which is referred to in greater detail in section 2.6.1 of this document.



Royal Hideaway Corales

3.4 WORK ENVIRONMENT

Guaranteeing a healthy workplace environment is a top concern for team supervisors, particularly in light of the current situation, in which health and safety are, now more than ever, essential requirements to ensure the well-being of our personnel.

Creating a pleasant workplace atmosphere that can be sustained over time, in pursuit of the physical and mental well-being of employees, is critically important for the entire Barceló Group. This is not only a duty assigned to the company, but also a matter of awareness and commitment that should be assumed by those who form part of the organisation.

3.4.1. SOCIAL DIALOGUE AND UNIONS

This past year, and due to the current situation, relationships with unions and social dialogue have been positively impacted for both parties because a greater effort than ever has been made to reach a common understanding in the continuous pursuit of a shared goal: **overcoming this crisis and coming out on top.**

All of the dialogue has sought to define and approve measures aimed particularly at easing situations linked to the temporary redundancy schemes and the job shortage. For the second consecutive year, the dialogue has improved with workers and their representatives in the continued search for options to protect jobs. As a result, several measures have been implemented to reach the set goals. 2022 is slated to be the year when all the negotiations left pending following the shutdown will resume.

Barceló abides by the fundamental standards of the International Labour Organization (ILO). All of our employees have the right to representation through the applicable collective agreements. We guarantee that workers' representatives receive fair, non-discriminatory treatment, and that they will receive everything needed to fulfil their duties.

We strictly comply with all the applicable regulations in the countries and regions where we operate, and remain in constant communication with worker representatives, who are informed in advance of the measures that are put into place.

Regarding labour relations in Spain, the Group is part of the Fifth State Labour Agreement for the Hospitality Industry and the collective agreements for the hospitality sector in each province, with the exception of two (company). Ávoris, in turn, forms part of the State Labour Agreement for Travel Agencies. These agreements apply to virtually the entire workforce and are combined with corporate collective agreements when needed and always signed by

employee representatives.

Every country has Employee Legal Representation bodies that are chosen democratically through individual, free, direct and secret votes. In their role as legal representatives, they are informed of relevant changes that may take place in the employer's organisation, as per the applicable legislation. Their term of office is renewed in the legally established periods, and Barceló helps arrange the elections.

The table below shows the agreement coverage and applicable country. It is worth noting that labour collective agreements are the minimum set of rules, so not only does Barceló guarantee that they are followed in all the countries where it operates, but it also improves the legally established terms for its workforce.

WORKFORCE COVERED BY COLLECTIVE AGREEMENT	
Country	% workforce covered by the collective agreement
Germany	77%
Aruba	100%
Bulgaria	0%
Costa Rica	0%
Egypt	0%
El Salvador	0%
UAE	0%
Spain	95%
United States	8%
Greece	100%
Guatemala	100%
Hungary	0%
Italy	100%
Morocco	0%
Mexico	63%
Nicaragua	0%
Oman	0%
Portugal	74%
Czech Republic	0%
Dominican Republic	59%
Turkey	0%
TOTAL	59%

WORKFORCE WITH HEALTH AND SAFETY CONDITIONS IN COLLECTIVE AGREEMENT		
Division	% workforce with a health and safety clause in the collective agreement out of the average total workforce	% workforce with a health and safety clause in the collective agreement out of the workforce covered by the collective agreement
Ávoris	89%	100%
Crestline	8%	100%
EMEA Spain	100%	100%
EMEA International	7%	79%
LATAM	43%	74%
Total	52%	88%



Barceló Arcena

3.4.2. HEALTH AND SAFETY AT WORK

In Spain, the four areas covered by the Law 31/1995 on Occupational Risk Prevention—Occupational Medicine, Industrial Hygiene, Workplace Safety and Ergonomics, and Applied Psychology—have their own and third-party resources through a number of prevention services. These services are responsible for implementing and guaranteeing the prevention policies, which affect the entire workforce, through two main lines of action:

- **Preventive action tailored to the needs of our business**, periodically evaluating positions, planning preventive or corrective actions, notifying and training employees on the risks that affect them, investigating the cause of work-related incidents, and implementing emergency and evacuation plans for each facility.
- **Monitoring employee health, making it easier** for staff members to undergo initial and periodic medical exams, protecting at-risk employees, and arranging health campaigns and activities that promote employee health and build a culture of prevention and healthy habits.

In 2021, **we continued expanding our efforts to protect the health of employees** in these special circumstances, and as a result, we implemented the health protocols defined to address public health regulations as they arose. These new policies have been updated in line with regulatory changes and always surpass the required standards to provide maximum protection for guests and, above all, employees. Health and safety procedures have continued to be defined as part of the We Care About You programme.

Focus on protecting employee health.

On a personnel level, 2021 marked the launch of several health and safety initiatives described in section 3.2.4.c) Employee benefits.

Despite this, and in parallel, employee health has continued to be monitored through annual medical exams in Spain and other regions.

There have also been campaigns to promote the team's emotional well-being in some of the areas where Barceló is present. Examples include the new violence prevention policies, the workplace atmosphere being monitored and the information campaigns on occupational well-being in Mexico.

3.4.3 ABSENTEEISM

To calculate the absenteeism rate, all absences and their causes throughout the year in relation to the average workforce are taken into consideration.

The key indicators for absenteeism are shown below:

TOTAL ABSENTEEISM	
Absenteeism hours	% absenteeism
4,569,237	7.09

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

It is worth noting the higher absenteeism rate compared with data from 2020 (+3 points) due to reactivating the business and the pandemic's impact on the general population.

BREAKDOWN OF ABSENTEEISM HOURS BY GENDER		
Division	Men	Women
ÁVORIS	24.7%	75.3%
EMEA Spain	39.6%	60.4%
EMEA International	82.8%	17.2%
LATAM	55.4%	44.6%
TOTAL OVERALL	46.2%	53.8%

BREAKDOWN OF ABSENTEEISM HOURS BY CAUSE				
Division	WA+OD+TD	MAT-PAT	Unjustified	Other
Ávoris	23.9%	17.3%	0.0%	58.8%
EMEA Spain	82.8%	10.4%	0.0%	6.8%
EMEA International	6.4%	6.6%	21.8%	65.2%
LATAM	31.8%	5.7%	6.5%	56.0%
TOTAL OVERALL	35.8%	9.3%	4.3%	50.6%

WA Work-Related Accident, **OD** Occupational Disease, **TD** Temporary Disability, **MAT-PAT** Maternity Paternity, **Other** Paid leave and unpaid leave.

WORK-RELATED ACCIDENTS AND OCCUPATIONAL DISEASES			
Type	Total work-related accidents and occupational disease	Men	Women
Work-related accidents during the workday	1,034	371	663
Commuting accident	166	79	87
Occupational disease	5	3	2
TOTAL OVERALL	1,205	453	752

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

In 2021, there were 1,205 work-related accidents and occupational disease in total, of which 1,034 were work-related accidents that occurred during the workday.

If we focus on data for occupational disease, the result (5) is the same for men as for women.

ACCIDENT RATES		
Incidence Rate	Frequency Rate	Gravity Rate
43.3	18.8	0.3

ACCIDENT RATE BY GENDER			
Rates by Gender	Incidence Rate	Frequency Rate	Gravity Rate
Men	29.4	12.6	0.3
Women	59.0	26.1	0.4
TOTAL	43.3	18.8	0.3

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

The **incidence rate** represents the number of work-related incidents during the workday for every 1,000 employees in the average active workforce. It is calculated as the number of work-related accidents that occurred during the workday amongst all employees, multiplied by 1,000. The frequency rate is the number of processes that occurred during the workday per million hours worked, and it is calculated by multiplying the number of work-related accidents resulting in leave per million hours worked, with the number of employee hours exposed to risk as the denominator. The gravity rate reflects the workdays lost during the workday per 1,000 hours worked, using the total number of hours worked as the denominator.



Occidental Menorca

3.4.4 PROTOCOLS AGAINST SEXUAL AND GENDER-BASED HARASSMENT

In line with the principle of equality between men and women, and in support of efforts against gender discrimination, the Group continuously bolsters its commitment to preventing all types of psychosocial risks or conduct related to workplace harassment by including mechanisms to prevent these types of situations in day-to-day operations, and as a last resort, procedures to quickly put a stop to them.

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

Improved working conditions affect productivity and the workplace atmosphere, and since psychosocial conflicts harm more than just the employees affected directly, but rather those close to them and the organisation as a whole, Ávoris has informed its employees that there will be zero tolerance of behaviours that contribute to these types of conflicts. It has also distributed to everyone a new version of its 'Action and prevention protocol against harassment and conflicts between people' in September 2021.

In 2021, and following the same trend as the previous year, **no complaints were received via our reporting channel.**

0 reports received in 2021

3.4.5 LABOUR ORGANISATION AND DISCONNECTION POLICIES

Due to the nature of our business and the sector in which we operate, most of our hotel employees do not have portable work tools and therefore do not require rules for work-life balance because they can switch off completely after work.

Despite this, Barceló is steadfastly committed to respecting its employees and ensuring their work-life balance and the applicable scheduling regulations, always complying with the maximum work hours established by law.

We have scheduling systems that allow employees to know their work hours in advance.

On a corporate level, remote working options were temporarily enabled in 2021 and the team was provided with the equipment needed to do their work in optimal occupational health and safety conditions.

Throughout 2021, Ávoris shared with its employees a new 'Policy on the acceptable use of technological resources and information processing' that includes a digital disconnection protocol. This mandatory procedure for all Ávoris employees establishes the rules and recommendations needed so employees can disconnect digitally after work.

Regarding the business located in the United States, they foster the importance of taking holidays and underscore team members should not be contacted by their supervisors during their time off. Additionally, and whenever possible based on a person's duties, between one and two days of optional remote work are made available to those who live farther from their work site, and a paid workday can be used by employees interested in volunteer initiatives.



Barceló Cabo de Gata

3.4.6 INVOLUNTARY TERMINATIONS

In 2021, 2,441 people were involuntarily terminated from the Group, 49% less than the previous year, due to the clause that safeguards employment based on the job retention aid received.

INVOLUNTARY TERMINATIONS BY GENDER, PROFESSIONAL CATEGORY AND AGE RANGE								
Total involuntary terminations	Gender		Professional category			Age range		
	Men	Women	Management team	Middle management	Core staff	<30	30-50	>50
2,441	57.9%	42.1%	2.7%	7.2%	90.1%	35.7%	52.4%	11.9%

3.5 REMUNERATION

Lastly, updated data on the Group's employee remuneration (in euros) is shown below. The amounts are calculated according to the FTE (full-time equivalent) to standardise the data between the lines of business.



Barceló Torre de Madrid



Allegro brand employee

3.5.1 AVERAGE EMPLOYEE REMUNERATION

The average salaries were calculated using the fixed and variable remuneration amounts, arranged by professional category, gender and age range.

In general, this increment is due to the 2021 salary update versus the 2020 salary freeze.

Overall average wage gap 26% in favour of women.

AVERAGE SALARY BY PROFESSIONAL CATEGORY, AGE RANGE AND GENDER						
Age range	Management team		Middle management		Core staff	
	Men	Women	Men	Women	Men	Women
<30	€41,154	€40,292	€9,989	€13,975	€7,975	€12,097
30-50	€53,504	€53,719	€19,584	€24,758	€13,284	€17,857
>50	€74,122	€69,725	€32,511	€36,427	€25,838	€25,857
TOTAL	€59,031	€55,291	€20,167	€25,139	€11,976	€16,441

AVERAGE SALARY BY GENDER	
Men	Women
€14,440	€18,171

Our **wage gap is 25.8% in favour of women**. The wage gap has been calculated as the difference between the average gross annual salary of men and women, in which the average gross annual salary of men is the denominator.

AVERAGE SALARY BY PROFESSIONAL CATEGORY		
Management team	Middle management	Core staff
€57,338	€22,594	€14,382

AVERAGE SALARY BY AGE		
<30	30-50	>50
€10,357	€18,076	€30,434

This average remuneration analysed has positioned the company's overall average wage gap at 25.8% for a nearly two-point increment compared with the previous year, in favour of women.

In 2021, **the Directors and Senior Management, made up of eight men**, received an average remuneration of €239,000.



Royal Hideaway El Embajador

4. Customer focused





#TravelMakesMeHappy

Happiness is the key driver for choosing Barceló.

It is important to remember that safety and peace of mind are critical factors in the buying decisions of customers today, and Barceló has added HAPPINESS as a key driver that motivates people to choose Barceló for their next trip.

A lot has been written about the benefits of travel and how it influences people's happiness. Travelling relaxes the mind by taking a break from our everyday life and giving us time. It forces us to step away from daily responsibilities and face the unknown. Why? Because surprises create emotions, emotions create memories, and memories create happiness.

Our customer communications have focused on the concept of happiness, proving our guest-centric strategy on the one hand and our commitment to improving the lives of everyone who visits our hotels (as part of our Betterness philosophy) on the other.

Barceló has developed a model that guides us through conceptualisation and implementation, bringing to life proprietary ideas aimed at creating value.

OUR CUSTOMER EXPERIENCE STRATEGY

We are currently in the midst of the **customer era**. The digital revolution has empowered customers and created a new guest profile that is more informed, connected, involved and discerning. As a result, this new era requires a customer-centric strategy, and digitalisation plays a key role in this transformation.

It is not easy to understand the deep impact of the 'customer revolution'. Paradoxically, in the case of businesses that sell services, like ours, that have always been extremely committed to their customers, it can be even more complex. It is not a matter of becoming customer oriented, because this has always defined us. The idea is to go well beyond this and leverage technology to build, with our guests, relationships that are much closer, deeper and more personal than what we could have imagined 10 years ago.

Barceló is convinced that improving the customer experience is the only way to reach sustainable growth. This means that not only should we be customer oriented, but that we must be 'obsessed' with customers. We should never do anything without first considering the impact on customers, and all of our thoughts should be centred on them, their preferences and their needs.

This customer-centric approach has changed our perspective: the evolution of a culture focused on assets and product quality, to a culture of experiences, in which our decisions revolve around customers, service quality measured in terms of satisfaction, profitability driven by revenue, and innovation as a differentiating element.

A customer-centric business.



Customer using the slide at Barceló Málaga

4.2 OUR VALUE PROPOSITION

FRESH is the word that defines our Group and summarizes the values that determine who we are and how we work: **Flexibility, Responsibility, Excellent Service and Hospitality**. Their sum is present in every Barceló Group brand, although each one spearheads a value.

Values that define who we are and how we work

allegro
HOTELS

Flexibility

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

Occidental
HOTELS & RESORTS

Responsibility

Occidental is Responsibility. Our principles and commitment to a more sustainable and responsible world define us. Occidental is the brand that leads this commitment and drives us to do more than what is expected by protecting the environment and local economy, and through social action.

ROYAL HIDEAWAY
LUXURY HOTELS & RESORTS

Excellent Service

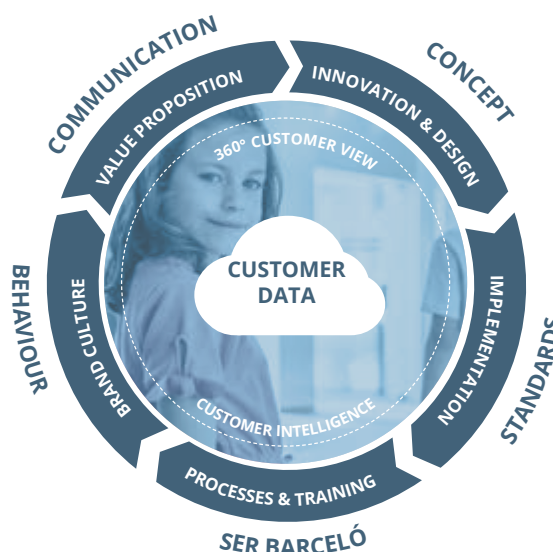
Royal Hideaway is Excellent Service. Because exceeding guest expectations is our purpose as a group, and Royal Hideaway is committed to this in body and soul, always going beyond an attention to detail. We work as a team and channel every ounce of our passion and enthusiasm towards providing the best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

Barceló
HOTELS & RESORTS

Hospitality

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

Barceló has developed a model that guides us through conceptualisation and implementation, bringing to life proprietary ideas aimed at creating value.



Conceptualisation and implementation model

The starting point is customer knowledge: useful and relevant information about the customer, that guides us through the conceptualisation and implementation of experiences.

The next step is to amaze. The process can be broken down into first innovating and designing the concept behind a differentiated experience; next, we identify and define the standards that transform that idea into an efficient and operational implementation process; third, we offer it, making the necessary adjustments for each our brands; and lastly, we announce it. Communication closes the cycle, showcasing the differentiated concept and sending it to the media so customers may discuss and share it. Completing the cycle guarantees intense and rousing emotions.



Customer at Barceló Bávaro Palace

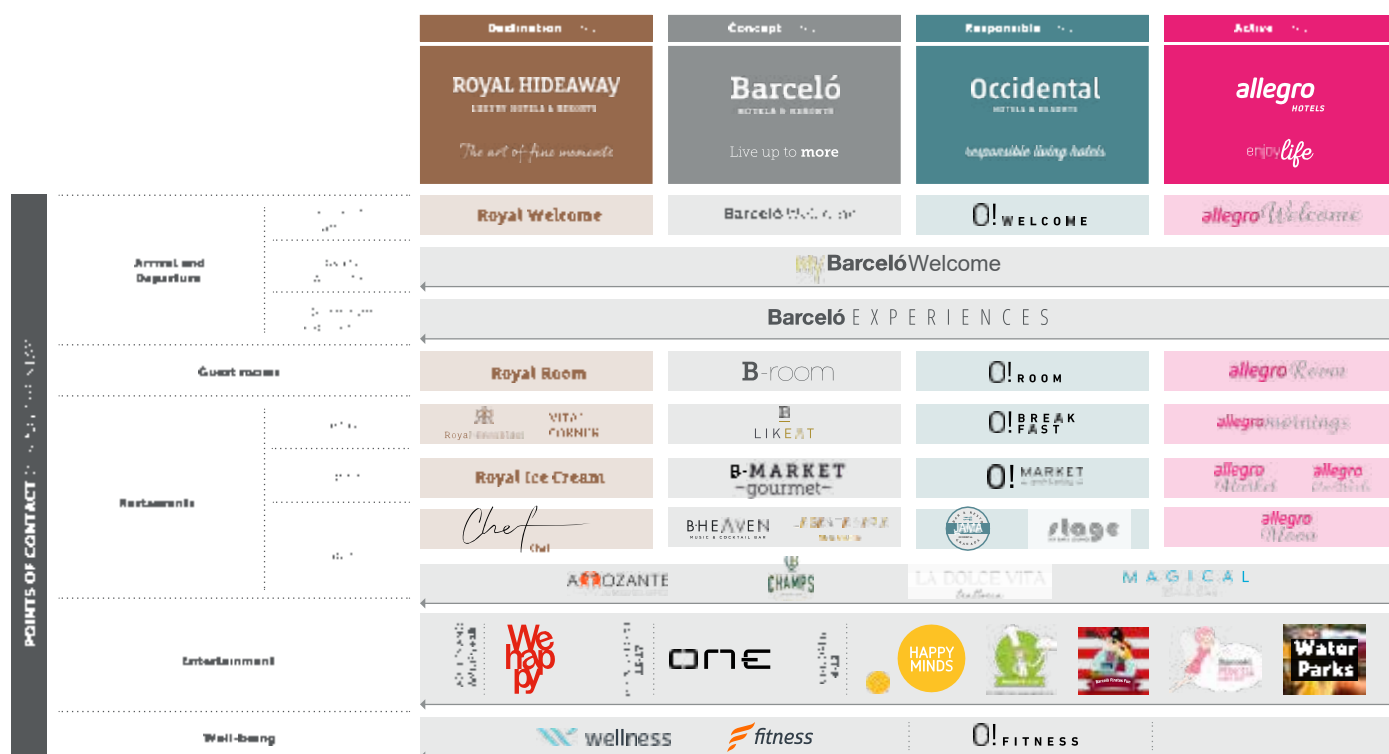
Ser Barceló, a platform for guaranteeing values and standards in operations.

Ser Barceló is the Group's management platform for its hotels and teams that ensures all the brand attributes are implemented and presented accordingly, and that the values and standards are translated into every department's operations to guarantee excellence in how products and



An employee using the Ser Barceló platform

Proprietary concepts by brand



4.3 THE CUSTOMER EXPERIENCE

On its 90th anniversary, the Barceló Hotel Group has reaffirmed its role as the most pleasant hotel group, offering valuable content through its reputation as the World's Leading Hotel Management Company.



2,915

press appearances



+6 billion

people reached



Occidental at Xcaret Destination

CX strategy: Listening, identifying and exceeding expectations.

services are delivered. This platform houses the company's expertise and experience.

4.3.1 ACTIVE LISTENING WITH CUSTOMERS

The starting point of our Customer Experience strategy is **to actively listen to customers** in order to identify their needs and the degree to which we have exceeded their expectations.

For this purpose, the Barceló Hotel Group has used its social channels to survey approximately 20,000 people from 80 countries with the aim of understanding industry trends for 2022.

One of the main conclusions reached by this internal study carried out in late 2021 is that 'conscious travel' is the leading travel trend for 2022. It is more holistic and respectful, and allows travellers to discover a destination and its surroundings actively and consciously. There is a sustainable tourism trend in which guests give higher ratings to hotels with measures to minimise the impact on the environment and the local culture. In fact, 27% of customers would be willing to pay more since this is a very important aspect for them when choosing a hotel.

According to survey participants, some of the most important factors when choosing a socially-conscious hotel include support of local products by serving organic and healthy foods (42%), the choice of construction materials used to build the hotel and awareness of the natural habitat (27%), and controlled energy consumption (18%).

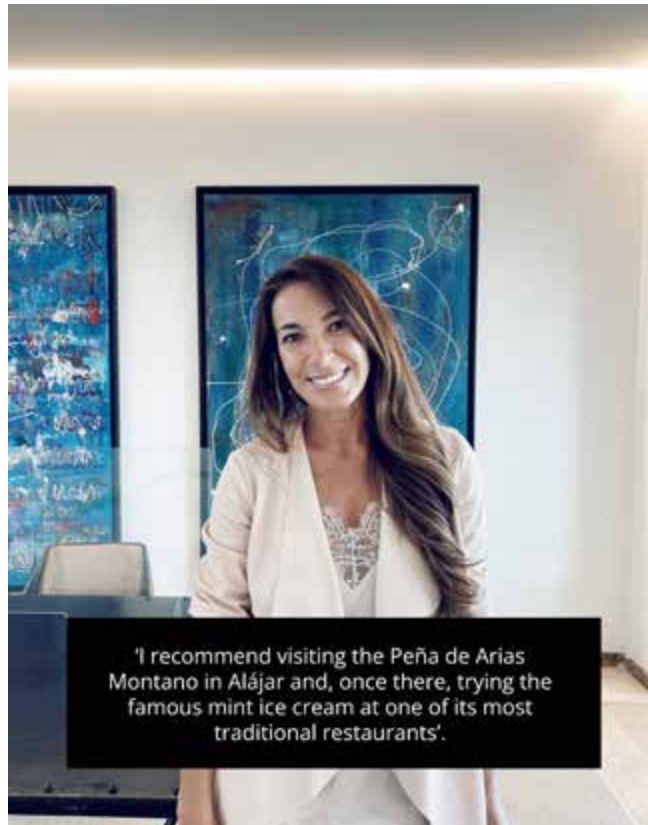
In addition to the importance given to the location, 24% of survey participants believe that a hotel should offer personalised experiences for all age groups so the entire family can enjoy their holiday and stay at the hotel.

Social media is one of the primary two-way communication channels with customers. The Barceló Hotel Group has **nearly five million followers** worldwide, making it one of the Spanish hotel chains with the largest community on social media, particularly Facebook, Instagram and YouTube. Its brand-lovers community created 2.6 million interactions, which translated into 714 million impacts and over 1 million visits to barcelo.com. This is in addition to the nearly 1.5 million followers on Ávoris' social media, primarily Facebook, Instagram and Twitter.

Throughout 2022, we have also worked on building closer relationships with customers. Our employees are hosts who give recommendations to guests on how they can make the most of the destination.



Nearly 5 million followers on social media.



Another example is **The Maître's Gambit** project at Royal Hideaway Sancti Petri. This experience invites guests to play



The Maître's Gambit' at Royal Hideaway Sancti Petri

simultaneous #chess games with the hotel's maître once a week.

4.3.2 MEASURING THE EXPERIENCE

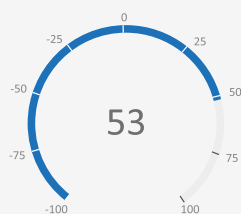
A key aspect in continuously improving the experiences of our customers is to measure their experience in any interaction with Barceló throughout the customer journey.

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

A) Key indicators

NPS +4.3 percentage points over 2019
+65% of customers recommend us

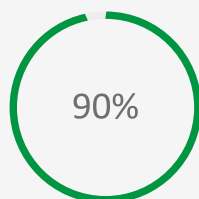
Net Promoter Score (NPS)



Index that measures customer loyalty based on the likelihood that they will recommend us to friends and family.

35% of hotels with a **GRI >90%**
63% of hotels with a **GRI >average of their competitors**

Global Review Index (GRI)



Index that we use to measure online reputation based on comments from +170 review sites.

Top 10 Hoteles en GRI

Barceló Maya Riviera	96%
Royal Hideaway Corales Suites	96%
Barceló Maya Palace	95%
La Bobadilla, a Royal Hideaway	95%
Barceló Budapest	94%
Royal Hideaway Corales Beach	94%
Barceló Ixtapa	94%
Barceló Tambor	94%
Barceló Maya Tropical	94%
Barceló San Salvador	93%

The Barceló Group has **channels for remaining in constant communication with customers**, who can use them to share any incidents, suggestions or feedback. When a customer notifies us in writing of a disagreement with any of our services, a case file is opened and a specialised

team analyses every case, and the customer always receives a reply from us. This year, due to the restrictions in many countries, we have continued to receive many messages from customers, primarily because they are unable to travel and to request the application of our flexible change and cancellation policy.

In 2021, the Barceló Hotel Group received 3,319 customer contacts⁴ (0.03% of the total number of stays), and 98% were already resolved by the date this report was prepared.

In the last two years, the Hotel Division has worked on implementing a CRM system equipped with Salesforce technology, enabling us to better manage all of the incidents received via our website and call centre. As a result, we have improved how issues are tracked as well as internal and customer communication, thereby making it possible to define specific action plans to address the causes of these incidents.

In the case of Ávoris Corporación Empresarial, there were 4,548 customer contacts⁵ in 2021, and 83% have been resolved. Unresolved matters are linked to airline companies, which usually take significantly longer.

⁴ Contacts received via the form available on our website www.barcelo.com, including information requests, changes to bookings, questions about the loyalty programme, complaints and suggestions.

⁵ The airline Iberorjet has a contact form on its website www.iberorjet.com for requests and complaints. Retail travel agencies submit questions, suggestions or complaints to the Ávoris corporate department, where they are managed using the internal management system. In the case of wholesale travel agencies, this information is submitted via the website of wholesale travel agencies.

b) Customer recognition

115 Barceló hotels received 2021 Traveller Review Awards from Booking, which rewards the top-rated hotels according to customers throughout the world.

107 Barceló Hotel Group establishments received the 2021 Travellers' Choice award from TripAdvisor, which certifies them as the best-rated according to reviews from millions of travellers throughout the world, verifying our continued commitment to excellence in hospitality.

85 Barceló hotels received the Loved by Guests award from the hotels.com reservations platform. This honour showcases the establishments that offer exceptional service.

4.4 MY BARCELÓ, OUR MOST LOYAL CUSTOMERS

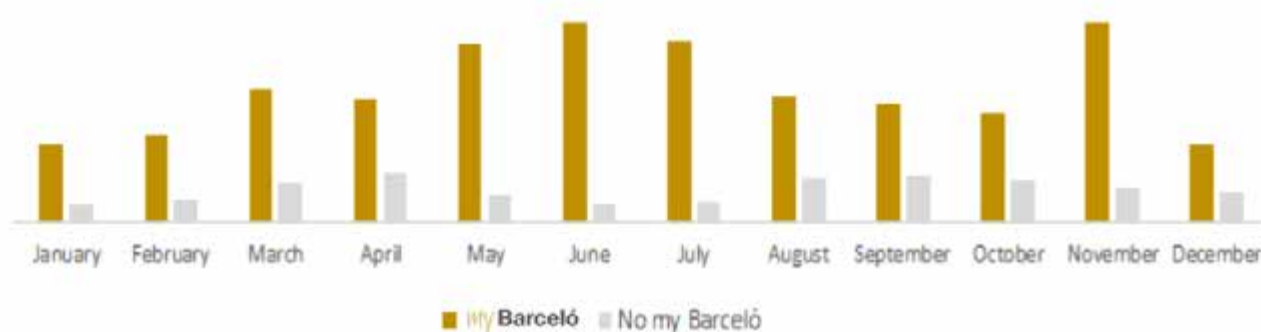
my Barceló has **more than 3.7 million members**. Across three levels (my Barceló, my Barceló Intense and my Barceló Unique), the Barceló programme recognises and rewards customer loyalty in every stay, with perks such as booking discounts (according to level), campaign notifications earlier in advance, priority check-in and check-out, welcome gifts and courtesy water in guest rooms, and discounts on hotel services.

my Barceló Unique customers are happier, have a better experience at our hotels and recommend us more to friends and family (NPS 61.8 points above the customer average).

81% of 2021 revenue from direct channels was from members of the my Barceló loyalty programme.



my Barceló customer at Barceló Portinatx



my barceló customer revenue from direct channels.

4.5 BETTERNESS, IMPROVING THE HEALTH OF OUR GUESTS

The Barceló Hotel Group seeks to help customers live better through our wellness philosophy. Betterness is our company-wide wellness culture, in which the hotel is a source of transformation.

We innovate to create hotels that not only offer great stays, but that also go above and beyond to offer transformative experiences. The idea is for our guests to discover and bring to life the best version of themselves. Revealing new values, attitudes, habits, options and healthy alternatives that will form part of their everyday life as of then.

This corporate culture is present throughout our establishments, from guest rooms, where rest and relaxation have been meticulously designed, to dining and experiences at the hotel.

Betterness: we sell more than just accommodation, we also sell well-being.

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



O!Fitness Room at Occidental Castellana Norte

Vital Corner at Barceló Montecastillo, where a nutritionist advises guests, based on their pathologies (cholesterol, digestive issues, high blood pressure, etc.) or physical condition, on what foods they should eat or makes a delicious smoothie with them.



Vital Corner at Barceló Montecastillo

The former Occidental Lanzarote Playa has been renovated and is now Barceló Lanzarote Active Resort, an **'active resort'** that combines sports, fun and food. It has been designed to create a balance between a holiday hotel and a place for active leisure and sports. Once the renovation is complete, Barceló Lanzarote Active Resort will have 808 rooms and a wide array of exercise alternatives:

Olympic-size pool, hyperbaric chambers, sports rooms, physiotherapy service, personal trainer, CrossFit training space and more.

The Barceló entertainment programmes are proof of our commitment to happiness as a key driver of how we approach the customer experience.

Happy Minds is our pioneer children's entertainment concept inspired by Howard Gardner's Theory of Multiple Intelligences. It is unlike traditional children's entertainment alternatives. The ground-breaking concept is made up of various themes and workshops that foster fun and learning through knowledge, aimed at developing creativity in kids and boosting their intelligence.

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

Committed to entertainment with Happy Minds & WeHappy.



WeHappy programme ONE concept

We Care About You, our safety and hygiene programme.

In 2021, as the pandemic's situation evolved and restrictions throughout the region and country were eased, we continuously modified the **We Care About You** safety and hygiene programme that we designed and implemented in 2020.

Advised by our external health and hygiene consultants, throughout the year we defined which measures should be kept in place to continue guaranteeing the safety and health of our guests, employees and partners, and which ones were required to strictly comply with the applicable regulations of each region.

In 2021, there were more than 215 audits to verify compliance with the We Care About You programme at hotels, and the average score for these audits was 94.

To guarantee food hygiene and safety, all of our hotels follow preparation procedures and services that are aligned with international regulations on hazard analysis and critical control points (HACCP), with periodic audits to verify and guarantee compliance with these guidelines. These controls are extremely important, and it is essential for hotels to be properly trained in their implementation. In 2021, there were 564 external audits to assess compliance with the defined HACCP procedures. Additionally, the variable remuneration for hotel employees is tied to obtaining a minimum score in these audits.

Also, our airline company's catering service is outsourced to an entity that complies with the applicable legislation.

All of our hotels have specific cleaning and preventive maintenance programmes to guarantee that facilities are kept in perfect condition (e.g., heating and air conditioning, low and high voltage, lifts, kitchens, etc.). Tracking these programmes and their compliance is done through the B-Ecology programme (see section 6) and through the internal and external audits within the Ser Barceló system.



Iberojet Takes Care of You. Programme for maximum safety and peace of mind.

Iberojet has also continued to offer customers maximum safety and peace of mind throughout their trip.

Before their flight, passengers can cancel their tickets up to 24 hours before departure if they have tested positive for COVID-19 and they are allowed 1 free change per passenger and Iberojet flight that departs before 22/10/2022. The date can be changed without penalty or simply by paying the price difference if the original rate is no longer available.

At the airport, the Iberojet team ensures compliance with safety measures, such as the use of masks and physical distancing, and supervises the boarding procedure (remote or at the gate).

There are a series of measures during the flight to guarantee it is as pleasant and safe as possible, such as handing out protection kits (mask and disinfectant wipe) to passengers during boarding, establishing credit card payments, and removing menus and magazines from seat pockets. Additionally, the air on board is recycled every two to three minutes, eliminating 99.99% of viruses and bacteria in the recirculated air through HEPA filters.

After the flight, passengers are required to go through the health controls established by authorities and follow the preventive measures upon arriving at their destination.

Aircraft are completely disinfected, including the cabin (passenger cabin, cockpit, lavatories and crew rest area) and the cargo hold.

Some of the most important digital transformation projects we are working on include:



Continued commitment to digitalisation.

4.6 DIGITAL TRANSFORMATION AT BARCELÓ

The Barceló Group continues to implement its digitalisation strategy aimed at improving the customer experience, optimising operations, and improving decision making thanks to advances in data and knowledge about customers.

Map of Barceló's tech stack:



Improving the customer experience through digitalisation

Some of the most important digital transformation projects we are working on include:

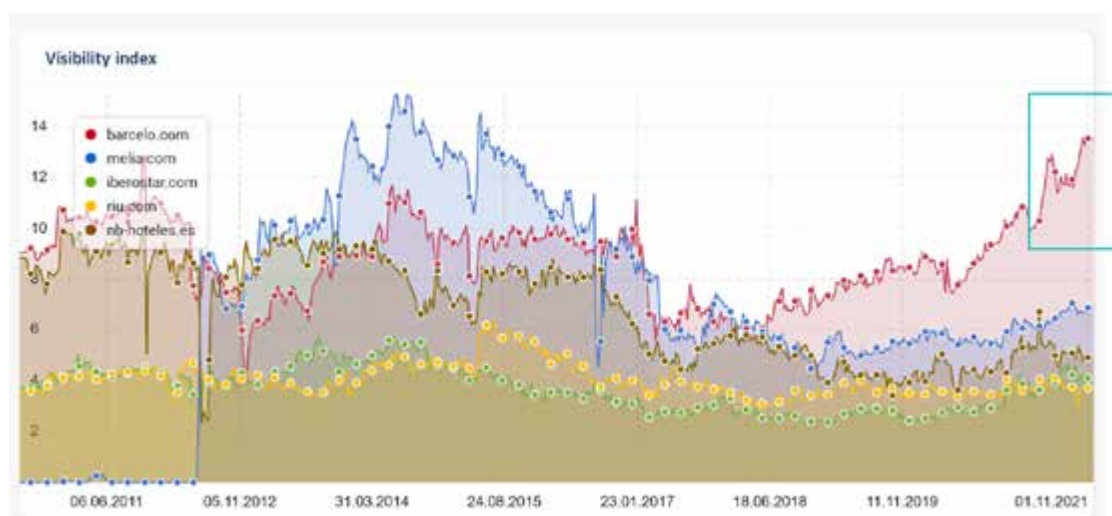
- This year, we have continued to make great strides in our data mining process using our CRM (Customer Relationship Management) tool. Several of our hotels have installed Salesforce Service Cloud with the name Bea (Barceló experience assistant), giving the tool human qualities so it feels like a member of the team. Bea allows us to provide customers with more knowledge and personalise their experience for greater satisfaction. Bea will be installed at all of our hotels in 2022, giving our teams the necessary customer knowledge and leading technology to optimise how we manage customer relationships.
- We have continued making progress on the new website launched in 2020 by introducing improvements to loading times, the web conversion and contact centres, as well as the platform's scalability and automation. Thanks to these technical improvements and the optimisation of multi-language content, Barcelo.com is the website with the best SEO visibility out of the leading Spanish hotel chains.



Guest celebrating her birthday at Barceló Tegui Beach

MIGRATION TO NEW WEBSITE AND SABRE PLATFORM

Efficiency thanks to the technology in campaign activation channels



Barcelo.com is the hotel chain website with the **best SEO visibility**, and it continues to expand this difference in a sustained manner.

Note: By **constantly making technical improvements** to the Barcelo.com website and optimising its multi-language content, we have achieved **maximum levels of SEO visibility** for our keywords. Visibility data extracted from Sistrix.com, the SEO platform used by most e-commerce sites.



Barceló Fuerteventura Mar App

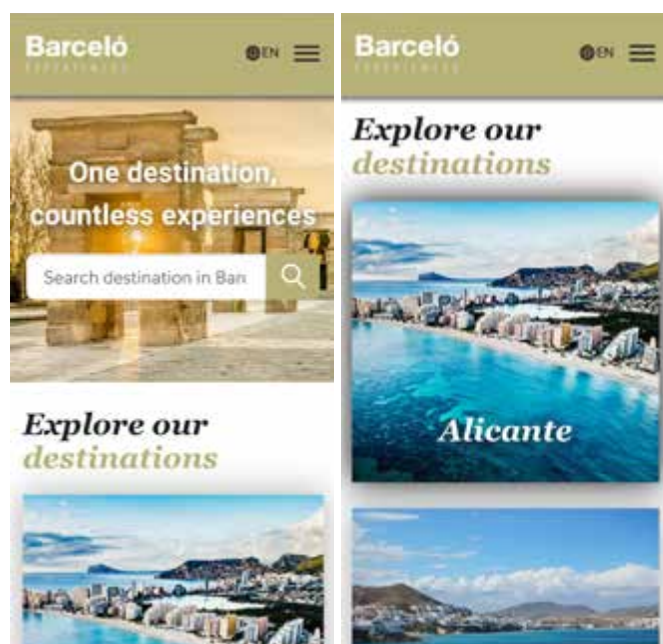
- **Barceló App**, the customer experience in the hotel, at their fingertips. Guests can check updated information about the hotel (facilities, services, entertainment, etc.) and the destination (Barceló Experiences) directly from their smartphone, wherever they are. The app is an interactive channel through which guests can communicate with hotel staff, make requests and book services conveniently. It also contains digital menus for our restaurants (available using QR codes) and capacity control for spaces such as restaurants and gyms.
- This past year, we have made progress on digitalising the check-in processes at our hotels. Guests can **check in online** before arriving at the hotel. The process is simpler than ever because data is automatically captured using a guest's smartphone camera and their digital signature. Upon arriving at the hotel, they simply go to the priority counter to complete their check-in quickly and without waiting. Thanks to this technological development, the traditional check-in process is shortened to a few seconds. By implementing this initiative, we estimate that we can reduce paper consumption by 3.2 million sheets each year (by eliminating the customer arrival reports currently used).

- **Digital keys** are another step towards digitalising our hotels. With this feature, guests can enter their room and even the hotel's common areas using their smartphone. In addition to improving the customer experience, it also reduces the consumption of plastic cards.
- **Barceló Experiences** is the Barceló Hotel Group's solution for offering guests planned activities, itineraries and experiences at the destination, according to their preferences.

In 2021, we successfully digitalised experiences using our new CRS (central reservation system) for selling experiences at the destination via our www.barceloexperiences.com website.

We have completed 29 destinations to date, and we plan to include many others in 2022 to become the perfect host at all the destinations where we operate.

- **+2,600,000 Users**
- **29 Destinations**
- **134 Itineraries**
- **1,959 Activities**
- **520 Experiences for sale**



In 2021, we launched our **new digital contact centre**, designed to maximise revenue and shorten response times to improve the customer experience. The main pillars of this new technology are:

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

AI.NET

Machine learning technology to offer the best available rate, maximising production and profitability.

We are using **artificial intelligence** and machine learning in various projects aimed at improving the personalisation and optimisation of services and process, sales and the customer experience. The integration and combined use of all the solutions we are currently developing have put us at the forefront of customer data management and personalisation. This allows us to reach every customer with an offer tailored to their needs, just at the right moment.

Along this line, we have developed **AI.NET: Barceló Revenue Management System**, a set of revenue management tools that use artificial intelligence and Barceló's expertise to increase RevPAR by identifying optimal sales prices based on an elasticity study regarding the forecasted demand and hotel occupancy.

As part of our quest for efficient and optimised processes, in 2019 we launched the **digital refurbishment platform Project Design**. With a clear focus on co-creation, this world-class pioneering tool puts the customer at the centre and touches four key dimensions: revenue, thanks to quantitative feedback from customers; costs, since

the process is shortened from four months to six weeks; enhanced customer experience; and customer knowledge.

In 2021, we launched the **Digital transformation applied to the travel industry** course at Ávoris to provide the entire Ávoris workforce with an immersion course on digital transformation.



Customer at Barceló Bávaro Palace

5. Barceló Responsible

Barceló's Corporate Responsibility strategy



The uncertainty created by the pandemic has also allowed us to reconsider everything that goes against equitable growth, a united society and protecting the environment. Essential principles with which to guarantee today's needs without compromising the future, and that serve as the foundation for sustainability.

Barceló is very familiar with this approach because throughout its 90-year history, it has always viewed this as the best way to guarantee sustainable growth, and there are countless examples that prove this. For this reason, 'Responsibility' has always been a fundamental part of our business and values, and it appears as the letter 'R' in the word 'FRESH' that defines us as a group and that summarises the values which shape who we are and how we work: Flexibility, Responsibility, Excellent Service and Hospitality. Their sum is present in all of our brands, although each one spearheads a different value.

5.1 GLOBAL CORPORATE SOCIAL RESPONSIBILITY STRATEGY

The purpose of Barceló Responsible:

'To participate exclusively in the most sustainable and responsible tourism, maximising our positive impact on society, helping to develop the local economy, and protecting the environment, all by being economically sustainable and ethically responsible'
Every small detail matters, so let's build a better world together.



A customer doing yoga at Barceló Portinatx

Our global sustainability strategy, which we refer to as Barceló Responsible, promotes measures that bolster our commitments where we operate. This, unlike more centralised strategies, applies to all the regions where we are present and takes into consideration the specific aspects of the local culture at more than 20 destinations and over 270 hotels. We are backed by the ideas and actions of everyone who works in the company, a large army that operates locally to safeguard the present and guarantee the future. There is also a Responsibility Ambassador at every hotel. In addition to their duties and role, this team member voluntarily takes on the extra commitment of monitoring and promoting new initiatives. They are the flag bearer of sustainability in the hotel's day-to-day operations, and serve as an example for colleagues and guests.

To make the Barceló Responsible sustainability strategy a reality at all of our hotels, we have defined specific initiatives to be implemented at every hotel for each of the following lines of action:

- Sustainable design and construction.
- Efficient use and consumption of energy and water.
- Use of more sustainable products.
- Waste management and recycling.
- Contribution to the local economy and society, showcasing the heritage and surroundings.
- Employee training and awareness-raising.
- Awareness-raising and securing the cooperation of customers.

Barceló Responsible, a company-wide strategic pillar and Barceló's commitment to responsible and sustainable tourism.

In summary, our strategy begins with the commitment of senior management (it was formally approved by the Board of Directors in 2021) and trickles down to everyone who forms part of Barceló. It is vertically reinforced by everyone's expertise and stretches out across the company, reaching all of our brands, hotels and headquarters.

We talk about the future whilst living in the present, and we take care of today in the hope of building a better tomorrow. We are mindful. We are sustainable. We are responsible. We are the beginning of the change. We are all Barceló Responsible.






Our Barceló Responsible strategy is aligned with the United Nations Sustainable Development Goals (SDGs), adopted in the 2030 Agenda for Sustainable Development and that serve as our guide for defining long-term value creation. When we think of tourism and its vast reach, as well as all the industries it affects, it is clear that our operations can directly or indirectly contribute to many of those SDGs. However, Barceló is focused on the following:



Barceló Responsible strategy.



Barceló Responsible project with the organic garden initiative

Pillar of the strategy Barceló Responsive	SDG	Main Projects/Initiatives	2021 Contribution
SUPPORTING JOB PLACEMENT	   	<ul style="list-style-type: none"> Economic sustainability - Team training - Internship programmes - Ser Barceló - Hiring underprivileged groups at risk of social exclusion - Barceló Campus, e-learning training platform - Working with the Integra Foundation - Partnerships with special employment centres 	<ul style="list-style-type: none"> +3,500 training activities +19,000 participants +283,000 hours of training €384.9 million in pay and salaries 173 average number of employees with disabilities 218 jobs for underprivileged groups at risk of social exclusion through the Integra Foundation €7.9 million in contracts with special employment centres
HELPING TO PROTECT THE ENVIRONMENT	    	<ul style="list-style-type: none"> Sustainable design and construction - Energy efficiency projects - Hotel initiatives - New standards for amenities - New standard for changing sheets at the guest's request 	<ul style="list-style-type: none"> €6.8 million invested in protecting and improving the environment 45 hotels with renewable energy All hotels in Spain use green energy 86% hotels with LED 1,525 t of CO₂ offset 162 electric vehicle charging points at 47 of our hotels 6,500 hours of environmental training First Iberojet flight with biofuel 30 certified hotels
PROMOTING WELL-BEING		<ul style="list-style-type: none"> Betterness - Healthy breakfast alternatives - O!Fitness - We Care About You - Facilities cleaned and disinfected 	<ul style="list-style-type: none"> +40 different experiences with the Betterness philosophy 94 average score for We Care About You audits
IMPROVING THE HUMAN, ECONOMIC AND SOCIAL DEVELOPMENT OF UNDERPRIVILEGED PEOPLE	     	<ul style="list-style-type: none"> Barceló Foundation - Barceló Experiences - Initiatives with associations and organisations - Donations - Corporate volunteering 	<ul style="list-style-type: none"> 105 projects completed Initiatives in 16 countries €1.3 million invested in projects +277,000 people reached 9 t of food donated 520 experiences for sale through Barceló Experiences, with local partners

Four strategic pillars aligned with Sustainable Development Goals.

This year, to expand our commitment to the industry's sustainability, and in line with SDG 17 on partnerships for the goals, we have actively participated with several associations and institutions to boost projects that make it possible to make progress on shared objectives with a positive impact on tourism.

We have teamed up with other hotel chains, the World Travel & Tourism Council and the Sustainable Hospitality Alliance to work on a pioneering initiative to create a shared definition of sustainability hospitality criteria to promote responsible travel and tourism. The **Basic Sustainability Framework** we are working on, slated to be launched in 2022, aims to offer a common starting point for hotel sustainability that is within reach of all the players involved in the hospitality industry throughout the world, has a positive impact on the planet and people, and sparks change by stimulating the demand for responsible travel.

We are also actively involved in the **Re Think Tourism Association**, which identifies, promotes, applies and funds innovative initiatives that seek to improve the sustainability and competitiveness of the hotel industry.

Additionally, as mentioned earlier in section 2.6.2, the Barceló Hotel Group has been a signatory to the United Nations Global Compact since 2002.



Allegro Isora

5.2 COMMUNICATION AND DIALOGUE WITH STAKEHOLDERS

Barceló believes in **active listening and dialogue with key stakeholders** in order to identify their needs and requests, address them through continuous improvement, and join forces towards common goals.

We define stakeholders as all the people and groups who are in any way impacted by Barceló's operations (employees, customers, owners, suppliers, governments, industry companies, the media and society as a whole).



Occidental Papagayo

The primary channels for dialogue with stakeholders are listed below:

Stakeholders	Channel for dialogue	2021 Impact
All	<ul style="list-style-type: none"> - Group website: www.barcelogrupo.com - Annual report - www.barcelo.com website 	<ul style="list-style-type: none"> • 177,642 users • 229,229 sessions • 20 million unique visitors • +1.2 million reservations • 3,981,830 (BHG) / 756,687 (Ávoris) • 987,984 (BHG) / 338,548 (Ávoris) • 1,851,761 reach • 1,086,900 reach • 7,077,625 reproductions
Employees	<ul style="list-style-type: none"> - B inside mail (internal communication email) - B inside app (internal communication app) - B news (monthly newsletter) - Employee portal - BPeople - HR query channel - B Opinion - Ser Barceló platform 	<ul style="list-style-type: none"> • 101 messages sent • 33% average read rate • +40% of employees in Spain are registered • 146 news items shared • 67 hotel groups created • 393 news items • 13 editions • 37% average read rate • 134,982 logins by 4,205 employees • 113,641 logins by 6,790 employees • 9,692 tickets • 65% participation • 388 improvement actions defined • +2,200 logins per year • 2,290 standards
Clients (B2B, B2C)	<ul style="list-style-type: none"> - Satisfaction survey - Customer reviews on consumer-opinion websites - Newsletters and messages to customers - Advertising initiatives - Barceló Hotel Group app - Meetings/events with tour operators 	<ul style="list-style-type: none"> • 127,749 (BHG) • 4,860 (Ávoris) • 239,571 (Barceló Hotel Group) • 49 million emails sent to customers • 50 campaigns • 6,990,546 (Ávoris) • 204,000 downloads • 209,000 requests via the app • Ongoing contact, based on needs
Hotel owners	<ul style="list-style-type: none"> - Management - Direct communication: periodic events/meetings - Personalised reports on business progress 	<ul style="list-style-type: none"> • +44,000 rooms owned by third parties • +80 different owners • Ongoing contact, based on needs • First Barceló summit with the biggest owner of our hotels; HIP • Ongoing contact, based on needs
Suppliers	<ul style="list-style-type: none"> - Direct communication in meetings - Ávoris portal: Ávoristravel.bravosolution.com - B-Stores 	<ul style="list-style-type: none"> • Ongoing contact, based on needs • 265 approved suppliers • +700 active mobile devices • 84 hotels • 7 countries • +73,000 recorded goods deliveries • +7,500 inventory controls
Public Administration	<ul style="list-style-type: none"> - Industry associations - Institutional relations 	<ul style="list-style-type: none"> • Ongoing contact, based on needs
Industry companies	<ul style="list-style-type: none"> - Industry meetings - Work tables - End-to-end projects - Industry forums and events - Meetings 	<ul style="list-style-type: none"> • Ongoing contact, based on needs
Media	<ul style="list-style-type: none"> - Barceló Brandcenter - External communications department - Ávoris communications department 	<ul style="list-style-type: none"> • 7,269 total users • 111,732 downloads • 3 press conferences • 140 press releases • 27 interviews • 15 media collaborations • 18 press tours • 2,915 press appearances • +6 billion people reached • 39 press releases • 19 interviews • 11 media collaborations • 321 internal communications • 2 famtrips involving the press
Local communities / Society	<ul style="list-style-type: none"> - Planning and participating in forums, meetings, conferences, events, etc. - Periodic meetings and events - Volunteering initiatives 	<ul style="list-style-type: none"> • Ongoing contact, based on needs • Actions carried out by Barceló Group employees

6. Environmental management



Barceló Group has a firm commitment to contribute to the preservation of the environment by taking care to foresee and mitigate any environmental impact, and by encouraging environmental awareness in order to contribute, collectively, to sustainable development.

Ten years ago, these premises marked the launch of B-Ecology, the umbrella brand that covers all the initiatives implemented at our hotels to protect the environment, promote the responsible use of resources and avoid impacting the surroundings. B-Ecology is made up of the following pillars:

+ €6.8 million invested in resources for the prevention of environmental risks.



1) Environmental criteria

We based Barceló's environmental strategy on the **most important environmental risks**, which in 2021, were primarily linked to climate change (see section 6.6), the scarcity and price of resources, and protecting biodiversity and ecosystems. Noise pollution and light pollution have been identified as lesser risks.

Based on the analysis of environmental risks and impacts, we are designing plans to drive forward initiatives to mitigate environmental risks and to maximise efficiency in various key areas of our business.

As far as the **resources for preventing environmental risks**, it is estimated that in 2021, more than €6.8 million were allocated to protecting and improving the environment (certifications, waste management, consumption monitoring tools, audits, etc.). In addition, hotels made approximately €27.7 million in **active investments** in 2021.

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



Barceló Nura

Environmental and sustainability certifications

Certification	2021
 Travelife	3
 GreenGlobe	16
 ISO 14001	4
 Breeam	5
 Sustainable Tourism Certificate (Costa Rica)	2

In total, 30 hotels hold some kind of environmental certification.

Two hotels became Breeam certified in 2021. Throughout 2022, we will work on developing our renowned certification endorsed by the Global Sustainable Tourism Council.

The following business units within the Ávoris Corporación Empresarial have a **certified environmental and quality management system** that complies with the ISO 14001 and ISO 9001 international standards:

- BCD Travel
- Globalia
- Halcon Viajes
- Iberojet
- Viajes 2000
- Iberobus

One of the priorities for 2022 in the Ávoris comprehensive ecological transition plan is to work on implementing a certified environmental management system in all the lines of business that currently do not have one. Additionally, the Ávoris offices located in Madrid's Millenium building are Breeam certified.

Iberojet has been a member of the **International Air Transport Association (IATA)** since 2017, and in 2018 it **renewed the IOSA certification** (IATA Operational Safety Audit) granted by IATA and valid through January 2022 (the renewal is in progress). The scope of this certification

encompasses the supply of the Ávoris airline's commercial air transport service carrying passengers and goods, and demonstrates its firm commitment to improving competitiveness and efficiency in the provision of services.



Barceló Bávaro Palace



Barceló Oviedo Cervantes

2) Design and implementation

At Barceló, we have a wide range of expertise in technology, development and operations in specific programmes; this has equipped us to provide solutions in matters of efficiency and sustainability in refurbishments and in the opening of new hotels. That is why we have the capacity to design energy-saving solutions adapted to the needs of each hotel, thus enabling the development of greenfield projects in a way that increases the energy efficiency of our operations over the long term.

Re Think Hotel Awards

Santa Catalina, a Royal Hideaway Hotel, and Barceló Castillo Beach Resort have been included in the list of the top 10 best hospitality sustainability and refurbishment projects at the 7th edition of the Re Think Hotel Awards organised by the Hábitat Futura Group.



Santa Catalina, a Royal Hideaway Hotel

Barceló Conil Playa, an example of coastal landscape integration and energy efficiency

Barceló Conil Playa was added to our hotel portfolio in May 2021. Two main goals were taken into consideration when building this hotel: fully integrating the edification with the coastal landscape along Conil de la Frontera, and ensuring an energy efficiency rating of A. Some of the energy savings measures implemented are:

- The building's shape acts as a passive sustainable measure by having it face west to protect against the strong Levante easterly wind.
- The overall design and the direction in which the rooms face favour the use of direct sunlight.
- The green roofs not only improve the visual impact, but also make it possible to reuse rainwater drainage and optimise acoustic and thermal insulation.
- The façades and sides are equipped with air chambers and sufficient isolation to prevent the maximum loss of interior temperatures.
- The west-facing windows have been treated with argon gas and a solar correction factor to improve thermal comfort, and the south-facing terrace pergolas keep sunlight from reaching the room interiors and protect the façade from excessive sun exposure.
- All the lighting features LED technology that adjusts automatically to the natural outdoor light, with motion sensors in the hallways and areas with little transit.
- The water is controlled using a recirculation circuit for hot water, frequency adjusters, thermostatic taps with an automatic on/off system, urinals with flow metres and toilets with dual-flush cisterns. The circularity goal is attained by reusing grey water through a system that filters and cleans drain water from washbasins, tubs and showers, and then reuses it for toilets.
- The hot water is obtained using renewable aerothermal technology through a Q-ton machine, the air conditioning is handled by a three-pipe VRV system with heat recovery (maximum energy efficiency in this type of technology), which allows guests to set their optimal level of comfort by choosing the desired temperature for their room.
- As far as the landscaping, local plant species that require little water have been used to create an atmosphere that fits the coastal location and is aligned with the biodiversity of the natural habitat at the Fuente del Gallo coves.



Barceló Conill Playa



Project Design Hub platform

In the case of newly built hotels or the renovation of existing establishments, Barceló has defined 14 projects that encompass all the **construction and facility standards by brand**. All of this knowledge is stored in a digital platform.

New Ávoris Corporación Empresarial headquarters focused on efficiency

During the first half of 2022, the Ávoris Corporación Empresarial team will open its new headquarters in a building that has been designed to be as efficient as possible in terms of resource usage by using the most innovative technology and installations. Some of the most important initiatives include the installation of:

- Photovoltaic panels along the entire rooftop, resulting in an estimated annual production of 270 kWp.
- Four electric vehicle chargers.
- LED lighting with a KNX control unit for dimming based on the level of outdoor light.
- Air conditioning system that uses heat recovery coolers and a digital control system throughout the facility.
- Air conditioning system that uses heat recovery coolers and a digital control system throughout the facility.
- XGPON communication system that reduces the amount of traditional UTP copper cabling by more than 50%.
- General use of motion sensors for lighting.
- Motorised blind system that is automatically activated according to the amount of outdoor sunlight to minimise the use of air conditioning inside the building.

3) Monitoring and control

Each hotel has an energy book (available in electronic format) that defines the building's energy specifications and preventive maintenance plans.

Anything that is not measured cannot be reduced, which is why our hotels have a tool that tracks consumption. This system allows us to continuously monitor the building, analyse trends and targets, evaluate the results according to data on the hotel's occupancy and operations, compare data from previous years, and more.

Energy Surveillance Commissions are held monthly at each hotel to evaluate compliance with the measures for energy savings and good practices implemented at the hotel.

4) Communication and aware-raising

Customer and employee awareness plays a key role in developing our environmental protection and conservation strategy.

As far as customers, all of our communication channels include Barceló Responsible concepts, the Group's sustainability strategy and specific environmental aspects such as changing sheets at the guest's request.

Standard change of sheets and towels

The standard for changing sheets and towels has been redefined to only be done when requested by the customer. This measure entails considerable savings in terms of water, electricity and chemical laundry products.

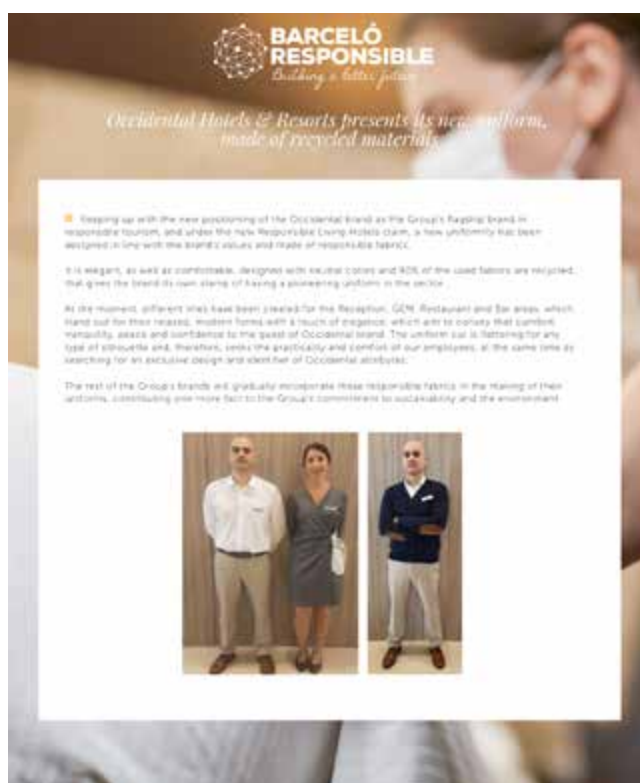
+6,500 hours of environmental training.

Regarding employees, who are essential since they are ambassadors of the Barceló Responsible strategy, they have operations manuals that indicate specific guidelines for managing environmental aspects.

In 2021, **more than 6,500 hours of training** were given on multiple environmental aspects, such as waste management, energy efficiency, etc.

Additionally, |B| Inside News is published monthly, with a specific section on Barceló Responsible and information on the latest announcements and recommendations for employees.

Barceló Responsible section in the monthly |B| Inside News.



|B| Inside News



6.1 ENERGY MANAGEMENT

Due to the growing issue of available resources and the rising cost of energy, energy consumption has become a key factor in hotel cost structures, particularly this year. For this reason, energy management has become a key competitive factor that must be faced, and with it the need to implement measures to encourage energy efficiency. Driving forward projects to encourage energy efficiency produces direct benefits such as minimising the environmental impact, reducing costs, and improving the efficiency of processes — and it makes it easier to adapt to the demands of major legislation.

We have an **exhaustive and rigorous system to monitor energy consumption levels** using an internal tool that tracks energy consumption at the hotels we operate (owned, leased and managed). Digital metres have also been installed at hotels to provide automated information in real-time as part of a key project aimed at improving knowledge of our energy footprint (approximately 44% of our hotels in EMEA have digital metres).

6.1.1 ENERGY EFFICIENCY MEASURES

a) Barceló Hotel Group

The main initiatives implemented in the hotel industry to improve energy efficiency were:

€1.7 million
invested in energy
efficiency.



45 hotels
with renewable energy

In the EMEA region, approximately **half of our rooms** are powered by **renewable energy**.
(thermosolar, geothermal, biomass, aerothermal)



100% green energy
is supplied to all hotels in Spain

- Over 110 million kWh, or nearly 8 times more than in 2020.

- Green energy is produced from renewable sources.



162 electric
vehicle
charging points at
47 hotels

- The plan for 2022 is to significantly increase the number of hotels that have this technology with semi-fast charging stations that can bring an electric vehicle's battery up to 80% of its capacity in around 90 minutes.

- Since this 22-kW equipment is universal, it can be used by all vehicle brands. It also has a dual-socket setup, which means that two vehicles can be plugged in simultaneously.



Improvements in terms of
thermal efficiency and lower
energy consumption at 22 hotels

- Timers and automation measures to turn on air conditioning.
- Replacing fuel such as diesel or propane with natural gas.
- Optimising cooling towers and air conditioning systems, or installing more efficient equipment.
- Improvements to pipe insulation in order to reduce heat loss.



Training and
awareness
campaigns

Awareness campaigns with hotel teams.



Initiatives
for more
efficient
lighting

- LED lights in nearly 86% of the hotels.

- Installation of motion sensors, timers and automation measures in rooms as well as in common areas.

- Outdoor lighting for certain areas to guarantee employee and customer safety. Some systems control lighting with dusk sensors, a sunlight feature using efficient designs with a low impact in terms of energy and light pollution.

b) Ávoris Corporación Empresarial

In the travel division, the biggest energy consumer is the airline (it is estimated that fuel represents approximately 30% of an airline's costs). As a result, a **Manual on Energy Efficiency** was introduced in October 2021, containing initiatives with tremendous potential for fuel savings, such as dynamic water loads based on a preliminary statistical study or single-engine taxiing when conditions allow.

These measures were implemented on eight flights in 2021, resulting in an estimated 2.5% less fuel consumption per flight. Since the measures were put into place, it is estimated that there have been significant savings in the form of 38,565 kg of fuel and 127 t of CO₂. Additional initiatives will be implemented gradually throughout 2022.

First BIOJET biofuel flight

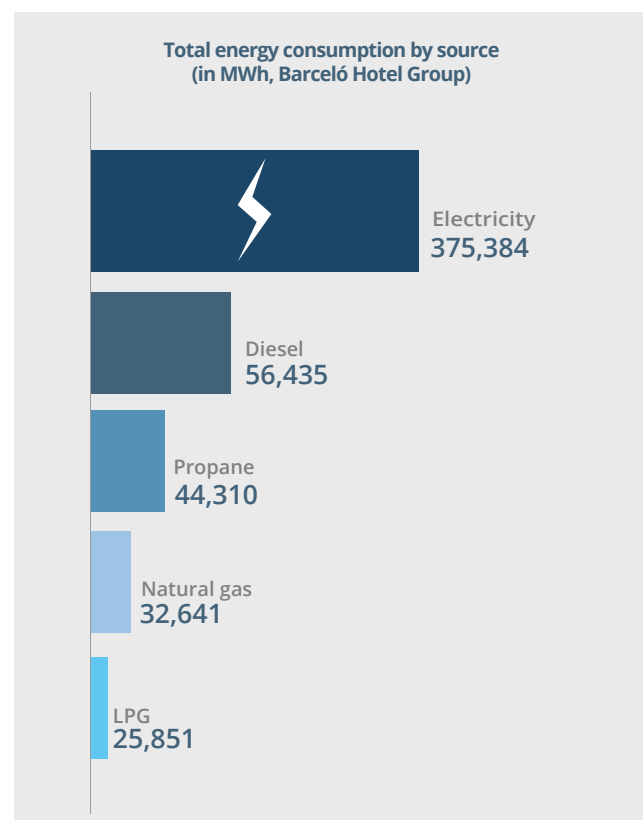
The first flight using BIOJET biofuel took place on 6 March 2021 between Madrid and Punta Cana (Dominican Republic). This fuel reduces the carbon footprint of flights. Its entire supply chain is certified, from the refinery to the aircraft's wing, by a renowned sustainability system (ISCC PLUS), thereby guaranteeing the fuel's tracking and sustainability.



+6,500 hours of environmental training.

6.1.2 ENERGY CONSUMPTION

b) Barceló Hotel Group



The energy intensity is 42.4 kWh/stay.

Regarding the aforementioned data, it is important to point out the following:

- This is the first year that we are reporting data on LPG (liquefied petroleum gas), which is primarily used by hotels in Mexico.
- Larger measurement perimeter (14 hotels).
- Stays fell by 36%.
- Hotel operations are adjusted according to occupancy. However, electricity and thermal energy are consumed in the common areas (lobby, restaurants, etc.), regardless of the number of guests.

The travel business uses primarily the following sources of energy:

- Aviation kerosene (Jet-A1) consumed by Iberojet flight operations. The amount of this fuel consumed is directly linked to the number of flights, the distance and the number of passengers carried. In 2021, 38,144 t of Jet-A1 fuel were consumed in total for all the flights operated by Iberojet, or the equivalent of 47,681 m³ and 457,259 MWh. Fuel consumption compared with 2020 has increased, although it is important to note that:
 - The number of flights has risen by 53% compared with 2020, and the kilometres travelled have nearly doubled since last year.
 - Although the number of passengers per flight increased between 2020 and 2021, the figures are still lower than before the pandemic.
- Diesel consumption for Iberobus buses. A total of 420,188 L of diesel were consumed in 2021, and the average consumption was 0.26 L/km.
- The primary source of energy consumption at the remaining Ávoris business operations is the electricity used in offices and travel agencies. The total consumption in 2021 was 8,726 MWh, representing a significant increment compared with the previous year due to the addition of 800 travel agencies, work sites and offices.



6.2 WATER AND WATER RESOURCE MANAGEMENT

Water is a scarce natural resource that plays a key role in our hotel operations. Water is used primarily for human consumption, landscape irrigation systems and pools. Just like in the case of energy, our system for tracking and managing consumption allows us to monitor water consumption at the hotels we operate (owned, leased and managed).

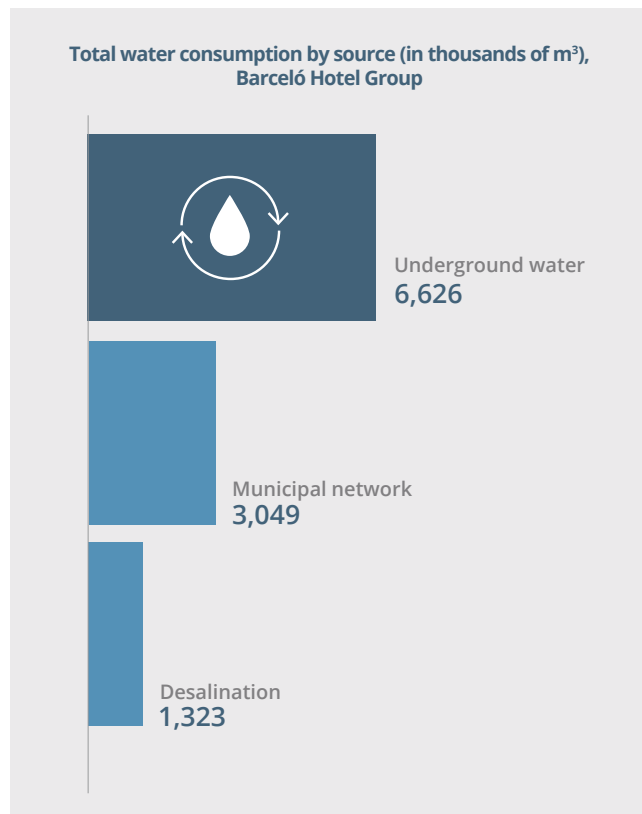
€2.9 million invested in efficient water management.

6.2.1 EFFICIENCY MEASURES FOR WATER MANAGEMENT

Barceló is firmly committed to promoting the responsible and efficient consumption of this resource, and implementing the actions needed to reduce the amount consumed. Some of the measures implemented are:



6.2.2 WATER CONSUMPTION



Note: Includes water consumption at Ávoris offices and travel agencies

The 2021 ratio was 0.87 m³/stay.

Regarding the aforementioned data, it is important to point out the following:

- Larger measurement perimeter (14 hotels)
- Stays fell by 36%

Water savings initiatives for responsible consumption.

6.2.3 WASTEWATER DISCHARGE

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

In any case, the management and treatment are done according to the applicable legislation in each region.

6.3 CONSUMPTION OF OTHER RESOURCES

One of our lines of action within the Barceló Responsible strategy is the ongoing search for more sustainable alternatives to the products used in our hotels.

6.3.1 PAPER CONSUMPTION PAPERLESS PROJECT

At Barceló Group (within the framework of our strategic initiative to achieve the digital transformation of the Company), we are committed to investing in technology that will enable us to gradually reduce our use of paper: **the Paperless project**.

Numerous initiatives have been carried out in recent years to promote more rational use of paper. Some of these were driven directly and others were accelerated, such as the overall implementation of remote work during part of the workday, due to the events that began in early 2020.

In 2021, the Barceló Group consumed 400,418 kg of paper.

In the hotel business, which is linked to technological innovation and with an impact on the entire customer journey, we have defined a series of initiatives aimed at improving and making the experience more convenient for customers (see section 4.6), all whilst reducing paper consumption. One of them was to evolve our **Barceló app as the main communication channel with our customers**. Thanks to this initiative, we have reduced the number of stationery items in our rooms from 28 to 3.

An example of opting for more sustainable products is this year's roll-out of **recycled paper napkins** instead of traditional ones made of white paper. As a result, we calculate to have prevented 8,400 adult trees from being cut in Spain.

Another project that has allowed us to reduce paper consumption is the integration of tour operators for the United States and Canada markets. This means that in 2021, we eliminated the paper consumption for the 168,050 reservations made through these channels (that in the past had used paper).

In 2022, we will continue carrying out additional initiatives such as removing paper from hotel operations and using digital signatures when customers check in to our hotels.

6.3.2 USE OF MORE SUSTAINABLE PRODUCTS

One of the key lines of action within our sustainability strategy, and that is analysed through a company-wide group that includes people from all operations departments, purchasing, sustainability, construction, standards and brands, is the **ongoing search for more sustainable alternatives** to the products and materials used in our hotels.

For example, this past year, in addition to replacing paper napkins with recycled paper napkins, as mentioned in the previous section, we have worked on:

- **Employee uniforms made of fabrics that contain fibres with recycled plastic.**
- **Sustainable cleaning products.** We have added approximately 30 items with the Ecolabel seal and FSC certified cardboard, leading to a 95% reduction in plastic compared with similar products and concentrated products, for almost 75% fewer CO₂ emissions during shipping.
- **We give priority to the use of cage-free eggs** to promote animal well-being. Of the eggs currently used at our hotels, approximately 20% are cage-free eggs and we are committed to progressively increasing this percentage.

In 2021, the level of waste generated per stay was approximately 2 kg/stay.

Regarding the aforementioned data, it is important to consider the following:

- Updated methodology used to estimate waste generation data
- Larger measurement perimeter (14 hotels)
- Stays fell by 36%



Occidental Vigo - Buffet with lamps made of recycled plastic

6.4 WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

6.4.1 WASTE GENERATED

The Barceló Hotel Group has implemented a **waste segregation at source system** in its hotels, making it easier to recycle and reuse them.

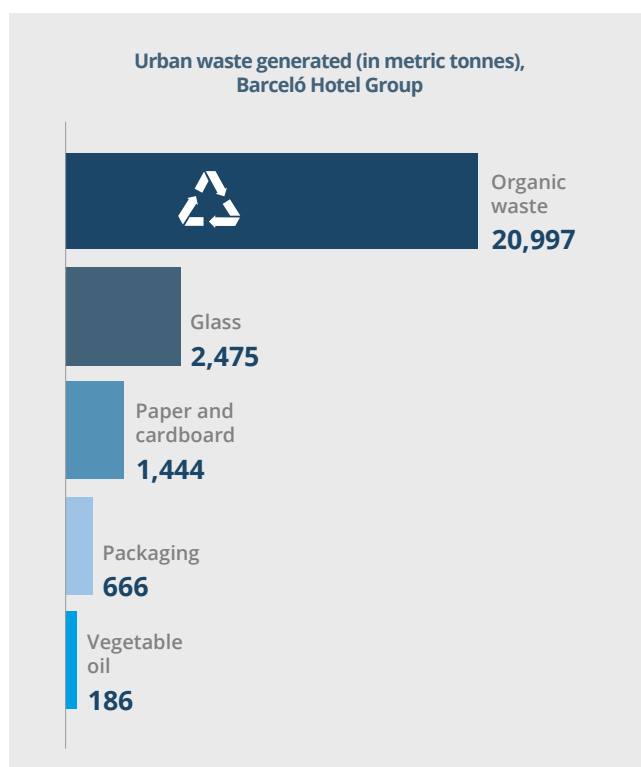
Urban waste includes paper and cardboard, glass, containers, organic waste and mixed rubbish. This waste is generated primarily by restaurants.

It is important to note that organic, pruning and gardening waste is reused at eight hotels to make organic compost, which in turn is used for the hotel's gardens and landscaping. We estimate that **more than 115 metric tonnes of compost were generated in 2021.**

Other types of waste are generated, such as vegetable oil (in kitchens), pruning waste (gardens and landscaping), construction and demolition waste (building work and refurbishments), and furniture (priority is given to donating them to local associations and entities).

Regarding hazardous waste, although the amount generated is minimal compared with the other types of waste generated, it is separated and managed according to the applicable legislation in each region.

Primary waste generated⁶:



⁶ This does not include the waste generated by the Ávoris division due to the small amounts.

6.4.2 REDUCTION IN SINGLE-USE PLASTICS

In 2019, we defined a plan to eliminate single-use plastics from our hotels: bottles, cups, tableware, coasters, straws, bags in rooms, replacing individual toiletries with bulk dispensers, etc., to create hotels free of single-use plastics.

When deciding which products should be substituted, we analyse:

- **What plastics we can stop using.** For example, we have eliminated the plastic used to package slippers and straws (which have also been replaced with plastic-free straws) and significantly minimised their use by now making them available upon request. In addition, remaining personal care items (brushes, combs, etc.), have been replaced by environmentally-friendly packs, with packaging made from recycled cardboard, and organic soya inks, with embellishments made from wheat straw. Furthermore, these products are provided at the request of the customer, making for more responsible consumption.
- In the case of plastics that cannot be eliminated, **we have searched for and implemented more sustainable alternatives.** One of the biggest milestones in the plastic substitution plan is the implementation of new toiletries at our hotels: we have eliminated all individual bottles for shampoo, shower gel, etc., and replaced them with 300-ml ecopump dispensers that contain around 10 times more product and the bottles are made of recycled plastic. With this new standard, it is estimated that hotels in the Europe, Middle East and Africa region will cease to consume 3.7 million individual containers, the equivalent of 24,000 kg of plastic per year, thus avoiding the emission of over 43,000 kg of CO₂ into the atmosphere. This measure will not only reduce the amount of plastic waste, but will also reduce the pollution generated in the manufacturing of the plastic and emissions of greenhouse gases.
- In parallel, work with suppliers to **minimise the plastics in packaging.**

**New toiletries:
43,000 kg fewer
CO₂ emissions**



Soap dispensers from the Royal Hideaway Hotels brand

6.4.3 PREVENTION OF FOOD WASTE

According to the latest report by the United Nations Environment Programme (UNEP) and the British organisation on waste (WRAP), there were 931 million metric tonnes of food waste in 2019. This suggests that 17% of the total food production in the world ended up in the rubbish. Approximately 26% of this waste is estimated to be from customer-oriented businesses, such as restaurants, supermarkets and hotels.

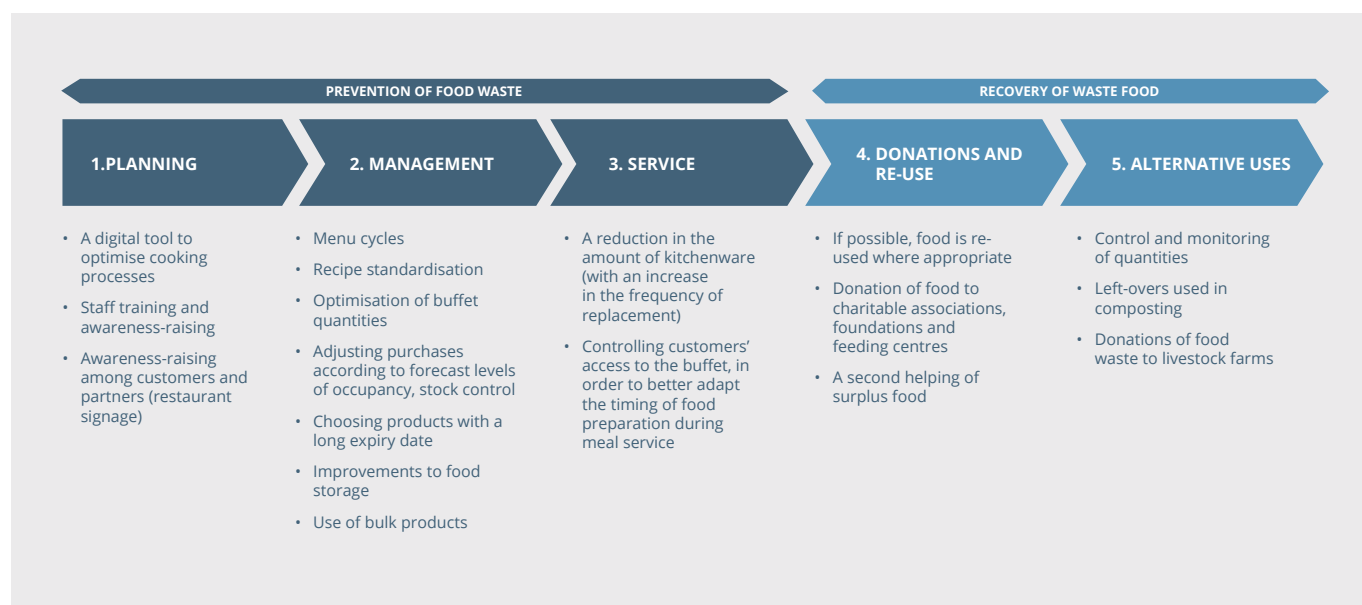
However, it is more than just food that is being wasted, but rather all the resources and processes invested to produce, ship and distribute that food. In addition, when food is thrown away, the process of managing that waste has a harmful effect on the environment. **It is estimated that 8% of global greenhouse gas emissions are linked to this avoidable waste.** It is a global problem, such that Barceló has an important role to play in creating a business culture that is committed to the reduction and management of food waste.

Barceló understands that sustainability is more than offering guests a healthy dining experience featuring local and organic ingredients. This is why **all of our points of sale have an efficient and digitalised management system** (recipes, cost breakdowns, supply adjusted to hotel occupancy, etc.) that reduces losses and therefore waste, making it possible to modify our culinary concept to customer expectations in a profitable manner that minimises the impact on the environment.

The **main steps implemented** by Barceló Hotel Group for the avoidance of food waste are focused on the early stages of the cycle, in other words, preventing the waste from being produced:



Dish from the Michelin-star restaurant El Rincón de Juan Carlos at Royal Hide-away Corales Resort



During phase 1, some of the important actions we carried out in 2021 to prevent food waste included the launch of a new digital tool to optimise kitchen processes, making it possible to considerably reduce waste by standardising recipes (products and digitalised cost breakdowns) and to better plan services and tasks according to the number of customers and needs.

For phase 4, we continue to expand our alliance with **Too Good To Go**, which adds value to surplus items, helps the hotel reduce its CO₂ footprint, and allows us to partner with the local community by making healthy food available. Since the start of our agreement, we have prevented the generation of 2.3 metric tonnes of waste or the equivalent to 13 metric tonnes of CO₂ that are not released into the atmosphere.

Lastly, we have donated **nearly nine metric tonnes of food to several associations and community kitchens**. In this sense, it is worth highlighting the agreement signed this year between our hotels in Morocco and the NGO Sustainable Food Solutions, which helps distribute food that is not consumed in our hotels to various orphanages and children's foster homes.

Too Good To Go has made it possible to prevent the creation of 2.3 metric tonnes of waste



6.5 MANAGEMENT OF BIODIVERSITY

Due to the Barceló Hotel Group's important presence at holiday destinations, conserving the biodiversity and natural habitats of the regions where we operate is a key part of our commitment to protecting the environment and nature. Some of the initiatives carried out include:

- **Showcasing the natural habitat** as a fundamental aspect of the customer experience at our hotels to highlight the rich nature and ecosystems, and raise awareness about protecting them.

Barceló Tenerife, one with nature.

Located in the San Blas Environmental Reserve, nature and this 5-star hotel meld perfectly in this area of tremendous ecological value in southern Tenerife.

The Environmental Reserve is home to the most important native plant and animal species as well as countless valuable geological, historical and archaeological elements. The natural and cultural heritage of the San Blas Environmental Reserve is a unique treasure that is worthy of being admired and made known. The best way to discover the value of a natural habitat is to enjoy it in a fun yet environmentally respectful manner.

*As a result, a **specific plan for restoring and highlighting the importance of the San Blas Environmental Reserve** has been designed to include everything from improving paths and accessibility, to installing a drip irrigation system, rebuilding the dam area and creating a nature classroom. Special attention has also been paid to sports and personal care, so a crossfit circuit, an adventure zone, a bike park, a Kablowey field and a paintball field, among other items, will be installed.*



Barceló Tenerife

In this sense, our employees play an important role in continuously monitoring the surroundings and raising customer awareness to ensure they protect the environment and its biodiversity (for example, preventing the removal of flora and fauna from coral reefs).

- As far as **protecting the vegetation**, we believe in using local plant varieties that, in addition to protecting the local ecosystem, also require less water.
- We also participated in **reforestation initiatives** in 2021. For every reservation made at Barceló Hotel Group establishments on Earth Day and World Environment Day, we plant a tree that symbolises the commitment of travellers to the hotels they choose and our chain's goal to build a more sustainable world.
- Regarding fauna, at hotels located in sea turtle nesting spots, the **nests are monitored and looked after, and the turtles are released**, always respecting the nesting period and adjusting hotel operations during this time. Also important are our activities to monitor endemic populations in order to preserve the balance of the ecosystem.
- Lastly, to raise awareness about the importance of **environmental conservation amongst employees**, beach clean-up initiatives are done periodically at most of our leisure hotels.



Landscaping at Barceló Lanzarote Active Resort featuring local plant



Beach clean-up with guests at Barceló Cabo de Gata

Occidental Cozumel and its turtle protection and conservation programme.

Occidental Cozumel has a conservation and protection programme for the turtles that nest on our stretch of the beach. This programme consists of:

- *Creating and training the Tortuguero committee.*
- *Providing conceptual and hands-on training at the Tortuguero camp on Cozumel Island.*
- *Participating in the large-scale beach clean-up before the start of the nesting season, which takes place from May to September each year.*
- *Ensuring nests are flagged as the various species arrive.*
- *Keeping track of the nests located on the property's beach.*
- *Monitoring the hatch dates and tracking the turtle releases on the hotel's beach.*
- *Raising awareness and informing partners and guests of the activities that are carried out.*



Volunteers from the turtle protection and conservation programme at Occidental Cozumel

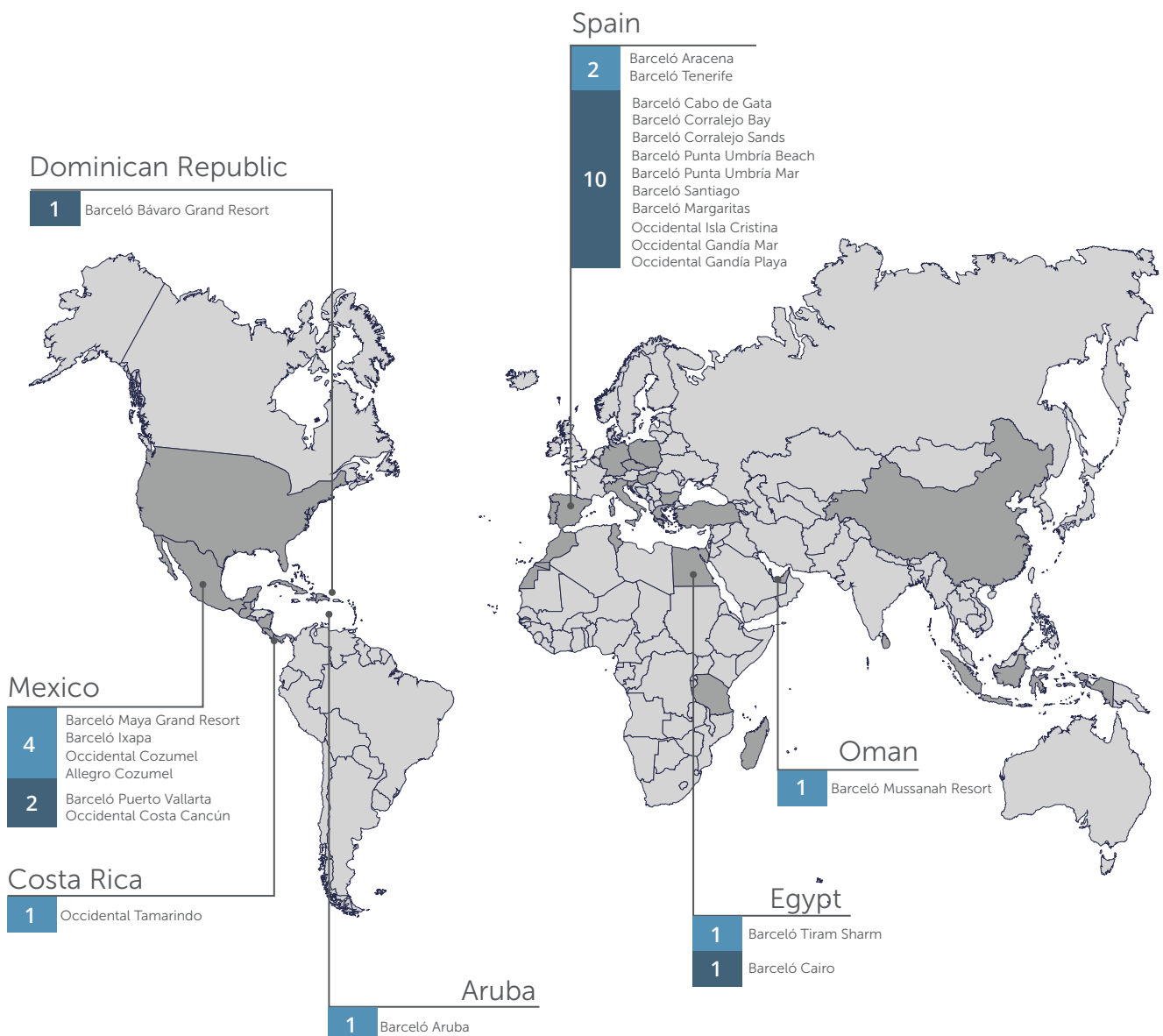
Hotels located near or in protected nature reserves

Currently, 23 of our hotels (19% of the total portfolio) are located in or near protected nature reserves.

Establishments located near or in a protected habitat.

10 inside a natural habitat of great importance.

14 near a natural habitat of great importance.



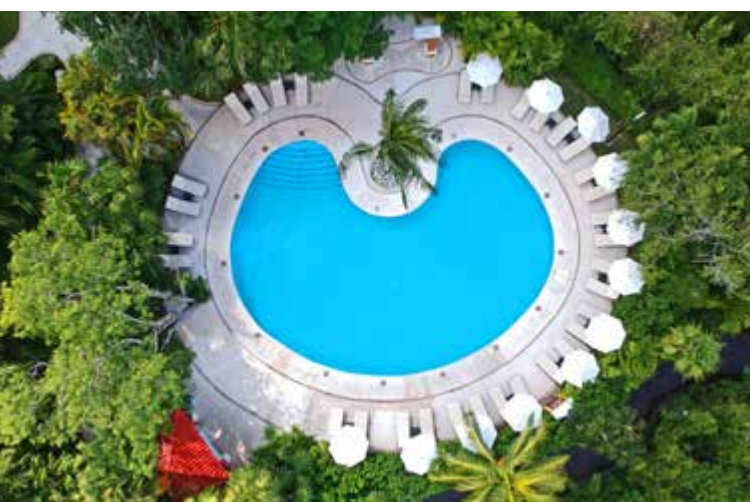
Barceló strategy approved and driven by the Board of Directors.

6.6 CLIMATE CHANGE

One of the main lines of action in our Barceló Responsible strategy—approved and driven by the Board of Directors—is **the fight against climate change and minimising its impact on the Barceló Group**. Climate change is currently one of the biggest adversities we face, and we must continuously analyse and assess its challenges and consequences.

The main risks and opportunities resulting from climate change include the recent regulatory changes like the European Union's Green Deal, the exposure to natural disasters and extreme weather (particularly important for hotels by the beach and in certain Latin American countries), and the scarcity and price of resources.

In addition to the measures created to mitigate and adjust to climate change in 2022, we will also work on defining our path towards carbon neutrality and establishing specific emission reduction goals. As part of this journey, in addition to all the energy efficiency initiatives defined in section 6.1.1., purchasing green energy plays a key role in reducing our carbon footprint (green or renewable energy is available at all hotels in Spain) and defining a compensation plan for the emissions we cannot reduce.

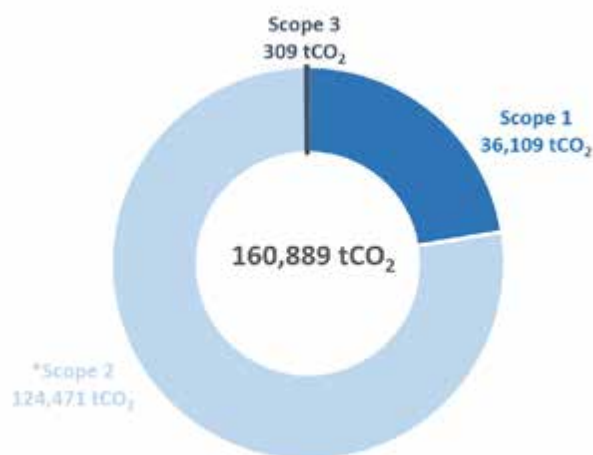


Occidental Cozumel

6.6.1 ATMOSPHERIC EMISSIONS

Based on energy consumption figures, we have calculated the Company's carbon footprint, taking into account the specifications included in the GHG Protocol and in the IPCC's (Intergovernmental Panel on Climate Change) "Guidelines for the preparation of the national inventory of greenhouse gas emissions".

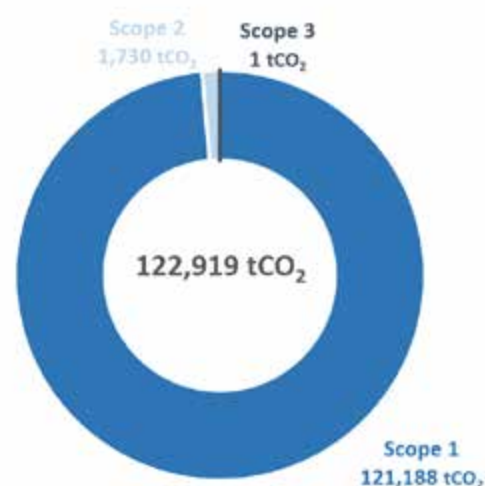
a) The Barceló Hotel Group's carbon footprint



* Scope 2 location-based is 139,858 t of CO₂.

The intensity of carbon emissions (considering only scopes 1 and 2) is 13.5 kg of CO₂/stay.

b) Ávoris Corporación Empresarial's carbon footprint



The scope 1 emissions generated are the direct result of the fuel used by Iberojet aircraft (99%) and Iberobus buses (1%).

The scope 2 emissions generated are from the electricity consumed in Ávoris Corporación Empresarial travel agencies and offices (location-based and market-based coincide because renewable energy is not guaranteed).

Lastly, the scope 3 emissions generated by business travel **for all Ávoris companies in 2021 (1,102 t of CO₂) have been offset**. A total of 1,525 t of CO₂ were offset, which is more than the amount generated for this category.

Regarding Iberjet emissions, due to its operations and as per the applicable legislation, it is assigned emission rights, which were not surpassed in 2021.

In addition to the CO₂ emissions, and as a result of the combustion of Jet A1 fuel in Iberjet aircraft, 608 metric tonnes of NOx and 38 metric tonnes of SOx (nitrogen and sulphur oxides) gas emissions were generated.

6.6.2 ACOUSTIC EMISSIONS

In our hotels, the following measures are in place to prevent acoustic emissions:

- **Regular monitoring of noise levels in order to ensure compliance with current legislation**
- **Sound limiters on music equipment**
- **Installation of hedging screens** to minimise acoustic emissions
- **Replacement of equipment and the installation of acoustic insulation**

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

Planes that are more efficient and create less noise.



Occidental at Xcaret Destination

7. Committed to society and local communities



7.1 ACTIVITIES IN THE LOCAL COMMUNITY

At Barceló, we understand that we are just another company doing business in the countries where we operate, and we seek to build effective and active relationships in our local communities and have a positive impact on society by contributing to the local development and addressing the specific needs of each destination.

Barceló is committed to driving the growth and development of the communities where the Company operates, by means that include the following:

- Endeavouring to **hire staff from the local area**
- **The acquisition of local products and services.** Our choice of suppliers is determined by objective and transparent criteria.
- We strive to find **perfect harmony with the traditions of the regions and countries where we operate**, respecting their laws and customs.

Committed to driving growth and development in the communities where we operate.



Local experience in Tenerife

These goals have led to the creation of **Barceló Experiences**, a new line of business and innovation aimed at facing the industry's challenges of a digital and technological nature, as well as matters such as seasonality, redistributing overcrowding, the environment, climate change, security, mobility and improving tourism profiles to combat overcrowding. This transformation process for the perfect host in the destinations where we operate, supporting the local community:

- Differentiating and adding value to the hotel and destination through guides created by local experts, with the possibility of buying third-party and Barceló experiences online.
- Digitalising and professionalising the business: Digitalising SMEs and companies that sell experiences to improve their competitiveness and services.
- Showcasing the region's natural habitat as well as its cultural and archaeological value.
- Making it easier for customers and companies that offer experiences and activities to contact each other.



Local experience in Mallorca

Barceló Experiences, a new line of business that supports the local community.

Other important initiatives include:

a) Employability support

One of Barceló Hotel Group's main objectives is to bring in the finest professionals, as we are conscious of the impact of the Barceló Hotel Group on the economic climate as a driver of the creation of employment opportunities for young people. To this end, we rely on a **job placement programme**, through which we offer real opportunities for youngsters to join the world of work. Our programme offers a wide range of options for different profiles, so that we become a benchmark in society for providing young people with their first opportunity for professional development.

Another aspect that we try to advance within the framework of our commitment to society, and in our compliance with the regulations governing the rights of people with disabilities, is our work with Special Work Centres and making a contribution to indirect labour integration. In this sense, the average number of employees with disabilities at the Group in 2021 was 173, 12% more than in 2020.

Additionally, **Barceló has been partnering with the Integra Foundation for more than 20 years** and to date, it has filled 218 job openings with socially excluded people (15 in 2021). This year, we have expanded our collaboration as speakers in the foundation's improvement school. Specifically, 7 Barceló Hotel Group volunteers taught 8 training workshops that had a direct impact on 97 participants, who in turn improved their employability and self-confidence.

b) Working with special employment centres

In 2021, we have worked with various special employment centres on initiatives valued at more than €7.9 million.

Since 2019, all Barceló Hotel Group travel has been handled by B Travel Turismo Accesible, the Ávoris Corporación Empresarial travel agency that is a special employment centre and therefore **70% of its workforce is made up of people with disabilities**. The main goal of this agency is to provide employees with disabilities with productive, paid work that fits their situation and improves their professional and social integration at work as well as in their social and family environment.



Red Cross food donation from Barceló Conil Playa



Barceló Hotel Group and Integra Foundation event for their partnership spanning more than 20 years.

c) Donations

In 2021, 62 of our hotels made some form of donation. We estimate that the total amount donated surpassed €190,000. The main donations made in 2021 are shown below:



d) Corporate volunteering

Throughout 2021, our hotels carried out various activities involving employees. Particularly worth highlighting are beach clean-up activities and visiting people in hospitals, care homes and social centres.

e) Partnerships with foundations and non-profit entities

In 2021, **more than €168,000** were given to various foundations and non-profit entities⁷.

f) Sponsorships and associations

In 2021, the Barceló Group invested **more than €3.6 million in sponsorships**.

Nearly all of this amount is linked to Ávoris Corporación Empresarial's commitment to sports and the values of effort, personal drive, equality, solidarity, and personal and collective success it actively conveys. As a result, it has sponsored over 80 athletic institutions such as football and basketball clubs, and sports federations.

⁷ Refers to contributions from corporations and hotels in Spain

Additionally, the Barceló Hotel Group was the official sponsor of the Spanish pavilion at the 2020 Dubai Expo (postponed by the pandemic and ultimately held between 1 October 2021 and 31 March 2022), and our hotels at this destination hosted the Spanish companies that travelled to Dubai for the Expo.

Lastly, we spent €154,000 on partnerships with various associations.



7.2 THE BARCELÓ FOUNDATION



The Barceló Foundation's **mission** is based on the following pillars:

- Improving the human, economic and social development of underprivileged people, primarily in the poorest countries in Africa and Latin America, in terms of improving health and education, and giving priority to enhancing women's quality of life.
- Helping to develop the agricultural sector and carrying out productive projects, always protecting the environment.
- Encouraging cultural activity.

The **Barceló foundation** is a non-profit organisation set up by the Barceló Oliver family on 24 October 1989, with the aim of improving people's personal development by using the Foundation's efforts and economic resources to create a more egalitarian society for all.

The Barceló Foundation seeks to help those who need it most, optimising efficiency so its operations can benefit as many people as possible.

Since its creation more than 30 years ago, the Foundation's purpose has been to improve society by focusing on the most vulnerable nations in the world, promoting fundamental projects such as those related to health, education, micro-credits, agriculture, the environment, and art and culture.

This year, members of the Board of Trustees have been renewed, removed and added, as specified by its articles of association, and Francisca Barceló Vadell is the new president of the Barceló Foundation.

Of the awards and recognitions received, a highlight is that the Foundation's co-founder, Gabriel Barceló, was given the Entrepreneur of the Year Award from the Confederation of Balearic Business Associations (CAEB).

Non-profit entity that helps create a more equal society



CAEB Entrepreneur of the Year Award given to Gabriel Barceló

7.2.1 PRINCIPAL PROJECTS UNDERTAKEN IN 2021

In 2021, **105 projects** were carried out in **16 countries in Africa**, Latin America and Spain, benefiting nearly **277,707 people** thanks to a **€1,354,937 investment**.



Education and nutrition project in Ethiopia

Some of the most important projects undertaken by the Barceló Foundation in 2021 are:

a) Education

11 projects were carried out in 7 countries. Specifically, 504 grants were given to at-risk minors and young people. Two pre-schools were built in Kenya and two labs were added to schools in Ethiopia and Malawi. Additionally, funding was provided to run 14 pre-schools that guarantee education and nutrition for 1,400 children in Turkana, Kenya, and to expand the vocational training centre for girls with disabilities in Tanzania.



Pre-schools in Turkana

b) Health

Our actions have focused on the African continent to develop and launch 36 projects in 9 countries. These include **24 Farmasol projects to distribute medicine** and prevent and treat illness in six countries (Ethiopia, Kenya, Uganda, South Sudan, Tanzania and Malawi), and they have provided assistance to **164,348 recipients**.



Health project in Ethiopia



Farmasol project in Uganda

c) Water and sanitation

Work continues on efforts to build and restore wells. Since the project's launch in 2020, **over 80 water wells** have been built (40 of them in 2021) in Uganda, Kenya, Burkina Faso and South Sudan, for which more than €230,000 were invested, or 31% of the total budget for **improving the living conditions of nearly 50,000 people**. Three of these wells were built thanks to the generosity of our customers who collected the amount needed thanks to several fund-raising events held at Barceló Punta Umbría Beach Resort during the summer.



Well project in Uganda

d) Agriculture

5 initiatives were carried out in 4 countries through a €28,881 investment that benefited 2,444 people. An item that stands out is the project for **100 pilot farms in Tanzania**, whose success will guarantee its renewal and expansion in 2022.



Agricultural awareness project with children

e) Local projects

On the island of Mallorca, the Alisol food distribution project has increased its operations in terms of the amount of food handed out and the number of entities we partner with, reaching a total of 10,000 kg of food distributed weekly and 323,000 kg annually. We have also continued to support 13 social entities and/or institutions that work with vulnerable groups, for which €114,228.38 have been allocated for a total of 361 recipients.

These projects and activities are possible thanks to the collaboration and work of local partners, volunteers, individual initiatives, donations from companies and Barceló hotels, and the team at the Barceló Foundation.



Alisol project



Agricultural project in Ethiopia

8. Working with our suppliers



Lawful, ethical and respectful relationships.

In line with our commitment to our suppliers of goods and services, we take care to ensure that our relationships are lawful, ethical and respectful, and based on communication and transparency.

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

Our purchasing processes exercise particular care and diligence over procedures for the evaluation and selection of suppliers, in order to avoid any kind of business relationship with physical persons or entities that could be involved in unethical or immoral conduct, and especially in activities such as prostitution, the corruption of minors, fraud, public or private corruption, money laundering or the financing of criminal or terrorist organisations.

The **Barceló Hotel Group's** main objective is to create a sustainable model for purchasing and supplies: minimising procurement, storage and distribution costs at all of our hotels; guaranteeing each brand's standards; and promoting compliance with applicable regulations and the ethical, environmental and social commitments made by Barceló. Thus we work along several lines:



Managing a procurement system

A centralised system based on aggregate volume, with a flexible and agile model tailored to regional and local needs, and the standards defined by brands.

In 2021:

90% of purchases in Spain were done through **corporate agreements**.

It is estimated that **74%** of international hotel purchases were done with **local suppliers**.



Driving digital transformation

B-stores, our mobile app for managing suppliers and optimising the logistics processes at hotels.



Defining clauses

Our supplier contracts include compliance clauses for commitments to human, ethical, environmental and social rights.

Ávoris Corporación Empresarial, the Group's **travel division**, has been managing its suppliers through the [Ávoristravel.bravosolution.com](https://www.avoristravel.bravosolution.com) portal since 2019. Suppliers interested in registering must undergo an approval process that includes their commitment to comply.

No supplier audits were done in 2021.



To date, 85% of suppliers have been approved (297 suppliers in total).

In 2021:

- **139** approved suppliers.
- **67%** purchases made.

Compliance commitments to complete the approval process:

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

Creating a sustainable model for purchasing and supplies.



Storeroom man

Annexes





ANNEX I: IDENTIFICATION OF IMPORTANT SUSTAINABILITY ISSUES

An analysis has been done on the most important topics for the Group, its businesses and stakeholders.

The importance of the various issues was assessed on the basis of a double analysis — both external and internal. Externally, the 17 Sustainable Development Goals defined at the United Nations Conference on Sustainable Development and the Global Reporting Initiative (GRI) standards are the essential benchmarks used to determine and prioritise key actions. The internal analysis and the estimate of the impact of these actions within the Group is based in contributions from the different departments involved, identifying common priorities for customers, the business, the owners, the environment, suppliers and partners, competitors and the local communities where we operate and, of course, for our employees, our Company's most fundamental asset and its driving force.

As the result of this analysis, the following important issues have been identified:

- Employee-related matters: team training, diversity and inclusion, employee commitment, talent recruitment, and occupational health and safety.
- Environmental aspects: the fight against climate change, resource consumption, waste generation and management, and biodiversity.
- Ethical and social issues: the development of local communities, compliance, business ethics and transparency, corporate governance and the upholding of human rights.
- Business-related matters: economic performance, customer satisfaction, service quality, cybersecurity and data protection.

ANNEX II: DATA FOR 2019 AND 2020

2.2 THE BARCELÓ BUSINESS MODEL

	HOTEL PORTFOLIO	
	2019	2020
Number of hotels	250	265
Number of guest rooms	57,980	60,222
Management	43%	44%
Lease	26%	26%
Franchise	1%	1%
Owned	30%	29%

Note: % on the basis of number of rooms

2.6.1 CULTURE OF COMPLIANCE, OUR WAY OF BEING

	REPORTS OF CORRUPTION	
	2019	2020
Reports	1	0

2.6.2 COMMITMENT TO HUMAN RIGHTS

	REPORTS OF BREACHES OF HUMAN RIGHTS	
	2019	2020
Reports	0	0

2.6.5 FISCAL INFORMATION

	INCOME AFTER TAX (AND BEFORE MINORITY INTERESTS) BY COUNTRY (IN THOUSANDS OF EUROS)	
	2019	2020
Spain	43,847	-10,089
Mexico	57,023	-19,564
Dominican Rep.	19,074	-21,256
Aruba	6,756	-4,060
USA	3,768	-1,637
Costa Rica	4,665	-2,545
Dominican Rep.	2,426	-2,750
Guatemala	1,655	-5,596
Egypt	1,200	-346
Portugal	-	-16,437
Italy	-	-9,002
Others	-3,521	-5,368
TOTAL	136,894	-98,651

COMPANIES TAX PAID (IN MILLIONS OF EUROS)		
	2019	2020
Total	61.8	3.5

GRANTS (IN THOUSANDS OF EUROS)		
	2019	2020
Total	162	110

3.1 OUR TEAM AND ITS BREAKDOWN

	DISTRIBUTION OF EMPLOYEES BY COUNTRY AND GROUP																			
	Workforce average total		Management team						Middle management						Core staff					
			Work-force Average		Men		Women		Work-force Average		Men		Women		Workforce Average		Men		Women	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Germany	58	50	-	9	73%	78%	27%	22%	-	8	50%	36%	50%	64%	-	33	58%	60%	42%	40%
Aruba	182	195	-	10	67%	70%	33%	30%	-	32	46%	47%	54%	53%	-	153	50%	49%	50%	51%
Bulgaria	99	48	-	8	21%	36%	79%	64%	-	4	63%	68%	37%	32%	-	36	50%	58%	50%	42%
Costa Rica	1,115	613	-	14	72%	64%	28%	36%	-	69	47%	56%	53%	44%	-	529	60%	58%	40%	42%
Cuba	1,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UAE	583	481	-	42	80%	75%	20%	25%	-	72	76%	79%	24%	21%	-	368	85%	87%	15%	13%
Egypt	382	266	-	17	95%	94%	5%	6%	-	36	100%	100%	0%	0%	-	213	96%	96%	4%	4%
El Salvador	302	248	-	6	57%	50%	43%	50%	-	51	73%	70%	27%	30%	-	191	62%	61%	38%	39%
Spain	8,815	6,233	-	169	72%	71%	28%	29%	-	1,428	51%	47%	49%	53%	-	4,636	39%	37%	61%	63%
Greece	129	37	-	6	23%	50%	77%	50%	-	4	82%	63%	18%	37%	-	27	41%	47%	59%	53%
Guatemala	421	305	-	18	22%	41%	78%	59%	-	79	49%	48%	51%	52%	-	208	60%	59%	40%	41%
Hungary	14	19	-	6	75%	24%	25%	76%	-	1	36%	52%	64%	48%	-	12	59%	74%	41%	26%
Italy	88	52	-	2	93%	100%	7%	0%	-	19	83%	64%	17%	36%	-	31	46%	42%	54%	58%
Morocco	613	355	-	40	49%	65%	51%	35%	-	73	71%	78%	29%	22%	-	242	63%	68%	37%	32%
Mexico	8,615	5,604	-	107	76%	73%	24%	27%	-	718	66%	63%	34%	37%	-	4,779	60%	62%	40%	38%
Nicaragua	235	127	-	7	80%	84%	20%	16%	-	28	72%	46%	28%	54%	-	92	55%	59%	45%	41%
Portugal	78	65	-	4	60%	50%	40%	50%	-	9	30%	32%	70%	68%	-	52	41%	50%	59%	50%
Czech Republic	119	88	-	5	31%	60%	69%	40%	-	26	47%	50%	53%	50%	-	57	52%	53%	48%	47%
Dominican Rep.	5,655	4,403	-	62	57%	58%	43%	42%	-	1,016	66%	65%	34%	35%	-	3,325	59%	57%	41%	43%
Turkey	141	150	-	11	26%	54%	74%	46%	-	15	85%	78%	15%	22%	-	124	72%	75%	28%	25%
USA	5,050	4,278	-	692	45%	43%	55%	57%	-	21	37%	35%	63%	65%	-	3,565	34%	34%	66%	66%
TOTAL	33,708	23,617	-	1,235	58%	54%	42%	46%	-	3,709	57%	58%	43%	42%	-	18,673	50%	50%	50%	50%

Note: Spain includes the Viajes [Travel] business unit.

AVERAGE AGE OF THE WORKFORCE (IN YEARS) BY GENDER						
Average age		Men		Women		
2019	2020	2019	2020	2019	2020	
Total	37.6	41	37	41	38.1	

	BREAKDOWN OF THE WORKFORCE BY AGE							
	Average workforce		Under 30		Between 30 and 50		Over 50	
	2019	2020	2019	2020	2019	2020	2019	2020
Total	33,708	23,617	30%	25.8%	55%	57.1%	15%	17.1%

	WORKFORCE BREAKDOWN BY PROFESSIONAL CATEGORY							
	Average workforce		Management team		Middle management		Core staff	
	2019	2020	2019	2020	2019	2020	2019	2020
Total	33,708	23,617	3.0%	5.2%	13.0%	15.7%	84.0%	79.1%

	EMPLOYEE BREAKDOWN BY TYPE OF CONTRACT																	
	% of the total		Men		Women		Management team		Middle management		Core staff		Under 30		Between 30 and 50		Over 50	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total permanent contracts	75%	83%	76%	84%	74%	83%	92%	96%	92%	93%	72%	80%	63%	72%	79%	86%	87%	94%
Total temporary contracts	25%	17%	24%	16%	26%	17%	8%	4%	8%	7%	28%	20%	37%	28%	21%	14%	13%	6%

TOTAL	28,658	19,339	15,786	10,645	12,872	8,694	597	542	3,860	3,689	24,201	15,108	9,439	5,244	15,864	11,445	3,355	2,650
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Note: In 2019 and 2020, the % of men and women with permanent or part-time contracts out of all the men and women was calculated.

	BREAKDOWN OF THE PART-TIME WORKFORCE																	
	% of the total		Men		Women		Management team		Middle man-agement		Core staff		Under 30		Between 30 and 50		Over 50	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Ávoris	13.0%	10.9%	6.0%	2.5%	17.0%	14.6%	0.0%	0.0%	5.7%	8.1%	15.6%	12.0%	10.6%	2.8%	5.6%	13.9%	16.0%	4.7%
Crestline	9.0%	8.1%	10.0%	8.8%	8.0%	7.8%	0.1%	0.1%	0.0%	0.0%	10.4%	9.7%	12.6%	12.2%	7.7%	7.1%	7.7%	7.2%
EMEA Spain	6.0%	5.8%	2.0%	1.9%	10.0%	9.8%	0.4%	1.2%	3.2%	2.7%	7.3%	7.0%	5.2%	3.6%	5.4%	6.3%	7.2%	5.7%
EMEA International	0.5%	1.7%	0.3%	1.2%	1.0%	3.3%	0.0%	3.1%	0.0%	4.3%	0.5%	0.9%	1.1%	1.3%	0.3%	1.8%	0.2%	1.8%
LATAM	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	4.0%	3.8%	2%	1.7%	7%	6.1%	0.1%	0.6%	1.8%	2.6%	4.7%	4.3%	2.6%	2.1%	4.8%	4.4%	4.9%	4.4%

Note: In 2019 and 2020, the % of men and women with permanent or part-time contracts out of all the men and women was calculated.

3.1.5 GROW AND DEVELOP

	BREAKDOWN OF THE NUMBER OF TRAINING HOURS PER GROUP							
	Number of hours		Management team		Middle management		Core staff	
	2019	2020	2019	2020	2019	2020	2019	2020
Total	420,667	231,076	29,447	4,622	84,133	39,283	307,087	187,172

	BREAKDOWN OF THE NUMBER OF TRAINING HOURS BY GENDER			
	Men		Women	
	2019	2020	2019	2020
Total	49%	49%	51%	51%

3.3.1 EQUALITY PLAN

		BREAKDOWN OF THE WORKFORCE BY AGE GROUP AND GENDER																
Workforce average total		Under 30				Between 30 and 50				Over 50				Total				
		Men		Women		Men		Women		Men		Women		Men		Women		
2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
Total	33,708	23,617	55%	54%	45%	46%	50%	51%	50%	49%	50%	50%	50%	50%	52%	51%	48%	49%

3.4.1 SOCIAL DIALOGUE AND UNIONS

WORKFORCE COVERED BY COLLECTIVE AGREEMENT		
	2019	2020
Germany	67%	62%
Aruba	100%	100%
Bulgaria	0%	0%
Costa Rica	0%	0%
UAE	0%	0%
Egypt	0%	0%
El Salvador	0%	0%
Spain	98%	95%
Greece	100%	100%
Guatemala	100%	100%
Hungary	0%	0%
Italy	0%	0%
Morocco	0%	0%
Mexico	54%	58%
Nicaragua	0%	0%
Portugal	100%	100%
Czech Republic	0%	1%
Dominican Republic	0%	0%
Turkey	0%	0%
United States	6%	8%
TOTAL	33%	38%

EMPLOYEES WITH HEALTH AND SAFETY AGREEMENT				
	% average total workforce		% average collective agreement workforce	
	2019	2020	2019	2020
Ávoris	93%	85%	100%	94%
Crestline	6%	8%	100%	100%
EMEA Spain	100%	100%	100%	100%
EMEA International	8%	4%	17%	50%
LATAM	23%	25%	73%	72%
TOTAL	42%	-	90%	-

Note: The average total percentage of the workforce is the workforce with a Health and Safety clause over the Total Average Workforce. The % average collective agreement workforce is the workforce with a Health and safety clause in their collective agreement out of the Workforce covered by the collective agreement. The total for 2020 is not available.

3.4.3 ABSENTEEISM

	ABSENTEEISM															
	% of the total		Men		Women		Number of hours		WA + OD + TD		MAT / PAT		Unjustified		Other	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total	3.6%	3.2%	39.0%	46.0%	61.0%	54.0%	2,244,799	1,785,976	58.1%	36.1%	12.2%	14.1%	14.5%	8.3%	15.2%	41.5%

Note: TD Temporary disability. WA Work-related accident. OD Occupational disease. MAT/PAT: Maternity/Paternity leave. Other: paid leave and unpaid leave.

	WORK-RELATED ACCIDENTS AND ILL HEALTH											
	Number of work-related accidents				Number of work-related illnesses				Commuting accident			
	Men		Women		Men		Women		Men	Women	Men	Women
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total	961	297	1,000	298	1	0	5	2	-	17	-	22

Note: The data reported for 2019 does not include Crestline, the Barceló Anfa Casablanca, Barceló Hydra Beach hotels or the Solymar complex, as their systems do not allow this information to be obtained. The data reported for 2020 excludes Crestline

ACCIDENT RATES						
Incidence rate		Frequency rate		Gravity rate		
2019	2020	2019	2020	2019	2020	
Men	63.1	28.6	28.6	16.0	0.4	
Women	81.6	36.9	38.7	21.2	0.5	
TOTAL	71.6	32.3	33.5	18.2	0.4	

Note: The accident rates for 2019 do not include Crestline, the Barceló Anfa Casablanca, Barceló Hydra Beach hotels or the Solymar complex, as their systems do not allow this information to be obtained. The data reported for 2020 excludes Crestline.

3.4.4 PROTOCOLS AGAINST SEXUAL AND GENDER-BASED HARASSMENT

Reports of sexual harassment	
2019	2020
Total	1

Note: One report was recorded during 2019, through the complaints channel set up for employees. This was dealt with externally by Deloitte, which carried out an investigation. This confirmed that no crime had been committed, but rather it was a question of misconduct, and appropriate action was taken against the person involved.

3.4.6 INVOLUNTARY TERMINATIONS

	Terminations of employment with the company																	
	Number		Men		Women		Under 30		Between 30 and 50		Over 50		Management team		Middle management		Core staff	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total	3,857	4,769	56.0%	49.5%	44.0%	50.5%	51.0%	40.3%	42.0%	42.2%	7.0%	17.5%	1.0%	2.7%	9.0%	5.5%	90.0%	91.8%

3.5.1 AVERAGE EMPLOYEE REMUNERATION

	AVERAGE REMUNERATION AND TRENDS BY GENDER, AGE AND PROFESSIONAL CATEGORY.											
	Management team				Middle management				Core staff			
	Men		Women		Men		Women		Men		Women	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<30 years	33,305	35,114	33,673	35,796	11,424	7,260	18,362	8,725	8,106	7,759	11,490	11,198
Between 30 and 50	59,307	50,984	56,631	49,950	20,414	17,280	23,968	19,169	12,469	12,168	16,584	17,146
> 50 years	85,906	75,800	69,602	61,407	31,755	26,774	32,682	27,400	21,595	20,264	22,639	22,470
Total	-	56,821	-	50,326	-	17,353	-	18,252	-	11,219	-	15,825

WAGE GAP		
2019		2020
Total	23%	24%

Note: In 2019, the average wage gap overall was 23% higher for women, and in 2020 it was 24% higher for women.

AVERAGE SALARY BY GENDER				
Men		Women		
2019	2020	2019	2020	
Total	13,654	13,944	16,809	17,345

	AVERAGE SALARY BY PROFESSIONAL CATEGORY					
	Management team		Middle management		Core staff	
	2019	2020	2019	2020	2019	2020
Total	61,499	53,775	22,767	17,731	13,224	13,552

Note: The team's remuneration is lower than in 2019 due to the drop in variable remuneration.

	AVERAGE SALARY BY AGE RANGE					
	Under 30		Between 30 and 50		Over 50	
	2019	2020	2019	2020	2019	2020
Total	9,964	9,611	16,791	16,937	27,052	26,070

COMPOSITION OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT		
	2019	2020
Total	8	7

Note: all are men.

AVERAGE REMUNERATION OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT (IN EUROS)		
	2019	2020
Total	609,000	223,000

4.3.2 MEASURING THE EXPERIENCE

Division	Customer contacts (%)		
	2019	2020	
Hotel Division			
EMEA & LATAM	0.07%	0.03%	Out of the total number of stays
Travel Division			
Airline	1.38%	3.27%	Out of the total number of passengers
Wholesale	0.28%	1.10%	Out of the total number of travellers
Retail	0.48%	0.10%	Out of the total number of case files

Note: In the hotels division, of the 3,772 issues generated during 2019, 99% have been resolved. In the travel division, of the 7,383 issues generated during 2019, 96% have been resolved. Those that have not been resolved are cases involving aviation companies. These cases normally take a long time to resolve. In 2020, 97% of the case files created were resolved. Unresolved matters are linked to airline companies, which usually take significantly longer.

6. ENVIRONMENTAL MANAGEMENT

Certification	Hotels	
	2019	2020
Travelife	6	6
GreenGlobe	14	19
ISO 14001	5	5
Breeam	1	3
Certificate for Sustainable Tourism (Costa Rica)	2	1

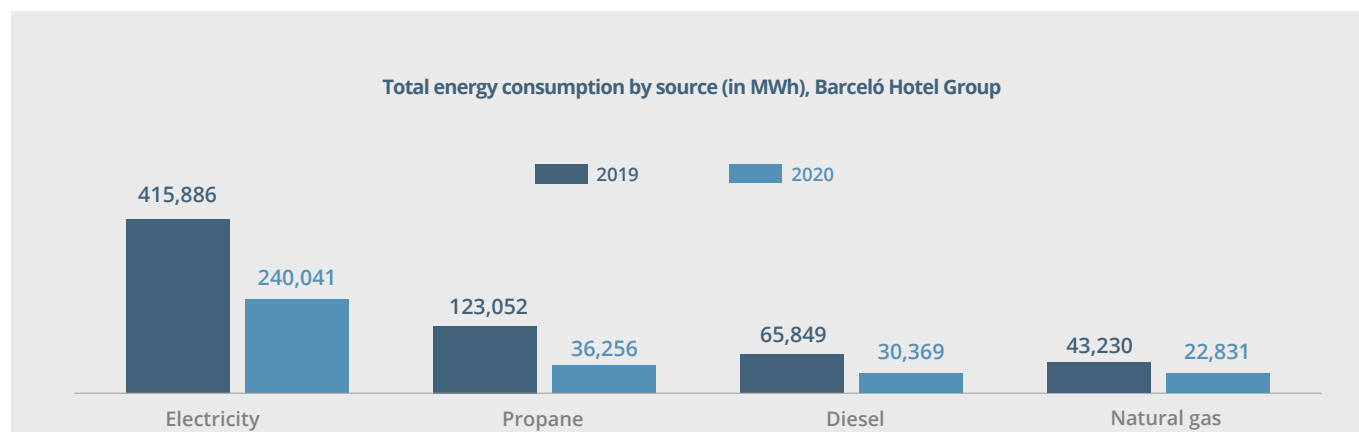
RESOURCES DEDICATED TO THE PREVENTION OF ENVIRONMENTAL RISKS (IN MILLIONS OF EUROS)		
	2019	2020
Total	+1	+2.4

6.1.1 ENERGY EFFICIENCY MEASURES

HOTELS WITH RENEWABLE ENERGY SYSTEMS		
	2019	2020
Total	41	41

HOTELS WITH ELECTRIC VEHICLE CHARGING POINTS		
	2019	2020
Total	26	34

6.1.2 ENERGY CONSUMPTION



SOURCE	ENERGY CONSUMPTION (KWH) PER STAY	
	2019	2020
Electricity	21.3	37.8
Propane	6.3	5.7
Diesel	3.4	4.8
Natural gas	2.2	3.6

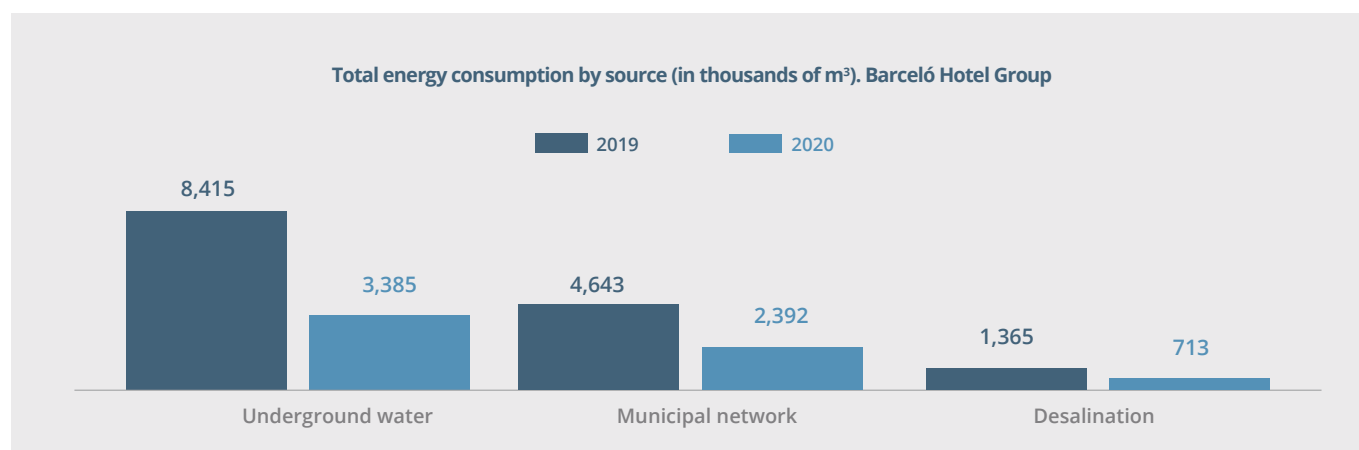
COMBUSTIBLE FUEL (JET A1) IN IBEROJET FLIGHTS (IN MILLIONS OF LITRES)		
	2019	2020
Total	72	24

Note: Jet A1 (aviation kerosene).

COMBUSTIBLE FUEL (JET A1) IN IBEROJET FLIGHTS (MWH)		
	2019	2020
Total	689,688	227,500

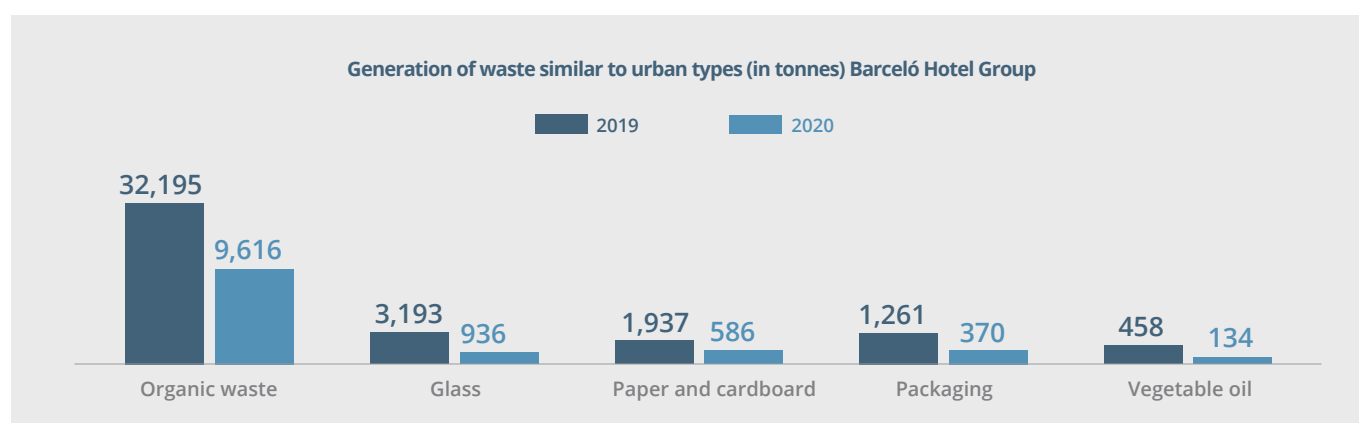
Note: Jet A1 (aviation kerosene).

6.2.2 WATER CONSUMPTION



SOURCE	WATER CONSUMPTION (M3) PER STAY	
	2019	2020
Underground water	0.4	0.5
Municipal network	0.2	0.4
Desalination	0.7	0.1

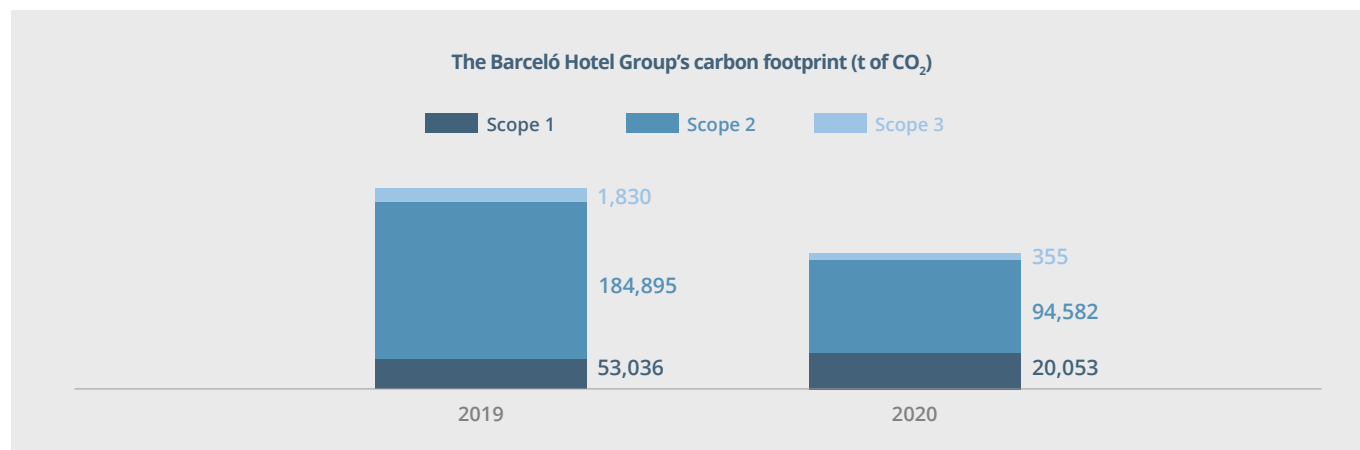
6.4.1 WASTE GENERATED



WASTE	WASTE GENERATED BY STAY (IN KG)	
	2019	2020
Organic waste	1.6	1.5
Glass	0.2	0.1
Paper and cardboard	0.1	0.1
Packaging	0.1	0.1
Vegetable oil	0.0	0.0

6.6.1 ATMOSPHERIC EMISSIONS

	CARBON FOOTPRINT (TCO ₂)	
	2019	2020
Hotel division	239,761	114,990
Aviation company (Iberojet)	181,801	59,791
Travel (Ávoris)	-	767
TOTAL	421,562	175,548



Scope emissions	CO ₂ EMISSIONS (KG OF CO ₂) PER STAY	
	2019	2020
Scope 1	2.7	3.2
Scope 2	9.5	15.6

	IBEROJET AIRLINE'S NO _x EMISSIONS (T OF NO _x)	
	2019	2020
NO _x Emissions	921	303

	IBEROJET AIRLINE'S SO _x EMISSIONS (T OF SO _x)	
	2019	2020
SO _x Emissions	58	19

7. ACTIVITIES IN THE LOCAL COMMUNITY

	EMPLOYEES WITH A DISABILITY	
	2019	2020
Total	194	154

	AVERAGE EMPLOYEES WITH A DISABILITY	
	2019	2020
Total	194	154

	EMPLOYMENT OF WORKERS IN SPECIAL WORK CENTRES (IN MILLIONS OF EUROS)	
	2019	2020
Total	+ 11.5	+ 4

	HOTELS THAT HAVE UNDERTAKEN CORPORATE VOLUNTEERING	
	2019	2020
Total	48	-

Note: Data for 2020 is not available in this format.

	CONTRIBUTION TO FOUNDATIONS AND INSTITUTIONS (IN EUROS)	
	2019	2020
Total	+ 1.1 million	+ 383,000

	INVESTMENT IN SPORTS SPONSORSHIP (IN MILLIONS OF EUROS)	
	2019	2020
Total	1.7	896,000

8. WORKING WITH OUR SUPPLIERS

	APPROVED SUPPLIERS	
	2019	2020
Total	139	158

Note: During 2019, 3 suppliers were audited, and no failure to comply was found in the aspects examined. Due to the pandemic, it was not possible to audit suppliers in 2020.

ANNEX III: LEGAL REQUIREMENTS UNDER LAW 11/2018 AND GRI INDICATORS

Content of Law 11/2018	GRI	Section	Page
General description of the Company			
Business model			
Brief description of the group's business model, to include:	102-2 Activities, brands, products and services.	2.2 The Barceló business model	19-26
1. Its business context	102-7 Scale of the organization.	2.3 Strategic plan and expansion	27-28
2. Its organisation and structure	102-3 Location of headquarters.	2.4 Organisational structure and corporate governance	29-30
3. The markets in which it operates	102-4 Location of operations.		
4. Its objectives and strategies	102-6 Markets served.		
5. The main factors and trends that could affect its future development			
Reference framework for the reporting of non-financial information.	102-54 Claims of reporting in accordance with the GRI standards.	About this report	09
Materiality analysis.	102-47 List of material topics.	Annex I: Identification of important sustainability issues	113
Policies			
A description of the policies applied by the group in relation to certain issues, which will include:	103-1 An explanation of the material subject and its boundary.	2.5 Management of risks	31-32
1. Due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts and of verification and control, including what measures have been adopted.	103-2 The management approach and its components.	2.6 Ethical commitments in the development of the business	33-37
2. Key indicators of the results of the implementation of Policies to allow the monitoring and evaluation of progress.		3.4.5 Labour organisation and disconnection policies	59
Risks			
The main risks associated with these issues, linked to the activities of the group including, where relevant and proportionate, its business relations, products or services that could have a negative effect on these environments, and how the group manages the said risks, with an explanation of the procedures used to identify them and evaluate them according to the national, European and international frameworks relevant to each area.	102-15 Key impacts, risks and opportunities.	2.5 Management of risks	31-32
		2.6. Ethical commitments in the development of the business	33-37
		6. Environmental management	83-101
Information on environmental issues			
Management focus			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety.	102-15 Key impacts, risks and opportunities.	6. Environmental management	83-101
	103-2 The management approach and its components.	6.1 Energy management	
		6.2 Water and water resource management	
		6.3 Consumption of other resources	
		6.4 Waste management and the circular economy	
		6.5 Management of biodiversity	
Evaluation and environmental certification procedures.		6.6 Climate change	
		6. Environmental management. Environmental and sustainability certifications	85
Resources dedicated to the prevention of environmental risks.		6. Environmental management	83-101

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Consolidated Annual

Accounts at December 31, 2021



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, 2021, 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, 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards, adopted by the European Union (IFRS-EU), and other provisions of the applicable regulatory framework for financial information in Spain

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Valuation of Property, Plant and Equipment

Description The Group has a Property, Plant & Equipment investment of over 1,789 million euros relating to hotel and other assets, which represent almost 37 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, the risk of the effects of the Covid-19 pandemic on the value of PP&E and the judgements implied by the identification and quantification of the amount of impairment, have led us to consider this as a key audit matter.

Our response With regard to this area, our audit procedures have included, among others, i) analysing the reasonableness of the criteria adopted by the Group in order to identify any indication of impairment of each Cash Generating Unit (CGU) to which the hotel assets belong; ii) verifying that, for all assets with indications of impairment, the lack or presence of impairment has been adequately justified; iii) verifying the adequate methodology of the valuation used and the reasonability of the projected financial information, hypotheses and variables applied for the impairment calculation or, where applicable, for its reversal, of those impaired assets; iv) obtaining confirmation of the professional aptitude and independence of the external experts in the case that the Group has used third-party appraisals and; v) evaluating the correctness of the information regarding Property, Plant & Equipment disclosed in the Notes to the consolidated annual accounts.

Provisions for tax and legal contingencies

Description The Group undertakes its activities in sectors and countries with varying tax and legal regulations subject to interpretation. The application of interpretative criteria different from those of the tax authorities, implies the existence of administrative or legal procedures underway and appeals filed by the Group to defend its interests. These procedures are detailed in Notes 20 and 26 of the Notes to the consolidated accounts. We consider this area as a key audit matter due to the high level of subjective evaluation and estimation involved.

Our response We have evaluated the directors' position with regard to these tax and legal issues, mainly including, the review of the related documentation, the analysis of the confirmations from the Group's external tax advisors, in order to evaluate their opinions with Management's position on the valuation and presentation of the relevant information for each of the related material contingencies. Our tax specialists have been involved in the process to help us review these material contingencies.

Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent Company's directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in the prevailing audit regulations, consists of:

- a. Solely verifying that the consolidated non-financial information statement has been provided as stipulated by the applicable prevailing regulations and if not, disclose this fact.
- b. Evaluate and report on the consistency of the remaining information included in the consolidated management report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of said accounts. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the manner foreseen in the applicable regulations and that the remaining information contained therein is consistent with that provided in the 2021 consolidated annual accounts and their content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent Company's directors for the consolidated annual accounts

The Parent Company's directors are responsible for the preparation of the accompanying consolidated annual accounts, in such a way that they express the Group's consolidated equity, consolidated financial position and consolidated results, in accordance with IFRS-EU and other provisions of the applicable regulatory framework for financial information in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

On preparing the consolidated annual accounts, the Parent Company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.
- ▶ Conclude on the appropriateness of the Parent Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- ▶ Obtain sufficient and adequate evidence with regard to financial information of the companies or business activities included in the Group in order to express an opinion on the consolidated annual accounts. We are responsible for the management, supervision and performance of the Group's audit. We are solely responsible for our audit report.

We communicate with the directors of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent Company's directors, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

Original signed by
Juan Manuel Martín de Vidales Bennásar

April 6, 2022

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BARCELÓ CORPORACIÓN EMPRESARIAL, S.A.

CONSOLIDATED ANNUAL ACCOUNTS

AT DECEMBER 31, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euros	31/12/2021	31/12/2020
NON-CURRENT ASSETS	3,424,221,045	3,109,148,551
Goodwill (Note 6.1)	282,622,347	105,348,062
Right-of use assets (34)	893,695,191	857,460,290
Other intangible assets (Note 6.2)	137,503,978	127,746,051
Property, plant and equipment (Note 7)	1,789,827,201	1,786,795,171
Investment property (Note 8)	10,306,509	10,224,023
Investments using the equity method (Note 9)	22,492,067	24,573,183
Other non-current financial assets (Note 10)	101,626,058	65,351,153
Deferred taxes (Note 26)	186,147,694	131,650,618
CURRENT ASSETS	1,449,287,789	810,286,015
Inventories	17,074,150	13,812,711
Trade receivables (Note 11)	220,596,161	90,921,867
Other receivables (Note 12)	117,938,080	71,368,704
Tax assets	23,213,897	40,909,700
Other current financial assets (Note 13)	4,676,161	7,540,266
Cash and cash equivalents (Note 16)	1,049,018,699	570,399,358
Prepayments (Note 17)	16,770,641	15,333,409
TOTAL ASSETS	4,873,508,834	3,919,434,566
EQUITY (Note 18)	1,371,557,526	1,229,142,066
Equity attributable to the Parent Company	1,367,087,441	1,202,537,812
Share capital	10,464,384	10,464,384
Issue premium	34,096,515	34,096,515
Reserves	1,630,563,800	1,612,260,776
Translation differences	(262,180,340)	(345,324,094)
Value adjustments	(277,033)	(9,571,993)
Result attributable to the Parent Company	(45,579,885)	(99,387,776)
Equity attributable to Minority Interest	4,470,085	26,604,255
NON-CURRENT LIABILITIES	2,470,418,483	2,013,926,658
Grants (Note 19)	1,154,554	110,171
Provisions (Note 20)	109,430,805	66,475,390
Borrowings from banks and Public entities (Note 21)	1,069,648,609	714,651,687
Lease liabilities (Notes 23 and 34)	829,645,994	766,323,712
Other non-current liabilities (Note 22)	161,298,094	175,138,651
Deferred taxes (Note 26)	152,286,857	162,820,586
Accruals (Note 3.18 (g))	146,953,570	128,406,461
CURRENT LIABILITIES	1,031,532,825	676,365,843
Borrowings from banks and Public entities (Note 21)	344,481,174	264,611,213
Lease liabilities (Note 34)	92,206,893	83,404,113
Trade creditors	469,183,442	228,530,076
Other current liabilities (Note 28)	83,316,575	78,781,052
Tax liabilities	16,715,300	13,719,049
Provisions (Note 20)	12,467,123	3,658,432
Accruals	13,162,318	3,661,909
TOTAL LIABILITIES	4,873,508,834	3,919,434,566

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

CONSOLIDATED INCOME STATEMENT

Euros	31/12/2021	31/12/2020
Operating income (Note 29.1)	1,461,193,342	646,016,000
Other operating income (Note 29.2)	237,065,738	303,242,853
Supplies	(664,341,252)	(231,358,434)
Personnel expenses (Note 31)	(507,169,726)	(388,216,930)
Other expenses (Note 32)	(380,707,784)	(249,240,788)
EBITDA	146,040,318	80,442,702
Amortisation and impairment (Notes 6, 7 and 8)	(218,858,307)	(219,741,794)
EBIT	(72,817,989)	(139,299,093)
Finance result (Note 30)	(40,687,567)	(37,904,726)
Net result exchange rate differences	(14,831,096)	15,819,300
Participation in results of associates (Note 9)	(2,081,126)	(1,881,026)
CONSOLIDATED RESULT BEFORE TAX	(130,417,778)	(163,265,544)
Income tax (Note 26)	40,654,596	64,614,947
CONSOLIDATED RESULT FOR THE YEAR ARISING FROM CONTINUING OPERATIONS	(89,763,182)	(98,650,598)
RESULT FROM DISCONTINUED OPERATIONS	-	-
CONSOLIDATED RESULT FOR THE YEAR	(89,763,182)	(98,650,598)
Result Attributable to:		
Minority interest (Note 18.5)	(44,183,297)	737,178
RESULT ATTRIBUTABLE TO THE PARENT COMPANY	(45,579,885)	(99,387,776)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euros	31/12/2021	31/12/2020
Consolidated result for the year	(89,763,182)	(98,650,598)
Other comprehensive result:		
Items to be reclassified to results		
For cash flow hedge derivatives (Notes 15 and 24)	12,031,943	(11,236,625)
Tax effect of cash flow hedges (Note 26)	(3,007,986)	2,809,156
Conversion differences	84,148,266	(203,755,617)
Long-term employee benefit liabilities (Note 20)	(628,753)	(1,851,131)
Tax effect of long-term employee benefit liabilities (Note 26)	157,188	475,936
Total comprehensive result:	2,937,476	(312,208,878)
Attributable to the Parent Company	41,653,914	(308,802,355)
Attributable to minority interest	(38,716,438)	(3,406,523)
Total comprehensive result:	2,937,476	(312,208,878)
Attributable to continuing activities	2,937,476	(312,208,878)
Attributable to discontinued activities		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euros					Other global results					
	Issued capital	Share premium	Legal reserve Parent Company	Reserves in fully integrated companies and associates	Translation differences	Value adjustments	Profit and loss attributable to the Parent Company	Total	Minority interest	Total Equity
Balance at January 1, 2019	10,464,384	34,096,515	2,002,464	1,341,461,875	(196,208,442)	(3,730,245)	180,258,860	1,368,345,411	24,857,914	1,393,203,325
Total recognised income and expenses					50,496,263	3,960,915	134,649,670	189,106,848	3,914,153	193,021,001
Application of 2018 results				180,258,860			(180,258,860)			
Dividends (Note 18.4)				(46,000,000)				(46,000,000)		(46,000,000)
Business combination									1,750,202	1,750,202
Others				(43,237)				(43,237)	31,270	(11,967)
Balance at December 31, 2019	10,464,384	34,096,515	2,002,464	1,475,677,498	(145,712,179)	230,670	134,649,670	1,511,409,022	30,553,539	1,541,962,561
Total recognised income and expenses					(199,611,916)	(9,802,663)	(99,387,776)	(308,802,355)	(3,406,523)	(312,208,878)
Application of 2019 results				134,649,670			(134,649,670)			
Dividends (Note 18.4)									(1,075,302)	(1,075,302)
Business combination									171,875	171,875
Others				(68,856)				(68,853)	360,666	291,810
Balance at December 31, 2020	10,464,384	34,096,515	2,002,464	1,610,258,312	(345,324,094)	(9,571,993)	(99,387,776)	1,202,537,812	26,604,255	1,229,142,066
Total recognised income and expenses					83,143,754	4,090,045	(45,579,885)	41,653,914	(38,716,438)	2,937,476
Application of 2020 results				(99,387,776)			99,387,776			
Dividends (Note 18.4)									(2,213,039)	(2,213,039)
Business combination				117,690,800		5,204,915		122,895,715	18,795,307	141,691,022
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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

2021 and 2020

Euros	2021	2020
OPERATING ACTIVITIES		
PROFIT BEFORE TAX AND MINORITY INTERESTS	(130,417,778)	(163,265,544)
Adjustments for:		
- Amortisation and impairment (Notes 6, 7 and 8)	218,968,364	219,741,794
- Finance result	40,687,567	37,904,900
- Participation in results of Associates (Note 9)	2,081,126	1,881,026
- Results from investing activities	-	(119,735,533)
- Provisions (Note 20)	13,829,460	(7,955,090)
- Other effects on results without cash flow generation	1,635,159	(10,558,722)
- Changes in debtors, creditors and other current accounts receivable	43,530,379	(127,293,488)
- Changes in other non-current liabilities	18,547,109	(2,835,687)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	208,861,386	(172,116,346)
INVESTING ACTIVITIES		
- Acquisition intangible assets (Note 6)	(8,738,098)	(12,330,129)
- Acquisition Property, Plant & Equipment (Note 7)	(17,982,126)	(71,673,902)
- Acquisition investments in Associates (Note 9)	-	(1,856,973)
- Acquisition minority interest	-	(708,280)
- Acquisition other non-current financial assets (Note 10)	3,696,477	(1,271,884)
- Acquisition subsidiaries (Note 5.1)	26,553,440	(13,776,607)
- Proceeds from sale of Property, Plant & Equipment, Intangible Assets and Investment Property	-	164,000,000
- Income from interest	3,124,748	4,666,618
- Disposals/Proceeds from other current financial assets (Note 13)	3,262,394	(5,580,627)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	9,916,835	61,468,216
FINANCING ACTIVITIES		
- Payment of dividends (Note 18.4)	(2,582,085)	(754,539)
- New financing with credit entities (Note 21)	612,650,043	868,487,202
- Amortisation and repayment of bank debt (Note 21)	(226,022,795)	(511,210,617)
- Interest paid	(18,536,180)	(10,223,843)
- Other non-current liabilities (Note 22)	(2,977,026)	403,897
- Lease payments (IFRS-16) (Note 34)	(109,604,480)	(92,436,584)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	252,927,477	254,265,516
Cash and cash equivalents - exchange rate variations	6,913,643	819,857
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	478,619,341	144,437,241
CASH AND CASH EQUIVALENTS AT JANUARY 1	570,399,358	425,962,117
CASH AND CASH EQUIVALENTS AT DECEMBER 31	1,049,018,699	570,399,358

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 2021, the Group has mainly carried out its activities in Spain, the Dominican Republic, Costa Rica, Nicaragua, the United States, Mexico, Guatemala, the Czech Republic, 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, 2021, and consolidated results of operations, consolidated cash flows and changes in consolidated equity for the year then ended.

The accompanying consolidated annual accounts for 2021 also include, for each individual caption of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes thereto, comparative figures for the previous period.

The definition of these financial indicators is as follows:

EBITDA: Consolidated earnings before Income Tax, finance result, exchange rate differences, participation in results of associates, amortisation and impairment.

EBIT: Earnings before interest and taxes.

The Group adopted IFRS-EU on 1 January 2007 and applied IFRS 1 "First-time Adoption of International Financial Reporting Standards".

The accompanying consolidated annual accounts are expressed in euros, unless otherwise indicated.

These consolidated annual accounts are authorised for issue by the Board of Directors, and subsequently submitted for approval by the shareholders at their Annual General Meeting and are expected to be approved with no changes.

Going concern principle

As a result of the effects of the COVID-19 pandemic, as described below, in 2021, the Group has had losses amounting to 45.6 million euros (99.4 million euros in 2020). Although there is still uncertainty at the time of preparing these consolidated annual accounts, the Group's strong financial situation at December 31, 2021, following the measures taken to mitigate the effects of COVID-19 and to protect the Group's liquidity, will allow it to obtain sufficient positive results and cash flows to meet its current liabilities. Therefore, the Directors consider that the application of the going concern principle is not jeopardised.

EFFECTS OF THE COVID-19 PANDEMIC ON THE GROUP'S ACTIVITY

The international pandemic declared by the World Health Organisation (WHO) on March 11, 2020, has been an unprecedented health crisis, impacting the macroeconomic environment, especially tourism and, therefore, the evolution of the business of the Group of which the Company is Parent.

The evolution of the pandemic is having repercussions on both the economy in general and on the Group's operations. The effect of these repercussions in the forthcoming months are still uncertain and will, to a large extent, depend on the evolution and spread of the pandemic.

During the year ended December 31, 2021, due to the progress of the vaccination campaign, the relaxation of lockdown and social distancing measures and the lifting of travel restrictions, the Group's activity and therefore, turnover, have increased significantly with regard to the previous year, although they are still far from reaching pre-pandemic levels, as a result of the uncertain environment still existing in the general economic and social context.

During the last two years, the Parent Company's directors have implemented various measures in order to mitigate the effects of this crisis affecting the Group's activity, including, among others, the following:

- In order to strengthen the Group's liquidity situation in these still uncertain times, new bank financing has been obtained for an amount of 612.6 million euros. Moreover, in order to strengthen financing for the Travel Division, the subgroup headed by Ávoris Corporación Empresarial, S.A. has requested temporary State support, amounting to 320 million euros, from the Fund to Support Solvency of Strategic Companies (Fondo de Apoyo a la Solvencia de Empresas Estratégicas) created and regulated by Royal Decree Law 25/2020, dated July 3, on urgent measures.
- One-year extension of the grace periods of the ICO loans.
- Negotiations with the lessors of hotels, travel agency premises and other suppliers, in order to, not only reduce lease expenses and the cost of supplies and services, but also to obtain better payment conditions.
- The reduction of all non-priority expenses (marketing, training, travel suspensions, etc.)
- The presentation of Temporary Redundancy Plans (ERTEs) in Spain and similar legal mechanisms in the other countries where the Group operates, in order to adapt the workforce to the Group's reduced activity.
- The reduction of investments in building work, refurbishments and the renewal of equipment.
- Obtaining national and international grants for an amount of 23.8 million through the temporary State support from the Fund to Support Solvency of Strategic Companies in order to compensate the effects of Covid 19 (Note 29.2).

Despite the difficulties arising from the current environment of uncertainty, the Parent Company's directors have made the best estimate, with the currently available information, of the potential effects of COVID-19 on the Group's activities and liquidity, as well as on the valuation of the assets and liabilities of the consolidated balance sheet. The following aspects are worth noting following said valuation:

- **Impairment testing of fixed assets and right-to-use hotel assets**

On identifying those hotel assets that may present signs of impairment during the current situation of the pandemic, the Group has selected for analysis all those assets that, at December 31, 2021, have a carrying value representing a multiple with regard to the 2019 EBITDA, that is higher than that historically considered to be a sign of impairment, revised downwards by 15%. For those assets identified, either an internal impairment test is performed or valuations at December 31, 2021 are requested from external experts.

- **Impairment testing of the Group's cash-generating units**

Given current climate of uncertainty and the length of the recovery following the Covid-19 pandemic, the Group has adopted a discounted cash flow model, taking into account that in both the hotel and travel divisions, the levels of activity and EBITDA prior to the pandemic will be recovered in 2023 and 2024, respectively. In the case of the Travel Division, they have considered the cash flows without synergies foreseen in the Viability Plan approved by State Industrial Ownership Corporation (SEPI), in order to obtain the financing granted, adjusted, where applicable, for any deviations that have occurred or are foreseen. For more information see Note 6.1.

- **Recoverability of deferred tax assets**

On determining the recoverable amounts of deferred tax assets, the Group has estimated the forecasts on the future tax results, taking into account that in the hotel division and the travel division, the level of the pre-tax results before Covid-19 will be obtained in 2023 and 2024, respectively. For more details see Note 26.

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, 2020, since none of the standards, interpretations or modifications applicable for the first time this year have had an impact on the Group's accounting policies.

b. Standards and interpretations issued by the IASB, but not applicable this year

The Group intends to adopt the standards, interpretations and modifications to the standards issued by the IASB, that are not compulsory in the European Union, when they come into force, if applicable. Although the Group is currently analysing their impact, depending on the analysis performed to date, the group estimates that their initial application will not have a significant impact on the consolidated annual accounts.

2.2. CONSOLIDATION PRINCIPLES

The accompanying consolidated annual accounts of the Group include the accounts of Barceló Corporación Empresarial, S.A. and subsidiaries.

The consolidation methods applied are the following:

SUBSIDIARIES

These companies are directly or indirectly controlled by the Parent company and are fully consolidated from the date said control is obtained until it is terminated. This method consists in aggregating the items which represent assets and liabilities, income and expenses and equity items generated after the control is effective. All intergroup transactions and balances are eliminated in the consolidation process.

ASSOCIATES

These are companies over which the Parent holds significant influence, owning between 20% and 50% of share capital, but does not have direct or indirect control.

These companies are consolidated by the equity method.

Appendix I includes information regarding the subsidiaries, associates and companies integrated by the joint operation method.

NON-CONTROLLING INTERESTS

Non-controlling interests in subsidiaries are recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

Profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

The increase and reduction of non-controlling interests in a subsidiary in which control is retained is recognised as an equity instrument transaction. Consequently, no new acquisition cost arises in increases nor is a gain recorded on reductions, rather, the difference between the consideration transferred or received and the carrying amount of the non-controlling interests is recognised in the reserves of the investor, without prejudice to reclassifying consolidation reserves and reallocating other comprehensive income between the Group and the non-controlling interests.

2.3. TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

Financial statements with a functional currency that is not the euro (the Parent Company's functional currency) are translated based on the following criteria:

- Assets and liabilities are translated at the exchange rate prevailing at closing.
- Income statement items have been translated using a weighted average exchange rate for the year.
- Equity is translated at the historical exchange rate.
- Differences generated by the application of the abovementioned criteria are included under equity in the consolidated balance sheet as "Translation differences". The translation differences accumulated at the transition date (January 1, 2007) were reclassified to full integration reserves or associates according to IFRS 1. Therefore, the translation differences included in the consolidated balance sheet relate to those generated since said date.

None of the subsidiaries operates in a hyperinflationary economy.

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 fact that current uncertainty makes it difficult to determine the impact of COVID-19, the war in Ukraine (Note 39) and high inflation on the Group's activities, as well as on the valuation of its assets and liabilities, these estimates have been made using the best information available at year end. However, given the inherent uncertainty, future events may arise that could result in said estimates being changed, prospectively in subsequent years.

Key assumptions regarding the future, together with other relevant data regarding the uncertainty estimate at year-end closing, that carry a significant risk of changing the value of assets and liabilities in the following year, are as follows:

IMPAIRMENT OF GOODWILL

Impairment testing of goodwill is based on calculations of the value in use applied in the discounted cash flow model. Cash

flows are based on the projected results for the next five years. The pre-tax discount rate used has been 9.53% and the perpetual growth rate was 1%. The recoverable amount of goodwill is sensitive to the discount rate, the achievement of 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 8.95% for hotels in Spain and 10.33% and 10.57% 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.

To evaluate the impairment of land with no buildings, the Group has used both internal valuations and the valuations performed by independent experts based on real estate indicators.

The recoverable amount is very sensitive to the discount rate used in the cash flow discount rate model, the expected cash inflows and the growth rate used.

LEASES

The Group has entered into non-current lease agreements for hotels, aircraft and offices as a lessee. Based on the terms and conditions of each of the contracts and leased assets, Management has determined the most probable lease term. Said estimated period may vary in the future, according to changes in the evolution of the asset's results and the conditions permitted by the contract.

DEFERRED TAX ASSETS

The Group recognises assets corresponding to all the tax loss carryforwards and deductible temporary differences it expects to offset against future taxable income. Management bases this criterion on judgements and estimates with regards to future estimated results, the years in which profits are expected to be obtained, annual application limits, the statute of limitation of tax credits and future tax planning strategies.

Note 26 shows details of capitalised and uncapitalised tax losses.

LONG-TERM EMPLOYEE BENEFIT LIABILITIES

The amount of defined benefit employment liabilities at the reporting date is determined based on actuarial calculations. The actuarial calculations are based on a number of judgements and assumptions detailed in Note 20.

PROVISIONS

The amount of the provisions 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 amount of these provisions may vary due to new evidence obtained in the future.

IMPAIRMENT OF FINANCIAL ASSETS

The value adjustment for client insolvencies and credit granted to third parties implies a high degree of judgment by Management and the review of individual balances based on the credit quality of the clients and debtors, current market trends, historical analysis of the insolvencies at aggregate level and the value of the underlying guarantees related to the credit.

3. ACCOUNTING PRINCIPLES

3.1. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recognised applying the acquisition method. The acquisition date is the date on which the Group obtains control of the acquiree.

The acquisition cost is the consideration transferred, which is valued at fair value on the acquisition date. Acquisition costs are recognised as an expense when incurred.

At the acquisition date the Group recognises the assets acquired and liabilities assumed (and any non-controlling interest) at fair value. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. Non-controlling interests in the acquiree are recognised at the proportionate interest in the fair value of the net assets acquired.

Goodwill is initially measured at cost, which reflects the excess of the cost of the combination over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.2. INVESTMENTS IN ASSOCIATES

Group investments in associates are accounted for using the equity method. An associate is an entity over which the Group does not have control but over which it does have significant influence. Significant influence is the power to participate in the financial and operating decisions of an entity but does not constitute control or joint control over the entity. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Equity-accounted investments in associates are recorded in the statement of financial position at cost, with any changes in the net assets of the associate following acquisition of the interest. The excess of the cost of the investment over the Group's share of the fair values of the identifiable net assets is recognised as goodwill, which is included in the carrying amount of the investment. Any shortfall, once the cost of the investment and the identification and measurement of the associate's net assets have been evaluated, is recognised as income when determining the investor's share of the profit or loss of the associate for the year in which it was acquired.

The financial statements of the associate are prepared for the same accounting period as for the Parent. If necessary, adjustments are made to harmonise the accounting policies with those of the Group.

The income statement reflects the share of results of operations in the associate. This is the profit attributable to the holders of the share in the associate and therefore, it is profit after tax and minority interest in the subsidiaries of the associates. When there is a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised losses and gains arising from transactions between the Group and the associate are eliminated in proportion to the share.

Losses of an associate attributable to the Group are limited to the extent of its net investment, except where the Group has legal or constructive obligations or when payments have been made on behalf of the associate.

On each reporting date, the Group determines whether there is objective evidence of impairment of the investment in the associate. Impairment is calculated by comparing the carrying amount in the associate with its recoverable value. The recoverable amount is the higher of value in use and fair value less costs to sell. Accordingly, value in use is calculated to the extent of the Group's interest in the present value of estimated cash flows from ordinary operations and the income generated on final disposal of the associate.

3.3. JOINT ARRANGEMENTS

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of the Group and the remaining venturers or operators. The existence of joint control is assessed considering the definition of control over subsidiaries.

JOINT VENTURES

Investments in joint ventures are accounted for using the equity method described previously.

JOINT OPERATIONS

For joint operations, the Group recognises the following in the consolidated annual accounts:

- Assets and liabilities, including its share of any assets held jointly and liabilities which have been jointly incurred with the other operators.
- Income and expenses arising from the joint operation.

In sales or contributions by the Group to the joint operation, it recognises the resulting gains and losses only to the extent of the other parties' interests in the joint operation. When such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets transferred, such losses are recognised in full.

In purchases by the Group from a joint operation, it only recognises the resulting gains and losses when it resells the acquired assets to a third party. However, when such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets, the Group recognises its entire share of such losses.

The Group's acquisition of an initial and subsequent share in a joint operation is recognised following the same criteria used for business combinations, at the percentage of ownership of each individual asset and liability. However, in subsequent acquisitions of additional shares in a joint operation, the previous share in each asset and liability is not subject to revaluation.

3.4. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset or liability is current when it is:

- Expected to be realised or settled within 12 months after the reporting period.
- Expected to be realised, sold, used or settled in the normal operating cycle.
- A cash or cash equivalent unless restricted for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

3.5. INTANGIBLE ASSETS

Intangible assets are measured at acquisition or production cost.

- Intangible assets with finite useful life are amortised over the useful economic life. The amortisation expense is included under the "Amortisation and impairment" heading of the consolidated income statement.
- Intangible assets with indefinite life are not amortised but are tested for impairment annually either individually or at the cash-generating unit level.

Other intangible assets mainly comprise:

- Industrial property, licenses and similar items, measured at costs incurred and amortised on a straight-line basis over a period of between 3 and 10 years.
- Computer software is measured at acquisition cost and amortised on a straight-line basis over a period of three to five years. Computer software maintenance costs are charged as expenses when incurred.
- Leaseholds: Leaseholds primarily comprise measurement of a lease contract for the Barceló Sants Hotel acquired through a business combination prior to the transition to IFRS. The contract is amortised on a straight-line basis over the duration of the lease, ending in 2050.

3.6. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is stated at cost, plus the financial and acquisition expenses related to the debt which finances the purchase of assets until they are put into use.

At transition date, the plots of land on which certain hotels are located were revalued, taking into account their fair value as an attributable cost as of the transition date as permitted in IFRS 1. The valuations of assets in Latin America were performed by American Appraisal at December 31, 2008. The valuations were performed by means of the discounted cash flow method using a discount rate ranging between 8% and 10% and taking into account the investment risk and the profitability required for comparable investments. The valuations of assets in Spain were performed by Eurovaloraciones, S.A. at December 31, 2008. The valuations were performed by calculating the net present value and the residual value. Annual discount rates ranging between 7% and 10% were used.

The increase in the deemed cost of the land at the transition date (January 1, 2007), based on the revaluations performed is 254 million euros. At December 31, 2021, the balance of these revaluations amounts to 125.0 million euros (119.5 million euros at December 31, 2020).

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 three 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.
- Credit losses expected over the instrument's life term: losses that arise from possible events of default over the instrument's life term. Applicable to finance instruments with a high credit risk or a risk that has increased since initial recognition.

FINANCIAL INSTRUMENTS CLASSIFIED AS LIABILITIES

Financial instruments are classified as liabilities in three categories:

- Financial liabilities at fair value through profit and loss
- Loans and credits
- Hedge derivatives

Financial liabilities are initially recognised at fair value and for loans, credits and accounts payable, the directly attributable transaction costs are netted.

Financial liabilities at fair value through profit or loss

This heading only includes cash flow derivatives (SWAPs) contracted by the Group, which do not fulfil the requirements to be considered as hedging instruments and the fair value of which does not favour the Group. As indicated in the heading's title, the financial liabilities are measured at closing for their fair value through profit or loss.

Loans, borrowings and accounts payable

Loans, borrowings and accounts payable relate to payment obligations of a determinable amount and date. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The accrued interest from the loans is recognised in the income statement in accordance with the effective rate.

Hedging derivatives

The Group contracts derivatives to hedge exchange rates and jet fuel prices for its airline and travel business.

These derivative financial instruments are initially measured at fair value. Derivatives are recognised as financial assets if their

value is positive and as financial liabilities if their value is negative.

The Group initially formally designates and documents the hedging relationship. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years.

The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in equity. The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised with a debit or credit to finance costs or finance income.

Hedge accounting criteria ceases to be applied when the hedging instrument expires or is sold, cancelled or settled, or when the hedging relationship no longer complies with the criteria to be accounted for as such, or the instrument is no longer designated as a hedging instrument. In these cases, the cumulative gains or losses on the hedging instrument that have been recognised in equity are not taken to profit or loss until the forecast transaction or transaction to which the Group has committed affects results. However, if the transaction is no longer considered probable, the accumulated gains or losses recognised in equity are immediately transferred to the consolidated income statement.

FINANCIAL INSTRUMENTS AT FAIR VALUE

The Group classifies measurements at fair value using a hierarchy which reflects the significance of the inputs used in measurement, in accordance with the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Variables other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Variables for the asset or liability that are not based on observable market data (unobservable inputs).

The techniques used to measure interest rate, exchange rate and fuel hedges include future price models, using actual value calculations. The models include various data such as spot and forward exchange rates, yield curves and differentials between the various currencies, interest rate curves and future exchange rate curves for fuel.

The fair value of all current financial assets and liabilities is considered to be the same as the amortised cost, as the maturity date of the assets and liabilities is close to year end.

3.11. NON-CURRENT ASSETS HELD FOR SALE

The Group classifies assets as non-current assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and when the following requirements are met:

- They are available for immediate sale in their current condition.
- Their sale is highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These assets are not depreciated, and if necessary, the required impairment is recognised so that the carrying amount does not exceed the fair value less costs to sell.

A non-current asset that ceases to be classified as held for sale is valued at the lower of the carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and its recoverable amount at the date of reclassification. Any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held-for-sale is included in profit or loss from continuing operations.

3.12. DISCONTINUED OPERATIONS

In accordance with IFRS 5, the activity or asset held for sale is considered to be a discontinued operation if it:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

The revenues and expenses deriving from this activity are included as a single amount under profit/(loss) from discontinued operations, net of income tax, after deducting the tax effect. This item also includes the profit after tax recognised for the measurement at fair value less costs to sell of the assets or disposal groups of items constituting the discontinued operation.

If the Group ceases to classify a component as a discontinued operation, the results previously disclosed as discontinued operations are reclassified to continuing operations for all years presented.

3.13. INVENTORIES

These are the assets which are consumed or sold during the hotels' ordinary activities (food and beverages, gift shops, maintenance) or which are related to gift items or the sales of the Travel division or replacement parts for the airline business. Inventories are measured at the lower of the average weighted price or realisable value.

3.14. CASH AND CASH EQUIVALENTS

All those investments with an original maturity of three months or less and which do not have any risk of change in value are considered by the Group to be cash equivalents.

3.15. CAPITAL GRANTS

Monetary grants are measured at the fair value of the amount awarded. They are taken to the income statement in accordance with the estimated useful life of the asset for which the grant is received.

3.16. PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event; it is probable that an outflow of Group resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

PROVISIONS FOR ONEROUS CONTRACTS

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract.

Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

If the Group has a contract that is onerous, the present obligation under the contract are recognised and measured as a provision.

Note 20 shows details of the main contingencies provided for in the balance sheet.

3.17. REMUNERATION AND OTHER LONG-TERM EMPLOYMENT LIABILITIES

DEFINED BENEFIT PLANS

Defined benefit liabilities reflect the present value of defined benefit obligations at the reporting date, less the fair value at that date of plan assets.

In Spain, these defined benefit plans correspond to long-service benefits and retirement benefits related to a number of collective labour agreements in the hospitality sector and the national collective labour agreement for travel agencies.

These commitments are defined benefits and are quantified based on actuarial calculations. Income or expense related to defined benefit plans is recognised as employee benefits expense and is the sum of the net current service cost and the net interest cost of the net defined benefit asset or liability.

The remeasurement of the net defined benefit liability or asset is recognised in equity and comprises actuarial gains and losses, the net return on plan assets and any change in the effect of the asset ceiling, excluding any amounts included in net interest on the net defined benefit liability or asset.

TERMINATION BENEFIT

Termination benefits are recognised when the Group can no longer withdraw the offer and when the cost of restructuring result in the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer, the Group cannot withdraw the offer as of the moment it is accepted by the employees.

In the case of involuntary termination benefits, the Group can no longer withdraw the offer when it has communicated the plan to the affected employees or trade union representatives.

3.18. REVENUE RECOGNITION

The Group's revenue recognition policies for each revenue area are as follows:

- a. **Revenues from rendering of services relating to the activity of operating owned and leased hotels:** These revenues are recognised on an accrual basis. The Group recognises sales and operating expenses from its owned hotels and from hotels leased from third parties in profit or loss and assumes the rights and obligations inherent to the hotel business in its own name.
- b. **Revenues from rendering services in the hotel management activity:** These revenues from management fees charged are recognised on an accrual basis.
- c. **Revenues from rendering services in the activity of operating casinos:** These revenues are recognised as the difference between the amount played and the player's winnings, on an accrual basis.

- d. Revenues from the travel agency activity:** The Travel division primarily carries out an intermediation activity in the sale of travel-related products. Revenue is presented as the margin between the selling price and the cost to sell and is recognised on the date travel documents are handed over, at which point the risks and rewards are transferred to the customer, irrespective of the date of travel or the date from which the contracted services will be rendered.
- e. Revenues from the tour operator activity:** Sales and costs of supplies are recognised on the initial date of travel.
- f. Revenues from the airline activity:** Revenues from air transport services rendered are recognised when the flight takes place.
- g. Revenue from the sale of rights of use (Time Share):** From January 1, 2018 (date of entry into force of IFRS 15), the sale of Time Share rights is recognised as revenue throughout the average estimated life of the contract. The amount of the sale is recognised as deferred income under "Long-term prepayments and accruals" on the liabilities side of the consolidated statements of financial position, in the year in which it is contracted, and is carried to results on a straight-line basis over the contract's average term. The incremental expenses incurred to obtain a contract and the other expenses necessary in order to begin the contracted service are capitalised as intangible assets and are carried to results through amortisation, also over the contract's average life. Contracts which have been signed and cancelled in the same year are recognised as revenue for the year for the amount collected in cash. Moreover, only those contracts which have been signed but not cancelled in the same year are recognised as deferred income.

3.19. INCOME TAX

The income tax expense and tax income for the year comprises current tax and deferred tax.

Current tax reflects the income tax amounts payable in the year.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted at the reporting date.

In general, deferred tax liabilities are recognised due to taxable temporary differences, which are differences that will give rise to larger amounts of tax payable or smaller amounts of tax recoverable in future years. A deferred tax asset is recognised when there are deductible temporary differences, tax loss carryforwards or available tax deductions that the Company expects to be able to offset against future taxable profit. For this purpose, a temporary difference is understood to be the difference between the carrying amount of the assets and liabilities and their amount for tax purposes, giving rise to smaller amounts of tax payable or larger amounts recoverable in future years.

Deferred liabilities arising from taxable temporary differences are recognised in all cases, except when:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.
- They are associated with investments in subsidiaries for which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the temporary difference will reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences to the extent that:

- It is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income;
- The temporary differences are associated with investments in subsidiaries that will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when they are reversed, based on prevailing legislation and tax rates that have been enacted or substantively enacted and reflecting the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax expense and tax income is recognised in profit or loss. However, if the expense or income is related to items recognised directly in equity, it is also recognised in equity and not in the income statement.

3.20. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated to the functional currency using the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies, other than each company's functional currency, have been translated into the corresponding functional currency at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

Since the declaration of the COVID-19 pandemic, the Group's management and directors reviewed the credit limits of the Group's clients and established a follow-up procedure, in order to identify and anticipate possible insolvencies and to reduce the credit risk.

Moreover, in order to minimise a possible negative influence from the payment behaviour of our debtors, the Group has entered into credit insurance policies which render prevention services. In order to grant such insurance, the insurance company performs a solvency study of the customers and if the cover is accepted, it guarantees the collection of the insured credit in the event of non-payment. The insurance company manages collection and if the process is unsuccessful it will pay the indemnity within a predetermined period.

Currently, there are no unusually high-risk concentrations. The Group's maximum exposure to risk is the carrying amount, as detailed by heading in Notes 10, 11, 12 and 13. Note 11 includes information regarding clients by age of balance.

Credit risk deriving from other financial assets, which include cash balances and current deposits, arises from the failure of a counterparty (financial institutions) to respond to these balances, with a maximum risk equivalent to the carrying amount of these instruments included in "Cash and cash equivalents" and "Other current financial assets".

The Group has granted loans to third parties which are included under the heading "Other non-current financial assets". The possible impairment of these loans is being assessed taking into account the credit situation of each debtor individually and, where

applicable, of the value of the underlying guarantee related to the credit.

MARKET RISK

INTEREST RATE RISK

The risk of changes in market interest rates mainly has an effect on variable interest rate debt. All debt is remunerated at a variable interest rate, with the exception of a bank debt amounting to 445.1 million euros and other liabilities amounting to 155.6, remunerated at a fixed rate.

If, at December 31, 2021, 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 4,822 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 4,422 thousand euros.

At closing, the Group has signed variable to fixed interest rate swap contracts based on a notional value of 50 million euros, but maturing in April 2024 (Note 24) and a contract to cover in the case that the 3-month Euribor does not exceed 0% (cap), for an initial notional value of 80 million euros, which gradually decreases until 2025 (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 2021 and 2020 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) in each currency.

The sensitivity analysis for 2021 is as follows:

VARIATION %	USA and Latin America	Others
+10%	3,600,936	(107,680)
+5%	1,705,707	(51,007)
-5%	(1,543,258)	46,149
-10%	(2,946,221)	88,102

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, 2021, the Group's consolidated balance sheet presents positive working capital amounting to 417.8 million euros (a positive amount of 133.9 million euros at December 31, 2020), and has credit policies with an undrawn amount of 405 million euros (Note 21).

In order to meet the treasury needs that have arisen due to COVID-19 and to best protect the Group's liquidity situation, the Parent Company's directors have adopted various measures as explained in Note 2.1.

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 a greater stability and profitability for the Group.

As can be observed in the statement of financial position, most of the debt is non-current. These ratios show that capital management follows prudent criteria since the cash flows expected for the coming years and the Group's equity position will cover the debt service.

5. CHANGES IN THE CONSOLIDATION PERIMETER

CHANGES IN THE CONSOLIDATED GROUP IN 2021

Business merger between the Barceló Group and the Globalia Group. The transaction was formalised through the constitution of the Company Avoris Corporación Empresarial, S.L. to which the Barceló Group contributed the shares of the subsidiary Avoris Retail Division, S.L. and the Globalia Group contributed the subsidiary Viajes Deneb, S.L. (the Parent companies of each business). The exchange ratio agreed by the parties results in the Barceló Group holding 50.55% of the shares of Avoris Corporación Empresarial, S.L. and Globalia holding the remainder.

Specifically, the Barceló Group subsidiaries contributed to Avoris Corporación Empresarial, S.L. are Avoris Retail Division, S.L., Dondear Viajes, S.L., Mayorista de Viajes, S.A., Orbest, S.A. (Portugal), Avoris Business, S.A., B Travel Turismo Accesible, S.A., Sextante Viajes, S.L., B the Travel Brand, S.L., Travelsens, S.L., Altagracia Incoming Services, SRL (Dominican Republic), Maguey Incoming Services SL de CV (Mexico), Leplansens Tours, S.L., Alisios Tours, S.L., Colors Destination Finland, O.Y., Aerosens, S.L., B By BCD Travel partners, S.L., Evelop Airlines, S.L., BCO Congress, S.L., Sibba Neumo, S.L., Avoris Congress Colombia SAS, Avoris División Central, S.L., Viajes Interopa, S.A., Avoris Experience, S.L., Mundo Social AIE, Ocio y Turismo Novotours, AIE, Avoris Italia SRL, Escalatur Viagens e Turismo, Ltda (Portugal), Gregal Viagens, Lda (Portugal), BTTB Unipessoal Lda (Portugal), Nortravel Agencia de Viagens e Turismo Lda (Portugal), Jadetravel Do Oriente Viagens e Turismo Lda (Portugal), Viajes Catai, S.A., Catai India Private Ltd (New Delhi), Viagens Catai Lda (Portugal), Planeta Tierra Viajes, S.A., Contuhijo, S.L. and Gayandpride, S.L..

Viajes Deneb, S.L.U. has contributed the following subsidiaries to Avoris Corporación Empresarial, S.L.: Autocares Iberobus, S.A (formerly Globalia Autocares, S.A.), Sekai Corporate Travel (formerly Globalia Corporate Travel, S.L.U., Iberotours, S.A.U., Welcome Incoming Services, S.L.U., Travelplan Portugal, Agencia de Viagens e Turismo, S.U. Lda, Orbe Travel Club Spain S.L.U.

(formerly Globalia Travel Club Spain, S.L.U. Sekai Trading Services, S.L.U (formerly Globalia Trading Services, S.L.U.), Planet Business Travel SAU (formerly Globalia Business Travel, S.A.U.), Viajes Ecuador, S.A.U., Viajes Halcón, S.A.U., Geomoon, S.L.U., Sekai Traveling S.L.U (formerly Globalia Traveling, S.L.U.), Halcón, Monfobus, Fistera, UTE, Ocio y Turismo Novotours, AIE, UTE Mundosenior 5, UTE Mundosenior Plus, Mundo Social, AIE, Palacio de Congresos Tenerife Sur, UTE, Central de Cruceros, S.A., Travel V Centenario, Centro de Empresas Rio Tinto, Tamaragua, Central de Cruceros, S.A., La Hispano, Monforte, Castromil, Globalia UTE, Globalia Incoming Services México, S.R.L. de C.V., Globalia Incoming Services Dominicana, S.A., See Europe Tours Limited, M.S. Viajes, S.A. and Rotas Ibéricas Lda.

During the year 2021, the companies Barceló Asian Ocean LTD and PT Barceló Hotel Group Indonesia have been constituted.

In 2021, the companies BCLO Flamenco BV, BCLO Puerto Plata Holding BV, Unión Inversora Global S.L, Barceló Eventos Empresariales S.L., Barceló Grupo Empresarial, S.L., Barceló (Mauritius) Holding, LTD and Barhermo S.L. have been dissolved.

During the year, the following companies have been merged:

The company Asesoría y Servicios Cozumel, S.A. de C.V. has been absorbed by Cozumel Villages, S.A. de C.V.

The company Asesoría y Servicios Playa, S.A. de C.V. has been absorbed by Diamonds Hotels Playacar, S.A. de C.V.

The company Asesoría y Servicios Riviera, S.A. de C.V. has been absorbed by Desarrollo Flamenco Riviera, S.A. de C.V.

The company Asesoría y Servicios Royal, S.A. de C.V. has been absorbed by Hotel Royal Playacar, S.A. de C.V.

The company Las Glorias Del Pacífico, S.A. de C.V. has been absorbed by Diamonds Hotels Nuevo Vallarta, S.A. de C.V.

The company Monitoreo Maya, S.A. de C.V. has been absorbed by Quiroocan, S.A. de C.V.

The company Servicios de Personal De Hostelería, SRL de C.V. has been absorbed by BCO Tucancún, SRL de C.V.

The company Servicios Hoteleros de Manzanillo, SRL de C.V. has been absorbed by BCO Resorts Manzanillo, SRL de C.V.

The company Servicios Hoteleros de Huatulco, SRL de C.V. has been absorbed by BCO Huatulco, SRL de C.V.

The company Servicios Hoteleros de Ixtapa, SRL de C.V. has been absorbed by Grubarges Inversiones Hoteleras Mexicanas SRL de C.V.

The company Servicios Hoteleros de Vallarta, SRL de C.V. has been absorbed by BCO Mismaloya, SRL de C.V.

The company Servicios Hoteleros Kukulkan, SRL de C.V. has been absorbed by BCO Kukulcán, SRL de C.V.

The company Servicios, Asesoría y Sistemas DH, S.A. de C.V. has been absorbed by Diamonds Hotels Cozumel, SA de C.V.

The company Gregal Viagens, Ltda. has absorbed the companies Rotas Ibéricas- Viagens e Turismo Unipessoal., LDA. and Travelplan Portugal, Agencia de Viagens e Turismo, S.U. Lda.

CHANGES IN THE CONSOLIDATED GROUP IN 2020

During 2020 the following companies were acquired:

- A further 50% of the company Barceló Hotel Group Gulf DMCC. The Group now holds 100% and full control of this company. This company manages hotels in the Persian Gulf.
- 90% of the company Michamvi Resort Developments LTD, that owns a right on land for the development of a hotel complex in Zanzibar.

During the year, the companies Inmobiliaria Formentor, S.A., Formentor Urbanizadora, S.A., Naugoleguí, Vinyes de Formentor, S.L and Travelsens USA were sold, Barceló Hospitality USA were dissolved and the company Barceló Business Services, S.L.

was constituted.

5.1. BUSINESS COMBINATION

Ávoris Corporación Empresarial, S.L.: Merger travel business between the Barceló Group and the Globalia Group

Travel business merger between the Barceló Group and the Globalia Group. On November 25, 2019, the Barceló Group and the Globalia Group signed an Investment Agreement and a Partners' Agreement, subject to certain conditions precedent, in order to contribute their travel businesses to a newly constituted company (Avoris Corporación Empresarial, S.L., constituted on November 20, 2020). This transaction was authorised by the Competititon authorities in Spain and Portugal in May 2020. On December 18, 2020, the Barceló Group and the Globalia Group ratified, executed and issued by Public Deed, the Partners' Agreement and the Investment Agreement, together with their respective addendums and modifications. They also agreed upon a share capital increase in Avoris Corporación Empresarial, S.L., through a non-monetary contribution consisting of 100% of the participations of Ávoris Retail Division, S.L. and Gestión de Viajes Deneb, S.L. (subsidiary of the Globalia Group), giving Avoris Corporación Empresarial, S.L. ownership of the travel agency business of the Barceló and Globalia Groups. Once the SEPI granted financing amounting to 320 million euros, both Groups waived their right to terminate the integration operation of their travel agency businesses and, as of said moment, the Group has control of the Globalia group companies contributed to Avoris Corporación Empresarial, S.L.

The exchange ratio agreed by the parties gives Barceló 50.55% of the shares of Avoris Corporación Empresarial, S.L and Globalia, the remaining 49.45%. Although the signed Partners' Agreement gives Barceló the majority of the shares and voting rights in the Board of Directors of Avoris Corporación Empresarial, S.L., it has been determined that certain decisions taken by the shareholders and the Board of Directors need a reinforced majority. The Barceló Group also has the power to appoint the CEO and CFO of Avoris Corporación Empresarial, S.L.

The assets and liabilities contributed by the Globalia Group, which are now controlled by the Barceló Group and the effects on goodwill are as follows:

	Millions of euros
Non-current assets	38
Current assets	127
Total Assets	165
Non-current liabilities	48
Current liabilities	149
Total Liabilities	197
Combination cost	145
Goodwill	177

The integrated result as of the date of the business combination by the companies contributed by Globalia to Avoris Corporación Empresarial, S.L. has been as follows:

	Thousands of euros
Operating income	240,811
Personnel expenses	(46,755)
Other operating expenses	(216,069)
Finance results	(1,681)
Result before tax	(23,695)

Barceló Hotel Group Gulf DMCC

In May 2020, 50% of the company Barceló Hotel Group Gulf DMCC was acquired for an amount of 775 thousand USD, taking control of the Company. This transaction has generated goodwill of 880 thousand euros. The assets and liabilities acquired in the business combination (provisional), at fair value, for the purchase of this company were as follows:

	Thousands of euros
Non-current assets	5
Current assets	270
Total Assets	275
Current liabilities	447
Total Liabilities	447
Combination cost	708
Goodwill	880

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

	Thousands of euros
Operating income	1,202
Personnel expenses	(682)
Other operating expenses	(642)
Exchange differences	(7)
Result before tax	(129)

6. INTANGIBLE ASSETS

6.1. GOODWILL

Details of movement in goodwill in 2021 are as follows:

	Balance at 31/12/2020	Additions	Withdrawals	Translation differences	Impairment	Balance at 31/12/2021
Goodwill	105,348,062	176,796,996	-	477,289	-	282,622,347
Total	105,348,062	176,796,996	-	477,289	-	282,622,347

The balance at December 31, 2021, mainly relates to Viajes Deneb (176.8 million euros), Viajes Catai (46 million euros), Mayorista de Viajes (27.5 million euros), Punta Umbria Turística (6.6 million euros) and Nortravel (6.4 million euros). The addition in 2021 relates to goodwill generated through the acquisition of the Globalia Group's travel business (Viajes Deneb), as detailed in Note 5.

Details of movement in goodwill in 2020 are as follows:

	Balance at 31/12/2019	Additions	Withdrawals	Translation differences	Impairment	Balance at 31/12/2020
Goodwill	105,026,024	880,155	-	(558,117)	-	105,348,062
Total	105,026,024	880,155	-	(558,117)	-	105,348,062

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 (k_e) and the perpetual growth rate (g) are also taken into account and are normally defined as follows:

Discount rate (k_e) = the country's risk-free rate + (β * Equity risk premium).

Perpetual growth rate (g): taking into account the long-term IMF inflation forecast.

The cash flow projections of the Travel Division have taken into account the cash flows, without synergies, foreseen in the Viability Plan approved by SEPI in order to obtain the financing available for the first five years, while in the subsequent years the residual value is calculated establishing a perpetual income based on the cash flows of the estimates' last period, with a growth rate based on the inflation rate forecast for the geographical area in which each cash-generating unit operates. Projections are calculated in the currency in which they are generated.

The 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 pre-tax discount rate applied was 9.53% and the perpetual growth rate was 1%.

Sensitivity analysis

Moreover, at least annually, the company evaluates the hypotheses used in the estimate of the future cash flows and updates them according to the actual results and past experience.

If there are fair variations in any of the key hypotheses, the carrying value will not exceed the recoverable value of the CGUs.

6.2. OTHER INTANGIBLE ASSETS

Details of movement in intangible assets during 2021 are as follows:

	Balance at 31/12/2020	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2021
Acquisition cost							
Patents, licences and similar rights	3,510,549	876,310	-	(4,249)	6,971	-	4,389,581
Leaseholds	33,713,375	-	-	-	-	(1,134,155)	32,579,220
Computer software	130,336,384	56,302,570	8,547,578	(2,118,892)	261,763	2,756,929	196,086,332
Time Share contracts	63,171,237	-	10,969,544	-	3,728,098	-	77,868,879
Other intangible assets	45,374,979	1,514,336	190,520	(2,897,211)	3,169,054	907,401	48,259,079
	276,106,526	58,693,216	19,707,642	(5,020,352)	7,165,886	2,530,175	359,183,091
Accumulated Amortisation							
Patents, licences and similar rights	(3,262,008)	(837,874)	(146,591)	4,226	(2,995)	-	(4,245,242)
Leaseholds	(17,021,783)	-	(1,207,229)	-	-	1,085,404	(17,143,608)
Computer software	(103,637,563)	(46,533,581)	(16,441,837)	1,952,426	(276,855)	-	(164,937,410)
Time Share contracts	(10,484,280)	-	(4,505,056)	-	(754,892)	-	(15,744,228)
Other intangible assets	(13,954,841)	(1,500,997)	(1,232,790)	85,035	(1,919,628)	(1,085,404)	(19,608,625)
	(148,360,474)	(48,872,452)	(23,533,503)	2,041,687	(2,954,370)	-	(221,679,113)
Carrying value	127,746,051	9,820,764	(3,825,861)	(2,978,665)	4,211,516	2,530,175	137,503,978

New incorporations relate to the integration of intangible assets from the Viajes Deneb, S.L. Group, as a result of the merger of the travel businesses of the Barceló Group and the Globalia Group, as detailed in Note 5.

The main additions in 2021 relate to incremental costs incurred to obtain time-share contracts. See Note 3.18.g.

Details of movement in intangible assets during 2020 are as follows:

	Balance at 31/12/2019	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2020
Acquisition cost						
Patents, licences and similar rights	3,574,140	-	(43,970)	(19,621)	-	3,510,550
Leaseholds	32,057,056	1	-	-	1,656,321	33,713,375
Computer software	119,438,005	9,150,541	(76,832)	(830,035)	2,654,705	130,336,384
Time Share contracts	67,984,100	4,668,791	-	(9,481,654)	-	63,171,237
Other intangible assets	44,857,959	6,645,463	-	(3,490,183)	(2,638,260)	45,374,979
	267,911,260	20,464,797	(120,802)	(13,821,493)	1,672,765	276,106,525
Accumulated Amortisation						
Patents, licences and similar rights	(3,034,424)	(251,271)	18,392	5,294	-	(3,262,009)
Leaseholds	(14,149,331)	(1,216,131)	-	-	(1,656,321)	(17,021,783)
Computer software	(90,281,033)	(14,157,540)	76,832	724,180	-	(103,637,561)
Time Share contracts	(7,501,713)	(4,094,048)	-	1,111,481	-	(10,484,280)
Other intangible assets	(12,415,528)	(2,565,370)	-	1,026,056	-	(13,954,841)
	(127,382,029)	(22,284,360)	95,224	2,867,011	(1,656,321)	(148,360,474)
Carrying value	140,529,231	(1,819,563)	(25,578)	(10,954,482)	16,445	127,746,051

At December 31, 2021, the Group has fully amortised intangible assets amounting to 125.4 million euros (83.7 million euros at December 31, 2020).

7. PROPERTY, PLANT & EQUIPMENT

Details of movement in Property, Plant & Equipment in 2021 are as follows:

	Balance at 31/12/2020	New incorporations	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2021
Acquisition cost							
Land and natural resources	489,842,728	90,464	3,345	-	21,390,246	-	511,326,783
Buildings	1,370,797,017	756,449	2,055,377	(465,441)	69,108,344	(9,343,906)	1,432,907,840
Technical installations	220,244,266	31,365,812	1,417,281	(2,221,516)	10,223,808	273,108	261,302,759
Machinery	92,069,335	21,527	1,224,725	(9,260)	5,314,380	4,046	98,624,753
Tools	3,210,555	131	119,102	(5,147)	23,896	-	3,348,537
Other installations	75,102,079	12,023	745,190	(1,623,579)	2,583,268	270,473	77,089,454
Furniture	237,339,696	20,802,949	2,276,981	(4,110,641)	9,057,999	120,956	265,487,940
IT equipment	21,619,515	5,893,631	443,323	(261,997)	469,951	18,990	28,183,413
Vehicles	20,167,630	8,132,966	695,591	(57,183)	687,752	(40,165)	29,586,591
Other property, plant & equipment	53,471,102	1,258	885,252	(1,813,383)	1,287,709	27,922	53,859,860
Property, plant & equipment under construction	13,332,681	23,740	8,115,959	(909,621)	(484,372)	6,102,994	26,181,382
	2,597,196,605	67,100,950	17,982,126	(11,477,768)	119,662,981	(2,565,582)	2,787,899,312
Accumulated depreciation							
Buildings	(309,877,324)	(403,798)	(46,893,539)	247,715	(17,624,274)	-	(374,551,220)
Technical installations and machinery	(179,401,095)	(28,180,723)	(22,631,621)	2,943,576	(10,734,354)	(15,561,244)	(253,565,461)
Other assets	(253,578,956)	(33,851,284)	(28,473,586)	6,024,432	(7,952,725)	15,596,651	(302,235,468)
	(742,857,374)	(62,435,805)	(97,998,746)	9,215,723	(36,311,353)	35,407	(930,352,149)
Impairment of property, plant & equipment	(67,544,060)	-	708,536	-	(884,438)	-	(67,719,962)
Carrying value	1,786,795,171	4,665,145	(79,308,084)	(2,262,045)	82,467,190	(2,530,175)	1,789,827,201

New incorporations relate to the integration of Property, plant and equipment from the Viajes Deneb, S.L. Group, as a result of the merger of the travel businesses of the Barceló Group and the Globalia Group, as detailed in Note 5.

Details of movement in Property, Plant & Equipment in 2020 are as follows:

	Balance at 31/12/2019	Additions	Disposals	Translation differences	Transfers	Balance at 31/12/2020
Acquisition cost						
Land and natural resources	587,339,526	-	(43,537,044)	(53,959,754)	-	489,842,727
Buildings	1,519,306,160	21,891,233	(23,101,436)	(159,921,968)	12,623,024	1,370,797,015
Technical installations	238,890,256	6,768,637	(11,681,293)	(23,194,537)	9,461,204	220,244,266
Machinery	102,889,231	3,733,904	(4,104,498)	(12,744,628)	2,295,324	92,069,336
Tools	3,166,156	387,540	(260,847)	(118,777)	36,484	3,210,555
Other installations	74,749,824	5,965,475	(1,369,683)	(5,652,474)	1,408,937	75,102,079
Furniture	254,258,965	8,832,188	(4,795,931)	(22,770,478)	1,814,952	237,339,696
IT equipment	22,603,861	989,839	(695,627)	(1,485,568)	207,010	21,619,515
Vehicles	23,186,494	6,056	(456,823)	(2,654,237)	86,141	20,167,630
Other property, plant & equipment	56,897,789	2,231,544	(3,847,679)	(3,325,451)	1,514,900	53,471,104
Property, plant & equipment under construction	23,854,571	21,247,836	(2,060,909)	(244,398)	(29,464,420)	13,332,681
	2,907,142,833	72,054,252	(95,911,768)	(286,072,270)	(16,445)	2,597,196,604
Accumulated depreciation						
Buildings	(310,631,823)	(48,205,349)	15,380,400	33,579,448	-	(309,877,324)
Technical installations and machinery	(193,088,971)	(21,007,108)	12,932,182	21,762,804	-	(179,401,095)
Other assets	(256,008,470)	(28,885,201)	9,280,407	22,034,308	-	(253,578,956)
	(759,729,264)	(98,097,659)	37,592,988	77,376,560	-	(742,857,374)
Impairment of property, plant & equipment	(69,149,753)	(3,250,678)	2,542,142	2,314,230	-	(67,544,059)
Carrying value	2,078,263,816	(29,294,086)	(55,776,637)	(206,381,479)	(16,445)	1,786,795,171

The main additions under buildings in 2020 relate to the termination of Phase IV of the Maya Complex and the refurbishment of the Hotel Santa Catalina and the Barceló Costa Vasca. The remaining additions relate to ordinary renovations in the hotels operated by the Group.

Withdrawals for the year mainly relate to the sale of the Hotel Royal Hideaway Formentor, in Mallorca.

The Amortisation and impairment heading of the 2021 consolidated statement of financial position includes impairment reversal of PP&E for an amount of 0.7 million euros (reversal of 2.5 thousand euros in 2020), related to a leased hotel in Spain, that exceeded its expected results.

No finance expenses have been capitalised in 2021 or 2020.

At December 31, 2021, the Group has fully depreciated property, plant and equipment amounting to 422 million euros (348 million euros at December 31, 2020).

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:

2021:

	Balance at 31/12/2020	Impairment property investments	Translation differences	Amortisation	Balance at 31/12/2021
Shopping centres and retail premises in Spain	5,153,823	-	-	(95,313)	5,058,510
Land in Costa Rica	5,070,199	-	177,800	-	5,247,999
Total	10,224,023	-	177,800	(95,313)	10,306,509

2020:

	Balance at 31/12/2019	Impairment property investments	Translation differences	Amortisation	Balance at 31/12/2020
Shopping centres and retail premises in Spain	5,948,343	(737,498)	-	(57,022)	5,153,823
Land in Costa Rica	5,931,087	-	(860,888)	-	5,070,199
Total	11,879,430	(737,498)	(860,888)	(57,022)	10,224,023

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 11,822 thousand euros (11,553 thousand euros at December 31, 2020). In 2021, no impairment has been recognised (737 thousand euros in 2020).

9. EQUITY-ACCOUNTED INVESTEEES

Movement in investments in associates in 2021 is as follows:

	Balance at 31/12/2020	Profit/(Loss)	Additions	Impairment	Balance at 31/12/2021
Santa Lucía, S.A.	1,241,115	-	-	-	1,241,115
Hotel Rivoli SA	996,896	(553,109)	-	-	443,787
Contuijo, S.L.	125,000	-	-	-	125,000
Caravel, S.A.	12,928,050	(325,905)	-	-	12,602,145
Société Financière d' Africa Palace, SA	9,282,122	(1,202,112)	-	-	8,080,010
UTE Segitur	-	-	10	-	10
Total	24,573,183	(2,081,126)	10	-	22,492,067

Movement in investments in associates in 2020 is as follows:

	Balance at 31/12/2019	Profit/(Loss)	Additions	Impairment	Balance at 31/12/2020
Santa Lucía, S.A.	1,241,115	-	-	-	1,241,115
Hotel Rivoli SA	-	(790,141)	1,787,037	-	996,896
Contuijo, S.L.	125,000	-	-	-	125,000
Caravel, S.A.	12,718,476	23,766	185,808	-	12,928,050
Société Financière d' Africa Palace, SA	10,396,773	(1,114,651)	-	-	9,282,122
Total	24,481,364	(1,881,026)	1,972,845	-	24,573,183

The key indicators from the balance sheets and income statements of associates in 2021 are as follows:

(Thousands of euros)		Non-current asset	Current asset	Equity	Non-current liability	Current liability	Total revenue	Net profit/(loss)	Net profit/(loss) attributable to the Group
Santa Lucía, S.A.	50%	7,509	2,570	6,462	3,614	3	-	-	-
Hotel Rivoli SA	20%	26,064	1,660	2,767	24,651	307	5,745	(2,377)	(553)
Contuijo, S.L.	33%	48	701	307	38	404	1,492	190	-
Société Financière d' Africa Palace, SA	48%	21,869	2,277	2,760	19,464	1,923	2,801	(734)	(1,202)
Caravel, S.A.	20%	19,838	8,694	23,987	3,436	1,110	1,890	(48)	(326)

The key indicators from the balance sheets and income statements of associates in 2020 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%	6,928	2,400	5,989	444	2,896	-	-	-
Hotel Rivoli SA	20%	26,722	2,402	4,984	22,220	1,920	5,098	(973)	(790)
Contuijo, S.L.	33%	49	419	117	200	151	656	(144)	-
Société Financière d'África Palace, SA	48%	11,941	4,267	3,454	11,380	1,374	1,469	(2,149)	(1,114)
Caravel, S.A.	20%	15,306	12,309	23,572	3,540	504	1,785	112	24

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, 2021 and 2020, the breakdown of "Other non-current financial assets" is as follows:

	Balances at 31/12/2021	Balances at 31/12/2020
Credits to associates	712,651	830,398
Deposits and guarantees	54,760,816	20,232,058
Equity instruments	109,128	70,950
Derivatives (Note 15)	106,015	106,015
Assets related to labour liabilities (Note 20.1)	5,609,832	4,353,763
Loans to third parties	12,692,174	14,904,935
Balance receivable for Time Share contracts	25,620,331	18,686,424
Prepayments for assets	996,910	5,252,764
Other loans	1,018,201	913,845
Total	101,626,058	65,351,153

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 related to the amounts paid in advance 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 33,932 thousand euros.

LOANS TO THIRD PARTIES

The Loans to third parties balance mainly relates to loans granted to the owners of hotels that the Group operates under lease or management agreements.

BALANCES RECEIVABLE FOR THE SALE OF RIGHTS TO USE ROOMS (TIME SHARE)

The Group extends financing to customers who purchase rights to use rooms, mainly for a term between three and five years.

11. TRADE DEBT

The breakdown is as follows:

	Balance at 31/12/2021	Balance at 31/12/2020
Trade debt	220,596,161	90,921,867
Total	220,596,161	90,921,867

The balance of the bad debt provision at December 31, 2021, amounts to 24.0 million euros. At December 31, 2020, the balance amounted to 15.5 million euros. The balance of the bad debt provision at December 31, 2021, amounts to 9.5 million euros (6.8 million in 2020).

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

	2021	2020
Less than 90 days	58,725	18,596
More than 90 days and less than 180	8,657	4,658
More than 180 days and less than 360	10,170	12,910
More than 360 days	7,172	11,554
Total	84,724	47,718

12. OTHER RECEIVABLES

Details are as follows:

	Balance at 31/12/2021	Balance at 31/12/2020
Receivables	34,180,557	19,295,223
Advances to creditors	33,514,209	4,456,751
Tax receivables - others	20,923,192	22,123,771
Tax authorities - VAT recoverable	18,254,667	16,999,999
Withholdings and payments on account	11,065,455	8,492,960
Total	117,938,080	71,368,704

13. OTHER CURRENT FINANCIAL ASSETS

Details are as follows:

	Balance at 31/12/2021	Balance at 31/12/2020
Deposits, Guarantees and Others	4,530,011	7,253,320
Interest receivable	30,082	41,088
Derivatives	116,068	245,857
Total	4,676,161	7,540,266

14. FINANCIAL INSTRUMENTS

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

Financial assets	Equity instruments		Loans, derivatives and others		Total	
	2021	2020	2021	2020	2021	2020
Non-current financial assets						
Assets at fair value with changes in comprehensive income	109,128	70,950	-	-	109,128	70,949
Assets at fair value with changes in profit and loss	-	-	106,015	106,015	106,015	106,015
Assets at amortised cost	-	-	101,410,915	65,174,188	101,410,915	65,174,188
	109,128	70,950	101,516,930	65,280,202	101,626,058	65,351,152
Current financial assets						
Assets at amortised cost	-	-	292,851,021	121,968,251	292,851,021	121,968,251
Hedging derivatives	-	-	116,068	245,857	116,068	245,857
	-	-	292,967,089	122,214,107	292,967,089	122,214,107
TOTAL	109,128	70,950	394,484,019	187,494,310	394,593,147	187,565,260

Current financial assets at amortised cost include "trade receivables", "other receivables" and "other current financial assets", 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	
	2021	2020
Derivatives - Assets		
Non-current		
- Interest rates	106,015	106,015
- Exchange rate	-	-
- Fuel (Notes 24 and 25)	-	-
Current		
- Exchange rate (Notes 24 y 25)	116,068	245,857
- Fuel	-	-
- Interest rates	-	-
Total Assets	222,083	351,872

The interest rate derivative relates to a finance contract signed in October 2020, by virtue of which the Company guarantees a maximum interest rate (cap) of the 3-month Euribor of 0% on a notional amount of 80 million euros until April 28, 2022, 76 million euros until October 28, 2022, 70 million euros until April 28, 2023, 62 million euros until October 28, 2023, 52 million euros until April 28, 2024, 40 million euros until October 28, 2024, 28 million euros until April 28, 2025 and 14 million euros until October 28, 2025. The variations in fair value of this derivative are recognised under the finance result heading of the consolidated statement of financial position.

There have been no transfers between levels 1, 2 and 3 during 2021 or 2020. The measurement technique has not been modified with regard to 2020.

16. CASH AND CASH EQUIVALENTS

At December 31, 2021, the balance of this heading amounts to 1,049 million euros, 878.7 million euros of which (496.2 million euros in 2020) related to bank accounts and 170.3 million euros (74.2 million euros in 2020) related to bank deposits maturing in the short-term, of which 58.6 million euros are 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, 2007.

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, 2021 and 2020, 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 offset losses if no other reserves are available. Under certain conditions it may be used to increase share capital provided that the balance left on 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

The capitalisation reserve. Income Tax Law 27/2014 introduced as of 2015, article 25 regulating the capitalisation reserve. This article stipulates the possibility of reducing taxable income to 10% of the increase in an entity's capital and reserves, provided that a number of requirements, including the following, are met:

- That the amount of the increase in the entity's capital and reserves is maintained for a period of five years from the closing of the tax period to which this reduction pertains unless the entity has incurred accounting losses.
- That a reserve be allocated, equivalent to the amount of the decrease, which should be reflected on the balance sheet as a separate heading and will be non-distributable during the period forecast in the preceding point.

At December 31, 2021, the Group has 38 million euros of restricted reserves.

Moreover, the Group foresees crediting Corporate Tax for an amount of 1 million euros pending application in future years

and for which an additional restricted reserve is charged in the year in which they are applied.

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 to the date of the transition to IFRS were also classified under this heading.

18.4. DISTRIBUTION OF DIVIDENDS

Given the situation caused by the COVID-19 crisis, at their 2021 General Meeting, the shareholders agreed that no dividends should be distributed.

By virtue of the commitments established in section 2 of the fourth additional provision of "Royal Decree Law 5/2021, dated March 12, on extraordinary measures to support the solvency of companies in response to the COVID-19 pandemic", since it has received funds from the Covid line of direct aid for the self-employed and companies, the Parent company considers proposing at the General Shareholders Meeting that no dividends are distributed in 2022.

18.5. NON-CONTROLLING INTERESTS

The most significant non-controlling interests are mainly held by Desarrollo Flamenco Riviera SA de CV, Emeraldtown - Empreendimentos Imobiliários e Turísticos, Lda and Ávoris Corporación Empresarial, S.L. and subsidiaries. Appendix I details the information relating to these companies.

At December 31, 2021, details of non-controlling interests are as follows:

	Miles de Euros
Non-current assets	419,219
Current assets	170,206
Total Assets	589,425
Equity	4,470
Non-current liabilities	363,082
Current liabilities	221,873
Total liabilities	589,425
Income	328,416
Profit/(loss) for the year	(44,184)

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 2021, the companies Flamenco BV, Puerto Plata Holding BV and Mauritius Holding have been dissolved without generating a significant impact on the income statement. In 2020, the companies Travelsens USA and Barceló Hospitality were dissolved without generating a significant impact 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 2021 is as follows:

	Balances at 31/12/2020	Additions	Taken to income statement	Balances at 31/12/2021
Grants	110,171	1,660,955	(616,572)	1,154,554
Total	110,171	1,660,955	(616,572)	1,154,554

Movement in 2020 is as follows:

	Balances at 31/12/2019	Additions	Taken to income statement	Balances at 31/12/2020
Grants	91,479	55,676	(36,985)	110,171
Total	91,479	55,676	(36,985)	110,171

20. PROVISIONS

20.1. NON-CURRENT PROVISIONS

Movement in provisions in 2021 is as follows:

	Balances at 31/12/2020	New incorporations	Additions	Withdrawals	Translation differences	Balances at 31/12/2021
Commitments with employees	24,439,595	179,686	2,841,129	(603,392)	834,583	27,691,601
Provisions for liabilities	39,374,103	54,169	10,136,710	(8,148,763)	(32,879)	41,383,340
Provisions for overhauls	2,661,690	-	35,631,990	-	-	38,293,680
Non-current provisions for onerous contracts	-	-	2,062,184	-	-	2,062,184

Non-current provisions	66,475,390	233,855	50,672,013	(8,752,155)	801,704	109,430,805
Provisions for overhauls and others	3,658,432	-	10,929,709	(2,121,018)	-	12,467,123
Current provisions	3,658,432	-	10,929,709	(2,121,018)	-	12,467,123
Total provisions	70,133,822	233,855	61,601,722	(10,873,173)	801,704	121,897,928

Movement in provisions in 2020 is as follows:

	Balances at 31/12/2019	Additions	Withdrawals	Financial effect	Translation differences	Balances at 31/12/2020
Provisions for long-service benefits	22,318,086	4,354,212	(847,183)	-	(1,385,520)	24,439,595
Provisions for liabilities	51,357,412	1,335,856	(13,113,367)	-	(205,798)	39,374,103
Provisions for overhauls	1,894,397	767,293	-	-	-	2,661,690
Non-current provisions for onerous contracts	21,560	-	(30,792)	9,234	-	-
Non-current provisions	75,591,455	6,457,361	(13,991,342)	9,234	(1,591,318)	66,475,390
Current provisions for onerous contracts	64,343	-	(64,343)	-	-	-
Provisions for overhauls	2,758,104	1,858,795	(958,467)	-	-	3,658,432
Current provisions	2,822,447	1,858,795	(1,022,810)	-	-	3,658,432
Total provisions	78,413,902	8,316,156	(15,014,152)	9,234	(1,591,318)	70,133,822

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 2021 consolidated statement of financial position for this concept amounted to 2,213 thousand euros (2,503 thousand euros in 2020). The amount of the expense directly recognised in equity (Value adjustment) amounts to 628 thousand euros (1,851 thousand euros in 2020).

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 2021 and 2020, 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 2021 and 2020, was the projected unit credit method using the PERMF2000P tables applying an interest rate of 0.63% (0.63% in 2020), an employee turnover assumption of 8.95% (8.95% in 2020), an annual salary increase rate of 1.5% and a retirement age of 65 years. The provision for this commitment amounts to 12.7 million euros at closing 2021 (11.7 million in 2020).

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 6.5 million euros (6.1 million euros in 2020), which has been calculated using the projected unit credit method. The actuarial hypotheses used for the calculation of the related liability are EMSSAH-09/EMSSAH-09 mortality tables, staff rotation indexes depending on the age of the employee, a discount rate of between 7.92% and 8.22%, 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 2.1 million euros (1.7 million euros in 2020). 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 2020) 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, 2021, the plan's assets amount to 6.4 million USD (5.3 million in 2020), and consists of cash and cash equivalents, shares and bonds. At December 31, 2021, the non-current liability for this concept amounts to 6.2 million USD (5.1 million USD in 2020).

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, 2021, the provision for onerous contracts amounts to 2.1 million, corresponding to 2 hotels in Italy.

PROVISIONS FOR OVERHAULS

This heading includes the provision to cover future aircraft overhauls for the concept of programmed maintenance that, according to the stipulation of the lease contracts should be performed before the return of the aircraft.

In order to calculate said provision, the Company differentiates between overhauls that must be performed during the term of the aircraft lease contract and those that must be undertaken following the maturity of said contract. The Company makes

a provision based on historical prices and those established in the maintenance contracts in the first case, and those stated in the aircraft lease contracts in the second case. In both cases, the Company considers the hours/cycles and working months of each aircraft.

20.2. CURRENT PROVISIONS

At December 31, 2021, 12.3 million (3.5 million in 2020) of the other current provisions balance corresponds to the provision for overhauls related to aircraft maintenance.

21. BORROWINGS FROM BANKS AND PUBLIC ADMINISTRATIONS

At December 31, 2021, the breakdown of borrowings with Banks and Public Administrations, by nature and maturity are as follows:

	2021	
	Non-current maturities	Current maturities
Personal loans	649,793,689	136,476,416
Credit facilities	199,854,920	3,417,778
Promissory notes issued in MARF	-	200,000,000
Interest	-	1,315,267
Total bank debt	849,648,609	341,209,461
SEPI loans	220,000,000	-
Interest	-	3,271,713
Total debt with Public Administrations	220,000,000	3,271,713
Total borrowings	1,069,648,609	344,481,174

At December 31, 2020, bank borrowings by nature and maturity are as follows:

	2020	
	Non-current maturities	Current maturities
Personal loans	694,589,687	208,445,672
Credit facilities	20,062,000	8,995,180
Promissory notes issued in MARF	-	45,700,000
Interest	-	1,470,361
Total bank debt	714,651,687	264,611,213

At December 31, 2021, the amount of credit facilities with annual maturity that have been drawn down is of 3.4 million euros. They are regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread. All of these are denominated in euros. The limit of these credit facilities amounts to 5.4 million euros.

The amount of the policies with non-current maturities drawn down at December 31, 2021, is of 199.9 million euros. They are regularly renewed, accruing interest at a floating rate of Euribor plus a market-rate spread. All of these are denominated in euros. The limit of these credit facilities amounts to 603 million euros.

The Group has subscribed ICO guarantee loans with various financial entities. Of the total amount of loans mentioned above, 389.7 million euros relate to ICO guarantee loans.

All the loans are pegged to a floating market rate, except for an amount of 445.1 million euros at a fixed rate (422.5 million at December 31, 2020). Their fair value is similar to their carrying amount.

The amount "SEPI loans" relates to temporary public financial aid from the State Industrial Ownership Corporation (SEPI) received by the Parent, Avoris Corporación Empresarial, S.L., for an amount of 320 million euros (Equity loan of 163,200,000 euros and an ordinary loan of 156,800,000 euros). 220 million euros of this amount have been drawn down at December 31, 2021 (163.2 million of equity loan and 56.8 million of ordinary loan). The purpose of this aid is to the finance working capital and liquidity needs of the companies in the Travel Division (the effective beneficiaries of the loan) as a result of Covid-19. The debt matures in 2027 and is remunerated at both a fixed and a floating interest rate (equity loan) and will be solely used to restore the economic viability of the Avoris Corporación Empresarial, S.L. Group. The loan cannot generate equity exceeding that recognised at December 31, 2019. Avoris Corporación Empresarial, S.L. guarantees, expressly, irrevocably and unconditionally, severally with the other beneficiary subsidiaries and remaining obligors (between themselves) for the lender, each and every one of the present and future obligations of this Finance Contract and the remaining Financial Documents, on the first demand from the SEPI or the Fund. Moreover, among others, Avoris Corporación Empresarial, S.L. has established the actual right to pledge in favour of the SEPI, on its financial participations in the travel division subsidiaries and on the credit rights arising from its bank accounts (103,630 thousand euros at December 31, 2021). Barceló Corporación Empresarial, S.A. gives its personal guarantee, in a proportion of 50.55% in order to guarantee the payment obligations arising from the loan for the SEPI's financing. In a 3-year period, beginning on the date the loan was granted (March 2021) the SEPI has committed to evaluate the cancellation of these guarantees, provided that the Viability Plan presented by Avoris Corporación Empresarial, S.L. is fulfilled.

On November 24, 2020, a new promissory note issue programme was signed for an amount of 200 million euros, maturing on November 24, 2021. On November 24, 2021, a new promissory note issue programme was signed for an amount of 200 million euros, maturing on November 24, 2022. The issues made in 2021 pending maturity at December 31, 2021 are as follows:

- 5 million euros, issued on June 15, 2021, maturing on March 15, 2022, at 1.302%.
- 1 million euros, issued on July 5, 2021, maturing on April 4, 2022, at 1.30%.
- 8.7 million euros, issued on July 15, 2021, maturing on January 11, 2022, at 1.05%.
- 7.9 million euros, issued on July 15, 2021, maturing on April 4, 2022, at 1.30%.
- 11.5 million euros, issued on September 2, 2021, maturing on March 2, 2022, at 1.00%.
- 4.6 million euros, issued on September 2, 2021, maturing on May 30, 2022, at 1.25%.
- 15 million euros, issued on September 13, 2021, maturing on January 11, 2022, at 0.75%.
- 18.8 million euros, issued on September 13, 2021, maturing on March 15, 2022, at 1.00%.
- 1.1 million euros, issued on September 13, 2021, maturing on June 15, 2022, at 1.25%.
- 9.7 million euros, issued on October 4, 2021, maturing on January 11, 2022, at 0.75%.
- 8.4 million euros, issued on October 4, 2021, maturing on April 4, 2022, at 1.00%.
- 1.6 million euros, issued on October 4, 2021, maturing on July 5, 2022, at 1.25%.
- 14.2 million euros, issued on October 14, 2021, maturing on February 1, 2022, at 0.7%.
- 5.4 million euros, issued on October 14, 2021, maturing on April 22, 2022, at 0.95%.
- 9.3 million euros, issued on October 14, 2021, maturing on July 5, 2022, at 1.2%.
- 12 million euros, issued on October 27, 2021, maturing on February 1, 2022, at 0.7%.
- 8.4 million euros, issued on October 27, 2021, maturing on May 5, 2022, at 0.95%.
- 5.5 million euros, issued on October 27, 2021, maturing on July 27, 2022, at 1.2%.
- 4.1 million euros, issued on November 4, 2021, maturing on October 27, 2022, at 1.4%.
- 2 million euros, issued on November 15, 2021, maturing on February 16, 2022, at 0.7%.
- 4 million euros, issued on November 15, 2021, maturing on May 30, 2022, at 0.95%.
- 7.2 million euros, issued on November 15, 2021, maturing on September 6, 2022, at 1.2%.
- 5 million euros, issued on December 1, 2021, maturing on March 2, 2022, at 0.70%.
- 10 million euros, issued on December 1, 2021, maturing on May 30, 2022, at 0.95%.
- 16.9 million euros, issued on December 1, 2021, maturing on September 6, 2022, at 1.2%.

These promissory note issue programmes are registered in the Alternative Fixed Income Market (MARF) in Spain.

The promissory notes issued in MARF in 2020 were as follows:

- 100 million euros, issued on December 16, 2020, 20.7 million euros of which have been used, maturing on January 27, 2021, at 0.60%.
- 100 million euros, issued on December 16, 2020, 25 million euros of which have been used, maturing on March 16, 2021, at 0.80%.

22. OTHER NON-CURRENT LIABILITIES

Details are as follows:

	2021	2020
Guarantees and deposits	1,649,257	1,542,603
Non-current loans	103,006,852	106,084,027
Other non-current liabilities	56,641,985	64,808,901
Derivatives (Note 24)	-	2,696,614
Others	-	6,506
Total Other non-current financial liabilities	161,298,094	175,138,651

At December 31, 2021, the balance of non-current loans includes loans of 13.0 million euros extended by Fundación Barceló (13.0 at December 31, 2020), remunerated at market interest rates, and loans extended by various members of the Barceló family and related parties for an amount of 90.0 million euros (93.0 million euros at December 31, 2020) remunerated at a market interest rate. This balance includes a foreign currency loan for an amount of 1.1 million USD (1.1 million USD at December 31, 2020).

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.

The "Other non-current liabilities" balance includes the non-current deferred payment for the purchase of the shares of Viajes Catai, S.A. and Punta Umbría Turística, S.L., for an amount of 9.6 and 40.1 million euros respectively, valued at amortised cost (See Note 5).

Derivatives correspond to the non-current portion of the cash flow derivatives measured at fair value (See Notes 24 and 25).

23. MATURITIES OF FINANCIAL LIABILITIES

Details by maturity of non-current financial liabilities at December 31, 2021, are as follows:

	2023	2024	2025	2026	2027 and subsequent years
Personal loans	321,114,575	153,741,308	136,249,186	23,684,311	235,004,309
Credit facilities	199,854,920	-	-	-	-

Total bank debt	520,969,495	153,741,308	136,249,186	23,684,311	235,004,309
Guarantees and deposits	-	-	-	-	1,649,257
Other non-current loans	103,006,852	-	-	-	-
Other non-current liabilities	10,511,934	8,153,150	4,102,852	4,275,094	29,598,954
Derivatives	-	-	-	-	-
Total other non-current liabilities	113,518,786	8,153,150	4,102,852	4,275,094	31,248,211

Details by maturity of non-current financial liabilities at December 31, 2020, are as follows:

	2022	2023	2024	2025	2026 and subsequent years
Personal loans	337,187,400	150,226,530	109,525,401	90,475,584	7,174,772
Credit facilities	20,062,000	-	-	-	-
Total bank debt	357,249,400	150,226,530	109,525,401	90,475,584	7,174,772
Guarantees and deposits	-	-	-	-	1,542,603
Other non-current loans	106,084,027	-	-	-	-
Other non-current liabilities	8,992,136	8,640,664	8,821,039	4,481,357	33,873,706
Derivatives	2,696,614	-	-	-	-
Other financial liabilities	6,506	-	-	-	-
Total other non-current liabilities	117,779,283	8,640,664	8,821,039	4,481,357	35,416,308

Movement in 2021 is as follows:

	Balance at 31/12/2020	Cash flows	Current transfers	Translation differences	Balance at 31/12/2021
Bank borrowings	714,651,687	354,996,922	-	-	1,069,648,609
Bank borrowings	714,651,687	354,996,922	-	-	1,069,648,609
Guarantees and deposits	1,542,603	(1,826)	-	108,480	1,649,257
Non-current loans	106,084,027	(3,077,175)	-	-	103,006,852
Non-current liabilities	64,808,901	(2,714,015)	(5,461,061)	8,160	56,641,985
Derivatives	2,696,614	(2,696,614)	-	-	-
Others	6,506	(6,506)	-	-	-
Other non-current liabilities	175,138,651	(8,496,136)	(5,461,061)	116,640	161,298,094

Movement in 2020 is as follows:

	Balance at 31/12/2019	Result	Cash flows	Current transfers	Value adjustments	Translation differences	Balance at 31/12/2020
Bank borrowings	370,914,431	-	358,395,100	(14,657,844)	-	-	714,651,687
Bank borrowings	370,914,431	-	358,395,100	(14,657,844)	-	-	714,651,687
Guarantees and deposits	1,882,866	-	(105,918)	-	-	(234,346)	1,542,603
Non-current loans	104,340,536	-	1,743,491	-	-	-	106,084,027
Non-current liabilities	83,082,964	-	(1,553,273)	(16,711,763)	-	(9,027)	64,808,901
Derivatives	-	1,480,000	-	-	1,216,614	-	2,696,614
Others	7,337	-	(831)	-	-	-	6,506

Other non-current liabilities	189,313,703	1,480,000	83,470	(16,711,763)	1,216,614	(243,373)	175,138,651
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At December 31, 2021, the breakdown for non-current lease liabilities by years of maturity is as follows:

	2023	2024	2025	2026	2027 and subsequent years	TOTAL
Hotels	46,501,402	36,135,057	34,762,333	31,411,947	388,471,873	537,282,612
Aircraft	37,875,123	37,766,362	36,935,206	27,042,447	142,030,709	281,649,847
Offices	4,284,104	2,000,411	1,492,339	1,069,298	1,867,383	10,713,535
Non-current lease liabilities	88,660,629	75,901,830	73,189,878	59,523,692	532,369,965	829,645,994

At December 31, 2020, the breakdown for non-current lease liabilities by years of maturity is as follows:

	2022	2023	2024	2025	2026 and subsequent years	TOTAL
Hotels	52,998,172	46,795,225	30,735,990	29,834,750	304,176,521	464,540,658
Aircraft	37,013,514	34,958,358	34,857,974	34,090,825	155,733,077	296,653,748
Offices	2,877,977	1,756,300	206,884	169,708	118,434	5,129,305
Non-current lease liabilities	92,889,663	83,509,884	65,800,848	64,095,283	460,028,034	766,323,712

24. FINANCIAL INSTRUMENTS - LIABILITIES

The breakdown of financial instruments for liabilities is as follows:

Financial liabilities	Total	
	2021	2020
Non-current financial liabilities		
Financial liabilities at fair value through profit or loss (Note 25)		1,480,000
Hedging derivatives (Note 25)	-	1,216,614
Loans and payables	1,230,946,703	887,093,724
Lease liabilities (Note 34)	829,645,994	766,323,712
	2,060,592,697	1,656,114,050
Current financial liabilities		
Financial liabilities at fair value through profit or loss (Note 25)	188,473	105,048
Hedging derivatives (Note 25)	1,056,743	16,623,269
Loans and payables	849,480,761	528,496,625
Lease liabilities (Note 34)	92,206,893	83,404,113
	942,932,870	628,629,055
TOTAL	3,003,525,567	2,284,743,105

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 2021 has been recognised under the Financial expenses heading of the 2021 consolidated statement of financial position for an amount of 83 thousand euros.

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, 2021, the fair value amounts to 13,062 thousand euros.

The Group has contracted exchange rate and fuel derivative financial instruments with a net creditor fair value, at December 31, 2021, amounting to 941 thousand euros (17,594 thousand euros at December 31, 2020). 116 thousand euros of this amount, (245 thousand euros at December 31, 2020) has been recognised as assets (See Note 15) and 1,057 thousand euros as liabilities (19,320 at December 31, 2020).

Exchange rate derivatives relate to purchase or sale operations of the following currencies in 2022:

Underlying	Nominal in foreign currency	Insurance type
945,294	AUD	Purchase
254,182	CAD	Purchase
589,341	GBP	Purchase
358,600,730	JPY	Purchase
249,259	NOK	Purchase
219,883	NZD	Purchase

Fuel hedges consist of futures for the purchase of fuel by tonnes, amounts and years as detailed in the table below:

Expiry date	Tonnes of fuel	US dollars
2022	7,964	6,616,029

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 12,031,943 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	
	2021	2020
Non-current		
- Interest rate	-	(1,480,000)
- Exchange rate	-	-
- Fuel	-	(1,216,614)

Current		
- Interest rate	(188,473)	(105,048)
- Exchange rate	(189,984)	(3,829,662)
- Fuel	(866,759)	(12,793,607)
Total Liabilities	(1,245,216)	(19,424,931)

There have been no transfers between Levels 1, 2 and 3 in 2021 or 2020. The valuation technique has not varied from the previous year. The amount carried to the income statement for derivatives valued at fair value has resulted in revenue amounting to 6,084 thousand euros.

The fair value of interest rate, exchange rate and fuel derivatives is based on the valuation techniques and models normally used in the market, such as future cash flow discounts, using the interest and exchange rate curves available in the markets.

26. TAXES

Companies file annual income tax returns. The profits of Spanish companies, determined in accordance with tax legislation, are subject to a tax rate of 25% in 2021. Other Group companies are subject to nominal income tax rates of between 8.5% and 35%. Certain deductions may be made from the resulting tax amount.

The majority of the Group's Spanish companies have filed consolidated income tax returns. In 2020, the Spanish subsidiaries belonging to the travel division stopped declaring taxes on a consolidated basis with Barceló Corporación Empresarial, S.A and now do so with the company, Avoris Retail Division, S.L., as the Parent Company of this tax group.

In 2021, there are two consolidated groups in Spain. The Parent of one group is Barceló Corporación Empresarial S.A. and of the other it is Avoris Corporación Empresarial, S.L. The subsidiaries of the latter are the companies that make up the travel division (including the companies that made their tax declarations in 2020 under Avoris Retail División, S.L. and the companies contributed to Avoris Corporación Empresarial by Globalia Corporación Empresarial S.A.). See Note 5.

Under this tax regime, the taxable income of Group companies is not determined by the Group's consolidated accounting profit, but by the taxable income of the Group companies, determined as for individual tax returns, eliminating those results that form part of the individual taxable income of each Group company originating from intragroup transactions and including results which were eliminated in prior periods which are understood to have been realised by the Group in the tax period.

The Spanish Group companies have tax loss carryforwards available for offset against future taxable income amounting to 555 million euros. At December 31, 2021, of the aforementioned amount, tax losses amounting to 363 million euros have been capitalised resulting in a deferred tax asset of 90.8 million euros. In the case of the remaining tax losses, the accounting criteria necessary for their capitalisation are not fulfilled.

Furthermore, Spanish Group companies have various unused deductions, generated in prior years and in the current year, for an amount of 9.7 million euros, mainly corresponding to the deduction for technological innovation and the deduction for new fixed assets in the Canary Islands, of which the last limitation period is 2039 and 2036, respectively and to the Deduction for double international taxation which is not subject to limitations.

At December 31, 2021, of the total unused deductions, deferred tax assets have been recognised for an amount of 9.7 million euros.

Moreover, there are financial expenses pending deduction for which a deferred amount of 6.5 million euros has been recognised.

Details of the main characteristics of Corporate Tax in other countries which are significant for the Group are detailed below.

In the Dominican Republic, Group companies are subject to the higher of one of the following two taxes: (i) Asset Tax, at 1% of total assets less investments in shares, prepaid tax and rural properties, or (ii) Income Tax on taxable income based on accounting profit with various tax and accounting adjustments, at a rate of 27%, with a minimum, in certain cases, of 2.4% of the period's revenue. It should be noted that the companies located in said country have a total of 5.6 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 2021, 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 48.8 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 13.5 million euros.

The travel division has tax losses pending application in Portugal. 41.6 million euros of this amount have recognised deferred tax of 9.5 million euros.

In accordance with prevailing Spanish legislation, taxes cannot be considered definitive until they have been inspected and agreed by the tax authorities or before the inspection period of four years has elapsed. At December 31, 2021, the Spanish Group companies are open to inspection by the tax authorities for the last four years for all the applicable taxes.

Moreover, the Group is involved in judicial review proceedings for the following Spanish companies:

COMPANY	YEAR	TAX	STATUS OF CLAIM
Avoris Retail División, S.L.	2004-2006	Corporate Tax	Spanish National High Court
Inmuebles de Baleares, S.L.	2006	Corporate Tax	Supreme Court
Alisios Tours, S.L.	2013-2014	VAT	TEAC (Central Economic Administrative Court)
Alisios Tours, S.L.	07/2015-12/2016	VAT	TEAC (Central Economic Administrative Court)
Barceló Corporación Empresarial, S.A.	2012-2014	VAT	Spanish National High Court

The proceedings related to the Corporate Tax of Avoris Retail División, S.L. in the Spanish National High Court, are still pending resolution. However, the instalment, as well as the penalty and interest have already been paid to the tax authorities.

In 2021, Inmuebles de Baleares has presented a cassation appeal in the Supreme Court and is still pending the application process.

The proceedings related to the Corporate Tax of Viajes Catai, S.A. ended in 2021 in favour of the Company. The tax authorities have returned the majority of the amounts paid previously and is in the process of returning the remainder. As a result of the estimate, a rectification of the Corporate Tax declarations for 2011 until 2016 has been presented, requesting the return of the Corporate Tax amounts adjusted for the same concept.

The inspection processes and tax litigations of the travel division facilities and the liabilities that could arise from them, related to periods prior to the integration of the travel businesses of Barceló Corporación Empresarial and Globalia Corporación Empresarial S.A. through the creation of the Joint Venture (Avoris Corporación Empresarial, S.L), are guaranteed by their respective contributing partners. See Note 5.

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

	2021	2020
PROFIT FROM CONTINUING OPERATIONS	(130,417,778)	(163,265,544)
PROFIT BEFORE INCOME TAX	(130,417,778)	(163,265,544)
Profit of equity-accounted investees	2,081,126	1,881,026
Profit of fully consolidated companies	(128,336,652)	(161,384,518)
Parent tax rate	25%	25%
Tax expense at rate applicable to Parent	(32,084,163)	(40,346,130)
At other tax rates	2,418,616	(676,615)
Permanent differences (non-deductible expenses and non-taxable income) and others	(13,362,325)	(34,742,971)
Deductions/incentives generated in the year capitalised	(1,557,807)	(2,246,940)
Deductions/incentives generated in previous years capitalised	(4,595,581)	-
Uncapitalised deductions from previous years applied in the year	(505,958)	-

Temporary differences from previous years capitalised in the year	(6,090,106)	-
Impairment of tax losses	-	1,492,579
Tax losses from prior years, capitalised during the year	(798,272)	-
Uncapitalised tax losses from previous years, applied during the year	(376,686)	-
Uncapitalised tax losses for the year	16,450,650	12,607,089
Tax expense from prior years	(152,964)	(701,958)
Accounting expense	(40,654,596)	(64,614,947)

DEFERRED TAX ASSETS AND LIABILITIES

The breakdown and movement of deferred tax assets and liabilities during 2021 are as follows:

	Balances at 31/12/2020	New incorporations	Profit/ (Loss)	Translation differences	Value adjustments	Balances at 31/12/2021
Tax deductions	5,352,250	1,719,417	2,677,165	-	-	9,748,832
Tax losses	79,723,597	10,294,388	25,519,970	(568,922)	-	114,969,033
Property, plant & equipment and intangible assets	6,338,317	1,306,172	464,159	333,652	-	8,442,300
Hedging derivatives	2,835,743	-	18,673	-	(3,007,986)	(153,570)
Provisions, impairment and other	5,204,945	864,154	5,021,358	194,042	-	11,284,499
Advances from customers	1,322,110	-	953,790	66,152	-	2,342,052
Time Share	11,978,200	-	2,531,181	599,335	-	15,108,716
Loyalty premium	2,599,566	-	253,434	-	157,189	3,010,189
Lease assets and liabilities - IFRS-16	(1,752,568)	-	8,990,277	(337,448)	-	6,900,261
Finance expenses	4,415,952	-	2,062,182	-	-	6,478,134
Provisions, impairment and other	-	-	1,816,305	-	-	1,816,305
Others	13,632,506	86,029	(8,096,935)	579,344	-	6,200,943
Total deferred tax assets	131,650,618	14,270,160	42,211,559	866,155	(2,850,797)	186,147,694
Intangible assets	(2,922,548)	(1,296,548)	(289,147)	103,603	-	(4,404,640)
Property, plant & equipment	(147,741,518)	(130,059)	9,561,312	(7,966,185)	-	(146,276,450)
Time Share	(3,478,183)	-	3,652,216	(174,033)	-	-
Others	(8,678,337)	-	7,389,693	(317,123)	-	(1,605,767)
Total deferred tax liabilities	(162,820,586)	(1,426,607)	20,314,074	(8,353,738)	-	(152,286,857)
TOTAL	(31,169,968)	12,843,553	62,525,633	(7,487,583)	(2,850,797)	33,860,837

The breakdown and movement of deferred tax assets and liabilities during 2020 are as follows:

	Balances at 31/12/2019	Profit/ (Loss)	Translation differences	Withdrawals	Value adjustments	Balances at 31/12/2020
Tax deductions	2,807,476	2,657,933	-	(113,160)	-	5,352,250
Tax losses	19,359,933	61,019,932	(360,155)	(296,112)	-	79,723,597
Property, plant & equipment and intangible assets	8,422,743	(1,036,301)	(1,006,212)	(41,913)	-	6,338,317
Hedging derivatives	68,216	-	-	(41,630)	2,809,156	2,835,743
Provisions, impairment and other	7,073,847	(1,077,423)	(791,479)	-	-	5,204,945
Advances from customers	2,573,548	(903,613)	(347,825)	-	-	1,322,110
Time Share	12,608,772	1,073,554	(1,704,126)	-	-	11,978,200
Loyalty premium	2,094,324	197,068	-	(167,763)	475,936	2,599,566
Lease assets and liabilities - IFRS-16	2,280,629	(4,149,687)	116,490	-	-	(1,752,568)
Finance expenses	5,071,019	(655,067)	-	-	-	4,415,952
Others	13,393,509	1,628,588	(1,404,948)	15,360	-	13,632,506
Total deferred tax assets	75,754,016	58,754,985	(5,498,256)	(645,218)	3,285,093	131,650,618

Intangible assets	(2,737,006)	(323,763)	138,219	-	-	(2,922,548)
Property, plant & equipment	(186,857,350)	8,048,260	19,697,410	11,370,161	-	(147,741,518)
Impairment equity instruments	(81,842)	81,841	-	-	-	-
Time Share	(4,572,090)	475,970	617,936	-	-	(3,478,183)
Others	(10,759,142)	808,128	1,272,678	-	-	(8,678,337)
Total deferred tax liabilities	(205,007,428)	9,090,437	21,726,243	11,370,161	-	(162,820,586)
TOTAL	(129,253,412)	67,845,423	16,227,988	10,724,944	3,285,094	(31,169,967)

Deferred tax liabilities for property, plant and equipment mainly reflect the recognition at fair value of property, plant and equipment acquired through business combinations and at the deemed cost of land owned by the Group at the transition date to IFRS.

INCOME TAX EXPENSE

	2021	2020
Current tax expense	21,871,036	3,230,475
Deferred tax expense	(62,525,632)	(67,845,422)
Total Income Tax expense	(40,654,596)	(64,614,947)

Deferred tax income allocated to equity (Value adjustments) amounts to 2,851 thousand euros (3,286 thousand euros revenue in 2020).

27. LATE PAYMENTS TO SUPPLIERS

In accordance with the second final provision two of Law 31/2014, which amends Law 15/2010 of 5 July, details of the average hotel supplier payment period in Spain for 2021 and 2020 are as follows:

	2021	2020
Average payment period for suppliers (Days)	87,50	69,81
Transactions paid ratio	62,51	65,44
Transactions payable ratio	316,54	113,65
Total payments made	1,149,288,688	965,075,804
Total payments outstanding	125,379,630	57,942,029

28. OTHER CURRENT LIABILITIES

The breakdown is as follows:

	Balance at 31/12/2021	Balance at 31/12/2020
Spanish tax authorities	40,596,919	21,359,314
Social Security	5,658,295	5,338,084
Salaries payable	25,602,870	13,095,550
Other payables	10,071,483	21,856,810
Guarantees and deposits received	141,793	82,214
Hedging derivatives (Note 24 and 25)	1,245,215	16,728,317
Dividends	-	320,763
Total	83,316,575	78,781,052

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 2021 and 2020 are 657.1 and 202.4 million euros, respectively. The amounts corresponding to hospitality in 2021 and 2020 amount to 804.1 and 443.6 million euros, respectively.

In 2021, operating income by geographical market is as follows: 987.1 million in Spain, 378.4 million in Latin America and 95.7 million in the remaining areas. In 2020, operating income was as follows: 410.2 million in Spain, 192.7 million in Latin America and 43.1 in the remaining areas.

29.2. OTHER OPERATING INCOME

Revenue recognised in 2021 include 9.2 million euros related to rent waivers by lessors and, 68.3 million related to public grants, 44.5 million of which correspond to Social Security subsidies for the Temporary Redundancy Plans (ERTEs) of the Spanish companies. The remaining revenue mainly relates to income from hotel management fees and from other revenue complementary to the normal operations.

Revenue recognised in 2020 includes the profit generated by the sale of the participations in the companies, Inmobiliaria Formentor, S.A. and Formentor Urbanizadora, S.A. Said participations were sold for an amount of 165 million euros. Moreover, 17 million euros are included, arising from the rent waivers by lessors, mainly related to hotels and 19 million euros for the government welfare expenses grants, 15.6 million euros of which relate to Social Security subsidies for the Temporary Redun-

dancy Plans (ERTEs) of the Spanish companies. The remaining revenue mainly relates to income from hotel management fees and from other revenue complementary to the normal operations.

30. FINANCE RESULT

The finance result recognised under this heading relates to finance expenses amounting to 50.2 million euros (42.4 million in 2020) and finance revenue amounting to 9.5 million euros (4.5 million in 2020).

31. PERSONNEL EXPENSES

The breakdown of personnel expenses at December 31, 2021 and 2020 as follows:

	2021	2020
Salaries and wages	393,326,732	298,673,798
Termination benefits	4,031,795	5,309,486
Social security	93,239,806	73,613,237
Other employee benefits expenses	16,571,393	10,620,409
	507,169,726	388,216,930

As a result of the effects of the COVID-19 pandemic, as described in note 2.1, in the month of March 2020, in Spain, temporary redundancy plans (ERTEs) were formalised, affecting, to some extent, the majority of the workforce of the Spanish companies. These ERTes were extended to cover the whole of 2021. Under these Plans, employment has been temporarily suspended and the salary of the affected employees is being paid directly by the Government. No money is transferred to the Group. The Group is obliged to pay part of the associated Social Security expenses.

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

	2021	2020
Engineers, graduates and managers	4,954	4,862

Skilled workers	12,820	11,111
Assistants	7,283	5,847
	25,057	21,821

At December 31, 2021 and 2020, the distribution of employees by gender is as follows:

	2021	2020
Male	14,862	11,275
Female	17,255	10,553
	32,117	21,828

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 42 employees with a registered disability of over 33% (45 in 2020).

32. OTHER EXPENSES

Details of other operating expenses are as follows:

	2021	2020
Leases and royalties	20,524,747	12,804,632
Repairs and maintenance	46,020,724	44,088,119
Independent professional services	20,722,195	19,624,996
Insurance premiums	16,227,626	13,921,153
Advertising and publicity	23,304,688	24,091,556
Utilities	65,306,411	39,213,074
Others	188,601,393	95,497,258
	380,707,784	249,240,788

33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	2021		2020	
	Associates	Joint ventures	Associates	Joint ventures

Income	578,687	-	473,676	60,500
	578,687	-	473,676	60,500

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

At December 31, 2021 and 2020, there are no balances with related parties, with the exception of the balances with Fundación Barceló and the members of the Barceló family and related parties detailed in Note 22. The finance cost associated with these liabilities amounts to 2 million euros in 2021 and 3.1 million euros in 2020.

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 2022 and 2057, the aircraft between 2022 and 2032 and the offices between 2022 and 2035. In general, Barceló has restricted rights regarding the subleasing of said assets.

The movement of right-of-use assets in 2021 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2020	500,188,704	349,676,360	7,595,225	857,460,290
New incorporations	-	-	13,145,314	13,145,314
Additions	123,503,774	305,392	-	123,809,166
Withdrawals	(4,441,204)	-	(21,393)	(4,462,597)
Amortisation	(52,640,810)	(40,099,323)	(5,201,698)	(97,941,831)
Translation differences	1,480,433	-	204,416	1,684,849
December 31, 2021	568,090,897	309,882,429	15,721,864	893,695,191

The new incorporations correspond to the integration of the contracts of the subsidiaries of Viajes Deneb, S.L., as a result of the acquisition of the businesses detailed in Note 5.

The movement of right-of-use assets in 2020 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2019	495,589,481	213,599,212	10,208,526	719,397,219
Additions	61,798,342	176,085,693	1,305,481	235,592,084
Withdrawals	(1,087,229)	291,317	(4,095)	(800,007)
Amortisation	(54,232,402)	(40,299,862)	(3,324,457)	(97,856,721)
Translation differences	(1,879,488)	-	(590,231)	1,127,714
December 31, 2020	500,188,704	349,676,360	7,595,225	857,460,290

The movement of right-of-use liabilities in 2021 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2020	464,540,658	296,653,749	5,129,305	766,323,712
New incorporations	-	-	13,145,314	13,145,314
Additions	123,467,742	613,870	-	124,081,612
Withdrawals	(4,447,746)	2,919	(38,951)	(4,483,778)
Interest	13,426,638	7,915,341	147,052	21,489,031
Payments	(59,000,114)	(45,924,440)	(4,991,323)	(109,915,877)
Translation difference	1,258,787	-	381,562	1,640,348
Exchange difference	-	26,168,412	-	26,168,412
Current transfer	(1,963,353)	(3,780,004)	(3,059,424)	(8,802,780)
December 31, 2021	537,282,612	281,649,847	10,713,535	829,645,994
Current				92,206,893
Non-current				829,645,994

The movement of right-of-use liabilities in 2020 is as follows:

	Hotels	Aircraft	Offices	TOTAL
December 31, 2019	452,446,046	184,563,783	7,655,383	644,665,212
Additions	52,588,649	176,606,823	1,305,481	230,500,953
Withdrawals	(1,123,249)	(213,286)	(13,629)	(1,350,164)
Interest	10,411,068	7,072,493	207,616	17,691,178
Payments	(59,246,902)	(46,558,751)	(3,479,326)	(109,284,979)
Translation difference	7,217,692	-	(598,483)	6,619,210
Exchange difference	-	(21,995,366)	-	(21,995,366)
Current transfer	2,247,353	(2,821,947)	52,263	(522,331)
December 31, 2020	464,540,658	296,653,749	5,129,305	766,323,712
Current				83,404,113
Non-current				766,323,712

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

	2021	2020
Amortisation rights of use	97,941,831	97,856,721
Interest lease liabilities	21,489,031	17,691,178
Variable, low value and current rent	20,524,747	12,804,632
Withdrawals	(60,131)	(121,268)
Exchange differences	26,168,411	(21,995,366)
RESULT BEFORE TAX	166,063,889	106,235,897
Corporate tax	(8,990,277)	4,149,687
RESULT FOR THE YEAR	157,073,612	110,385,584

Lease expenses in 2021 and 2020 have been as follows:

Thousands of euros	2021	2020
Variable rent	20,525	12,805
Fixed rent	109,916	109,285
TOTAL Rent	130,441	122,090

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:

	2021		2020	
	Fixed rent	Variable rent	Fixed rent	Variable rent
Fixed rent	74,204,669	-	72,911,957	-
Variable rent with minimum guaranteed	35,711,208	5,023,923	36,373,022	1,643,180
Solely variable rent	-	15,500,824	-	11,161,452
TOTAL Rent	109,915,877	20,524,747	109,284,979	12,804,632

The Group has various contracts that include clauses with options for early cancellation or deadline extensions. These options are negotiated by Management in order to allow flexibility when managing the lease contracts portfolio, adapting them to the business' evolution. The Group exercises significant judgments in order to determine if it is reasonable to exercise the early termination or extension options. The table below shows the possible payments of future rental payments that have not been discounted, related to periods following the exercise date of the options for early termination that are expected to be exercised and of extension options that are not expected to be exercised and that are, therefore, included in the lease term considered for the valuation of the lease contracts in accordance with IFRS 16:

Thousands of euros	2021			2020		
	Up to 5 years	More than 5 years	TOTAL	Up to 5 years	More than 5 years	TOTAL
Contract extension options not expected to be exercised	163,225	114,629	277,854	149,393	124,172	273,565
Contract termination options expected to be exercised	96,827	95,183	192,010	148,485	182,599	331,084
	260,052	209,812	469,864	297,877	306,771	604,648

35. GUARANTEES WITH THIRD PARTIES AND CONTINGENT ASSETS AND LIABILITIES

Royal Mediterránea, S.A., in which the Group holds a non-controlling interest, has bank loans on which the Group has extended a guarantee of 56.6 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.

The Parent company guarantees any unrecognised liability in the companies contributed by the subsidiary Barceló Trips & Travel, S.L. to Ávoris Corporación Empresarial, S.L. originating before the contribution date (See Note 5).

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 Group has not incurred any expenses or received any environment-related grants during 2021 and 2020.

37. INFORMATION ON DIRECTORS AND MANAGEMENT

In 2021, 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 1.9 million euros (1.6 million euros in 2020). In 2021 and 2020, the members of the Board of Directors extended loans to the Group amounting to 39.3 and 39.5 million euros, remunerated at a fixed market interest rate (See Note 22). At December 31, 2021 and 2020, 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 2021 amounted to 86 thousand euros (38 thousand euros in 2020).

At December 31, 2021 and 2020, 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 Company has granted a credit to a company controlled by a member of top management for an amount of 1.4 million euros at December 31, 2021 (at December 31, 2020 it was this company that had granted a credit to the Company for an amount of 1.8 million euros).

The Directors of the Parent and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

APPENDIX I

CONSOLIDATION PERIMETER DECEMBER 31, 2021

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		50.55	Fully consolidated	Ávoris Retail Division SL
Alisios Tours, S.L.	Spain	Tour operator		50.55	Fully consolidated	Travelsens, S.L.
Allegro Club de Vacaciones, SRL	Dominican Rep.	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Allegro Palm Beach, V.B.A.	Aruba	Hotel business		100.00	Fully consolidated	Holding Administrative Hotelier Limited and others
Allegro Resorts Marketing Corporation	USA	Marketing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Allegro Vacation Club Aruba, NV	Aruba	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Altagracia incoming services, SRL	Dominican Rep.	Travel agency		50.55	Fully consolidated	Travelsens, S.L. and others
Asociados Corp San José S.A.	Costa Rica	Dormant		100.00	Fully consolidated	Hotel Trading Internacional, Inc
Ávoris Business, S.A.	Spain	Holding company		50.55	Fully consolidated	Ávoris Retail Division SL
Ávoris Congress Colombia S.A.S	Colombia	Travel agency		50.55	Fully consolidated	BCO Congress, S.L.U.
Ávoris Corporación Empresarial, S.L.	Spain	Holding company		50.55	Fully consolidated	Barceló Trips and Travel, SL
Ávoris División Central	Spain	Management services		50.55	Fully consolidated	Ávoris Retail Division SL
Ávoris Experience, S.L.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
Ávoris Retail Division S.L.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Corporación Empresarial, S.L.
Ávoris Travel Partner, S.L.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
Barceló Trips and Travel, SL	Spain	Holding company	100		Fully consolidated	Barceló Corporación Empresarial, S.A
B Travel Turismo Accesible S.A.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
Barceló Arrendamientos Hoteleros, S.L.	Spain	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Arrendamientos Península, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Arrendamientos Roma S.R.L.	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Arrendamientos Turísticos, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Asian Ocean LTD	Dubai	Holding company		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Business Services, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
B the Travel Brand, S.L.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
Barceló Cabo Verde Gestao Hotéis, SA	Cape Verde	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Cologne GMBH	Germany	Hotel business		100.00	Fully consolidated	Grundstrückgesellschaft Hamburg GmbH
Barceló Condal Hoteles, S.A.	Spain	Hotel business	56.6	43.40	Fully consolidated	Barceló Corporación Empresarial, S.A and others
Barceló Crestline Corporation	USA	Holding company		100.00	Fully consolidated	BCE BCC LLC
Barceló Egypt LLC	Egypt	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros. SL
Barceló Expansión Global, S.L.	Spain	Holding company		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Hoteleras Canarias, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Hoteleras Mediterráneo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Explotaciones Insulares, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Barceló Gestión Global, S.L.	Spain	Management company		100.00	Fully consolidated	Inversiones Turística Global, S.L.
Barceló Gestion Hotelera Grecia, LTD	Greece	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hotelera Maroc SARL	Morocco	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hotelera, S.A.	Guatemala	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Gestión Hotelera, S.L.	Spain	Management company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Gestión Hoteles Italia, SRL	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Gestión Hoteles Roma S.R.L.	Italy	Hotel business		100.00	Fully consolidated	Barceló Gestión Hoteles Italia, SRL
Barceló Gestión Tunisie SARL	Tunisia	Dormant		99.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barcelo Grundstrück Berlin GMBH&CO KG	Germany	Dormant	5.00	95.00	Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Grubarges Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Hotel Group Gulf DMCC	Dubai	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Hotels Mediterráneo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Spain, S.L.
Barceló Hotels Spain, S.L.	Spain	Holding company		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Huatulco Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Hungary KFT	Hungary	Hotel business		100.00	Fully consolidated	Barceló Arrendamientos Hoteleros. SL
Barceló Karmina Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Kukulcán Hoteles, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Lucía, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Porfolio Holding, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Resorts, SL

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Barceló Portugal Gestão Hotelera, Unipessoal LDA	Portugal	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Punta Umbria, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Barceló Raval, S.L.	Spain	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L.
Barceló Resorts, S.L.	Spain	Holding company	22.75	77.25	Fully consolidated	Grubarges Inversión Hotelera, S.L. and others
Barceló Santiago Tenerife, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hoteles Spain, S.L. and others
Barceló Servicios Turísticos, SA	Guatemala	Hotel services	98.00	2.00	Fully consolidated	Barceló Corporación Empresarial, S.A. and others
Barceló Switzerland, S.A.	Switzerland	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Títulos y Valores, S.L.	Spain	Hotel business	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Barceló Tucancún Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Turizm Otelcilik Limited	Turkey	Hotel business		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Barceló Vallarta Hotels, S.L.	Spain	Holding company		100.00	Fully consolidated	Barceló Porfolio Holding, S.L.
Barceló Verwaltungs Gbhm	Germany	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
Bávaro Holding Limited	United Kingdom	Holding company		100.00	Fully consolidated	Turavia Holding Limited
BCE BCC LLC	USA	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
BCLO Brisa Punta Cana, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Resorts, S.L.
BCO Congress, S.L.U.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
BCO Huatulco, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Huatulco Hotels, S.L.
BCO Kukulkán, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Kukulkán Hoteles, S.L.
BCO Lucia, SRL de CV	Mexico	Dormant		100.00	Fully consolidated	Barceló Lucia, S.L.
BCO Mismaloya, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Vallarta Hotels, S.L.
BCO Resorts Manzanillo, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Karmina Hotels, S.L.
BCO Tucancún, SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Tucancún Hotels, S.L.
BTTB Unipessoal LDA	Portugal	Travel agency		50.55	Fully consolidated	Escalatur Viagens, Lda.
Caribbean Hotels Agency, S.A.	Switzerland	Dormant		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
Catai India Private LTD	India	Travel agency		50.55	Fully consolidated	Viajes Catai, S.A.
Colors Destination Finland O.Y.	Helsinki	Travel agency		50.55	Fully consolidated	Travelsens, S.L.
Condominio DO Mar, Gestao Imobiliaria SA	Cape Verde	Dormant		100.00	Fully consolidated	Barceló Hoteles Mediterraneo, S.L.
Corporación Algard, S.A.	Costa Rica	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Corporación Vonderball, S.A.	Costa Rica	Management company		100.00	Fully consolidated	Barceló Gestión Hotelera, S.L.
Cozumel Villages, 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		50.55	Fully consolidated	Ávoris Retail Division SL
Emeraldtown - Empreendimentos Imobiliários e Turísticos, Lda	Portugal	Hotel business		51.00	Fully consolidated	Barceló Portugal Gestão Hotelera, Unipessoal LDA
Escalatur Viagens, Lda.	Portugal	Travel agency		50.55	Fully consolidated	Ávoris Business, S.A.
Evelop Airlines, S.L.	Spain	Airline		50.55	Fully consolidated	Ávoris Retail Division SL
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.
Flamingo Cartera S.L.	Spain	Holding company	99.08	0.92	Fully consolidated	Barceló Corporación Empresarial, S.L. and others
Geomoon, S.L.U.	Spain	Travel agency		50.55	Fully consolidated	Viajes Halcón, S.A.U.
Gestión de Viajes Deneb, S.L.U.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Corporación Empresarial, S.L.
Autocares Iberobus, S.A.	Spain	Transport		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Globalia Business Travel, S.A.U.	Spain	Tour operator		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Globalia Corporate Travel, S.L.U.	Spain	Management company		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Globalia Incoming Services Dominicana, S.A.	Dominican Rep.	Incoming services		50.55	Fully consolidated	Welcome Incoming Services, S.L.U.
Globalia Incoming Services Mexico, S.R.L. de C.V.	Mexico	Incoming services		50.55	Fully consolidated	Welcome Incoming Services, S.L.U.
Globalia Travel Club Spain, S.L.U.	Spain	Tour operator		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Globalia Traveling, S.L.U.	Spain	Dormant		50.55	Fully consolidated	Viajes Halcón, S.A.U.
Globalia Trading Services, S.L.U.	Spain	Tour operator		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Gregal Viagens, Ltda.	Portugal	Travel agency		50.55	Fully consolidated	Escalatur Viagens, Lda. and others
Grubar Hoteles, S.L.	Spain	Holding company		100.00	Fully consolidated	Expansión Turística Barceló, S.L.
Grubarges Canada, Ltd	Canada	Marketing		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Grubarges Gestión Hotelera Integral, S.A.	Spain	Holding company		100.00	Fully consolidated	Grubar Hoteles, S.L., and others
Grubarges Gestión Hotelera Mexicana, S.A. de C.V.	Mexico	Management company		100.00	Fully consolidated	Grubarges Gestión Hotelera Integral, S.A.

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Grubarges Inversiones Hoteleras Mexicanas SRL de CV	Mexico	Hotel business		100.00	Fully consolidated	Barceló Grubarges Hotels, S.L
Grubarges Inversión Hotelera Canarias, S.L.	Spain	Dormant		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
Grubarges Inversión Hotelera, S.L.	Spain	Trading company		100.00	Fully consolidated	Grubar Hoteles, S.L., and others
Grundstrückgesellschaft Hamburg GmbH	Germany	Hotel business	100		Fully consolidated	Barceló Corporación Empresarial, S.A.
Grupo Turístico Barceló, S.L.	Spain	Finance company	0.3	99.70	Fully consolidated	Unión Hotelera Barceló, S.L., and others
Holding Administrative Hotelier Limited	Malta	Holding company		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Hotel Assets Holding Limited	Malta	Time sharing		100.00	Fully consolidated	Holding Administrative Hotelier Limited
Hotel Campos de Guadalupe S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Hotel El Toyo, S.L.	Spain	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Hotel Isla Cristina, S.L.	Spain	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Hotel Montelimar, S.A.	Nicaragua	Hotel business	1	98.00	Fully consolidated	Bávaro Holding Limited
Hotel Royal Playacar, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Occidental Royal Holding, SARL and others
Hotel Trading Internacional Inc	Panama	Dormant		100.00	Fully consolidated	Barceló Switzerland, S.A.
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		Fully consolidated	Barceló Corporación Empresarial, S.A.
Iberotours, S.A.U.	Spain	Tour operator		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Inmuebles de Baleares S.L.	Spain	Real estate	100		Fully consolidated	Barceló Corporación Empresarial, S.A.
Inmuebles en Desarrollo y Proyección, S.A.	Spain	Holding company		100.00	Fully consolidated	Inmuebles de Baleares, S.L.
Inversiones Turísticas Globales, S.L.	Spain	Dormant		100.00	Fully consolidated	Barceló Expansión Global, S.L.
Inversora Internacional Hotelera, SRL	Dominican Rep.	Hotel business		100.00	Fully consolidated	Occidental Ampersand Holding, SARL
Jack Tar Villages Resorts de México, SA de CV	Mexico	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL and others
JTV RMx Limited	Malta	Dormant		100.00	Fully consolidated	Occidental Hoteles Management, SL and others
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		50.55	Fully consolidated	Travelsens, S.L
Maguery Incoming Services, S.L de C.V.	Mexico	Travel agency		50.55	Fully consolidated	Travelsens, S.L and others
Marina Punta Piedra Amarilla, SA	Costa Rica	Hotel business		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Mayorista de Viajes, SA	Spain	Tour operator		50.55	Fully consolidated	Ávoris Retail Division SL
Mestský dvůr, sro	Czech Rep.	Hotel business		100.00	Fully consolidated	Unión Hotelera Barceló, S.L
Michamwi Resort Development LTD	Tanzania	Hotel business		90.00	Fully consolidated	Barceló Gestión Holera, S.L.
MK Puerto Rico S.A.	Puerto Rico	Travel agency		50.55	Fully consolidated	Planet Business Travel S.A.
M.S. Viajes, S.A.	Spain	Tour operator		50.55	Fully consolidated	Globalia 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		50.55	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, SA
Nortravel Ag.Viagens e Turismo, SA	Portugal	Tour operator		50.55	Fully consolidated	Escalatur Viagens, Lda.
Occidental Ampersand Holding, SARL	Luxembourg	Holding company		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occidental Hoteles Costa Rica, SA	Costa Rica	Dormant		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
Occidental Vacation Club Costa Rica, SA	Costa Rica	Time sharing		100.00	Fully consolidated	Occidental Hoteles Management, SL
Occifitur Dominicana, SRL	Dominican Rep.	Hotel business		100.00	Fully consolidated	Occidental Hoteles Management, SL
Ocio y Turismo Novotours AIE	Spain	Incoming services		50.55	Fully consolidated	Viajes Halcón, S.A.U. and others
Operadora de Servicios Varios, S.A.	Guatemala	Personnel services		100.00	Fully consolidated	Corporación Vonderball, S.A. and others
Orbest, SA	Portugal	Airline		50.55	Fully consolidated	Avoris Retail División, SL and others
Palmeriaie Maroc Emirats, S.A	Morocco	Hotel business		100.00	Fully consolidated	Barceló Hotels Mediterráneo, S.L.
Planeta Tierra Viajes, S.A.U	Spain	Travel agency		50.55	Fully consolidated	Viajes Catai, S.A.
Poblados de Bávaro S.L.	Spain	Holding company	0.11	99.89	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Promotora QVB, SA de CV	Mexico	Holding company		100.00	Fully consolidated	Grubarges Inversión Hotelera, S.L.
PT Barceló Hotel Group Indonesia	Indonesia	Hotel business		100.00	Fully consolidated	Barceló Hotel Group Gulf DMCC
Punta Umbria Turística, S.A.	Spain	Hotel business	80.00	20.00	Fully consolidated	Barceló Corporación Empresarial, S.A.
Quiroocan, SA de CV	Mexico	Hotel business		100.00	Fully consolidated	Promotora QVB, SA de CV and others
Restaurante Lina S.A.	Dominican Rep.	Hotel business		100.00	Fully consolidated	Bávaro Holding Limited
See Europe Tours Limited	United Kingdom	Incoming services		50.55	Fully consolidated	Welcome Incoming Services, S.L.U.
Servicios de Construcciones Maya, SRL de CV	Mexico	Personnel services		100.00	Fully consolidated	Quiroocan, SA de CV
Sextante Viajes, S.L.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail División SL
Sibba Neumo, S.L.	Spain	Dormant		100.00	Fully consolidated	Barceló Turismo y Congresos
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
Tagrodo Investments SRL	Dominican Rep.	Dormant		100.00	Fully consolidated	Occidental Ampersand Holding, SARL

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Tenedora Inmobiliaria El Salado, SRL	Dominican Rep.	Real estate		99.00	Fully consolidated	Restaurante Lina, CxA
Titulos 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		50.55	Fully consolidated	Globalia Incoming Services Dominicana S.A.
Trapezio S.A.	Dominican Rep.	Holding company		100.00	Fully consolidated	Grupo Turístico Barceló, S.L. and others
Travelsens, S.L.	Spain	Tour operator		50.55	Fully consolidated	Ávoris Retail Division SL
Turavia Holding Limited	United Kingdom	Holding company		100.00	Fully consolidated	Turavia International Holidays, S.L.
Turavia International Holidays, LTD	United Kingdom	Holding company		100.00	Fully consolidated	Unión Hotelera Barceló, S.L.
Turiempresa, S.A.	Dominican Rep.	Dormant		98.80	Fully consolidated	Trapezio S.A.
Unión Hotelera Barceló, S.L.	Spain	Holding company	100.00		Fully consolidated	Barceló Corporación Empresarial, S.A.
UTE Mundosenior 5	Spain	Travel agency		50.55	Fully consolidated	Viajes Halcón, S.A.U. and others
UTE Mundosenior Plus	Spain	Travel agency		50.55	Fully consolidated	Viajes Halcón, S.A.U. 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		50.55	Fully consolidated	Viajes Catai, S.A.
Viajes Catai, S.A.	Spain	Tour operator		50.55	Fully consolidated	Ávoris Retail Division SL
Viajes Ecuador, S.A.U.	Spain	Travel agency		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Viajes Halcón, S.A.U.	Spain	Travel agency		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.
Viajes Interopa, S.A.	Spain	Travel agency		50.55	Fully consolidated	Ávoris Retail Division SL
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.
Welcome Incoming Services, S.L.U.	Spain	Incoming services		50.55	Fully consolidated	Gestión de Viajes Deneb, S.L.U.

Associates

Company	Registered office	Activity	Percentage of direct ownership	Percentage of indirect ownership	Consolidation method	Holding company
Santa Lucía, S.A.	Cuba	Dormant		50.00	Proportionate consolidation	Unión Hotelera Barceló, S.L.
Hotel Rivoli SA	Spain	Hotel business		20.37	Proportionate consolidation	Barceló Hotels Mediterráneo, S.L.
Caravel S.A.	Tunisia	Hotel business		20.00	Proportionate consolidation	Barceló Gestión Hotelera, S.L.
Société Financière d'Africa Palace, SA	Morocco	Hotel business		48.00	Proportionate consolidation	Barceló Hotels Mediterráneo, S.L.

CONSOLIDATED MANAGEMENT REPORT

In 2021, the Barceló Group El Grupo Barceló has obtained a **Consolidated net profit attributable to the Group's Parent company of (45.6) million euros in comparison with (99.4) in 2020.**

In 2021 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 365.1 million euros in comparison with 408.9 million euros in 2020 (including the debt from Ávoris). The net consolidated finance debt is calculated as the sum of the loans and credits with banks and Public Administrations (SEPI), less the amount of cash and other equivalent financial assets.

In 2021, **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 1,049 million euros (cash and financial deposits of less than one year) and a liquidity situation of over 1,500 million euros (cash and banks plus the amount of credit policies and loans that have not been drawn down).

Based on this **balance sheet position**, we are confident of continuing to meet our financial commitments.

1. MILESTONES FOR 2021

1.1. HOTEL ACTIVITY

Barceló Hotel Group is the hotel division of the Barceló Group. The Group's brand architecture is made up of four main brands: Royal Hideaway Luxury Hotels & Resorts, Barceló Hotels & Resorts, Occidental Hotels & Resorts and Allegro Hotels.

The **Group has closed the year with a total of 62,130 rooms** in 276 hotel establishments located in Latin America, Europe, the United States, Africa, the Middle East and China.

Of this total number, **17,603 are Group-owned**, 16,139 are leased and 28,388 rooms are managed or under franchise.

During the year, new establishments have been incorporated in the United States, Spain, Portugal, Turkey, Tunisia, United Arab Emirates and Sri Lanka.

In Spain, Europe, the Middle East and North Africa, occupancy was 49.3% compared to 40.8% in the previous year and the total Revpar total (total revenue per available room) was 69.0 euros compared to 55.1 euros in the previous year.

Occupancy in **Latin America** has been 48.6% in comparison to 25.8% in the previous year and the total Revpar was 92.3 dollars in comparison to 49.7 dollars in the previous year.

In the **United States**, occupancy has been 60.9% in comparison to 39.1% in the previous year and the total Revpar has been 90.7 dollars in comparison to 51.5 in the previous year.

1.2. TRAVEL ACTIVITY

One of the major milestones in 2021 has been the merger of Ávoris with the equivalent activities in the Globalia Group. The resulting company is controlled by the Barceló Group, with 50.5 % of the share capital.

This operation has led to the creation of one of the leading European travel groups, with a workforce of more than 6,000 professionals, more than 1,500 points of sale and over 40 specialised brands.

Our airline Iberojet, with a fleet of 6 long-haul aircraft and one medium-haul aircraft, indefinitely restarted the routes between Spain and La Habana, Cancún, Punta Cana and Costa Rica and foresees the launch of the first route between Madrid and Los Cabos, Baja California Sur (Mexico).

2. THE GROUP'S CONSOLIDATED RESULTS

In 2021, a **Net consolidated profit of (45.6) million** has been obtained in comparison to (99.4) million euros in the previous year. Although this result is negative, it allows us to see the path to recovery following the Company's worst year ever (2020) since being founded 90 years ago.

There has been an improvement of the consolidated gross **Revenue**, which amounted to 2,822.2 million euros in comparison with 1,483.5 million 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 2020, reaching 146.0 million euros in comparison with 80.4 million euros in the previous year.

As a result of this improvement, the consolidated Net Finance Debt has reduced from 408.9 million euros in 2020 to 365.1 million euros in 2021. These debt levels include the finance debt of Ávoris. In 2021, since the Group has not sold any asset, this improvement has solely arisen due to positive cash flow having been generated in the recurring business in 2021.

However, it is worth noting that the consolidated balance sheet presents a **net cash and banks position of 1,049 million euros, and a liquidity position exceeding 1,500 million euros**, which will allow the Group to meet its commitments without any difficulties in 2022.

3. OUTLOOK FOR 2022

The goal for 2022 is to reach a consolidated EBITDA of approximately 200 million (excluding the effect of IFRS 16), a positive net consolidated profit of 48.4 million euros and in 2023, we foresee the return to activity levels similar to those of 2019. In the first months of 2022, 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 carry out any research and development activities during 2021.

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 2021 has been prepared in a separate document, it forms part of this consolidated Management Report.

Barceló
GRUPO