Amadeus IT Group, S.A. and Subsidiaries

Auditor’s Report, Consolidated Annual Accounts and Directors’ Report for the year ended December 31, 2020

Amadeus IT Group, S.A. and Subsidiaries

Auditors' report for the year ended December 31, 2020

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AUDIT REPORT ON CONSOLIDATED 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

To the shareholders of AMADEUS IT GROUP, S.A.:

Audit report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of AMADEUS IT GROUP, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the 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 consolidated equity and the consolidated financial position of the Group at December 31, 2020 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters 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 matters.

Valuation of Revenues from contracts with customers

Description	At year ended 2020, the Group has registered in the Consolidated statement of comprehensive income 2,174 million euros corresponding to Revenue from contracts with customers, which correspond to the recognition of travel bookings and sales and services of IT Solutions. Revenues involve a high number of transactions and complex IT Systems are used. We have considered this matter a key audit matter due to the magnitude of the amounts recorded and its high dependence on IT environments. In particular, we have considered that revenues may contain errors because a relevant IT System may be improperly configured, so that the fees and revenues associated with them are incorrectly calculated; that there are losses of data in the process of transferring them from the operating systems to the financial information systems; or that unauthorized changes occur in the relevant systems. The information related to the revenue recognition criteria is included in Note 4.2.8 of the attached annual accounts.
Our response	Our audit procedures include, among others, the following: ▶ Understanding of the processes established by Group Management related to the access to applications and data, as well as changes and developments in the relevant programs and systems related to revenue recognition, including the evaluation of the design, implementation and operating effectiveness of the relevant controls. ▶ Involvement of our IT specialists in carrying out tests on the relevant controls related to access to applications and data, as well as changes and developments in the relevant programs and IT Systems. ▶ Performing analytical procedures consisting of a review of the evolution of billing cycles, as well as an analysis of correlations between the associated accounts. ▶ Performing tests of detail on a sample of the transactions that have generated income in the year. In addition, we have verified that the price allocation process is carried out in accordance with the billing rules defined in the contracts. ▶ Identification and examination of significant manual entries in the revenue accounts. ▶ We assessed the adequacy of the disclosures included in the consolidated annual accounts of the year in accordance with the applicable financial information regulatory framework.

Capitalization and measurement of Technology and content

Description	At year ended 2020, the Company has registered under "Intangible assets" of the Consolidated statement of financial position, 2,781 million euros corresponding to Technology and content, included in Note 8 of the notes attached. Assets capitalizations of this kind require management judgment to evaluate their measurement and recognition. Additionally, their recoverable value is conditioned by the existence of possible impairments, which depend on the result of complex estimates that require the application of criteria and assumptions by Group management. We have considered this matter a key audit matter because of the significance of the amounts and the inherent complexity in determining the key assumptions considered in the estimation process. The information related to the criteria applied by Group Management and the main assumptions used in the determination of impairment of the assets corresponding to development costs are included in Note 4.2.3 of the attached consolidated annual accounts.
Our response	Our audit procedures include, among others, the following: ▶ Understanding of the processes established by Group Management related to the registration and evaluation of development expenses, including the evaluation of the design and implementation of the relevant controls, as well as their effectiveness. ▶ Performing tests of detail on a sample of capitalized projects during the year. Through the information provided by Group management, the review of technical information and business plans related to the selected projects, we have verified whether the capitalized costs can be classified as capitalized expenses. Additionally, for a selection of costs, we have verified that they are activatable and that the amounts have been capitalized correctly, verifying evidences such as invoices or personnel expenses incurred among others. ▶ Evaluating the main assumptions and methodology used by the Group to test the development costs for impairment. ▶ Assesing the adequacy of the disclosures included in the consolidated annual accounts of the year in accordance with the applicable financial information regulatory framework.

Emphasis paragraph

We draw attention to the matter described in the accompanying notes thereto, Note 6, in relation to the impact on the Group of the recent global health emergency created by the coronavirus (COVID-19). This matter does not modify our opinion.

Other information: consolidated directors´ report

Other information refers exclusively to the 2020 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 directors ´report. Our responsibility for the consolidated directors´ report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated directors ´report with the consolidated annual accounts, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated directors´ report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated directors ´report is consistent with that provided in the 2020 consolidated annual accounts and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group 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.

In preparing the consolidated annual accounts, the directors of the parent company 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 the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

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 judgement and maintain professional skepticism 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 management.

- Conclude on the appropriateness of the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee 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.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

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

Building a better working world

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of AMADEUS IT GROUP, S.A. and subsidiaries for the 2020 financial year, which include the XHTML file containing the consolidated annual accounts for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of AMADEUS IT GROUP S.A. are responsible for submitting the annual financial report for the 2020 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report has been incorporated by reference in the consolidated directors´ report.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated annual accounts included in the aforementioned digital files correspond in their entirety to those of the consolidated annual accounts that we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated annual accounts, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 25, 2021.

Term of engagement

The ordinary general shareholders' meeting held on June 21, 2018 appointed us as auditors for 3 years, commencing on December 31, 2019.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(signed in the original version)

Hildur Eir Jónsdóttir
(Registered in the Official Register of Auditors under No. 18201)

February 25, 2021

Amadeus IT Group, S.A. and Subsidiaries

Consolidated Annual Accounts for the year ended December 31, 2020

This English version is a free translation performed by Amadeus IT Group, S.A., under its sole responsibility, and it should not be considered official or regulated financial information

Consolidated statement of financial position (millions of euros)

ASSETS	Note	December 31, 2020	December 31, 2019
Goodwill	8	3,539.8	3,661.5
Patents, trademarks, licenses and others		317.6	330.6
Technology and content		2,781.0	2,843.1
Contractual relationships		848.3	1,014.1
Intangible Assets	9	3,946.9	4,187.8
Land and buildings		117.3	132.5
Data processing hardware and software		186.3	251.7
Other property, plant and equipment		44.1	47.9
Property, plant and equipment	10	347.7	432.1
Right of use assets	11	242.4	336.4
Investments accounted for using the equity method	12	16.2	30.5
Other non-current financial assets	13	81.6	92.0
Non-current derivative financial assets	13 and 23	21.5	3.7
Deferred tax asset	24	219.2	37.4
Other non-current assets	15	167.3	176.6
Total non-current assets		8,582.6	8,958.0
Trade account receivables	13	253.9	529.5
Current income tax assets	24	56.0	61.2
Other current financial assets	13	921.1	11.3
Current derivative financial assets	13 and 23	78.7	9.3
Other current assets	15	248.5	267.8
Cash and cash equivalents	13 and 27	1,555.1	564.0
Assets classified as held for sale	17	4.2	–
Total current assets		3,117.5	1,443.1
TOTAL ASSETS		11,700.1	10,401.1

Consolidated statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	December 31, 2020	December 31, 2019
Share Capital		4.5	4.3
Additional paid-in capital		876.4	141.5
Retained earnings and reserves		3,770.6	2,623.3
Treasury shares		(9.5)	(5.4)
Profit / (Loss) for the year attributable to owners of the parent		(625.4)	1,113.1
Unrealized gains / (losses) reserve		(271.8)	(94.3)
Equity attributable to owners of the parent		3,744.8	3,782.5
Non-controlling interests		10.5	14.6
Equity	18	3,755.3	3,797.1
Non-current provisions	20	18.9	26.8
Non-current debt	13 and 19	4,343.0	2,328.2
Non-current derivative financial liabilities	13 and 23	1.0	6.0
Other non-current financial liabilities	13	12.8	1.0
Deferred tax liabilities	24	652.4	751.1
Non-current contract liabilities	14	249.6	245.7
Non-current income tax liabilities	24	136.5	137.6
Other non-current liabilities	15	138.1	137.3
Total non-current liabilities		5,552.3	3,633.7
Current provisions	20	14.8	8.4
Current debt	13 and 19	1,320.6	1,245.5
Other current financial liabilities	13	9.4	11.1
Dividend payable	13 and 18	0.3	241.4
Current derivative financial liabilities	13 and 23	22.5	28.1
Trade accounts payables	13	406.8	801.2
Current income tax liabilities	24	18.5	47.2
Current contract liabilities	14	170.9	238.6
Other current liabilities	15	427.9	348.8
Liabilities directly associated with assets held for sale	17	0.8	–
Total current liabilities		2,392.5	2,970.3
TOTAL EQUITY AND LIABILITIES		11,700.1	10,401.1

Consolidated statement of comprehensive income (millions of euros)

Continuing operations	Note	December 31, 2020	December 31, 2019
Revenue	7 and 14	2,174.0	5,570.1
Cost of revenue		(276.6)	(1,429.5)
Personnel and related expenses		(1,597.6)	(1,543.2)
Depreciation and amortization	8, 9, 10 and 11	(829.4)	(757.0)
Other operating expenses		(241.2)	(365.0)
Operating income / (loss)	7	(770.8)	1,475.4
Financial income		9.1	1.6
Interest expense	26	(77.4)	(42.0)
Other financial expenses	26	(12.7)	(10.3)
Exchange gains / (losses)		(20.7)	(8.3)
Financial expense, net		(101.7)	(59.0)
Other income / (expense)		(1.5)	(10.0)
Profit / (loss) before income taxes		(874.0)	1,406.4
Income tax	24	256.4	(306.0)
Profit / (loss) after taxes		(617.6)	1,100.4
Share in profit / (loss) of associates and joint ventures accounted for using the equity method	12	(8.7)	12.8
PROFIT / (LOSS) FOR THE YEAR		(626.3)	1,113.2
Attributable to owners of the parent		(625.4)	1,113.1
Attributable to non-controlling interests		(0.9)	0.1
Earnings / (losses) per share basic [in Euros]	25	(1.40)	2.58
Earnings / (losses) per share diluted [in Euros]	25	(1.36)	2.58
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses)	18	6.0	(18.9)
Changes in the fair value of equity investment at FVTOCI	18	(1.2)	1.7
Items that may be reclassified to profit or loss:			
Cash flow hedges	18	49.2	6.3
Exchange differences on translation of foreign operations	18	(236.8)	20.2
OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR, NET OF TAX		(182.8)	9.3
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR		(809.1)	1,122.5
Attributable to owners of the parent		(808.2)	1,122.4
Attributable to non-controlling interests		(0.9)	0.1

Consolidated statement of changes in equity (millions of euros)

	Note	Share Capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit / (Loss) for the year attributable to owners of the parent	Unrealized gains / (losses) reserve	Non-controlling interests	Total
Balance at December 31, 2018		4.4	634.4	2,153.7	(511.3)	1,002.4	(107.9)	16.0	3,191.7
Total comprehensive income for the year		–	–	–	–	1,113.1	9.3	0.1	1,122.5
Complementary dividend	18	–	–	(286.6)	–	–	–	–	(286.6)
Interim dividend payable	18	–	–	(241.4)	–	–	–	–	(241.4)
Share capital reduction	18	(0.1)	(500.0)	0.1	500.0	–	–	–	–
Treasury shares acquisition	18 and 22	–	–	–	(10.1)	–	–	–	(10.1)
Treasury shares disposal	18 and 22	–	(12.9)	0.6	16.0	–	–	–	3.7
Recognition of share-based payment	22	–	20.0	–	–	–	–	–	20.0
Additional non-controlling interests arising on the acquisition of subsidiary	18	–	–	–	–	–	–	(0.5)	(0.5)
Transfer to retained earnings		–	–	1,002.4	–	(1,002.4)	–	–	–
Other changes in equity		–	–	(5.5)	–	–	4.3	(1.0)	(2.2)
Balance at December 31, 2019		4.3	141.5	2,623.3	(5.4)	1,113.1	(94.3)	14.6	3,797.1

Consolidated statement of changes in equity (millions of euros)

	Note	Share Capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit / (Loss) for the year attributable to owners of the parent	Unrealized gains / (losses) reserve	Non-controlling interests	Total
Balance at December 31, 2019		4.3	141.5	2,623.3	(5.4)	1,113.1	(94.3)	14.6	3,797.1
Total comprehensive expense for the year		–	–	–	–	(625.4)	(182.8)	(0.9)	(809.1)
Share capital increase	18	0.2	736.8	–	–	–	–	–	737.0
Convertible bonds	18	–	–	39.4	–	–	–	–	39.4
Treasury shares acquisition	18 and 22	–		–	(23.1)	–	–	–	(23.1)
Treasury shares disposal	18 and 22	–	(19.4)	0.2	19.0	–	–	–	(0.2)
Recognition of share-based payment	22	–	17.5	–	–	–	–	–	17.5
De-recognition of non-controlling interests	18	–	–	(0.1)	–	–	–	(3.2)	(3.3)
Transfer to retained earnings		–	–	1,113.1	–	(1,113.1)	–	–	–
Other changes in equity		–	–	(5.3)	–	–	5.3	–	–
Balance at December 31, 2020		4.5	876.4	3,770.6	(9.5)	(625.4)	(271.8)	10.5	3,755.3

Consolidated statement of cash flows (millions of euros)

	Note	December 31, 2020	December 31, 2019
Operating income / (loss)		(770.8)	1,475.4
Depreciation and amortization	8, 9, 10 and 11	829.4	757.0
Operating income adjusted before changes in working capital and taxes paid		58.6	2,232.4
Trade accounts receivable		214.5	(17.9)
Other current assets		(72.9)	5.2
Trade accounts payable		(261.5)	(59.4)
Other current liabilities		75.6	23.2
Other non-current liabilities		55.3	(46.2)
Taxes paid		(36.6)	(335.3)
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		33.0	1,802.0
Payments for property, plant and equipment		(43.4)	(93.5)
Payments for intangible assets		(458.1)	(642.6)
Net cash outflow on acquisition of subsidiaries and associates	12 and 16	(36.4)	(46.1)
Interest received		6.9	1.0
Payments to acquire financial assets		(6.7)	(12.7)
Loans to third parties		4.5	(10.0)
Net cash proceeds collected/(paid) from derivative agreements		(14.9)	(39.4)
Proceeds on sale of financial assets		–	4.8
Dividends received		2.1	0.9
Proceeds obtained from disposal of non-current assets		1.2	0.6
Subtotal before cash management activities		(544.8)	(837.0)
Purchase of securities/fund investments		(939.1)	–
Cash proceeds collected from derivative agreements		10.1	–
CASH FLOWS USED IN INVESTING AND CASH MANAGEMENT		(1,473.8)	(837.0)
Proceeds from issue of equity shares	18	750.0	–
Payments for share issue costs	18	(17.3)	–
Payments to acquire non-controlling interests in subsidiaries		(3.0)	–
Proceeds from borrowings	27	3,862.3	912.0
Repayments of borrowings	27	(1,722.5)	(1,227.2)
Interest paid	27	(43.0)	(36.5)
Dividends paid to owners of the parent	18	(241.4)	(506.2)
Proceeds on sale of treasury shares	18	0.1	–
Payments to acquire treasury shares	18	(23.1)	(10.1)
Payments of lease liabilities and others	27	(105.9)	(102.0)
CASH FLOWS GENERATED / (USED) IN FINANCING ACTIVITIES		2,456.2	(970.0)
Effect of exchange rate changes on cash and cash equivalents		(22.5)	4.2
NET INCREASE / (DECREASE) IN CASH AND CASH		992.9	(0.8)
Cash and cash equivalents net at the beginning of the year	25	561.0	561.8
Cash and cash equivalents net at the end of the year	25	1,553.9	561.0
Investments used in cash management activities		933.3	–
TOTAL LIQUIDITY AVAILABLE		2,487.2	561.0

See the accompanying notes to the consolidated annual accounts

Index

1. GENERAL INFORMATION AND ACTIVITY

Amadeus IT Group, S.A. (hereinafter, 'the Company') was incorporated and registered at the Companies Register of Madrid on February 4, 2005. Its registered office is in Madrid, Salvador de Madariaga, 1.

Amadeus IT Group, S.A. is the parent company of the Amadeus Group ('the Group'). The Group is a leading transaction processor for the global travel and tourism industry, providing advanced technology solutions to our travel providers and travel agencies worldwide. The Group acts as an international network providing comprehensive real-time search, pricing, booking, ticketing and other processing solutions to travel providers and travel agencies through our Distribution segment, and we offer other travel providers (today, principally airlines and hotels) an extensive portfolio of technology solutions which automate certain mission-critical business processes, such as reservations, inventory management and departure control, through our IT Solutions segment.

The direct or, when applicable, indirect performance of all business activities that are reserved by Spanish law is excluded. If professional titles, prior administrative authorizations, entries with public registers or any other requirements are required by legal dispositions to perform an activity embraced in the corporate object, such activity shall not commence until the required professional or administrative requirements have been fulfilled. The bylaws and other public information of the Company can be consulted on the website of the Company (corporate.amadeus.com).

Customer groups include providers of travel services and products such as airlines (network, domestic, low-cost and charter carriers), airports, hotels (independent properties and chains), tour operators (mainstream, specialist and vertically integrated players), insurance companies, road and sea transport companies (car rental companies, railway companies, ferry lines, cruise lines), travel sellers and brokers (offline and online travel agencies) and travel buyers (corporations and travelers).

2. BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION

2.1 Basis of presentation

2.1.1 General information

The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'), which are effective as of December 31, 2020, and other provisions of the applicable financial reporting framework. The accompanying consolidated annual accounts were obtained from the accounting records of the Company and its subsidiaries and show the true and fair view of the Group's equity, financial position, results and cash flows for the year.

The consolidated annual accounts were authorized for issue by the Board of Directors of the Company on February 25, 2021. The Directors expect that these consolidated annual accounts will be approved at the General Shareholders' Meeting without modification. The consolidated annual accounts for the year 2019 were approved at the General Shareholders' Meeting held on June 18, 2020.

The consolidated annual accounts have been prepared on a historical cost basis except for certain financial assets and liabilities measured at fair value, and liabilities derived from defined benefit plans and certain share-based payments.

The presentation currency of the Group is the euro. The consolidated statement of financial position is presented with a difference between current and non-current items, and the consolidated statement of comprehensive income is presented by nature of expense. The presentation by nature highlights better the different components of financial performance of the Group and enhances predictability of the business. The Group decided to prepare the consolidated statement of cash flows by applying the indirect method.

Except where indicated otherwise, the figures of the consolidated annual accounts are expressed in millions of euros.

The Group presented negative working capital as of December 31, 2019, which given the industry in which the Group operates and its financial structure, is not an unusual circumstance, and did not present an impediment for the normal development of its business. As of December 31, 2020, the working capital is positive mainly driven by the additional funding raised in the COVID-19 pandemic context (note 6).

2.1.2 Use of estimates

Use of estimates and assumptions is required in the preparation of the consolidated annual accounts in accordance with IFRS-EU. The estimates and assumptions affect the carrying amount of assets and liabilities. Those with a significant impact in the consolidated annual accounts are discussed in different sections of this document:

- Estimated recoverable amounts used for impairment testing purposes (note 6)
- Income tax assets and liabilities (note 24)
- Expected credit losses (note 6 and 13)
- Valuation of variable consideration in revenue recognition (note 13)
- Amortization period for non-current non-financial assets (note 4)
- Lease terms (options to extend or to terminate) (note 11)
- Share-based payments (note 22)

The estimates and assumptions are based on the information available at the date of issuance of the consolidated annual accounts, past experience and other factors which are believed to be reasonable at that time. The actual results might differ from the estimates.

2.2 Comparison of information

For comparison purposes, the Group presents, together with the amounts included in the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows at and for the years ended December 31, 2020, and 2019, comparative information in the notes when it is relevant to understand the consolidated annual accounts for the current year.

The presentation and classification of certain line items in the consolidated annual accounts have been revised and comparative information has been reclassified accordingly. The most significant reclassification corresponds to building installations by €63.9 million previously classified under Other property, plant and equipment as of December 31, 2019, which now fall under Land and Buildings. Besides, from the second semester of 2020, capitalized depreciation and amortization, which used to be included within the 'Other operating expenses' caption in the consolidated statement of comprehensive income, has been reclassified to 'Depreciation and amortization' caption. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

2.3 Consolidation scope

The Appendix to these consolidated annual accounts lists the subsidiaries, associates and joint-ventures in which the Group has direct or indirect interests as of December 31, 2020 and 2019. The changes in the consolidation scope are the following:

- On September 17, 2020, Amadeus It Group has set up a new company in Bulgaria: Amadeus Sofia Labs EOOD.

Notes (millions of euros)

- On May 29, 2020, the subsidiary ICM Group Holdings Ltd. sold its participation in ICM Australia Holding Pty Ltd. to Amadeus IT Pacific Pty Ltd., with no impact at Group level.
- During the month of April 2020, the subsidiary Amadeus Services Ltd. has been liquidated.
- On January 10, 2020, the Group has acquired through its subsidiary Amadeus Soluciones Tecnológicas, S.A., the remaining 30% ownership of Argo IT Tecnologia, S.A.
- On December 13, 2019, the fully owned subsidiary UFIS Airport Solutions AS has been liquidated.
- On September 19, 2019 the Group has acquired, through Amadeus IT Group, S.A. a significant influence in Refundit, Ltd. with the purchase of 21.28% of the shares. It is accounted for using the equity method.
- On August 2019, with retroactive effective date as at January 1, 2019, Amadeus Data Processing, GmbH has been merged into Amadeus Verwaltungs, GmbH. The resulting entity is renamed as Amadeus Data Processing, GmbH. Both entities were previously fully owned by Amadeus.
- On May 31, 2019, the Group has acquired the 100% of ownership in ICM Holdings, Limited and its group of companies ('ICM') (see note 16).
- On March 18, 2019, the fully owned subsidiary UFIS Airport Solutions Pte, Ltd. has been liquidated.

3. PROPOSED APPROPRIATION OF THE PARENT COMPANY'S RESULT

The Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval the proposed appropriation of the results for the year ended December 31, 2020, as follows:

	Euros
Amount for appropriation:	
Net profit (loss) for the year	(191,349,998.91)
Appropriation to:	
Retained earnings	(191,349,998.91)
	(191,349,998.91)

4. ACCOUNTING POLICIES

4.1 Adoption of new and revised International Financial Reporting Standards (IFRS)

The Group has applied the following amendments issued and endorsed by the EU for the first time for the annual reporting period commencing January 1, 2020:

- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards

The EU has also endorsed an Amendment to IFRS 16 Leases - Covid 19-Related Rent Concessions. This amendment is applicable for annual reporting periods beginning on or after June 1, 2020. This amendment can be early applied, and the Group has implemented it for the present annual period commencing January 1, 2020.

Neither of amendments above has had any significant impact on the amounts recognized in prior or current periods.

Certain new accounting standards have been published that are not mandatory for December 31, 2020 reporting period, some of them have not yet been endorsed by the EU and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

4.2 Significant accounting policies

Only the most significant accounting policies applied in the preparation of the consolidated annual accounts and those where IFRS-EU allows a policy choice are disclosed below.

4.2.1 Principles of consolidation and investments in associates and joint ventures

The consolidated annual accounts include the Company and all its subsidiaries within the scope of consolidation. Subsidiaries are those entities over which the Company or one of our subsidiaries has control.

Control is achieved when the Group has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

When control of a subsidiary is lost, the Group derecognizes all assets, liabilities and non-controlling interests at their carrying amount and recognizes the fair value of the consideration received. Any retained interest in the former subsidiary is recognized at its fair value at the date control is lost. The resulting difference is recognized as a gain or loss in the consolidated statement of comprehensive income within the 'Other income / (expense)' caption.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control are treated as equity transactions.

The stand-alone financial statements of each of the subsidiaries are prepared using each subsidiary's functional currency. As the consolidated annual accounts are presented using the euro, the assets and liabilities for each subsidiary are translated into euros at year-end closing rates; components of profit or loss and of other comprehensive income for the year are translated at average exchange rates; and share capital, additional paid-in capital, and reserves are translated at historical rates. Any exchange differences arising because of this translation, for subsidiaries and investments in associates and joint ventures, are recognized together as a separate component of equity attributable to owners of the parent in the 'Exchange differences on translation of foreign operations' caption in the consolidated statement of comprehensive income and in the 'Unrealized gains / (losses) reserve' in the consolidated statement of financial position. In the case of translation differences related to not wholly-owned subsidiaries and attributable to non-controlling interests, these are included in the 'Non-controlling interests' caption within equity.

Although the Group has subsidiaries in Argentina, Lebanon and Venezuela and an investment in an associate in Sudan that comply with the definition of hyperinflationary economies, due to the immateriality of their transaction's volume and of their remaining balances no restatements to adjust the effects of inflation have been performed.

Investments in associates and in joint ventures are accounted for by using the equity method. Gains and losses arising from transactions between the Group and the associates or joint ventures have been eliminated to the extent of the Group's interests in the relevant entity. If the Group share of losses of an entity accounted for under the equity method exceeds its interest in the entity, the Group recognizes a provision for its share of the realized losses.

The assessment on whether the Group has significant influence or not in an investment is based not only on the actual ownership percentage, but also on qualitative factors such as representation on the board of directors, participation in decision-making activities, material transactions and provision of technical information.

4.2.2 Foreign currency transactions

Foreign currency transactions are converted at the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income in the 'Exchange gains / (losses)' caption. All other exchange gains and losses are presented in the consolidated statement of comprehensive income as part of the 'Operating income' caption.

4.2.3 Impairment of goodwill and non-current non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The rest of the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To assess if there is any indication of impairment the Group checks the accumulated revenues generated from individual intangible assets during the year and their expected growth considering the experience to ensure the recoverability of the assets. If as a result of the individualized analysis a significant decline is identified on the expected future economic benefits, an impairment test is performed.

Goodwill is tested for impairment together with the assets corresponding to the cash-generating unit (or group of cash-generating units) that are no larger than a segment, and that are expected to benefit from the synergies of the business combination. These assets will also include the intangible assets with indefinite useful life (such as the Amadeus Brand), to the extent that they do not generate separate cash inflows from other assets or group of assets. The carrying amount of the cash-generating unit (or group of cash-generating units) is compared with its recoverable amount and any impairment loss is recognized in profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value by applying a discount rate.

Corporate assets that cannot be reasonably allocated to the group of cash generating units to which goodwill has been allocated, are tested for impairment at Group level, that is the smallest group of cash generating units to which the carrying amount of corporate assets can be allocated. Corporate assets are mainly composed of buildings, data processing assets and corporate technology.

Non-current non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.2.4 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses. Intangible assets are reviewed periodically and adjusted as noted in 4.2.3. above.

Intangible assets are amortized on a straight-line basis over their useful lives as follows:

- 'Patents, trademarks, licenses and others' includes the net cost of acquired brands and trademarks either by means of business combinations or in separate acquisitions. When an acquired brand is deemed to contribute to the Group net cash inflows indefinitely, it is not amortized but annually tested for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In all other cases brands are amortized over their expected useful lives. This caption also includes the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions. Useful lives of finite brands, patents and licenses range from 3 to 26 years.

- ‘Technology and content’ relate to assets acquired through business combinations, separate acquisitions or internally generated software. These assets are the combination of software elements and travel content, the latter being obtained by Amadeus through its contractual relationships with travel providers. This combination allows the processing of travel transactions (bookings) between supply (travel providers) and demand (travel agencies), and it makes the travel information available to users through the Amadeus System. It also includes the development technology of the IT Solutions, software applications, developments to provide customers with ongoing access to certain services and certain customization of software controlled by the Group and developed for airlines, that are recognized as an intangible asset once the technical feasibility of completing the asset is demonstrated, it is reasonably anticipated that the asset will generate future economic benefits and the cost of the assets can be measured reliably. Useful lives for the main components of the GDS technology has been estimated in 15 years due to the status of Amadeus reservation system and the technological gap perceived by the company over competitors. Useful life of Amadeus IT technology, mainly Altéa and New Skies, has been estimated in 20 years in accordance with the longer term of the IT Industry model. The developments to provide customers with ongoing access to certain services and the software customization developed for certain airlines is amortized over an estimated useful life of between 3 to 20 years that usually coincides with the estimated duration of the contracts.

  The Group has reassessed the useful life of certain intangible assets, specifically under ‘ Technology and Content’. The useful lives of certain IT Solutions products have been changed from 10 to 20 years and Program implementations of Altéa, which were initially estimated to be amortized during the life of their contract, have extended its useful lives for an additional 5 years. The reasons behind this change in estimates is the additional information available now, based on the Group experience, as these products are now being implemented massively in a very high number of airlines resulting in the generation of cash inflows over a longer period than initially expected. This new estimation has been accounted prospectively since January 1, 2020, and the impact in the full year has implied a reduction of amortization charges by an amount of €44.0 million.

  The research and development costs expensed for the year ended December 31, 2020, amounted to €408.3 million (€479.3 million, 2019). The development costs that have been capitalized for the year ended December 31, 2020, amounted to €467.3 million (€591.5 million, 2019).

  The Group receives tax incentives on research and development costs incurred from the French Tax Authorities (Research Tax Credit). These incentives are in substance government grants and are recognized when there is reasonable assurance that the Group will comply with the relevant conditions and the grant in the form of a reduced tax liability will be received. The total amount of government grants received from the French Tax Authorities is €19.4 million for the year ended December 31, 2020, (€23.0 million, 2019). The Group has elected to present the government grants related to capitalized development as a deduction in calculating the carrying amount of the intangible asset amounting to €12.3 million in 2020 (€17.4 million in 2019); and to present the government grant related to research expenses as a deduction under ‘Other operating expenses’ caption in the consolidated statement of comprehensive income amounting to €7.1 million in 2020 (€5.6 million in 2019).

- ‘Contractual relationships’ mainly relate to those with travel agencies users and with travel providers acquired through business combinations that are amortized over a period between 8 and 21 years. The useful life of these intangible assets has been determined by taking into consideration the contractual-legal rights, the renewal period and the technological lock-in period. It also includes non-refundable upfront payments made to travel agencies at inception or renewal of a contract in exchange of their commitment to a minimum volume of bookings made through our GDS. These cash payments are instrumented through contracts with a term that is always over a year, and include shortfall clauses applicable if those objectives are not met. The cost is capitalized and amortized over a period of 2 to 15 years that corresponds with the contract term.

Amortization and impairment expenses related to intangible assets are included in the ‘Depreciation and amortization’ caption of the consolidated statement of comprehensive income.

Borrowing costs directly attributable to the development of qualifying intangible assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the intangible assets.

4.2.5 Property plant and equipment

Property plant and equipment assets are recognized at cost less accumulated depreciation and impairment losses. They are depreciated by applying the straight-line method over the estimated useful life of the assets:

	Useful life in years
Buildings	27 - 50
Data processing hardware and software	2 - 7
Other property, plant and equipment	2 - 20

Repairs and renewals are charged to the consolidated statement of comprehensive income within the ‘Other operating expenses’ caption when the expenditure is incurred.

The cost of software licenses acquired to be used by data processing hardware that needs the software to be capable of operating, are regarded as highly integrated with the data processing hardware and accounted for as a property plant and equipment.

The Amadeus data centers (e.g. in Erding) provide the systems and infrastructure necessary to conduct the Amadeus business. Both the hardware equipment (including servers and storage equipment) and software products (including operating system software, database software and monitoring software) function as a single unit to provide the necessary production platforms to run all of Amadeus products, from flight bookings in the Distribution business, to Altéa and New Skies functionalities in the IT Solutions business.

4.2.6 Leases

The Group recognizes a right of use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments during the lease term in all lease contracts.

As a practical expedient, the Group has elected, by certain classes of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components within the contract as a single lease component.

The right of use asset is initially measured at cost and subsequently valued at cost less accumulated depreciation and impairment losses; and adjusted for any remeasurement of the lease liability resulting from a lease modification or reassessment. The right of use asset is amortized on a straight-line basis over the shortest of the lease term or the useful life of the underlying asset. If Amadeus obtains ownership of the underlying asset by the end of the lease term depreciation will be based on the useful life of the asset.

The lease term of the different contracts includes the non-cancellable period of each of the contracts, any rent-free periods provided by the lessor plus an estimation of a renewal period when the contract provides the Group with the unilateral option to extend the original term and the Group is reasonably certain to exercise such option.

Leases acquired because of a business combination are measured as if the acquired lease was a new lease at the acquisition date. When assessing the term of the acquired lease the entity cannot be reasonably certain to exercise any option to extend at the acquisition date, especially when the Group has a right of use a similar underlying asset in the same location. A reassessment of the lease term is made whenever there is a significant decision on the integration of the acquired business that impacts the original judgment.

Lease payments are discounted at the incremental borrowing rate applicable to each different lease when the lease contract does not include an implicit interest rate. The nature of the underlaying asset, lease term, and location are considered when estimating the incremental borrowing rates by individual entity.

4.2.7 Pension and other post-retirement obligations

The Group operates a number of defined benefit and defined contribution pension plans. Liabilities of the Group arising from defined benefit obligations are determined by applying the projected unit credit method. Independent actuarial valuations are carried out annually for the largest plans and on a regular basis for other plans. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located. Such plans are either externally funded, with the assets within the schemes held separately from those of the Group, or unfunded with the related liabilities recorded in the consolidated statement of financial position.

For the funded defined benefit plans, the deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability or an asset in the consolidated statement of financial position. However, excess assets are recognized only to the extent that they represent a future economic benefit available to the Group, for example in the form of refunds from the plan or reductions in future contributions.

Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. Actuarial gains and losses are recognized immediately in other comprehensive income so that the net defined benefit plan asset or liability recognized in the consolidated statement of financial position is remeasured to reflect the full value of the plan deficit or surplus and are not reclassified to profit or loss in subsequent periods.

The defined benefit plans actuarial cost charged to the consolidated statement of comprehensive income within the 'Personnel and related expenses' caption, consists of service cost, and within the 'Other financial expenses' caption the net interest on the defined benefit liability is included.

Contributions made to defined contribution plans are charged to the consolidated statement of comprehensive income within the 'Personnel and related expenses' caption as incurred. The same accounting policy is applied to defined benefit plans which are funded by multi-employer plans where sufficient information is not available to apply defined benefit plan accounting.

4.2.8 Revenue from contracts with customers

Most of the Group's revenues are derived from a single performance obligation consisting of a stand-ready series of making technology services available for a customer to use as and when the customer decides. In these types of services contracts, the value that the customer receives for the performance completed to date coincides with the Group's right to consideration, and for that reason the Group has adopted the practical expedient that allows to recognize revenue in the amount to which the Group has a right to invoice.

Significant services and methods of revenue recognition

- Stand-ready series revenue recognition

Distribution: in the Distribution business, the Amadeus Global Distribution System (GDS going forward) provides comprehensive real-time search, pricing, booking and other processing solutions to travel providers and travel agency customers. The technological solutions provided by the GDS are the same every day during all the years of the contract. Each day of service is distinct from the previous day, but at the same time, the distinct services provided are substantially the same and are transferred to clients over time, complying with the definition of a series. Consequently, the Group has identified as a single performance obligation with travel providers the stand ready series obligation to make its GDS Platform available for processing travel bookings and other related services that are closely related to the booking process. The platform is available every day to the customer and the usage determines both the variable price, based on bookings made, and the revenue. The value to the customer of Amadeus' performance completed to date coincides with the right to invoice to the customer, the determination of such amount depends on the terms and conditions agreed with each customer.

Revenues from GDS airline customers are recorded at the time the reservation is made, net of estimated future cancellations. Cancellations from the traveler are quite infrequent and permitted by the travel provider for certain type of tariffs, up to the time of the use of the reservation. The cancellation reserve is calculated monthly based on historical cancellation rate. The calculation is made by dividing the number of cancellations net of re-bookings at month end by the inventory of unused bookings at the beginning of the month.

Cancellation rate also impacts distribution fees and related commercial incentives ('distribution costs') payable to the third-party distributors (travel agencies, airlines direct sales and Amadeus Commercial Organizations –ACOs- which are not subsidiaries of the Group) that are also recorded net of the amounts relating to the cancellations.

Revenue from GDS non-air customers, mainly related to hotels and car rental companies, is recognized when the reservation is used by the traveler. Cancellations are quite usual and permitted by the travel provider, usually at no cost, until the time of use of the reservation. Since it is highly probable that the booking will be cancelled, no revenue is recognized until the uncertainty on the amount of consideration receivable on this type of contracts disappears, that is when the traveler uses the reservation, that is also the moment that drives the right to invoice to our customer and the recognition of revenue.

IT Solutions: IT solutions revenues derive mainly from the Amadeus Passenger Service Systems (PSS) provided through Altéa suite and New Skies. The performance obligation identified is a stand ready obligation series to provide technology services through the Amadeus IT systems. This single performance obligation also meets the series definition as explained above (distinct services provided that are substantially the same, and are transferred to clients over time). Usually, customers are charged a non-refundable upfront fee that is recognized as revenue over the contract term starting as of cutover date, and a variable fee based on a fee per transaction made (passengers boarded in PSS) that is recognized as revenue as the customer obtains value from the performance completed to date and that coincides with the right to invoice up to that date.

_ Other revenue recognition patterns

IT Solutions: other Group revenues within IT Solutions revenues are derived from licensing its software, from providing related professional services and support and from subscriptions of its offerings. These contracts usually include multiple performance obligations and the transaction price is allocated based on the relative stand-alone selling price of each of the performance obligations identified. Licensing revenue is recognized over the contract term since the license provides customer with a right to access based on input methods based on time elapsed. Services revenue consists of installation, and consulting services, and is recognized as the services are performed based on input methods based on hours and costs incurred. Support and maintenance revenue consist of telephone support and maintenance and is recognized over the term of the agreement based on hours elapsed. Revenues from subscriptions are proportionally recognized over the subscription or the agreement term based on input methods.

Contract liabilities

As disclosed above, the Group typically satisfies its performance obligations in line with the usage of the Amadeus platforms and technology solutions made by customers over the period, that coincides with the billing for the period.

Upfront fees that are recognized as revenues over the contract duration and any other amounts billed before the Group satisfies its performance obligation are recorded as contract liabilities.

Consideration payable to a customer

In the Distribution business, apart from contracts with travel providers previously explained, the Group enters into subscriber services agreements mainly with travel agents, which provide them with the tools and services that permit access to the Amadeus system. These subscriber agreements regulate both, the relationship with the travel agency as customer of the GDS, and the relationship with the travel agency as provider of promotion services of the GDS. Travel agencies are granted with incentives in exchange for making bookings with the Amadeus GDS instead of with other GDS providers. The fair value of the services received cannot be estimated reliably since prices of the subscription and the incentives are negotiated together in a single contract and on an individual basis by travel agency. Usually, incentives paid are higher than the subscription revenues received and therefore the distribution cost is recorded net of the subscription fees.

Notes (millions of euros)

4.2.9 Employee share-based payments

The Group share-based payment obligations are equity settled. Compensation expense for services received and the corresponding increase in equity are recognized as they are rendered by the employee during the vesting period by reference to the grant date fair value (observable market rate) of the equity instruments granted to the employee. The compensation expense is recognized in the consolidated statement of comprehensive income for the year within the 'Personnel and related expenses' caption. The settlement of equity settled share-based payments is accounted for as the repurchase of an equity instrument.

4.2.10 Financial instruments

Financial assets

The Group has elected to present fair value gains and losses on investments in equity instruments that are not held for trading in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends from such investments continue to be recognized in profit or loss within 'Other income/ (expense)' caption when the Group's right to receive payments is established.

_ Impairment

The Group applies an impairment model based on expected credit losses (ECL). A simplified approach has been elected and used for all trade receivables, as long as they do not contain a significant financing component. Under this simplified approach, credit impairment is recognized by reference to lifetime ECLs at each reporting date using a provision matrix that is based on the Group's historical credit loss experience.

As a definition of default, the Group establishes a time limit (overdue for more than 365 days) or a debtor's evidence of impairment such as: negative flows of operations, negative working capital, bankruptcy proceedings, high risk country, etc.

In order to estimate the ECLs of trade accounts, the Group segments its portfolio into the following groups:

_ Accounts receivable from 'no risk' customers, mainly refers to invoices settled by clearing houses. For these balances, it is assumed that there is no risk of default as the counterparty for the Group is the clearing house and it guarantees the payment of its commitments through its deposit requirement procedures for all clients that have debtor positions.

_ Accounts receivable from customers classified as 'high risk' for complying with the Group's definition of default or presenting evidence of impairment mentioned above. They are fully provisioned.

_ Accounts receivable from 'low risk' customers and not included in the previous categories.

'Low risk' customers outstanding balances are provisioned following a provision matrix which has been updated during 2020. The matrixes for years 2020 and 2019 are the following:

	Percentage of provision 2020	Percentage of provision 2019
Not due	1.0%	0.5%
Due up to 3 months	5.0%	2.0%
Due 3 to 6 months	15.0%	10.0%
Due 6 to 12 months	50.0%	50.0%
Due more than 12 months	100.0%	100.0%

Accounts receivables are written off when there is no reasonable expectation of recovery. Generally, this happens five years after invoice has been issued, except if the amount is still under dispute or litigation.

Hedge accounting

The Group has elected to adopt the general hedge accounting model that requires to ensure that hedge accounting relationships are aligned with risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. There might be instances when a derivative is not an effective hedge from an accounting perspective. In these situations, the derivative is classified as held for trading.

The Group uses derivative financial instruments to hedge certain currency and interest rate. All these derivatives, whether designated as hedges or not, are measured at fair value, which is the market value for listed instruments or valuation based on option pricing models and discounted cash flow calculations for unlisted instruments. Net interests accrued for these derivatives which are either payable or receivable at the end of the reporting period, are reported according to their maturity under the current and 'non-current derivative financial assets' captions if they are receivable, or under the current and 'non-current derivative financial liabilities' captions if they are payable.

At the inception of a hedge relationship, the Group formally documents the hedge relationship to which the Group wishes to apply hedge accounting. Such hedges are expected to be highly effective in achieving offsetting changes in the fair value and cash flows and are assessed on an ongoing basis to determine that they are still expected to be an effectively offset of the fair value or cash flows being hedged.

Generally, the 'ideal hypothetical derivative' method is used to evaluate the expected effectiveness of a hedge relationship in which the hedging instrument is a derivative. This method compares the expected change in fair value of the actual derivative designated as the hedging instrument and the expected change in fair value of an ideal hypothetical derivative that would result in perfect hedge effectiveness for the designated hedged item.

In the case of the foreign exchange risk when non-derivative instruments or some types of derivatives are used as hedging instrument, as it is explained in the documentation of the hedge relationship, the dual spot method is used. This means that the Group compares the expected spot-to-spot movement of the hedged item with the expected spot-to-spot movement of the hedging instrument to evaluate the expected hedge effectiveness of the hedge relationship.

The accounting treatment of gains or losses resulting from changes in the fair value of the derivatives is as follows:

- Cash flow hedges

The portion of changes in the fair value of derivatives which are an effective hedge are accounted for, net of tax, directly through equity until the committed or forecasted transaction occurs, at which point these will be reclassified to the consolidated statement of comprehensive income. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the 'Financial expense, net' caption.

For some foreign currency forwards, the Group separates the spot component of the forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract. The spot component is determined with reference to the relevant spot market exchange rates. Regarding the hedge accounting of these forwards, the forward element is separately accumulated as a separate component of equity. In the case of the Group's hedging relationships, forward element recorded in equity, within the 'Unrealized gains / losses reserve' caption, is reclassified to profit or loss in the same period during which the hedged expected cash flows affect profit or loss.

The treatment for currency options is quite similar, the Group separates the intrinsic value and the time value of option contracts and designates as the hedging instrument only the change in intrinsic value of the option. The changes in the time value are separately accumulated as a separate component of equity and is reclassified to profit or loss in the same period during which the hedged expected cash flow affects profit or loss.

In some circumstances the Group also uses non-derivative financial liabilities denominated in foreign currency to hedge the cash flow currency risk of its forecasted transactions. The functional currency translation difference of these hedging instruments is recognized directly in equity up until the forecasted transaction occurs, at which point it is reclassified to the consolidated statement of comprehensive income. Ineffective gains or losses are recorded directly in the consolidated statement of comprehensive income within the 'Financial expense, net' caption.

_ No hedge accounting relationship

Gains and losses on derivatives neither designated nor qualifying for hedge accounting treatment are accounted for directly in the consolidated statement of comprehensive income within the 'Financial expense, net' caption.

4.2.11 Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is deemed to be met only when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable when the appropriate level of management is committed to a plan to sell, the sale price marketed is reasonable in relation to the asset current fair value, an active program to locate a buyer and complete the sale plan must have been initiated, actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn, and the plan is expected to qualify for recognition as a completed sale within one year from the date of classification except in certain limited circumstances.

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Group, as a result of the normal course of its business activities, has exposure to foreign exchange, interest rate, treasury shares price evolution, credit and liquidity risk. The goal of the Group is to identify, measure and minimize these risks using the most effective and efficient methods to eliminate, reduce, or compensate such exposures. With the purpose of managing these risks, in some occasions, the Group enters into hedging activities with derivatives and non-derivative instruments.

5.1 Foreign exchange risk

As a result of the multinational orientation of its business, the Group is subject to foreign exchange risks derived from the fluctuations of various currencies.

Our revenue is almost entirely generated either in Euro or in US Dollar (USD) (the latter representing 45%-55% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs are denominated in many currencies different from the Euro, including the USD, which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the USD- Euro fluctuations, and the degree of this correlation may vary with time.

The main objective of the Group's foreign exchange hedging strategy is to reduce the volatility of the countervalue in euros of the consolidated cash flows measured in different currencies. The instruments used to achieve this goal depend on the foreign currency of the operating cash flow to be hedged:

_ The strategy to minimize USD exchange rate exposures is based on the use of natural hedges and derivative instruments. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the payment in USD of the principal amount outstanding of the USD denominated debt. Neither as of December 31, 2020, nor as of December 31, 2019, there was significant USD denominated debt. As at December 31, 2020, there was a significant amount of short-term financial investments denominated in US Dollars, these investments were fully hedged.

Notes (millions of euros)

_ Aside from the risk on USD, there are foreign exchange risks derived from expenses denominated in a variety of foreign currencies mainly in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). A natural hedge strategy is not available in these cases; therefore the Group engages into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options to hedge a significant portion of the aforementioned short exposures (net expenses).

Since the objective in relation to exchange rate risk is to reduce the volatility of the euro values of cash flows denominated in foreign currency, the Group's total exposure to exchange rate changes is measured in terms of the Cash-flow at Risk (CFaR). This risk measure provides an estimate of the potential euro (EUR) loss of the foreign currency denominated cash flows from the moment the estimation is calculated to the moment the cash flow is expected to take place. These estimates are made using a 95% confidence level.

The CFaR methodology is similar in many respects to the Value at Risk (VaR) methodology. However, whereas VaR is generally centered in the changes in the value of a portfolio of exposures in a given future interval of time, CFaR is focused on the changes in the value of the cash-flows of that portfolio from the calculation date to the moment in which these cash-flows are expected to effectively take place. In the case of Amadeus, CFaR is a more adequate measure of the risk of the Group given that the goal of our risk management strategy with relation to foreign exchange risk is reducing the volatility of the EUR value of the foreign currency denominated cash-flows. An additional reason for focusing on cash-flows is that, eventually, the cash-flows of a company result in its level of liquidity, which in the case of a non-financial corporation, it is generally a scarce and valuable element.

The main limitations of the CFaR methodology are very similar to the ones of the VaR methodology:

_ Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not.[1]

_ Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[2]. This limitation is particularly relevant today given the effect of the COVID-19 pandemic on the travel industry in general and in the Amadeus revenues particularly: depending on the evolution of the pandemic, the features and spread of its strains, the efficiency and speed of vaccination and the regulators attitude with respect to travel, the size of the US Dollar exposure can significantly change.

_ Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology for a 95% confidence level.

The CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level is set forth in the table below:

	December 31, 2020			December 31, 2019	
2021 CFaR	2022 CFaR	2023 CFaR	2020 CFaR	2021 CFaR	2022 CFaR
(15.6)	(35.0)	(79.3)	(10.7)	(38.2)	(87.6)

(1) The volatilities implicit in the market prices of currency options and the historic correlations among the main currencies in which Amadeus has exposures are used as inputs to the model.

(2) In order to calculate the foreign currency exposures, the Group takes into account the estimated cash flows in each currency according to the last available forecast and the foreign currency hedges contracted as of the CFaR calculation date.

Notes (millions of euros)

As of the end of 2020, CFaR levels calculated for the next three years are in line with the previous year, although higher for the coming year and slightly smaller for the following two years. The higher foreign exchange implicit volatility used in the calculations as of December 31, 2020, has been compensated by the lower estimated exposures for 2022 and 2023.

As it can be observed in the table above, the level of risk measured in CFaR terms tends to increase for the periods which are further away. The reasons for this are: (1) in theory, the further away the future cash-flows are, more adverse the effect of foreign exchange fluctuations can potentially be; (2) the level of hedging is smaller for the later periods; and (3) in the later periods the size of the foreign exchange exposures tends to be greater.

5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 31, 2020 approximately 79% (67%, 2019) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 31, 2020, and 2019.

The sensitivity of fair value of Amadeus debt to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2020, and 2019, is set forth in the table below:

	December 31, 2020		December 31, 2019	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	21.1	(21.2)	8.0	(8.1)
Total	21.1	(21.2)	8.0	(8.1)

In 2020 there has been a significant increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase has been produced by the new debt issues which have taken place during 2020 in order to reinforce the liquidity position of the Group. These new debt issues have significantly increased both the amount and the average life of the debt outstanding, thus, increasing the sensitivity of this debt to changes in the level of interest rates.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) amounting to €21.2 million at December 31, 2020 (€8.1 million, 2019).

5.3 Treasury shares price evolution risk

As of December 31, 2020, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,402,000 shares and a minimum of 335,000 shares, approximately. It is Amadeus intention to make use of treasury shares to settle these plans at their maturity. The Group holds treasury shares for the future specific share delivery commitments with the Group employees and management.

On 2020, the Group has acquired treasury shares corresponding to share buy-back programs carried out during the month of March 2020 and June 2020 (see note 18).

5.4 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Group by failing to discharge an obligation.

The Group cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

In 2020 the Group has made some short-term financial investments (see note 5.6 below) in order to invest part of the liquidity raised through the several financings undertaken during the year. These short-term investments are denominated in USD and are fully hedged from foreign exchange variations. These investments consist of a 'tri-party repo' amounting to USD 755.0 million and a 'Trade Finance Fund' (TFF) amounting to USD 350.0 million (both €900.5 million at closing rate). We consider that these investments have a low credit risk since:

_ The' tri-party repo' could be liquidated at the end of March 2021 and it has the double guarantee of a diversified portfolio of financial instruments acting as underlying and the bank acting as the counterparty of the transaction. The counterparty bank is a prime investment grade global bank. The portfolio of assets underlying is valued by a third party (Euroclear) and matched on daily basis in order to reach at least 75% of the value of the investment.

_ In the case of the TFF, this fund is invested in a diversified portfolio of receivables shorter than 3 months being the obligors US investment grade companies.

The credit risk of the Group's customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ('IATA') and Airlines Clearing House, Inc. ('ACH'). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and partially mitigate the credit risk by the fact that the members of the clearing house are required to make deposits that would be used in the event of default. Moreover, our customer base is large and unrelated which results in a low concentration of the credit risk.

5.5 Liquidity risk

The Corporate Treasury is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently, the Company concentrates the excess liquidity of the subsidiaries and channel it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through:

_ Three different cash pooling agreements. One with most of the subsidiaries located in the euro area; another one in US Dollars for the US subsidiaries and another one in British Pounds for the UK subsidiaries.

_ Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by the subsidiaries of the Group and later on consolidated in order to examine both the liquidity situation and the prospects of the Group and its subsidiaries.

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2020 and 2019 is described in note 19.

5.6 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while continuing to generate returns to shareholders and to benefit other stakeholders through the optimization of the leverage ratio.

The Group bases its capital management decisions on the relationship between the Group's earnings and free cash flows and its debt amount and debt service payments. The capital structure of the Group consists of net debt and the equity of the Group.

Notes (millions of euros)

The net financial debt as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Total non-current debt	4,343.0	2,328.2
Total current debt	1,320.6	1,245.5
Total debt	5,663.6	3,573.7
(-) Short-term investments	(900.5)	–
(-) Cash and cash equivalents	(1,555.1)	(564.0)
Total net financial debt	3,208.0	3,009.7

The Group's debt is rated by Standard & Poor's and Moody's as Investment Grade ('BBB-' and 'Baa2', respectively, with negative outlook for both). Both agencies keep a credit rating of the debt as 'Investment Grade'. The Group considers that the ratings awarded would allow access to the markets, if necessary, on reasonable terms. The short-term ratings of the Group are A3 from Standard & Poor´s and P2 from Moody's, also in the Investment Grade category.

The Company's dividend policy is to reach a dividend pay-out up to a range of 40% to 50% of the consolidated net profit of the year (excluding extraordinary impacts). The amount of dividends the Company decides to pay, if any, and the future dividend policy will however depend on a number of factors, including earnings, financial conditions, debt service obligations, cash requirements, prospects or market conditions. The amount of dividends is proposed by the Board of Directors and determined by the shareholders at General Shareholders' Meeting.

In 2020, the Company has cancelled the complementary dividend payment initially scheduled for the General Shareholders' Meeting approval of June 18, 2020 (see note 18).

The dividend policy also establishes the approval, within the last quarter of the year, of an interim dividend related to the results of each financial period, to be paid in the month of January of the following year. Considering the financial results due to the COVID-19 pandemic, no interim dividend has been distributed during year 2020.

6. COVID-19 RELATED IMPACTS

The COVID-19 pandemic has a material adverse effect on the Group's business, prospects, financial condition and results of operations. Substantially all of the Group's revenue is derived from the worldwide travel and tourism industry and this outbreak negatively impacts this industry, particularly airlines, airports, hotels, railways and ferries. The volume of bookings has drastically been reduced, and although Q3 2020 and Q4 2020 have shown improvements compared to Q2 2020, it is still uncertain how long it will take to come back to the travel volumes prior to the impact of the spread of COVID-19.

The COVID-19 outbreak has impacted our risk assessment and our impairment testing as disclosed below.

6.1 Reinforcement of the liquidity position

The Group has adopted a set of measures to protect its liquidity, to enhance its financial flexibility and to support its operations even in a scenario where the current tough market conditions persist over a long period of time.

To face the reduction of revenues and secure liquidity, besides the €1,000.0 million Revolving Credit Facility, already available in 2019, which is neither disposed of as at December 31, 2020, nor was as at December 31, 2019, the Group has engaged into the following operations during year 2020 (see note 19 for additional disclosure):

- A €1,000.0 million bridge to bond credit facility was contracted in March 2020.
- A share capital increase by an amount of €750.0 million.

- An issuance of convertible bonds for a total value of €750.0 million maturing in 2025.
- An issuance of two Eurobonds for a total value of €1,000.0 million in May 2020. These bonds mature respectively in 2024 and 2027. After the issuance of these bonds, €500.0 million of the undrawn bridge to bond credit facility was cancelled.
- An additional €750.0 million through an 8-year Eurobond was issued in September 2020. After this bond was issued the remaining €500.0 million of its undrawn bridge to bond loan was cancelled.
- A new European Investment Bank (EIB) Senior Loan by an amount of €200.0 million which was drawn in December 2020. This new loan is not subject to financial covenants, whereas the financial covenant of the previously contracted EIB loans were waived until September 2021.

In order to preserve the cash of the Group and strengthen its liquidity position; the 2019 complementary dividend, which is generally distributed in July, was cancelled.

Cash and cash equivalents as at December 31, 2020, amount to €1,555.1 million. Additionally, other current financial assets include €900.5 million of short-term liquid investments as at the end of 2020. As a result, total liquidity position at the end of the year 2020 amounts to a total of €2,455.6 million which provides a comfortable buffer to weather adverse market conditions for an extended period.

Our main financial obligations for year 2021 relate to a €500.0 million bond maturity in November 2021, the maturities of our European commercial paper (ECP) program, which amount to €622.0 million and the scheduled partial payment of the loans received from the EIB for €47.5 million.

6.2 Expected credit loss provision

As disclosed in note 5, our credit risk is mitigated by the fact that the majority of our trade receivables are settled through clearing houses. Nevertheless, the COVID-19 outbreak has triggered some financial difficulties to certain customers increasing our risk assessment for accounts receivable recovery. The Group has updated the 2019 Expected Credit Losses (ECL) provision matrix used for low risk customers. The update of the provision matrix was performed on June 30, 2020, and the impact amounted to approximately €11.6 million. From June 30, 2020 to December 31, 2020 the provision has increased by another €11.6 million mainly due to the increased number of customers in financial difficulties. Please refer to note 4 to see disclosure of matrix for both years and note 13 for the evolution of the provision in the year 2020.

6.3 Relief and support measures

The Group has implemented efficiency measures to reduce costs and investment in assets. The Group has gained savings mainly focused on cost of personnel and contractors. Regarding building rent expenses, the Group is currently rationalizing the necessary space to optimize the costs.

Within the framework of COVID-19 crisis, different authorities around the world, have, at different speeds, published packages of measures to mitigate the economic consequences of the pandemic. The Group has worked on mapping all potentially applicable measures by jurisdictions to protect cash liquidity. Governmental measures approved consist mainly on temporary suspension of Corporate Income Tax payments, Social Security payment obligations, accelerated depreciation or accelerated refund of taxes, among others. The Group has taken advantage of certain measures delaying the payments of taxes in accordance with the domestic laws. These measures have allowed Amadeus companies to delay the payment of taxes or social security contributions. The majority have implied that the taxes due are paid some months after the deadline. However, the majority of them has been already paid at the end of 2020, so the impact was only a temporary cash relief.

In addition, many countries have also enacted job schemes to protect and secure the employment in their respective jurisdictions. In this context, certain countries (specially Australia, Hong Kong, Singapore and The Netherlands) have published special regimes that the Group has selectively taken advantage of. Total amount captured as of December 31, 2020, amounts to €9.1 million.

Notes (millions of euros)

6.4 Restructuring measures

In March 2020 the Group announced an initial set of measures to reduce costs. Following this announcement, in July 2020, a plan of actions focused on mainly voluntary workforce reduction and on rationalizing the necessary rental space was set up.

In terms of workforce reduction, as at December 31, 2020, the Group has incurred in €156.3 million of Personnel and Related expenses corresponding to these restructuring measures.

The arrangements for building and facilities aiming cost reductions have included the early termination of certain lease contracts such as in Boston and in Nice and also the reduction of rented space such as in Miami. These reductions originated penalties and dilapidation costs impacting other operating expenses by €9.0 million. The reduction in right of use assets will impact decreasing depreciation and amortization expenses for future periods and the associated reduction in lease liabilities will diminish cash outflows.

There are also other miscellaneous expenses incurred during 2020 amounting to €3.8 million.

6.5 Impairment test

The Group monitors goodwill for internal management purposes at groups of cash generating units (CGUs) because it is the lowest level at which the synergies generated after the acquisition are controlled at the internal management level and it is mostly linked to the type of platforms and to the type of technological services of each group of CGUs.

The COVID-19 pandemic has generated an on-going health and economic crisis, resulting in acutely depressed travel volumes. This situation has generated an accounting impairment ''triggering event'' for Amadeus. Therefore, we performed an impairment test of our groups of CGUs, as at June 30, 2020, applying a number of scenarios (including, IATA's latest projections, base case and a stressed case), concluding that there was no evidence of impairment at any of our groups of CGUs, even under the stressed scenario.

As at December 31, 2020, the Group has updated the estimates used in the June 30, 2020 impairment test considering the latest information available.

Calculations use cash flow projections based on financial budgets as discussed by the Board of Directors on December 2020 covering a 3-year period (2021-2023) plus additional forecasts developed for 2024-2025. Cash flows beyond that five-year period have been extrapolated using growth rates that do not exceed the long-term average rates for the markets in which the three groups of CGUs operate.

These internal forecasts are based on external assumptions such as Growth Domestic Product published by the International Monetary Fund, air traffic data published by IATA, among others. The Group for its internal forecasts has considered lower capital expenditures and cost reductions linked to the restructuring measures.

The projections have been performed considering the following assumptions:

The compound annual growth rate (CAGR) of forecasted revenues used for the impairment exercise, are set forth in the table below:

	December 31, 2020 2021-2025 period	December 31, 2019 2020-2024 period
Base case	10.30% - 35.41%	3.22% - 8.93%
Optimistic case	11.30% - 36.45%	4.22% - 10.47%
Pessimistic case	9.30% - 34.36%	2.22% - 7.93%

Notes (millions of euros)

Progressive recovery of 2019 levels is forecasted for 2024. Considering a six-year period the CAGR of forecasted revenues is the following:

	December 31, 2020 2020-2025 period
Base case	0.60% - 3.21%
Optimistic case	1.98% - 4.66%
Pessimistic case	(0.79%) – 2.20%

Discount rates have also been reviewed to reflect the current economic situation. No changes estimated for perpetual growth rates.

The discount rates and perpetuity growth rates (beyond the five-year forecasts) applied to the cash flow projections in 2020 and 2019 for the different groups of CGUs are as follows:

	December 31, 2020			December 31, 2019		
	Growth rate to perpetuity	Post-tax discount rate	Pre-tax discount rate	Growth rate to perpetuity	Post-tax discount rate	Pre-tax discount rate
Distribution	1.5%	7.6%	9.8%	1.5%	7.4%	9.7%
TravelClick	2.5%	7.6%	9.2%	2.5%	7.8%	9.6%
IT Services	2.5%	7.6%	9.4%	2.5%	7.4%	9.2%

According to this analysis of the value in use of assets assigned to the groups of cash generating units of the Group, there is no evidence of impairment.

Management believes that any reasonable deterioration of the key assumptions considered, which are the basis to calculate the value in use, would not result in the recoverable amount being lower than the respective unit's carrying amount for any of the groups of CGUs at which level goodwill is monitored.

In addition to the test for the groups of cash generating units disclosed above, the Group has carried out specific impairment test for individual intangible assets. The Group has recognized the following impairment losses in the consolidated statement of comprehensive income:

- € 124.9 million (€27.8 million, 2019) (note 9), related to specific developments and implementation efforts carried out for customers that have either cancelled contracts, suspended or ceased operations and to some identified assets that in the current environment will not deliver benefits over the same timeframe as before. From the total impairment expense for the year ended on December 31, 2020, €103.7 million corresponds to the IT Solutions segment and € 21.2 million to the Distribution segment (€22.4 million and €5.4 million respectively in 2019).
- € 10.3 million (€1.3 million, 2019) (note 9), related to customer relationships which have been impaired due to lower expected economic benefits on some of them (all corresponding to the Distribution segment).
- €4.4 million corresponding to goodwill related to Amadeus Travel IMS, S.L. (note 8).

6.6 Going concern

Considering all the aforementioned measures, the Group believes that the significant doubt associated with the current uncertainties related to the COVID-19 does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Notes (millions of euros)

7. SEGMENT REPORTING

The segment information has been prepared in accordance with the 'management approach', which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

The Group is organized into two operating segments based on the different services offered by the Group:

_ Distribution, where the primary offering is Amadeus GDS platform. It generates revenues mainly from booking fees the Group charges to travel providers for bookings made, as well as other non–booking revenues; and

_ IT Solutions, where the Group offers a portfolio of technology solutions (primarily Altéa PSS and New Skies) that automate mission-critical processes for travel providers. This segment generates revenues from the transactions processed in the Amadeus platform, as well as from other IT services.

The operating segments identified, the composition of those operating segments, and the accounting policies used in the measurement of the operating segments profit or loss, are consistent with those used and applied in the year ended December 31, 2019.

The Group applies the same accounting policies for the measurement of the profit or loss of its operating segments as those described in note 4. However, management when evaluating the performance of each operating segment uses contribution as a performance measure. Contribution is defined at the relevant operating segment as revenue less operating costs plus capitalizations directly allocated to the relevant operating segment. The operating expenses (excluding capitalized expenses and those incentives associated to those capitalizations) of the Group are allocated either to operating direct costs or to indirect costs; we denominate operating direct costs to those direct costs that can be assigned to an operating segment and indirect costs to those that cannot be assigned to any operating segment.

Additionally, the Group manages its borrowing activities and taxes centrally and they are not followed up per segment.

Information regarding the Group's operating segments and the reconciliation of the measure of profit or loss to the consolidated statement of comprehensive income as of December 31, 2020, and 2019, are set forth in the table below:

	December 31, 2020			December 31, 2019		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	715.6	1,458.4	2,174.0	3,130.6	2,439.5	5,570.1
Contribution	152.6	719.4	872.0	1,405.4	1,569.1	2,974.5

The main reconciling items correspond to:

	December 31, 2020	December 31, 2019
Revenue	2,174.0	5,570.1
Contribution	872.0	2,974.5
Net indirect cost (1)	(813.4)	(742.1)
Depreciation and amortization	(829.4)	(757.0)
Operating income / (loss)	(770.8)	1,475.4

Notes (millions of euros)

(1) Principally comprises what we denominate indirect costs that are costs shared between the Distribution and IT Solutions operating segments, such as: (i) costs associated with Amadeus technology systems, including processing of multiple transactions, and (ii) corporate support, including various corporate functions such as finance, legal, human resources, internal information systems, etc. Additionally, it includes capitalization of expenses and incentives received from the French government in respect of certain IT Solutions / Distribution product development activities in Nice and which have not been allocated to an operating segment.

The Group operates in the travel industry and, accordingly, events that significantly affect the industry could also affect the Group's operations and financial position.

Amadeus IT Group, S.A. is based in Spain and is the counterparty to all key contractual arrangements with airlines and other travel providers for Distribution and IT Solutions operating segments.

The table below represents a good measure of how the revenue of the Group is geographically distributed based on where the travel agent, in which bookings are reserved, is located (for the Distribution operating segment), and attending to where the airline receiving the services is registered (for the IT Solutions operating segment):

	December 31, 2020	December 31, 2019
EMEA	991.6	2,947.9
Asia & Pacific	361.1	1,134.8
America	821.3	1,487.4
Revenue	2,174.0	5,570.1

Included in the table above, the countries with most significant level of revenues and Spain are the following:

	December 31, 2020	December 31, 2019
USA	639.6	1,067.3
Germany	136.8	457.4
France	101.3	285.2
Spain	56.5	181.0

Non-current assets by geographic area for the year ended December 31, 2020 and 2019, are set forth in the table below:

	Europe				Other		PPA	Total
December 31, 2020	Spain	France	Germany	Other	USA & Canada	Rest of the world	Assets	
Intangible Assets	547.4	1,716.7	129.2	11.5	1,095.0	27.6	419.5	3,946.9
PP&E	4.9	47.8	227.3	12.9	29.2	25.6	–	347.7
Right of use assets	36.3	43.7	59.7	33.6	34.1	35.0	–	242.4
Investments in associates	–	–	–	–	–	16.2	–	16.2
Total	588.6	1,808.2	416.2	58.0	1,158.3	104.4	419.5	4,553.2

Notes (millions of euros)

	Europe				Other		PPA Assets	Total
December 31, 2019	Spain	France	Germany	Other	USA & Canada	Rest of the world		
Intangible Assets	529.8	1,777.4	141.9	16.5	1,246.4	36.0	439.8	4,187.8
PP&E	6.7	62.6	280.5	16.6	39.7	26.0	–	432.1
Right of use assets	41.0	82.6	67.7	39.4	51.6	54.1	–	336.4
Investments in associates	–	–	–	–	–	30.5	–	30.5
Total	577.5	1,922.6	490.1	72.5	1,337.7	146.6	439.8	4,986.8

The PPA Assets mainly correspond to the Amadeus brand and other intangible assets identified during the Purchase Price Allocation exercise (PPA) performed as a result of the business combination (Leverage Buy-Out) between Amadeus Group and the Company in July 2005 that for their own nature cannot be allocated geographically.

8. GOODWILL

The reconciliation of the carrying amount of goodwill for the years ended as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Carrying amount at the beginning of the year	3,661.5	3,598.0
Additions due to acquisitions of subsidiaries (note 16)	54.7	41.5
Impairment	(4.4)	–
Adjustments during the measurement period	(0.2)	(2.1)
Transfers (note 16)	(42.8)	(3.6)
Exchange rate adjustments	(129.0)	27.7
Carrying amount at the end of the period	3,539.8	3,661.5

‘Additions due to acquisitions of subsidiaries’ for the year ended December 31, 2020, relates to the goodwill arisen from the acquisition Optym’s Sky business. For the year ended December 31, 2019, it relates to the goodwill arisen from the acquisition of ICM (see note 16).

‘Impairment’ for the year ended December 31, 2020, is connected to the goodwill from Amadeus Travel IMS, S.L.

‘Transfers’ for the year ended December 31, 2020, correspond to the completion of the purchase price allocation exercise for the business combination of ICM and Optym’s Sky business (Argo IT purchase price allocation for the year ended December 31, 2019).

‘Exchange rate adjustments’ for the year ended December 31, 2020 and 2019, mainly relates to the USD – EUR evolution.

Goodwill derived from any acquisition is allocated for impairment testing purposes to the group of cash generating units (CGUs) that is expected to benefit from the acquisition that originated the goodwill, based on Amadeus’ organizational structure and operations. Goodwill has been allocated to three groups of CGUs: to the group of CGUs of Distribution, that coincides with the Distribution segment, to the group of CGUs of IT Services, and to the group of CGUs comprising TravelClick.

Notes (millions of euros)

The breakdown of the current amount of goodwill per group of CGUs is set forth in the table below:

	December 31, 2020	December 31, 2019
Distribution	1,995.5	2,004.8
TravelClick	782.8	855.1
IT Services	761.5	801.6
Carrying amount	3,539.8	3,661.5

For details on Goodwill impairment test see note 6.

9. INTANGIBLE ASSETS

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of the items included under the 'Intangible assets' caption is set forth in the table below:

Gross Value	Patents, trademarks, licenses and others	Technology and content	Contractual relationships	Total
December 31, 2018	465.6	4,991.6	1,463.1	6,920.3
Additions	6.7	1.2	64.2	72.1
Additions of Software internally developed	–	574.2	–	574.2
Retirements and disposals	(8.2)	(9.9)	(12.6)	(30.7)
Transfers	–	2.5	2.7	5.2
Additions due to business combinations	1.0	–	1.8	2.8
Exchange rate adjustments	0.5	8.4	19.3	28.2
December 31, 2019	465.6	5,568.0	1,538.5	7,572.1
Additions	1.8	–	6.4	8.2
Additions of Software internally developed	–	455.0	–	455.0
Retirements and disposals	(2.0)	(124.1)	(10.4)	(136.5)
Reclassification to Assets held for sale	–	(6.7)	(2.0)	(8.7)
Transfer	147.0	20.8	(115.6)	52.2
Exchange rate adjustments	(2.3)	(60.9)	(92.4)	(155.6)
December 31, 2020	610.1	5,852.1	1,324.5	7,786.7

Notes (millions of euros)

Accumulated depreciation and Impairment	Patents, trademarks, licenses and others	Technology and content	Contractual relationships	Total
December 31, 2018	(127.3)	(2,280.9)	(418.3)	(2,826.5)
Amortization charge	(15.6)	(405.5)	(125.1)	(546.2)
Impairment losses charged to profit or loss	–	(27.8)	(1.3)	(29.1)
Retirements and disposals	8.2	–	12.4	20.6
Exchange rate adjustments	(0.3)	(10.7)	7.9	(3.1)
December 31, 2019	(135.0)	(2,724.9)	(524.4)	(3,384.3)
Amortization charge	(15.6)	(367.7)	(107.9)	(491.2)
Impairment losses charged to profit or loss	–	(124.9)	(10.3)	(135.2)
Retirements and disposals	1.9	117.6	5.4	124.9
Reclassification to Assets held for sale	–	5.5	2.0	7.5
Transfer	(145.8)	1.5	137.5	(6.8)
Exchange rate adjustments	2.0	21.8	21.5	45.3
December 31, 2020	(292.5)	(3,071.1)	(476.2)	(3,839.8)
Carrying amount at December 31, 2019	330.6	2,843.1	1,014.1	4,187.8
Carrying amount at December 31, 2020	317.6	2,781.0	848.3	3,946.9

'Patents, trademarks, licenses and others' caption includes intangible assets with indefinite useful life with a carrying value of €293.2 million as of December 31, 2020 and 2019, that mainly relates to the Amadeus brand. It has been estimated that the Amadeus brand will contribute to the Group net cash inflows indefinitely. Among the different factors considered in reaching this conclusion, the following matters should be highlighted:

- There are no expectations of the Amadeus brand to be abandoned; and
- There is certain stability within the industry since it is composed of few players worldwide and Amadeus has a strong positioning.

The Amadeus brand has been allocated to the group of CGUs of Distribution and of IT Services (€257.8 million and €35.4 million respectively for 2020 and 2019) based on the relative present value of the royalty savings in each of them. The brand does not generate cash inflows that are independent from other assets and is, therefore, tested for impairment at the level of the group of CGUs at which it can be allocated. The key assumptions used for the impairment tests as well as the methodology followed is described in note 6.

During 2020 and 2019, the Group reported certain impairment losses in relation to products that will not deliver the expected economic benefits, due to either unforeseen additional efforts required to deliver the customer's needs, or to a downwards reassessment of the expected demand (see note 6).

The transfers in 2020 under 'Patents, trademarks, licenses and others', 'Technology and Content' and 'Contractual Relationships' captions mainly relate to the completion of the purchase price allocation exercise of ICM and Sky Optym acquisition for the year ended December 31, 2020, as well as some reclassification for certain fully amortized assets between categories.

In the year ended December 31, 2019, the additions due to acquisitions of subsidiaries mainly relate to the assets of ICM (see note 16).

Notes (millions of euros)

10. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of the items included under the caption 'Property, plant and equipment' caption is set forth in the table below:

Gross Value	Land & buildings	Data processing hardware & software	Other property, plant and equipment	Total
December 31, 2018	301.3	720.6	108.0	1,129.9
Additions	11.5	107.3	11.3	130.1
Retirements and disposals	(18.1)	(37.2)	(11.0)	(66.3)
Transfers	0.1	6.1	–	6.2
Additions due to acquisition of subsidiaries	–	–	0.6	0.6
Exchange rate adjustments	1.0	2.8	1.2	5.0
December 31, 2019	295.8	799.6	110.1	1,205.5
Additions	6.5	46.3	6.2	59.0
Retirements and disposals	(13.8)	(57.8)	(5.7)	(77.3)
Reclassification to assets held for sale	–	(0.1)	(0.1)	(0.2)
Transfers	–	20.2	3.9	24.1
Exchange rate adjustments	(4.2)	(12.7)	(4.2)	(21.1)
December 31, 2020	284.3	795.5	110.2	1,190.0

Accumulated depreciation and Impairment	Land & buildings	Data processing hardware & software	Other property, plant and equipment	Total
December 31, 2018	(166.0)	(467.0)	(63.7)	(696.7)
Depreciation charge	(14.8)	(109.9)	(8.4)	(133.1)
Retirements and disposals	17.7	36.8	10.6	65.1
Transfers	–	(6.2)	–	(6.2)
Exchange rate adjustments	(0.2)	(1.6)	(0.7)	(2.5)
December 31, 2019	(163.3)	(547.9)	(62.2)	(773.4)
Depreciation charge	(15.7)	(107.9)	(7.8)	(131.4)
Retirements and disposals	9.3	56.3	5.0	70.6
Reclassification to assets held for sale	–	0.1	0.1	0.2
Transfers	–	(19.0)	(4.5)	(23.5)
Exchange rate adjustments	2.7	9.2	3.3	15.2
December 31, 2020	(167.0)	(609.2)	(66.1)	(842.3)
Carrying amount at December 31, 2019	132.5	251.7	47.9	432.1
Carrying amount at December 31, 2020	117.3	186.3	44.1	347.7

Additions to the 'Data processing hardware & software' caption mainly relate to the data processing hardware and software acquired for the data processing center in Erding (Germany) amounting to €26.3 million (€71.6 million, 2019).

The transfers under 'Land & buildings', 'Data processing hardware & software' and 'Other property, plant and equipment' captions mainly relate to some reclassification for certain fully amortized assets between categories.

Notes (millions of euros)

During the year ended December 31, 2019 the additions due to acquisitions of subsidiaries mainly relate to assets of ICM (see note 16).

The amount of expenditure in assets under construction recognized in the carrying amount of property, plant and equipment for the year ended December 31, 2020, is €3.1 million (€2.2 million, 2019).

11. LEASES

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of the items included under the caption of 'Right of use assets' is set forth in the table below:

	Land & buildings	Data processing hardware & software	Data centers	Other property, plant and equipment	Total
Carrying amount as of December 31, 2018	321.0	24.9	2.5	2.8	351.2
Additions	30.3	12.9	2.1	0.1	45.4
Additions due to acquisition of subsidiaries	0.9	–	–	–	0.9
Depreciation charge	(49.1)	(14.0)	(0.7)	(1.0)	(64.8)
Space reductions and early terminations	(0.6)	–	–	–	(0.6)
Transfers	–	0.1	–	–	0.1
Exchange rate adjustments	4.2	–	–	–	4.2
Carrying amount as of December 31, 2019	306.7	23.9	3.9	1.9	336.4
Additions	15.7	3.1	–	–	18.8
Depreciation charge	(52.2)	(13.5)	(1.3)	(0.2)	(67.2)
Space reductions and early terminations	(34.9)	–	–	–	(34.9)
Transfers	(2.2)	(0.1)	–	1.5	(0.8)
Reclassification to Assets held for sale	(0.2)	–	–	–	(0.2)
Exchange rate adjustments	(9.2)	(0.2)	(0.3)	–	(9.7)
Carrying amount as of December 31, 2020	223.7	13.2	2.3	3.2	242.4

Additions to 'Land & buildings' for the year ended December 31, 2020, mainly relate to the new contracts signed for office buildings in USA, Australia, Sweden and United Arab Emirates (additions in 2019 corresponded to office buildings in Japan and Philippines).

During the year ended December 31, 2019, the additions due to acquisitions of subsidiaries mainly relate to the assets of ICM (note 16).

As explained in note 6, as a result of the cost reduction programs initiated by the Group, leased office space has been reduced in Miami (USA) and some building rent contracts have been early terminated in France and Boston (USA). The net impact on the right of use asset is included as space reductions and early terminations in the table above.

Lease liabilities are detailed in note 19 and interest expenses on them are disclosed in note 26.

As at December 31, 2020, there are commitments for leases for an amount of €34.8 million (€32.8 million, 2019). These commitments refer to the leasing of offices which the Group will begin to use in future years, when the right of use asset and the corresponding lease liability will be recorded.

The total cash outflow for leases for the year ended December 31, 2020 amounts to €72.9 million (€64.0 million in 2019).

Notes (millions of euros)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The reconciliation of the carrying amount for the years ended December 31, 2020 and 2019, of the items included under the 'Investments accounted for using the equity method' caption is set forth in the table below:

	Investments accounted for using the equity method
Carrying amount as of December 31, 2018	14.3
Share in profit/(loss) of associates and joint ventures accounted for using the equity method	12.8
Distribution of dividends	(1.8)
Additions to investments	4.5
Exchange rate adjustments	0.7
Carrying amount as of December 31, 2019	30.5
Share in profit/(loss) of associates and joint ventures accounted for using the equity method	(8.7)
Distribution of dividends	(3.2)
Exchange rate adjustments	(2.4)
Carrying amount as of December 31, 2020	16.2

The entities consolidated by the Group under the equity method are not quoted in any organized stock market.

The 'Share in profit/(loss) of associates and joint ventures accounted for using the equity method' caption for the year ended December 31, 2020 and 2019 is presented net of taxes at the respective shareholder level.

The 'Additions to investment' for the year ended December 31, 2019, corresponds to the purchase of 20% of the shares of Refundit Ltd. in September 2019.

The financial information of the Group's associates and joint ventures is set forth in the table below:

	December 31, 2020	December 31, 2019
Total assets	64.6	103.5
Total liabilities	42.4	55.5
Net assets	22.2	48.0
Investments accounted for using the equity method	16.2	30.5
Total revenue	46.7	150.3
Profit for the year	(12.0)	20.8
Share in profit/(loss) of associates and joint ventures accounted for using the equity method	(8.7)	12.8

Notes (millions of euros)

13. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

The Group's classification of financial assets and liabilities as of December 31, 2020, is set forth in the table below:

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		71.3	10.3	–	–	81.6
Non-current derivative Financial assets	23	–	–	21.5	–	21.5
Total non-current financial assets		71.3	10.3	21.5	–	103.1
Trade accounts receivable		253.9	–	–	–	253.9
Other current financial assets		635.9	–	–	285.2	921.1
Current derivative financial assets	23	–	–	44.2	34.5	78.7
Cash and cash equivalents	27	1,312.4	–	–	242.7	1,555.1
Total current financial assets		2,202.2	–	44.2	562.3	2,808.8
Non-current debt	19 and 27	4,343.0	–	–	–	4,343.0
Non-current derivative financial liabilities	23 and 27	–	–	1.0	–	1.0
Other non-current financial liabilities		0.6	–	–	12.2	12.8
Total non-current financial liabilities		4,343.6	–	1.0	12.2	4,356.8
Current debt	19 and 27	1,320.6	–	–	–	1,320.6
Other current financial liabilities		9.4	–	–	–	9.4
Dividend payable	18	0.3	–	–	–	0.3
Current derivative financial liabilities	23 and 27	–	–	21.0	1.5	22.5
Trade accounts payable		406.8	–	–	–	406.8
Total current financial liabilities		1,737.1	–	21.0	1.5	1,759.6

Other current financial assets mainly include short-term investments in which the Group has invested part of the liquidity raised through the several financings undertaken during the year (see note 5). Under amortized cost, the Group includes the triparti repo and under FVPL the RedArc Global Investments ICAV- Trade Finance Fund (TFF) disclosed in note 13.1 below.

Notes (millions of euros)

The Group's classification of financial assets and liabilities as of December 31, 2019, is set forth in the table below:

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		81.8	10.2	–	–	92.0
Non-current derivative financial assets	23	–	–	3.7	–	3.7
Total non-current financial assets		81.8	10.2	3.7	–	95.7
Trade accounts receivable		529.5	–	–	–	529.5
Other current financial assets		11.3	–	–	–	11.3
Current derivative financial assets	23	–	–	7.9	1.4	9.3
Cash and cash equivalents	27	564.0	–	–	–	564.0
Total current financial assets		1,104.8	–	7.9	1.4	1,114.1
Non-current debt	19 and 27	2,328.2	–	–	–	2,328.2
Non-current derivative financial liabilities	23 and 27	–	–	6.0	–	6.0
Other non-current financial liabilities		1.0	–	–	–	1.0
Total non-current financial liabilities		2,329.2	–	6.0	–	2,335.2
Current debt	19 and 27	1,245.5	–	–	–	1,245.5
Other current financial liabilities		11.1	–	–	–	11.1
Dividend payable	18	241.4	–	–	–	241.4
Current derivative financial liabilities	23 and 27	–	–	28.1	–	28.1
Trade accounts payable		801.2	–	–	–	801.2
Total current financial liabilities		2,299.2	–	28.1	–	2,327.3

The Group's non-derivative financial liabilities (except for current and non-current debt disclosed in note 19) by maturity as of December 31, 2020, is set in the table below:

		Current	Non-current				
	December 31, 2020	2021	2022	2023	2024	2025 and beyond	Total non-current
Other non-current financial liabilities	12.8	–	0.6	–	12.2	–	12.8
Other current financial liabilities	9.4	9.4	–	–	–	–	–
Dividend payable	0.3	0.3	–	–	–	–	–
Trade accounts payable	406.8	406.8	–	–	–	–	–
Total other financial liabilities	429.3	416.5	0.6	–	12.2	–	12.8

Notes (millions of euros)

The Group's non-derivative financial liabilities (except for current and non-current debt disclosed in note 19) by maturity as of December 31, 2019, is set in the table below:

		Current	Non-current				
	December 31, 2019	2020	2021	2022	2023	2024 and	Total non-current
Other non-current financial liabilities	1.0	–	1.0	–	–	–	1.0
Other current financial liabilities	11.1	11.1	–	–	–	–	–
Dividend payable	241.4	241.4	–	–	–	–	–
Trade accounts payable	801.2	801.2	–	–	–	–	–
Total other financial liabilities	1,054.7	1,053.7	1.0	–	–	–	1.0

The tables above show the discounted amounts for financial liabilities. The undiscounted amounts do not differ significantly.

13.1 Fair value measurements disclosures

The assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statement of financial position are set forth in the table below. These fair value measurements are categorized into different levels of fair value hierarchy based on the inputs to valuation techniques used.

		December 31, 2020		December 31, 2019	
	Note	Level 2	Level 3	Level 2	Level 3
Other non-current financial assets		–	9.1	–	10.2
Foreign currency forward		21.5	–	3.7	–
Non-current derivative financial assets	23	21.5	–	3.7	–
Foreign currency forward		44.2	–	7.9	–
Foreign currency forward and options held for trading		34.5	–	1.4	–
Current derivative financial assets	23	78.7	–	9.3	–
Foreign currency forward		1.0	–	6.0	–
Non-current derivative financial liabilities	23	1.0	–	6.0	–
Foreign currency forward		21.0	–	28.1	–
Foreign currency forward and options held for trading		1.5	–	–	–
Current derivative financial liabilities	23	22.5	–	28.1	–
Current financial assets at fair value		285.2	–	–	–
Cash equivalents at fair value		242.7	–	–	–
Contingent consideration at fair value	16	–	12.2	–	–

The fair values of financial assets or liabilities traded on active liquid markets are fixed according to the prices quoted in those markets. If the market for a financial asset is not active or no market price is available, fair values are determined in accordance with generally accepted pricing valuation techniques which include discounted cash flows, standard valuation models based on market parameters, dealer quotes and use of comparable arm's length transactions.

Notes (millions of euros)

The Group's foreign currency forward contracts are measured using quoted forward exchange rates. As such, the financial assets or liabilities in our consolidated statement of financial position resulting from these derivative financial instruments that are measured at fair value, would fall within the level 2 category of the fair value hierarchy. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

There were no transfers between levels of fair value hierarchy during the years ended December 31, 2020, and 2019.

The fair value of the contingent consideration is determined considering the expected payment using probability weighted average of pay-outs associated with each possible scenario. This method requires considering the range of possible outcomes, the pay-out associated with each possible outcome and the probability of each outcome arising.

As of December 31, 2020, level 2 includes an amount of USD 350 million (€285.2 million as at December 31, 2020) that corresponds to a RedArc Global Investments ICAV- Trade Finance Fund (TFF) subscribed in October 2020. See note 5. It also includes Amundi Money Market liquidity fund that invest in short-term debt instruments, amounting to €242.7 million.

Level 3 includes an amount of USD 15 million (€12.2 million, as at December 31, 2020) corresponding to the estimated contingent consideration in the acquisition of Optym's Sky business. This variable consideration depends on the revenues upon the execution of qualified new licenses until the end of year 2024. There have been no changes on fair value estimation for this financial liability. Level 3 also includes interests in certain unlisted non-controlled companies.

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as of December 31, 2020, and 2019, except for the following financial liabilities:

	December 31, 2020			December 31, 2019		
	Carrying amount	Fair Value	% of face value	Carrying amount	Fair Value	% of face value
Bonds	4,459.9	4,946.5	110.9%	2,500.0	2,567.1	102.7%
European Investment Bank	262.3	257.9	98.3%	126.6	131.1	103.6%

The fair value measurement of the bonds and the European Investment Bank unsecured senior loan are categorized within the level 1 and level 2 in the fair value hierarchy, respectively.

13.2 Expected credit losses allowance, derecognition of financial assets and cancellation reserve

The expected credit losses provision is presented as a reduction of the 'Trade account receivables' caption.

The reconciliation of the ECL provision for the year 2020 and 2019 is the following:

	December 31, 2020	December 31, 2019
Carrying amount at the beginning of the year	120.2	88.6
Additional expected credit losses	79.1	42.9
Write-offs	(16.1)	(5.5)
Unused reversed amounts	(9.0)	(5.8)
Carrying amount at the end of the year	174.2	120.2

Notes (millions of euros)

As of December 31, 2020, the breakdown of the carrying amount and ECL provision of 'Trade account receivables' is set forth in the table below:

	December 31, 2020					
Trade account receivables	Not due	Due up to 3 months	Due 3 to 6 months	Due 6 to 12 months	Due more than 12 months	Total
No risk customers	47.7	–	–	–	–	47.7
High risk customers (fully provisioned)	4.3	6.0	5.3	22.2	76.4	114.2
Rest of customers	90.0	66.0	36.0	47.6	26.6	266.2
Total gross	142.0	72.0	41.3	69.8	103.0	428.1
High risk customers provision	(4.3)	(6.0)	(5.3)	(22.2)	(76.4)	(114.2)
Provision (rest of customers)	(0.9)	(3.3)	(5.4)	(23.8)	(26.6)	(60.0)
Total provisions	(5.2)	(9.3)	(10.7)	(46.0)	(103.0)	(174.2)
Total net balance	136.8	62.7	30.6	23.8	–	253.9

As of December 31, 2019, the breakdown of the carrying amount and ECL provision of 'Trade account receivables' is set forth in the table below:

	December 31, 2019					
Trade account receivables	Not due	Due up to 3 months	Due 3 to 6 months	Due 6 to 12 months	Due more than 12 months	Total
No risk customers	297.3	–	–	–	–	297.3
High risk customers (fully provisioned)	6.3	8.5	5.0	2.2	51.2	73.2
Rest of customers	113.2	93.9	22.3	14.9	34.9	279.2
Total gross	416.8	102.4	27.3	17.1	86.1	649.7
High risk customers provision	(6.3)	(8.5)	(5.0)	(2.2)	(51.2)	(73.2)
Provision (rest of customers)	(0.6)	(1.9)	(2.2)	(7.4)	(34.9)	(47.0)
Total provisions	(6.9)	(10.4)	(7.2)	(9.6)	(86.1)	(120.2)
Total net balance	409.9	92.0	20.1	7.5	–	529.5

The Group did not reach any non-recourse factoring agreements with financial institutions over a part of the trade receivables. As at December 31, 2019, the Group had transferred €10.0 million under factoring agreements with an average interest of 0.30%.

Accounts receivable are recorded net of a cancellation reserve, and accounts payable are recorded net of the reduction in distribution costs derived from cancellations €18.3 million as of December 31, 2020 (€38.7million in 2019) and €7.6 million (€18.1 million, 2019) respectively.

13.3 Trade payables Directive

Pursuant to the Spanish legislation in force, the disclosures related to the Directive on trade payables as of December 31, 2020 and 2019, for the Spanish subsidiaries is set forth in the table below:

	December 31, 2020	December 31, 2019
	Days	Days
Average payment term to trade payables	27	26
Ratio of operations paid	27	27
Ratio of outstanding payments	11	7
	Millions of euros	Millions of euros
Total payments	520.3	1,380.1
Total outstanding payments	15.7	50.8

Trade operations with suppliers of goods and services received since the initial date of the Law 31/2014, December 3, have been taken into consideration to calculate the average payment term to trade payables.

The trade payables considered as accounts payable eligible to be disclosed in the consolidated financial statements are those which by nature are trade payables with suppliers of goods and services and, therefore, are included under the ‘Trade payables’ caption in the current liabilities in the consolidated statement of financial position.

14. REVENUE

14.1 Disaggregation of revenue from contracts with customers

All the revenues booked by the Group under the ‘Revenue’ caption derive from contracts with customers. The Group obtains revenue from the rendering of services over time in the markets and segments is disclosed in note 7.

A disaggregation of revenue is as follows:

	December 31, 2020	December 31, 2019
Stand ready obligation(1) Distribution	715.6	3,130.6
Stand ready obligation(2) IT Solutions	854.2	1,669.0
Subscription and other IT Solutions services	604.2	770.5
Revenue	2,174.0	5,570.1

(1) GDS platform
(2) Altéa and New Skies

Notes (millions of euros)

14.2 Contract liabilities

The breakdown of the contract liabilities for the years ended December 31, 2020 and 2019, is set forth in the table below:

	Non-current contract liabilities	Current contract liabilities	Total
Carrying amount as of December 31, 2018	271.3	221.5	492.8
Additions	63.2	372.5	435.7
Additions due to acquisitions	–	1.8	1.8
Revenue recognized in the period	(0.4)	(448.6)	(449.0)
Transfers	(88.7)	88.7	–
Exchange rate adjustments	0.3	2.7	3.0
Carrying amount as of December 31, 2019	245.7	238.6	484.3
Additions	38.8	370.8	409.6
Revenue recognized in the period	–	(459.8)	(459.8)
Transfers	(33.8)	32.3	(1.5)
Exchange rate adjustments	(1.1)	(11.0)	(12.1)
Carrying amount as of December 31, 2020	249.6	170.9	420.5

Contract liabilities include the portion of the cash received from customers for which the Group has not rendered the services yet as at the end of the reporting period. The Group receives cash from customers mainly in relation to implementation services of the Altéa IT solution. The implementation is not a separate performance obligation and therefore, the consideration received is recognized as revenue over the term of the contract term. The Group starts the recognition of revenues when the migration of the customer has been completed (cut-over date).

15. OTHER ASSETS AND LIABILITIES

15.1 Other assets and liabilities

The breakdown of other assets as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Taxes receivable – non income tax (note 24)	111.0	119.7
Other	56.3	56.9
Other non-current assets	167.3	176.6
Prepaid expenses	179.0	189.8
Taxes receivable – non income tax (note 24)	58.1	71.9
Other	11.4	6.1
Other current assets	248.5	267.8
Total other assets	415.8	444.4

Prepaid expenses represent mainly payments made in advance for which services have not been received yet. Within those the most significant amounts relate to advances to travel agencies and to maintenance contracts, mostly for hardware and software and to other services contracts billed in advance by the provider.

Taxes receivable – non income tax includes VAT receivables and mainly withholding tax receivables (as detailed in note 24).

The breakdown of other liabilities as of December 31, 2020 and 2019, is set forth in the table below:

Notes (millions of euros)

	December 31, 2020	December 31, 2019
Defined benefit plan liabilities	94.3	112.0
Other non-current liabilities	43.8	25.3
Total other non-current liabilities	138.1	137.3
Taxes payable – non income tax (note 24)	37.7	42.5
Other public institutions payable	67.2	54.5
Employee related accrual and others	323.0	251.8
Total other current liabilities	427.9	348.8
Total other liabilities	566.0	486.1

Taxes payable - non income tax include VAT payables and other tax payables (as detailed in note 24).

Other public institutions payable include mainly social costs payable.

Employee related accrual and others include amounts payable to the Group's employees, mainly for variable remuneration and accruals for holidays, and in 2020 also for the voluntary restructuring measures which have been taken by the employees (see note 6).

15.2 Pension and post-retirement benefits

Certain Group companies operate defined benefit plans. Depending on the country, these plans are offered on a voluntary basis or are mandatory as a result of the respective legal or Collective Agreement requirements. The benefits mainly consist of a life-long annuity or a lump sum payable at retirement, death, disability or early retirement when certain conditions are met. Some of the plans provide death and retirement benefits to spouses subject to member contributions at higher rates. The Group provides for post-retirement medical plan and post-retirement life insurance benefits to a group of beneficiaries in the U.S.A. Most of the obligations under defined benefit plans are voluntary based and operate on a funded basis with plan assets covering the obligations whilst mandatory plans are generally unfunded and provisioned in the accounting books.

The amounts related to defined benefit plans recognized in the consolidated statement of financial position as of December 31, 2020 and 2019, are set forth in the table below:

	December 31, 2020	December 31, 2019
Present value of Funded Defined Benefit Obligation	115.2	117.0
Fair value of plan assets	(90.3)	(85.0)
Funded Status	24.9	32.0
Present value of Unfunded Defined Benefit Obligation	69.4	80.0
Net liability in the consolidated statement of financial position	94.3	112.0

The Group recognizes in equity all actuarial gains and losses in the period in which they occur. As a result, in 2020, actuarial gains of €6.0 million (pre-tax € 7.9 million) were recognized through the consolidated statement of comprehensive income. In 2019 actuarial losses of €18.9 million (pre-tax €25.0 million) recognized in the consolidated statement of comprehensive income. See details in note 18.

Notes (millions of euros)

The defined benefit plan amounts recognized in the consolidated statement of comprehensive income at December 31, 2020 and 2019, are set forth in the table below:

	December 31, 2020	December 31, 2019
Service cost	(1.6)	8.8
Net interest on the net defined benefit liability (note 26)	2.0	2.2
Immediate recognition of gain (loss) arising during the year	0.7	(1.0)
Administration expenses	0.6	0.6
Total charge recognized in profit or loss	1.7	10.6
(Gain) / loss due to demographic assumptions	(1.0)	(0.2)
(Gain) / loss due to financial assumptions	12.2	24.8
(Gain) / loss due to experience	(10.7)	8.0
Assets (gain) / loss on plan assets	(8.4)	(7.6)
Total re-measurements recognized in other comprehensive	(7.9)	25.0
Total	(6.2)	35.6

As of December 31, 2020, and 2019, balances and movements of the items included under defined benefit plan liability are set forth in the table below:

	December 31, 2020	December 31, 2019
Carrying amount at the beginning of the year	112.0	81.6
Employer contributions	(8.8)	(8.9)
Total charge recognized in profit and loss	1.7	10.6
Total re-measurements recognized in other comprehensive income	(7.9)	25.0
Exchange rate (gain) / loss	(2.9)	1.0
Transfers	0.2	2.7
Carrying amount at the end of the year	94.3	112.0

The reconciliation of the present value of the defined benefit obligation is set forth in the table below:

	December 31, 2020	December 31, 2019
Defined benefit obligation at beginning of the year	197.0	151.3
Net current service cost	(1.6)	8.8
Interest cost	4.1	5.0
Net benefit paid	(6.7)	(6.3)
Actual taxes paid	–	0.6
(Gain) / loss due to demographic assumptions	(1.0)	(0.2)
(Gain) / loss due to financial assumptions	12.2	24.8
(Gain) / loss due to experience	(10.7)	8.0
(Gain) / loss due to exchange rate changes	(9.6)	3.3
Immediate recognition of loss arising during the year	0.7	(1.0)
Transfers	0.2	2.7
Defined benefit obligation at end of the year	184.6	197.0

Notes (millions of euros)

The reconciliation of the fair value of plan assets is set forth in the table below:

	December 31, 2020	December 31, 2019
Fair value of plan assets at beginning of the year	85.0	69.7
Employer contributions	8.8	8.9
Interest income on plan assets	2.1	2.8
Net benefits paid	(7.3)	(6.3)
Actuarial gain / (loss) on plan assets	8.4	7.6
Gain / (loss) due to exchange rate changes	(6.7)	2.3
Fair value of plan assets at end of the year	90.3	85.0

The best estimate of contributions expected to be paid into the defined benefit plan in the next annual financial year is €6.3 million.

As of December 31, 2020, the weighted average asset allocation per pension plan and by asset category is set forth in the table below:

	France Pension Plan	France Ret. Indemnity	United Kingdom	USA	India	Philippines	Navitaire Philippines	Taiwan
Cash and cash equivalents	–	–	–	1%	–	3%	6%	–
Equity Securities	–	–	30%	41%	–	14%	42%	–
Debt Securities	–	–	–	43%	–	83%	52%	–
Real Estate	–	–	–	6%	–	–	–	–
Asset held by insurance	100%	100%	–	–	–	–	–	–
Other	–	–	70%	9%	100%	–	–	100%
Total	100%	100%	100%	100%	100%	100%	100%	100%

As of December 31, 2019, the weighted average asset allocation per pension plan and by asset category is set forth in the table below:

	France Pension Plan	France Ret. Indemnity	United Kingdom	U.S.A.	India	Philippines	Navitaire Philippines	Taiwan
Cash and cash equivalents	–	–	–	–	–	4%	13%	–
Equity Securities	–	–	32%	40%	–	14%	53%	55%
Debt Securities	–	–	–	42%	–	82%	34%	25%
Real Estate	–	–	–	6%	–	–	–	–
Asset held by insurance	100%	100%	–	–	–	–	–	–
Other	–	–	68%	12%	100%	–	–	20%
Total	100%	100%	100%	100%	100%	100%	100%	100%

The nature of the benefits provided by the defined benefit plans in the Group varies from pension plans, long service and seniority awards, to gratuity plans, among others. These plans are structured and governed by local legislations (e.g. labor law). There are plans that do not report risks to the Group since are 100% covered by insurance policies, while in others the main risks associated with the plans are fluctuations in the financial and actuarial assumptions (e.g. discount rate, inflation, salary increase, life expectancy, etc.), past experience (in the collective or asset linked to the plans) or legislation evolution.

The principal actuarial assumptions applied in the preparation of the consolidated statement of financial position are set forth in the table below:

Use to determine the defined benefit obligation at end of the year and profit and loss charge for new financial year:	December 31, 2020	December 31, 2019
Discount rate	1.78%	2.26%
Underlying consumer price inflation	1.90%	2.01%
Rate of future compensation increases	3.34%	3.29%
Rate of pension increases	2.43%	2.22%
Use to determine profit and loss charge for the current financial		
Discount rate	2.26%	3.14%
Underlying consumer price inflation	2.01%	2.05%
Rate of future compensation increases	3.22%	3.16%
Rate of pension increases	2.54%	1.92%

The above summary is a weighted average based on the defined benefit obligation of each country.

The sensitivity of the overall pension plan liability to changes in the weighted principal assumptions is:

Millions of euros	December 31, 2020		December 31, 2019	
	Increase 25bps	Decrease 25bps	Increase 25bps	Decrease 25bps
Discount rate for Obligations	(6.8)	7.2	(7.9)	8.1
Salary rate	2.7	(2.6)	4.0	(3.9)

The expense for defined contribution plans amounted to €54.3 million for the years ended December 31, 2020 (€56.4 million, 2019).

16. BUSINESS COMBINATIONS

16.1 Business combinations during present year

The main impacts of business combinations on the consolidated statement of financial position as of December 31, 2020, are set forth in the table below:

	Millions of euros
Cash paid	36.7
Contingent consideration at fair value	13.6
Pre-existing customer relationship	5.0
Consideration transferred	55.3
Recognized amounts of identifiable assets acquired and liabilities assumed	(0.6)
Net excess purchase price from currents transactions (note 8)	54.7

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of December 31, 2020, is set forth in the table below:

	Millions of euros
Cash paid for current transactions	36.7
Net cash on deferred consideration from prior periods	(0.3)
Net cash invested in subsidiaries	36.4

The total acquisition-related costs for the six months period ended December 31, 2020, are recognized as an expense under the 'Other operating expenses' caption of the consolidated statement of comprehensive income and are part of cash flows from operating activities in the consolidated statement of cash flows. The disclosure is as follows:

	Optym's Sky business
Acquisition-related costs (pre-tax)	0.9

The amount of Revenue and Profit / (loss) net of taxes that the business combination has contributed to the Group since acquisition and that is included in the consolidated statement of comprehensive income for the year ended December 31, 2020, is set forth in the table below:

	Optym's Sky business
Revenue	8.4
Profit net of taxes	1.0

If the business combination had been consolidated as of January 1, 2020, the pro-forma Group's consolidated statement of comprehensive income for the reporting period would show additional Revenue and Profit / (losses) net of taxes for the period as set forth in the table below:

	Amadeus Pro-forma	Optym's Sky business
Revenue	2,174.9	0.9
Profit / (losses) net of taxes	(625.0)	0.1

These amounts are calculated without adjusting the results to reflect additional depreciation and amortization that would have been charged assuming a fair value adjustment to intangible assets and other homogenization adjustments, interest expense for debt levels of the Group after the business combination and any related tax effects.

On January 31, 2020, after receiving all the necessary regulatory approvals, the Group has acquired through its subsidiary Amadeus North America Inc. Optym's Sky business. The transaction is a business combination and has been structured as an asset deal where Amadeus has acquired from Innovative Scheduling, LLC., all of the property and assets of the business and assumed certain liabilities of the business. The Optym's Sky Suite results were consolidated into Amadeus' books from January 31, 2020.

The 'Sky Suite Products' acquired belong to the IT Services business and relate to network planning and flight scheduling solutions. At the core of an airline's operations is its ability to develop flight schedules with maximum profitability and reliability. For the past three years, Amadeus and Optym have enjoyed a successful partnership, focusing on these core operations with key customers in North America, Latin America and Europe.

As of December 31, 2020, the purchase accounting for the business combination of Optym's Sky business was completed. The table below sets forth the assets acquired and the liabilities assumed recognized at the acquisition date. The Group expects that the goodwill will be deductible for income tax purposes.

The fair values of identifiable assets acquired, and the liabilities assumed are the following:

	Optym's Sky business		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	-	27.7	27.7
Right of use assets	1.4	-	1.4
Other non-current assets	0.1	-	0.1
Total non-current assets	1.5	27.7	29.2
Trade account receivables	1.4	-	1.4
Other current assets	0.1	-	0.1
Total current assets	1.5	-	1.5
Non-current lease liabilities	1.1	-	1.1
Total non-current liabilities	1.1	-	1.1
Trade and other payables	0.6	-	0.6
Current lease liabilities	0.3	-	0.3
Other current liabilities	0.4	-	0.4
Total current liabilities	1.3	-	1.3
Net identifiable assets acquired and liabilities	0.6	27.7	28.3
Consideration transferred	55.3		55.3
Goodwill	54.7		27.0

The intangible assets identified in the acquisition of Optym's Sky business were customer relationships, technology and tradename. The residual goodwill amounts to €27.0 million and is associated with the future cash flows attributable to yet undeveloped intangible assets such as future technology, future customer relationships, future tradename, Amadeus specific synergies and the assembled workforce.

The fair value of trade receivables acquired were estimated as set forth in the table below:

	Millions of euros
Gross carrying amount	1.4
Allowance for doubtful accounts	–
Fair value of receivables	1.4

16.2 Business combinations during preceding year

The main impacts of business combinations on the consolidated statement of financial position as of December 31, 2019, are set forth in the table below:

	Millions of euros
Cash paid	45.8
Recognized amounts of identifiable assets acquired and liabilities assumed	(4.3)
Net excess purchase price from currents transactions (note 8)	41.5

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of December 31, 2019, is set forth in the table below:

	Millions of euros
Cash paid for current transactions	45.8
Net cash on deferred consideration from prior periods	1.2
Cash acquired as a result of current acquisition	(5.8)
Net cash invested in subsidiaries	41.2

The total acquisition-related costs for the year ended December 31, 2019, are recognized as an expense under the 'Other operating expenses' caption of the consolidated statement of comprehensive income and are part of cash flows from operating activities in the consolidated statement of cash flows. The disclosure is as follows:

	ICM
Acquisition-related costs (pre-tax)	1.1

The amount of Revenue and Profit net of taxes that the business combinations have contributed to the Group since acquisition and is included in the consolidated statement of comprehensive income for the year ended December 31, 2019, is set forth in the table below:

	ICM
Revenue	16.5
Profit net of taxes	0.3

If the business combination had been consolidated as of January 1, 2019, the pro-forma Group's consolidated statement of comprehensive income for the reporting period would have shown additional Revenue and Profit net of taxes for the period as set forth in the table below:

	Amadeus Pro-forma	ICM
Revenue	5,581.3	11.2
Profit net of taxes	1,114.7	1.5

These amounts are calculated without adjusting the results to reflect additional depreciation and amortization that would have been charged assuming a fair value adjustment to intangible assets, share-based payments vested prior to acquisition and other homogenization adjustments, interest expense for debt levels of the Group after the business combination and any related tax effects.

On May 31, 2019, after receiving all the necessary regulatory approvals, the Group acquired 100% of the voting rights of ICM Holdings Limited and its group of companies ('ICM'). Since that date, the Group is fully consolidating ICM. It is headquartered in Sydney, Australia, and it specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia Pacific and Europe.

The total consideration transferred amounted to €45.8 million and as a result of the business combination an excess purchase price of €41.5 million was recognized under the 'Goodwill' caption. The amount provided corresponds to the initial accounting for the acquisition of ICM, which as of December 31, 2019, was still provisional.

Finally, the purchase accounting for the business combination of ICM has been completed in 2020. The final fair values of assets acquired, and liabilities assumed are based on a valuation performed by a recognized independent valuation expert. The final signed report has been received during the second quarter of 2020. The Group does not expect that the goodwill will be deductible for income tax purposes.

The final fair values of identifiable assets acquired and the liabilities assumed are the following:

	ICM		
	Provisional fair values of net assets acquired	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	2.8	17.8	20.6
Right of use assets	0.6	-	0.6
Other non- current assets	0.6	-	0.6
Deferred tax assets	2.4	-	2.4
Total non-current assets	6.4	17.8	24.2
Trade account receivables	5.4	-	5.4
Other current financial assets	1.5	-	1.5
Other current assets	2.9	-	2.9
Cash and cash equivalents	5.8	-	5.8
Total current assets	15.6	-	15.6
Deferred tax liabilities	0.9	2.7	3.6
Other non-current liabilities	0.5		0.5
Total non-current liabilities	1.4	2.7	4.1
Trade and other payables	3.1	-	3.1
Income tax payables	1.1	-	1.1
Other current financial liabilities	4.0	-	4.0
Other current liabilities	8.1	-	8.1
Total current liabilities	16.3	-	16.3
Net identifiable assets acquired and liabilities assumed	4.3	15.1	19.4
Consideration transferred	45.6		45.6
Goodwill	41.3		26.2

The fair value of trade receivables acquired is set forth in the table below:

	Millions of euros
Gross carrying amount	7.6
Allowance for doubtful accounts	(2.2)
Fair value of receivables	5.4

17. ASSETS AND LIABILITIES HELD FOR SALE

In December 2020, the Company's management committed to a plan to sell part of its shares in Amadeus Travel IMS, S.L. that will involve a loss of control of the subsidiary when the sale finally takes place. Negotiations with a potential buyer already exist and the sale is expected to be completed in 2021. Consequently, Amadeus Travel IMS, S.L. disposal group has been classified as held for sale at the lower of its carrying amount and fair value less cost to sell.

Notes (millions of euros)

The carrying amount after classification as held for sale is as follows:

	December 31, 2020
Intangible assets	1.2
Right of use assets	0.2
Deferred tax assets	0.1
Trade account receivables	1.5
Cash and cash equivalents	1.2
Assets classified as held for sale	4.2

	December 31, 2020
Non-current debt	0.2
Current debt	0.1
Trade account payables	0.2
Other current liabilities	0.3
Liabilities directly associated with assets classified as held for sale	0.8

The impairment loss recognized as a result of the write down of assets to fair value less costs to sell amounted to €7.0 million and is recorded within the depreciation and amortization caption in the statement of comprehensive income.

18. EQUITY

18.1 Share Capital

As of December 31, 2020 the Company's share capital amounts to €4.5 million (€4.3 million as of December 31, 2019) as represented by 450,499,205 ordinary shares (431,268,436 ordinary shares as of December 31, 2019) with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

On April 2, 2020, by virtue of the powers delegated by the General Shareholders' Meeting, the Board of Directors agreed the increase in the share capital of the Company, excluding the preferential subscription right, by €192,307.69, by issuing 19,230,769 new shares which €0.01 corresponds to the nominal amount and €38.99 to additional paid-in capital. This capital increase was registered at the Commercial Registry of Madrid on April 3, 2020.

The Company's shares are traded on the Spanish electronic trading system ('Continuous Market') on the four Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). The Company's shares form part of the Ibex 35 index [AMS]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

As of December 31,2020 and 2019, the Company's shares were held as set forth in the table below:

	December 31, 2020		December 31, 2019	
Shareholder	Shares	%	Shares	%
Free float (1)	449,973,829	99.88%	430,745,967	99.88%
Treasury shares (2)	231,196	0.05%	244,708	0.06%
Board of Directors (3)	294,180	0.07%	277,761	0.06%
Total	450,499,205	100%	431,268,436	100%

(1) Includes shareholders with significant equity stake on December 31, 2020 and 2019, reported to the National Commission of the Stock Exchange Market (CNMV).
(2) Voting rights remain ineffective given they are treasury shares.
(3) It does not include voting rights that could be acquired through financial instruments.

18.2 Additional paid-in capital

The changes in the balance of the 'Additional paid in capital' caption include the recognition and settlement of the share-based payments considered as equity-settled (note 22). The fair value of the amounts received during year ended December 31, 2020, as consideration for the equity instruments granted, amounts to €17.5 million (€20.0 million, 2019) offset by the settlement of the Performance Share Plan, Restricted Share Plan and Share Match Plan cycles by €19.4 million (€12.9 million, 2019).

Additionally, this caption also includes the impact derived from the capital increase amounting to €749.8 million mentioned in note 18.1 above partially offset by the related transaction costs which amount to €17.4 million (€13.0 million net of taxes).

18.3 Retained earnings and reserves

This caption has been increased during the year 2020 due to the equity value of the convertible bonds issued by the Group on April 2020 disclosed in note 19. The equity instrument recognized under this caption amounts to €40.1 million partially offset by the related transaction costs which amount to €1.0 million (€0.7 million net of taxes).

18.4 Dividends

An interim dividend of €0.56 per share, amounting to €241.4 million, was paid in full on January 17, 2020.

The Board of Directors approved on March 23, 2020, the cancellation of the complementary dividend payment of €320.0 million (€0.74 euros/share) initially scheduled for the General Shareholders' Meeting of June 18, 2020.

18.5 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount as of December 31, 2018	8,214,289	511.3
Acquisitions	144,582	10.1
Retirements	(560,093)	(16.0)
Share capital reduction	(7,554,070)	(500.0)
Carrying amount as of December 31, 2019	244,708.0	5.4
Acquisitions	481,131	23.1
Retirements	(494,643)	(19.0)
Carrying amount as of December 31, 2020	231,196	9.5

On February 28, 2020, the Company's Board of Directors agreed to carry out a share buy-back program for a maximum amount of €72.0 million and up to a maximum of 900,000 shares, representing 0.21% of the share capital to meet obligations related to the remuneration plans of shares for employees, managers and CEO (Chief Executive Officer - Consejero Delegado) of the Group for the years 2020, 2021 and 2022.

On March 23, 2020, the Company's management agreed to modify this share buy-back program up to a maximum investment of €28.0 million and up to a maximum of 350,000 shares, representing 0.081% of the company's share capital, to serve obligations related to the share compensation plan for employees, managers and CEO of the Group for the year 2020. The Company reached the maximum investment under this Program with the purchase of 350,000 shares on March 23, 2020.

On June 18, 2020, the wholly owned subsidiary Amadeus S.A.S., carried out a share buy-back program up to a maximum of 130,000 shares, representing 0.029% of the capital company, to meet obligations related to the remuneration plans of shares in order to meet the obligations related to the allocation of shares to employees and senior Management of Amadeus SAS (and its wholly owned subsidiary Amadeus Labs) for the year 2020. The Company reached the maximum investment under this Program with the purchase of 130,000 shares on June 26, 2020.

During the year 2020, the Group has settled employee share-based plans and therefore transferred 492,104 shares (560,042 shares, 2019) to employees, and has delivered 13 shares (48 shares, 2019) to the former Amadeus IT Group, S.A. minority shareholders in relation to the exchange ratio established in the merger plan between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. occurred in 2016. The remaining 2,526 shares from Amadeus S.A.S. share buy-back program were resold to the market after covering the obligations from share-based plans.

The historical cost for treasury shares retired (primarily for the settlement of the PSP, RSP and SMP, as detailed in note 22), is deducted from the 'Additional paid-in capital' caption of the consolidated statement of financial position.

Notes (millions of euros)

18.6 Unrealized gains / (losses) reserve

The reconciliation of the carrying amount for the years ended as of December 31, 2020 and 2019, of components of the unrealized gains/(losses) reserve are set forth in the table below:

	Cash-flow hedges		Actuarial gains and losses	Changes in the fair value of equity investment at FVOCI	Exchange differences on translation of foreign operations	Total
	Exchange rates hedges	Interest rate swaps				
Balance at December 31, 2018	(19.6)	(4.8)	(30.0)	0.6	(54.1)	(107.9)
Changes in fair value	(7.1)	–	(25.0)	(0.8)	20.2	(12.7)
Tax effect of changes in fair value	1.8	–	6.1	0.2	–	8.1
Transfer to consolidated statement of financial position	12.4	3.1	–	–	–	15.5
Tax effect of transfer to consolidated statement of financial position	(3.1)	(0.8)	–	–	–	(3.9)
Transfers to income and expense	–	–	–	3.1	–	3.1
Tax effect of transfers to income and expense	–	–	–	(0.8)	–	(0.8)
Other changes in equity	–	–	4.3	–	–	4.3
Balance at December 31, 2019	(15.6)	(2.5)	(44.6)	2.3	(33.9)	(94.3)
Changes in fair value	60.8	–	7.9	(1.0)	(236.8)	(169.1)
Tax effect of changes in fair value	(15.2)	–	(1.9)	(0.2)	–	(17.3)
Other changes in equity	–	–	1.9	–	3.8	5.7
Tax effect of transfer to equity	–	–	(0.4)	–	–	(0.4)
Transfers to income and expense	2.3	2.5	–	–	–	4.8
Tax effect of transfers to income and expense	(0.6)	(0.6)	–	–	–	(1.2)
Balance at December 31, 2020	31.7	(0.6)	(37.1)	1.1	(266.9)	(271.8)

The 'Cash-flow hedges' corresponds mainly to a reserve used to recognize the changes in fair value, net of taxes, of certain effective hedge instruments held by the Group to cover foreign exchange and interest rate risks, as detailed in note 23.

The 'Actuarial gains and losses' corresponds to a reserve used to recognize all of the actuarial gains and losses for the period of all the Group's defined benefit plans. The actuarial gains and losses comprise mainly the effects of the changes in actuarial assumptions as detailed in note 15.

Notes (millions of euros)

The 'Exchange differences on translation of foreign operations' corresponds to a reserve used to record the exchange differences arising from the translation of the financial statements of foreign operations, when their functional currency is different from the euro.

18.7 Non-controlling interests

On January 2020, the Group has executed the call option over the remaining 30% shares of Argo IT. The Group has derecognized the impact on non-controlling interest which has amounted to €3.2 million

19. CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of financial debt as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Bonds	3,959.9	2,000.0
Deferred charges on Bonds	(34.9)	(8.1)
European Investment Bank (EIB)	214.8	61.6
Other deferred financing fees	(1.5)	(1.8)
Accrued interest	5.5	–
Other debt with financial institutions	3.9	0.9
Lease liabilities	195.3	275.6
Total non-current debt	4,343.0	2,328.2
Bonds	500.0	500.0
European Investment Bank (EIB)	47.5	65.0
European Commercial Paper (ECP)	622.0	580.0
Other deferred financing fees	(1.0)	(0.7)
Accrued interest	27.8	5.6
Other debt with financial institutions	73.3	30.3
Lease liabilities	51.0	65.3
Total current debt	1,320.6	1,245.5
Total debt	5,663.6	3,573.7

As of December 31, 2020, approximately 79% (67% in December 31, 2019) of the Groups' outstanding interest-bearing debt is at fixed rate of interest. The increase in the ratio of debt at fixed rate as compared to previous year is mainly due to the substantial issuance of fixed rate debt carried out by Amadeus during 2020 in order to strengthen its liquidity position.

The Group is required to meet two financial covenants, for two of the European Investment Bank senior loans (EIB 2012 and EIB 2013) (see 19.2 below), calculated on the basis of (i) the ratio of total Net Debt to EBITDA, and (ii) the ratio of EBITDA to Net Interest Payable. As of December 31, 2019, the Group complied with the aforementioned financial covenants, while as of December 31, 2020, these covenants have been waived by the EIB on May 2020 until September 2021.

Notes (millions of euros)

19.1 Bonds

The movement of the Group's bond issues for the years ended December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020		December 31, 2019	
	Current	Non-current	Current	Non-current
Carrying amount at the beginning of the year	500.0	2,000.0	500.0	2,500.0
New issues	–	2,459.9	–	–
Transfers	500.0	(500.0)	500.0	(500.0)
Repayments	(500.0)	–	(500.0)	–
Carrying amount at the end of the year	500.0	3,959.9	500.0	2,000.0

The details of the bonds as at December 31, 2020, are as follows (all of them are issued by the Company except for the first one in the table below which has been issued by Amadeus Capital Markets, S.A. (Sociedad Unipersonal)):

Bond	Bourse	Issuance date	Maturity date	Amount	Annual coupon	Issue price (of nominal)	Purpose
Senior Fixed Rate Instrument	Luxembourg	November 10, 2015	November 30, 2021	500.0	1.63%	99.26%	Navitaire acquisition
Euro Medium Term Note Program	Luxembourg	September 18, 2018	September 18, 2023	500.0	0.88%	99.90%	TravelClick acquisition
Euro Medium Term Note Program	Luxembourg	September 18, 2018	September 18, 2026	500.0	1.50%	99.76%	TravelClick acquisition
Euro Medium Term Note Program	Luxembourg	September 18, 2018	March 31, 2022	500.0	Euribor + 0.450% (*)	100.00%	TravelClick acquisition
Euro Senior, Convertible Bonds(**)	-	April 9, 2020	April 9, 2025	709.9	1.50%	100.00%	Strengthen of liquidity
Euro Medium Term Note Program	Luxembourg	May 20, 2020	May 20, 2024	500.0	2.50%	99.90%	Strengthen of liquidity
Euro Medium Term Note Program	Luxembourg	May 20, 2020	May 20, 2027	500.0	2.88%	99.89%	Strengthen of liquidity
Euro Medium Term Note Program	Luxembourg	September 24, 2020	September 24, 2028	750.0	1.88%	99.19%	Strengthen of liquidity
				4,459.9			

(*) the coupon is quarterly in this case

(**) excluding equity component

_ Convertible bonds

On April 9, 2020, the Company carried out the issuance of convertible bonds for a total value of €750.0 million. Each bond has a nominal amount of €100,000 and a coupon of 1.5% per annum and matures, at par, on April 9, 2025 (unless previously converted, redeemed or purchased and cancelled).

On issuance of the convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the equity component, net of applicable transaction costs. The carrying amount of the equity component is not remeasured in subsequent years.

The bonds will be convertible into shares with an initial conversion price of €54.60. Convertible bonds are considered as a compound financial instrument and have been broken down into two separate components: a financial liability amounting to €709.9 million and an equity portion amounting to €40.1 million (note 18) (both nominal amounts).

The Company will have the option to redeem all, but not some only, of the outstanding Bonds in cash at par plus accrued interest at any time, a) if, on or after April 30, 2023, the parity value for a specified period of time in respect of a Bond in the principal amount of €100,000 exceeds €130,000 or b) if, at any time, 80% or more of the aggregate principal amount of the bonds originally issued shall have been previously converted and/or repurchased and cancelled. The bondholders may request the Company to repurchase the Bonds (i) in the event of a change of control of the Company, (ii) in the event that a tender offer is made with respect to the shares which leads to a change of control of the Company, as further set out in the final terms and conditions of the bonds, or (iii) at the option of the bondholder from (and including) the date falling 41 days after April 9, 2020 to (and including) the 7th Madrid business day prior to the maturity date or, on any early redemption at the option of the Issuer, to (and including) the 7th Madrid business day prior to the date set for redemption.

The Group has paid transaction costs related to it by an amount of €18.5 million, which has been also split between liability (€17.5 million as 'Deferred Financing Fees') and equity (€1.0 million).

_ Eurobonds

On May 13, 2020, the Company has carried out the issuance of two Eurobonds for a total value of €1,000.0 million under the program 'Euro Medium Term Note Program' admitted to trading in the Luxembourg Stock Exchange. The two bonds amount to €500.0 million each one. Both of them have been issued at fixed interest rate, the first one with a maturity of four years (May 2024), an annual coupon of 2.50%, and an issue price of 99.90% of its nominal value: and the other one with a maturity of seven years (May 2027), an annual coupon of 2.88%, and an issue price of 99.89% of its nominal value. The Company has paid transaction costs related to them by an amount of €5.7 million.

On September 24, 2020, the Company has carried out another issuance of a Eurobond for a value of €750.0 million under the program 'Euro Medium Term Note Program' admitted to trading on the Luxembourg Stock Exchange. It has been issued at fixed interest rate with a maturity of eight years (September 2028), an annual coupon of 1.88%, and an issue price of 99.19% of its nominal value. The Company has paid transaction costs related to them by an amount of €10.7 million.

On October 6, 2020, the Group has repaid the bond under the denominated 'Senior Fixed Rate Instruments' issued on October 10, 2016, through its subsidiary Amadeus Capital Markets, S.A.U. amounting to €500.0 million.

19.2 European Investment Bank (EIB)

The Group has been granted by the European Investment Bank with three unsecured loans in 2012, 2013 and 2020. EIB loans for 2012 and 2013 have a repayment schedule every six months, while the new loan signed on December 2020, has an annual repayment schedule. The breakdown of the conditions and reconciliation with the carrying amount as of December 31, 2020, is the following:

Notes (millions of euros)

EIB Loan	Grant date	Amount	Repayment starts	Carrying amount	Repayments 2020	Repayments 2019	Purpose
EIB Loan 2012	May 24, 2012	200.0	(*)	17.4	(35.0)	(35.0)	R&D activities IT Solutions segment
EIB Loan 2013	April 29, 2013	150.0	Nov-17	44.8	(30.0)	(30.0)	R&D activities Distribution segment
EIB Loan 2020	June 20, 2020	200.0	Dec-27	200.0	–	–	R&D activities
				262.3	(65.0)	(65.0)	

(*) The loan is structured in two separates tranches, a first tranche amounting to €150.0 million starting on November 2015, and a second tranche amounting to €50.0 million starting on November 2016.

The cash flows resulting from the loans have been discounted at the market interest rate, determined by reference to the market conditions that existed as the origination date of the loans, and interest rates charged for similar debt instruments. This fair value measurement is categorized within level 2.

19.3 Revolving Loan Facility

On April 27, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility. This facility has a maturity of five years that could be extended for two additional years. Transaction costs ('Deferred financing fees') amounted to €1.3 million (€1.8 million as of December 31, 2019). Neither as of December 31, 2020, nor as of December 31, 2019, the Group has disposed of this facility.

On March 25, 2020, the Group has entered into a €1,000 million Euro Term Loan Facility which effective date has been April 1, 2020. It had a maturity of 12 months, which could be extended twice up to 6 additional months in each occasion. The extension option is at Amadeus' request. The Group has paid related transaction costs by an amount of €3.1 million. On May 12, 2020, the Group has partially cancelled €500.0 million of this loan facility. Additionally, on September 24, 2020, the Group has cancelled the remaining amount of the Euro Term Credit Facility, amounting to €500.0 million.

19.4 Euro-Commercial Paper programme (ECP)

The Group, through its subsidiary Amadeus Finance B.V., formalized a short-term commercial paper issuance program (Euro-Commercial Paper Program - ECP) for a maximum amount of up to €1,500.0 million. This program is guaranteed by Amadeus IT Group, S.A. The securities that are issued under the program have the following basic characteristics, among others, on the occasion of each issue: a) may be issued in euros or in any other currency and may have different expiration dates (not exceeding 364 days), b) may accrue interest at a fixed or variable interest rate; and c) are Governed by English law.

During the year 2020, the Group has issued Euro Commercial Paper (ECP) net of interests by a total amount of €1,199.5 million (€912.0 million, 2019). The total commercial paper repaid during the year amounts to €1,157.5 million (€662.0 million, 2019).

Notes (millions of euros)

19.5 Other debt with financial institutions

This caption mainly includes non-recourse reverse factoring agreements with financial institutions. As of December 31, 2020, the Group has transferred €63.1 million to financial institution under these arrangements (no arrangements as of December 31, 2019). The average interest rates for these transactions were 0.62%.

19.6 Maturity analysis

The Group's financial debt by maturity as of December 31, 2020, is set in the table below:

		Current	Non-current				
	December 31, 2020	2021	2022	2023	2024	2025 and beyond	Total non-current
Bonds	4,459.9	500.0	500.0	500.0	500.0	2,459.9	3,959.9
EIB	262.5	47.5	15.0	–	–	200.0	215.0
ECP	622.0	622.0	–	–	–	–	–
Accrued interests	33.3	27.8	–	–	–	5.5	5.5
Other debt with financial	77.2	73.2	4.0	–	–	–	4.0
Leases	246.3	51.0	38.6	27.2	21.9	107.5	195.2
Total debt payable	5,701.2	1,321.5	557.6	527.2	521.9	2,772.9	4,379.6
Non-current Deferred financing fees	(36.4)						
Current Deferred financing fees	(1.0)						
Remaining fair value adjustment on EIB loan	(0.2)						
Total debt	5,663.6						

The Group's financial debt by maturity as of December 31, 2019, is set in the table below:

		Current	Non-current				
	December 31, 2019	2020	2021	2022	2023	2024 and beyond	Total non-current
Bonds	2,500.0	500.0	500.0	500.0	500.0	500.0	2,000.0
EIB	127.5	65.0	47.5	15.0	–	–	62.5
ECP	580.0	580.0	–	–	–	–	–
Accrued interests	5.6	5.6	–	–	–	–	–
Other debt with financial	31.2	30.3	0.9	–	–	–	0.9
Leases	340.9	65.3	53.2	44.2	33.6	144.6	275.6
Total debt payable	3,585.2	1,246.2	601.6	559.2	533.6	644.6	2,339.0
Non-current Deferred financing fees	(9.9)						
Current Deferred financing fees	(0.7)						
Remaining fair value adjustment on EIB loan	(0.9)						
Total debt	3,573.7						

The tables above show the discounted amounts for financial liabilities. The undiscounted amounts do not differ significantly.

20. PROVISIONS

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, under the 'Non-current provisions' caption is set forth in the table below:

	Millions of euros
Carrying amount at December 31, 2018	29.5
Additions	0.2
Payments	(2.0)
Unused reversed amounts	(0.9)
Carrying amount at December 31, 2019	26.8
Additions	0.5
Payments	(0.1)
Unused reversed amounts	(5.3)
Transfers	(0.9)
Translation changes	(2.1)
Carrying amount at December 31, 2020	18.9

'Non-current provisions' caption, includes the best estimate for claims and litigations connected with the final compensation that would be required to settle with third parties and the provisions to fulfil certain compensating obligations in territories where the Group operates, it also includes other provisions mainly related to the restoration obligations of office buildings where the Group carries out its operations.

The 'Unused reversed amounts' caption for the year ended December 31,2020, relates mainly to the certain compensating obligations in territories where the Group operates that are no longer needed.

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of 'Current provisions' caption is set in the table below:

	Millions of euros
Carrying amount at December 31, 2018	10.5
Additions	0.9
Unused reversed amounts	(3.0)
Carrying amount at December 31, 2019	8.4
Additions	7.4
Payments	(1.3)
Unused reversed amounts	(0.2)
Transfers	0.5
Carrying amount at December 31, 2020	14.8

This caption includes a provision of €6.8 million (€6.8 million, 2019), corresponding to amounts which could become payable to a bank, in accordance with a comfort letter, in connection with loans granted by this bank to Qivive GmbH, an associate company.

The 'Additions' for the year ended December 31,2020, are mainly due to certain losses related to a subsidiary.

21. RELATED PARTIES BALANCES AND TRANSACTIONS

All transactions with related parties are carried out on an arm's length basis. Transactions between the Group and its subsidiaries, which are related parties of the Company, were eliminated in consolidation. Accordingly they are not disclosed in this note.

As of December 31, 2020 and 2019, there are neither shareholders nor entities with significant influence considered related parties.

Other related parties relate to the transactions between the Group and its associates and joint-ventures.

The Group's transactions and balances with the related parties (in thousands of euros) as of December 31, 2020, are set forth in the tables below:

	December 31, 2020		
Consolidated statement of comprehensive income	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses		50,784	50,784
Personnel and related expenses	16,318	–	16,318
Total expenses	16,318	50,784	67,102
Dividends from associates		3,178	3,178
Revenue		15,738	15,738
Total income	–	18,916	18,916

	December 31, 2020		
Consolidated statement of financial position	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	–	3,038	3,038
Trade accounts receivable	–	5,481	5,481
Interim dividend payable (1)	367	–	367
Trade accounts payable	–	14,723	14,723

(1) During the year 2020 the dividends paid to Board members and key management amounted to €366 thousand.

The Group's transactions and balances with the related parties (in thousands of euros) as of December 31, 2019, are set forth in the tables below:

	December 31, 2019		
Consolidated statement of comprehensive income	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	–	122,830	122,830
Personnel and related expenses	20,928	–	20,928
Total expenses	20,928	122,830	143,758
Dividends from associates	–	1,829	1,829
Revenue	–	24,594	24,594
Total income	–	26,423	26,423

	December 31, 2019		
Consolidated statement of financial position	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	–	1,863	1,863
Trade accounts receivable	–	2,593	2,593
Interim dividend payable (1)	336	–	336
Trade accounts payable	–	12,218	12,218

(1) During the year 2019 the dividends paid to Board members and key management amounted to €912 thousand.

21.1 Board of Directors

The position of Member of the Board of Directors is remunerated in accordance with the Company's bylaws. The remuneration for said functions consists of a fixed remuneration to be determined by the General Shareholders' Meeting before the relevant financial year ends. The remuneration to which the Executive Director may be entitled despite of his functions as Director, consists of salary (in cash and in kind), yearly and/or multiannual bonus, subject to the objectives fulfilment, share-based plans and any other compensation following the remuneration policy approved by the General Shareholders' Meeting held on June 21, 2018, for a period of three years (2019, 2020 and 2021).

At the meetings held on June 18, 2020 and June 19, 2019, the Ordinary General Shareholders' Meeting agreed a fixed remuneration of the members of the Board of Directors, in their capacity as such, in cash or in kind, for the period January to December 2020 with a limit of €1,652 thousand and a limit €1,746 thousand for the 2019 period respectively, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's bylaws. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment (in thousands of euros) received by the members of the Board of Directors in 2020 and 2019 is set forth in the table below:

		Year 2020		Year 2019	
Board Members		Payment in cash	Payment in kind	Payment in cash	Payment in kind
José Antonio Tazón	President	265	2	312	2
Guillermo de la Dehesa	Vice-Chairman (*)	59	–	147	–
William Connelly	Vice-Chairman (*)	125	–	49	–
Luis Maroto	Executive	30	–	35	–
Xiaoqun Clever	Director	40	–	–	–
Clara Furse	Director	131	–	163	–
Pilar García	Director	99	–	116	–
Stephan Gemkow	Director	88	–	93	–
Pierre–Henri Gourgeon	Director	99	–	116	–
Nicolas Huss	Director	96	–	93	–
Peter Kuerpick	Director	99	–	116	–
Francesco Loredan	Director	99	–	116	–
Josep Piqué	Director	79	–	49	–
David Webster	Director	138	–	156	–
Total		1,447	2	1,561	2

(*) William Connelly replaces Guillermo de la Dehesa as Vice-Chairman since June 18, 2020.

At December 31, 2020 and 2019, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	December 31, 2020	December 31, 2019
Name	Shares	Shares
José Antonio Tazón	205,000	205,000
Luis Maroto	88,429	72,360
David Webster	1	1
Pierre–Henri Gourgeon	400	400
Stephan Gemkow	350	–

At December 31, 2020, neither any of the members of the Board of Directors nor any other person related to them, in accordance with the Spanish Capital Companies Act has reported to the Board of Directors any direct or indirect conflict situation with the interest of the Company.

During the year ended December 31, 2020, and 2019, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions are the following (in thousands of euros):

	December 31, 2020	December 31, 2019
Compensation in cash (salary and bonus)	1,797	1,983
Compensation in kind	57	91
Pension plan and collective life insurance policies	183	187
Share based payments	1,591	2,985
Total	3,628	5,246

21.2 Key Management Compensation

During the year ended December 31, 2020, the amounts accrued to Key Management are the following (in thousands of euros):

	December 31, 2020	December 31, 2019
Compensation in cash (salary and bonus)	6,416	6,665
Compensation in kind	430	608
Pension plan and collective life insurance policies	680	714
Share based payments	3,714	6,132
Total	11,240	14,119

Key management consist of 13 members for the year ended December 31, 2020 (13 members as at December 31, 2019).

Notes (millions of euros)

The reconciliation of the number of shares held by the Group Key Management at December 31, 2020 and 2019, is set forth in the table below:

	Shares
December 31, 2018	386,441
Additions	65,195
Disposals	(71,326)
December 31, 2019	380,310
Additions	65,255
Disposals	(84,268)
December 31, 2020	361,297

22. SHARE-BASED PAYMENTS

The Group has the following reward schemes in place for management and employees:

22.1 Performance Share Plan (PSP)

The Performance Share Plan (PSP) consists of a contingent award of shares to certain members of the Amadeus Group's management. The final delivery of the shares at the end of the vesting period is subject to the fulfillment of certain predetermined performance conditions linked to value creation in Amadeus Group as well as conditions related to the provision of services by employees.

The performance conditions relate to the relative shareholder return (TSR) and the adjusted basic earnings per share (EPS) growth; From 2018, an additional performance objective related to pre-tax adjusted free cash flow (OCF) growth is included. The duration (vesting period) of each independent cycle is three years each and no holding period applies except in France.

This plan is an equity-settled share-based payment transaction under IFRS 2 and, accordingly, the fair value of services received during the years ended as of December 31, 2020 and 2019, as consideration for the equity instruments granted, has impacted 'Personnel and related expenses' caption in the consolidated statement of comprehensive income in an amount of €8.6 million (€11.6 million, 2019) against Additional paid-in capital.

The fair value of the equity instruments granted has been determined using a Monte-Carlo valuation model for the tranche that involves market conditions, and a Black-Scholes method and an estimation of expected performance for the tranche that involve non-market conditions. The fair value of the equity instruments at grant date is adjusted to incorporate the market conditions to which the performance of the plan is linked.

From 2019, there are two types of PSP plans as certain employees (mainly members of the executive committee) are subject to a post-vesting holding period of two years. This restriction that has been taken into consideration when determining the fair value of the instruments granted (PSP 2019 (II) and PSP 2020 (II) below).

The detail of the shares allotted and fair value at grant date in the Group's PSP, is set forth in the table below:

	PSP 2017	PSP 2018	PSP 2019 (I)	PSP 2019 (II)	PSP 2020 (I)	PSP 2020 (II)
Total shares allotted at grant date (1)	259,200	173,930	123,500	49,050	184,415	59,765
Fair value of the instruments at grant date (2)	€ 49.49	€ 64.03	€ 66.90	€ 58.63	€ 37.61	€ 31.85
Dividend yield	1.47%	1.24%	1.54%	1.54%	2.45%	2.45%
Expected volatility	21.23%	19.06%	19.06%	22.09%	31.31%	35.77%
Risk free interest rate	–	–	–	0.05%	–	0.14%

(1) This number of shares could increase up to double if the Group's performance in all performance objectives is extraordinary.
(2) This fair value is calculated as the weighted average share price throughout the plan.

The detail of the changes and settlement in the Group's PSP for the years 2020 and 2019, is set forth in the table below:

	December 31, 2020				
	PSP 2017	PSP 2018	PSP 2019	PSP 2020	Total (1)
Outstanding shares at beginning of the year	214,334	155,410	165,100	–	534,844
Shares allotted during the period	–	–	–	244,180	244,180
Forfeiture during the period	(1,463)	(6,488)	(13,654)	(10,987)	(32,592)
Settlement of plan at vesting date	(212,871)	–	–	–	(212,871)
Outstanding shares at end of the year	–	148,922	151,446	233,193	533,561
Performance objectives	166.4%				
Shares transferred to employees (2)	354,943				
Weighted average price	€ 49.28				
Impact in Additional paid-in capital (millions of €)	(12.8)				

	December 31, 2019				
	PSP 2016	PSP 2017	PSP 2018	PSP 2019	Total (1)
Outstanding shares at beginning of the year	234,139	231,035	169,462	–	634,636
Shares allotted during the period	–	–	–	172,550	172,550
Forfeiture during the period	(3,941)	(16,320)	(14,052)	(7,450)	(41,763)
Settlement of plan at vesting date	(230,198)	(381)	–	–	(230,579)
Outstanding shares at end of the year	–	214,334	155,410	165,100	534,844
Performance objectives	200%				
Shares transferred to employees (2)	460,408				
Weighted average price	€ 68.94				
Impact in Additional paid-in capital (millions of €)	(9.9)				

(1) This number of shares could increase up to double if the Group's performance in all performance objectives is extraordinary.
(2) The Group used treasury shares to settle these share-based payments (as detailed in note 18).

22.2 Restricted Share Plan (RSP)

The Restricted Share Plan (RSP) consists of the delivery of a given number of Amadeus shares to certain employees on a non-recurring basis, after predetermined services requirements are met. The RSP beneficiaries must remain employed in a Group company during a determined period of time, which oscillates between two and five years.

This plan is an equity-settled share-based payment transaction under IFRS 2. The fair value of services received during the years ended as of December 31, 2020 and 2019, as consideration for the equity instruments granted (amounting to 56,716 shares in 2020 and 54,449 shares, respectively), has impacted 'Personnel and related expenses' caption in the consolidated statement of comprehensive income in an amount of €0.9 million (€1.3 million, 2019) against Additional paid-in capital.

The detail of RSP awards settled during 2020 and 2019 is set forth in the table below:

	December 31, 2020	December 31, 2019
Shares transferred to employees (1)	26,743	10,523
Weighted average price	€ 52.46	€ 69.99
Impact in Additional paid-in capital (millions of €)	(1.0)	(0.1)

(1) The Group used treasury shares to settle these share-based payments (as detailed in note 18).

22.3 Share Match Plan (SMP)

The Share Match Plan (SMP) consists of a contingent award of shares to Amadeus employees that voluntarily decided to participate in the plan. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined vesting conditions that relate to the purchase and holding of Amadeus IT Group S.A. shares, as well as, to the participant remaining employed by an Amadeus participating company until the end of the cycle.

Under the terms of the Share Match Plan, Amadeus will grant the participants an additional Amadeus IT Group, S.A. share for every two purchased, provided they hold their purchased shares for a year after the purchase period has ended.

This plan is an equity-settled share-based payment transaction under IFRS 2. The fair value of services received during the years ended as of December 31, 2020 and 2019, as consideration for the equity instruments granted (amounting to 278,564 shares and 245,723 shares, respectively) has impacted 'Personnel and related expenses' caption in the consolidated statement of comprehensive income in an amount of €8.0 million (€7.1 million, 2019) against Additional paid-in capital.

The detail of SMP awards settled during 2020 and 2019 is set forth in the table below:

	December 31, 2020	December 31, 2019
	SMP 2017	SMP 2016
Shares transferred to employees (1)	110,418	92,537
Weighted average price	€ 45.68	€ 73.13
Impact in Additional paid-in capital (millions of €)	(5.6)	(2.9)

(1) The Group used treasury shares to settle these share-based payments (as detailed in note 18).

Notes (millions of euros)

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments to manage the financial risks to which it is exposed in the normal course of business. An outline of the Group's financial risks, the objectives and policies pursued in relation to those risks are described in notes 4 and 5.

As of December 31, 2020 and 2019, the fair values of assets and liabilities of derivative financial instruments are set forth in the table below (see note 13):

	December 31, 2020				December 31, 2019			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Foreign currency forward	44.2	21.5	21.0	1.0	7.9	3.7	28.1	6.0
Total derivative financial instruments designated as hedge	44.2	21.5	21.0	1.0	7.9	3.7	28.1	6.0
Foreign currency forward	34.5	–	1.5	–	1.4	–	–	–
Total derivative instruments held for trading	34.5	–	1.5	–	1.4	–	–	–
Total	78.7	21.5	22.5	1.0	9.3	3.7	28.1	6.0

As of December 31, 2020 and 2019, the maturity of the notional amount of the Group's derivative financial assets and liabilities is set forth in the table below:

	December 31, 2020				December 31, 2019			
	2021	2022	2023 and beyond	Total	2020	2021	2022 and beyond	Total
Foreign currency forward (cash flow hedges of exchange rates)	481.7	289.3	111.2	882.2	786.3	396.7	135.6	1,318.6
Total derivative financial instruments designated as hedge	481.7	289.3	111.2	882.2	786.3	396.7	135.6	1,318.6
Foreign currency forward	943.8	2.5	–	946.3	13.2	–	–	13.2
Total derivative instruments held for trading	943.8	2.5	–	946.3	13.2	–	–	13.2
Total	1,425.5	291.8	111.2	1,828.5	799.5	396.7	135.6	1,331.8

During 2020 there was no significant ineffectiveness to be recorded from foreign currency hedges.

23.1 Cash flow hedges of interest rates

During the year ended 2020, the Group did not sign any new interest rate swaps (IRS) contracts, to hedge the Group's exposure to interest rate changes by fixing most of the interest amounts to be paid in coming years.

On March 10, 2016 the Group cancelled an IRS contract and discontinued the hedging relationship. Accordingly, the pre-tax impact of the IRS in other comprehensive income of €16.1 million will be transferred to the consolidated statement of comprehensive income until 2021, in line with the maturity calendar of the debt that was being hedged. The amount transferred in 2020 amounted to €2.5 million (€3.1 million, 2019).

23.2 Cash flow hedges of exchange rates

The Group is exposed to risks associated with fluctuations of exchange rates in currencies different than the euro. The Group uses currency derivatives, mainly currency forward contracts to hedge the exposure to foreign currencies, and a natural hedge of US dollar-denominated net operating cash inflows with payments of principal on US dollar-denominated debt, to hedge the exposure to US dollar. As of the date of issuance of the consolidated annual accounts, the Group does not hold any debt denominated in USD.

Regarding currency derivatives held, for the year ended December 31, 2020, a gain of €60.8 million (€45.6 million net of taxes) has been charged to other comprehensive income. A loss of €7.1 million (€5.3 million net of taxes) was charged to other comprehensive income for the year ended December 31, 2019.

24. TAXATION

The companies that make up the Group are all individually responsible for their own tax assessments in their countries of residence, without any worldwide Group tax consolidation. The statute of limitations varies from one company to another, according to local tax laws in each case. Tax returns are not considered definitive until the statute of limitations expires or they are accepted by the Tax Authorities. Independently that the fiscal legislation is open to different interpretations, it is estimated that any additional fiscal liability, as may arise from a possible tax audit, will not have a significant impact on the consolidated annual accounts taken as a whole.

The management of the Company considers that the mentioned taxes were properly settled, therefore, in the event of differences in the interpretation of the current tax regulations, regarding the fiscal treatment of the transactions, the potential resulting liabilities, should they materialize, will not significantly impact the accompanying annual accounts.

In December 2016, a claim has been filed with the National Appellate Court, related to the tax assessments signed under protest for the Corporate Income Tax of the years from 2005 to 2007 and from 2008 to 2010. During 2017 the Company has submitted a writ of conclusions. The National Appellate Court rejected the appeal by decision in September 2018 and in October 2018, the Company filed an extraordinary appeal (Recurso de Casación) before the Supreme Court only with respect to the non-tax deductibility of financial interest (years 2007-2010). In April 2019 the Supreme Court rejected the admission of the extraordinary appeal (Recurso de Casación) and therefore the tax assessment is final, with no impact in the consolidated annual accounts as the principal and delay interest were already deposited and registered in the previous years.

In June 2015, the Company received a final decision from the Central Administrative Court (TEAC) rejecting cumulatively the appeals with regards to the tax assessment signed under protest relating to the Non-residents Income Tax for the year 2007. In July 2015, judicial appeal process had been initiated in the same court considering the resolution was not in line with the Law, insomuch as the allegations and/or proof (evidence) presented before the court in November 2013 were declared inexistent by omission that could turn out to be essential for the resolution of the claim. In January 2017, a resolution from the TEAC was received, rejecting the allegations submitted by the Company before it. In February 2017, the Company initiated an appeal before to the National Appellate Court. In September 2017, after the disclosure of the file, a statement of claim has been registered to the National Appellate Court, and in November 2017 the statement of conclusions. The resolution was received in October 2020. The National Court accepted the Company's claim partially, declared TEAC's resolution null and void and sent back the appeal to the TEAC again. This Tribunal has to review the case again and to value the proof presented in November 2013 that was declared inexistent by the TEAC by resolution of January 2017.

The Company has voluntarily deposited the amount required by the Tax Authorities, until the resolution of this litigation and has registered the appropriate liability under the caption ‘Non-current income tax liabilities’ in order to minimize its exposure in the event the final decision from the Court does not result in its favor. Therefore, and in any case, the resolution of this matter should not have any significant impact on the Company’s financial situation.

Since 1999, the Company has been engaged in disputes with the Indian tax authorities in relation to an allegation that the distribution activities in that country qualify as a permanent establishment in India. On this basis, the Indian tax authorities claim that a portion of the revenue generated in respect of bookings made by travel agencies located in India should be subject to Indian tax. There are several proceedings underway relating to the tax years between 1995 and 2017 at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities and before the Supreme Court. The resolution from the Delhi High Court dated on January 2010 concerning tax years from 1995 to 1998 concludes on the existence of permanent establishment, but without income subject to tax in India. This resolution was also extended by other Tribunals to the fiscal years from April 1, 1998 to March 31, 2012 (both inclusive). These decisions are under dispute before the Delhi High Court and the Supreme Court. The Company does not foresee the imposition of sanctions in view of the development of the different legal procedures favorable to the Company.

Additionally, since 2006, the Indian tax authorities are of the opinion that the IT service agreement executed between the Company and an airline (both non-resident) may give rise to royalty payments and fees for technical services in India. As a result of this interpretation, a new tax claim is under dispute. The dispute has been extended on a yearly basis not only to a specific airline but to the Altea System in general for its operation in India. In 2020, the Income Tax Appellate Tribunal (ITAT) held that that payment made by airlines to Amadeus in relation to the Altea system are linked to business profit. Accordingly, the said payments cannot be taxed as royalty under the Tax Treaty between Spain and India. It is the first time where a tribunal has ruled the above. The resolution is not final and has been appealed by the Indian Tax Authorities to the Delhi High Court.

In any case, the Company records the appropriate accruals in order to minimize its exposure in the event the final ruling from the Court does not result in its favor.

Amadeus IT Group, S.A. pays Corporate Income Tax via the Tax consolidation regime (Tax Group 256/05), from which it is the dominant company.

In accordance with the Royal Decree 3/2016, of December 2, the temporary difference corresponding to the investment’s impairment adjustments includes the reversal of the losses from impairments that were tax deductible in previous years, without any significant impact.

Spanish Tax Consolidation Group is formed by the following companies:

Parent company: Amadeus IT Group, S.A.

Subsidiaries:

- Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal
- Amadeus Capital Markets, S.A., Sociedad Unipersonal
- Amadeus Content Sourcing, S.A., Sociedad Unipersonal
- TravelClick Europe, S.L. (indirectly participated via its wholly owned subsidiary TravelClick, Inc.)
- Amadeus Travel IMS, S.L.

Notes (millions of euros)

The income tax expense for the years ended on December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Current	(33.5)	(322.4)
Deferred	289.9	16.4
Total Income tax (expense)/income	256.4	(306.0)

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
	%	%
Statutory income tax rate in Spain	25.0	25.0
Effect of different tax rates	2.6	2.2
Tax Credits	1.1	(5.8)
Other permanent differences	1.1	0.8
Subtotal	29.7	22.2
Purchase price allocation impact	(0.4)	(0.4)
Effective income tax rate	29.3	21.8

As of December 31, 2019, the difference mainly corresponded to tax credits related to the modifications of the patent box regime (IP box) in France.

The detail of tax receivables and payables as of December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Tax receivable current and non-current		
Current income tax assets	56.0	61.2
VAT (note 15)	54.6	64.9
Other taxes receivable (note 15)	114.5	126.7
Total	225.1	252.8
Tax payable current and non-current		
Current income tax liabilities	18.5	47.2
VAT (note 15)	7.1	11.5
Non-current income tax liabilities	136.5	137.6
Other taxes payable (note 15)	30.6	31.0
Total	192.7	227.3

The ‘Non-current income tax liabilities’ caption corresponds to uncertain tax positions for income tax. The separation of these tax positions in the consolidated statement of financial position arises from the application of IFRC 23.

Notes (millions of euros)

The Group's deferred tax balances as of December 31, 2020, are set forth in the table below:

Assets	December 31, 2019	Net charged to income statement	Charged to equity	Transfers	Translation changes	December 31, 2020
Net cancellation reserve	5.1	(2.5)	–	–	–	2.6
Depreciation and amortization	28.9	(2.4)	–	(7.1)	(1.8)	17.6
Bad debt provision	6.2	4.9	–	1.0	(0.1)	12.0
Hedge accounting	9.9	–	(4.7)	–	–	5.2
Employees benefits	14.2	6.8	(1.9)	9.1	(0.3)	27.9
Net operating losses (NOLs)	–	199.0	–	–	(0.1)	198.9
Tax audit	13.4	1.2	–	–	–	14.6
Other	33.8	(10.4)	1.0	(6.2)	(1.4)	16.8
Subtotal	111.5	196.6	(5.6)	(3.2)	(3.7)	295.6
Netting	(74.1)	–	–	(2.3)	–	(76.4)
Total	37.4	196.6	(5.6)	(5.5)	(3.7)	219.2

Liabilities	December 31, 2019	Net charged to income statement	Charged to equity	Transfers	Translation changes	December 31, 2020
Depreciation and amortization	439.7	(31.9)	–	–	(3.8)	404.0
Purchase Price Allocation	308.7	(57.5)	–	5.7	(12.7)	244.2
Hedge accounting	9.6	–	10.3	–	–	19.9
Other	67.2	(3.8)	–	(2.5)	(0.2)	60.7
Subtotal	825.2	(93.2)	10.3	3.2	(16.7)	728.8
Netting	(74.1)	–	–	(2.3)	–	(76.4)
Total	751.1	(93.2)	10.3	0.9	(16.7)	652.4

The Group's deferred tax balances as of December 31, 2019, are set forth in the table below:

Assets	December 31, 2018	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2019
Net cancellation reserve	5.9	–	–	–	(0.8)	–	5.1
Depreciation and amortization	–	–	–	–	28.9	–	28.9
Bad debt provision	7.6	13.1	–	0.7	(15.2)	–	6.2
Hedge accounting	10.9	–	8.8	–	(9.8)	–	9.9
Employees benefits	34.0	(0.9)	6.1	0.8	(26.0)	0.2	14.2
Tax audit	10.6	–	–	–	2.8	–	13.4
Other	22.0	3.5	–	1.0	5.5	1.7	33.8
Subtotal	91.0	15.7	14.9	2.5	(14.6)	1.9	111.5
Netting	(71.1)	-	-	–	(3.0)	-	(74.1)
Total	19.9	15.7	14.9	2.5	(17.6)	1.9	37.4

Notes (millions of euros)

Liabilities	December 31, 2018	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2019
Depreciation and amortization	447.2	17.2	–	–	(25.7)	1.0	439.7
Purchase Price Allocation	358.8	(17.5)	–	–	(32.6)	–	308.7
Hedge accounting	9.2	–	0.4	–	–	–	9.6
Other	14.9	(0.3)	8.0	0.9	43.7	–	67.2
Subtotal	830.1	(0.6)	8.4	0.9	(14.6)	1.0	825.2
Netting	(71.1)	–	–	–	(3.0)	–	(74.1)
Total	759.0	(0.6)	8.4	0.9	(17.6)	1.0	751.1

The expiration date of unused tax losses and credits for which no deferred tax asset has been recognized in the consolidated annual accounts, mainly due to the uncertainty of their recoverability as of December 31,2020 and 2019, is set forth in the table below:

Year(s) of expiration	December 31, 2020	December 31, 2019
From 1 to 5 years	2.5	0.6
More than 5 years	32.1	1.6
Unlimited	36.5	24.6
Total	71.1	26.8

25. EARNINGS PER SHARE

The detail of weighted average number of shares as of December 31, 2020 and 2019 is set forth in the table below:

	December 31, 2020		December 31, 2019	
	Weighted average number of ordinary shares	Weighted average number of potentially dilutive shares	Weighted average number of ordinary shares	Weighted average number of potentially dilutive shares
Total shares issued	445,560,155	445,560,155	435,242,083	435,242,083
Treasury shares	(353,155)	(353,155)	(4,429,239)	(4,429,239)
Potentially dilutive shares	–	11,503,822	–	1,095,292
Total shares	445,207,000	456,710,822	430,812,844	431,908,136

The basic earnings / (losses) per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares issued during the period, excluding weighted treasury shares.

The dilutive earnings / (losses) per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company plus the interest accrued by bond holders by the weighted average number of ordinary shares issued during the period, excluding weighted treasury shares, plus potentially dilutive ordinary shares.

Notes (millions of euros)

Dilutive effects during the period ended December 31, 2020, are driven by the potential conversion of the convertible bonds into ordinary shares.

The calculation of basic and diluted earnings / (losses) per share in euros (rounded to two digits) is set forth in the table below:

Basic earnings / (losses) per share

December 31, 2020		December 31, 2019	
Profit / (Loss) for the year attributable to owners of the parent	Earnings / (losses) per share basic [in Euros]	Profit / (Loss) for the year attributable to owners of the parent	Earnings / (losses) per share basic [in Euros]
(625.4)	(1.40)	1,113.1	2.58

Diluted earnings / (losses) per share

December 31, 2020		December 31, 2019	
Profit / (Loss) for the year attributable to owners of the parent	Earnings / (losses) per share diluted [in Euros]	Profit / (Loss) for the year attributable to owners of the parent	Earnings / (losses) per share diluted [in Euros]
(619.9)	(1.36)	1,113.1	2.58

26. ADDITIONAL INFORMATION

26.1 Commitments

The Group guarantees for the year ended December 31, 2020, and 2019, are set forth in the table below:

	December 31, 2020	December 31, 2019
Other guarantees and bank guarantees	33.9	25.3
Guarantees over office buildings and equipment	6.4	10.5
Bank guarantees on commercial contracts	3.0	10.2
Total	43.3	46.0

As of December 31, 2020, the Group has short-term commitments to acquire property, plant and equipment for €4.1 million (€15.3 million, 2019).

Notes (millions of euros)

26.2 Interest expense and other financial expenses

The 'Interest expense' for the year ended December 31, 2020 and 2019, mainly corresponds to the borrowings detailed in note 19. The breakdown is set forth in the table below:

	December 31, 2020	December 31, 2019
Bonds	54.9	21.1
European Investment Bank	3.1	5.3
European Commercial Paper	(0.8)	(1.3)
Interest from derivative instruments	2.5	3.1
Other debt with financial institutions	0.4	0.1
Lease liabilities	6.5	7.5
Subtotal	66.6	35.8
Deferred financing fees	10.8	4.6
Bank commissions, fees and other expenses	–	1.6
Interest expense	77.4	42.0

The breakdown of 'Other financial expenses' caption for the year ended December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020	December 31, 2019
Net interest on the Net Defined Benefit liability (note 15)	2.0	2.2
Interest expense on Tax	4.3	3.9
Others	6.4	4.2
Other financial expenses	12.7	10.3

26.3 Employee distribution

The employee distribution by category and gender for the year ended December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020			December 31, 2019		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	4	23	27	4	22	26
Group Directors	38	141	179	34	133	167
Managers	1,327	2,756	4,083	1,321	2,713	4,034
Disabled managers	31	28	59	24	29	53
Staff	4,952	7,092	12,044	5,466	7,903	13,369
Disabled Staff	70	88	158	57	83	140
TOTAL	6,422	10,128	16,550	6,906	10,883	17,789

Notes (millions of euros)

The average employee distribution by category and gender for the year ended December 31, 2020 and 2019, is set forth in the table below:

	December 31, 2020			December 31, 2019		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	4	23	27	4	24	28
Group Directors	38	143	181	34	131	165
Managers	1,345	2,784	4,129	1,237	2,557	3,794
Disabled managers	27	32	59	23	29	52
Staff	5,292	7,613	12,905	5,075	7,408	12,483
Disabled Staff	67	86	153	57	80	137
TOTAL	6,773	10,681	17,454	6,430	10,229	16,659

26.4 Auditing services

The fees for annual accounts auditing services and other services rendered by the audit firm (EY) international organization for the year ended December 31, 2020, and 2019, are set forth in the table below:

	December 31, 2020	December 31, 2019
Auditing	2.1	1.9
Other assurance services	0.6	0.4
Tax advice	0.1	0.3
Other services	0.5	0.6
Total	3.3	3.2

27. CASH FLOWS

The Group classifies its short-term investments as cash equivalents when held for the purpose of meeting short-term cash commitments. The investments are highly liquid, readily convertible to known amounts of cash and subject only to an insignificant risk of changes in value. These short-term investments generally consist of certificates of deposit, time deposits, commercial paper, short-term government obligations and other money market instruments with maturity of three months or less. Such investments are valued at cost, which approximates fair value.

Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of presenting the consolidated statement of cash flows.

In the event that cash or cash equivalents were restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, these assets are classified as non-current on the consolidated statement of financial position.

The reconciliation of the 'Cash and cash equivalents net' caption of the consolidated statement of cash flows and the 'Cash and cash equivalents' caption of the consolidated statement of financial position as of December 31, 2020 and 2019, is set forth in the table below:

Notes (millions of euros)

	December 31, 2020	December 31, 2019
Cash on hand and balances with banks	828.7	505.7
Short-term investments	726.4	58.3
Cash and cash equivalents	1,555.1	564.0
Bank overdrafts	(1.2)	(3.0)
Cash and cash equivalents net	1,553.9	561.0

As of December 31, 2020, the Group has maintained short-term money market investments with an average yield rate of minus 0.19% for EUR investments and 0.14% for and AUD investments. Among them, it includes the Amundi Money Market fund disclosed in note 13. As of December 31, 2019, the Group maintained short-term money market investments with an average yield rate in US Dollars investments of 2.49%.

These investments are readily convertible to a certain amount of cash and do not have an appreciable risk of change in value.

The table below details changes in the Group's financial liabilities arising from financing activities, including both cash and non-cash changes during the year ended December 31, 2020, and 2019:

			Non-cash changes							
	Dec 31, 2019	Cash Flows from financing activities	Transfers	Leases and others	Convertible bonds (note 19)	Reverse factoring	Fair value adj (note 23)	Accrued interest	Other changes	Dec 31, 2020
Non-current debt	2,328.2	2,661.7	(596.9)	(26.5)	(40.1)	–	–	–	16.6	4,343.0
Non-current derivative financial liabilities	6.0	–	–	–	–	–	(5.0)	–	–	1.0
Current debt	1,245.5	(670.8)	596.9	21.0	–	63.1	–	65.6	(0.7)	1,320.6
Current derivative financial liabilities	28.1	–	–	–	–	–	(5.6)	–	–	22.5
Total	3,607.8	1,990.9	–	(5.5)	(40.1)	63.1	(10.6)	65.6	15.9	5,687.1

Notes (millions of euros)

			Non-cash changes					
	December 31, 2018	Cash Flows from financing activities	Transfers	Leases and others	Fair value adj (note 23)	Accrued interest	Other changes	December 31, 2019
Non-current debt	2,898.1	–	(619.3)	43.9	–	–	5.5	2,328.2
Non-current derivative financial liabilities	14.5	–	–	–	(8.5)	–	–	6.0
Current debt	986.9	(453.7)	619.3	59.2	–	32.7	1.1	1,245.5
Current derivative financial liabilities	19.3	–	–	–	8.8	–	–	28.1
Total	3,918.8	(453.7)	–	103.1	0.3	32.7	6.6	3,607.8

28. SUBSEQUENT EVENTS

On February 2, 2021, the Company has issued a bond for a nominal amount of €500.0 million. The bond has a maturity of 2 years, although the Company has the option of total early redemption within 374 days from the closing date since the issuance. It has a quarterly payable coupon with a variable interest rate of three-month Euribor plus 65 basis points. The amount issued will be used for general corporate financing needs. This new financing instrument will gradually replace our Commercial Paper maturities.

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Amadeus Airport IT Americas, Inc. (3)	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	U.S.A.	Software development	100.00%	100.00%
Amadeus Airport IT GmbH	Berghamer Str. 6 85435, Erding-Aufhasen.	Germany	Software development	100.00%	100.00%
Amadeus Albania sh.p.k.	Bulevardi Deshmoret e Kombit, Tirana.	Albania	Distribution	100.00%	100.00%
Amadeus América S.A. (4)	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Regional support	100.00%	100.00%
Amadeus Americas, Inc.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	U.S.A.	Regional support	100.00%	100.00%
Amadeus Argentina S.A.	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Distribution	95.50%	95.50%
Amadeus Asia Limited	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Thailand	Regional support	100.00%	100.00%
Amadeus Austria Marketing GmbH	Dresdnerstrasse 91/C1/4, 1200 Wien.	Austria	Distribution	100.00%	100.00%
Amadeus Benelux N.V.	Medialaan, 30. Vilvoorde 1800.	Belgium	Distribution	100.00%	100.00%
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul. Equipetrol North. J Street. Building 'Rolea Center' 1st floor. Suites E&D. Santa Cruz.	Turkey	Software development	100.00%	100.00%
Amadeus Bolivia S.R.L.	Equipetrol North. J Street. Building 'Rolea Center' 1st floor. Suites E&D. Santa Cruz.	Bolivia	Distribution	100.00%	100.00%
Amadeus Bosna d.o.o. za marketing Sarajevo	Midhat Karic Mitke 1, 71000 Sarajevo	Bosnia and Herzegovina	Distribution	100.00%	100.00%
Amadeus Brasil Ltda.	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Brazil	Distribution	83.51%	83.51%
Amadeus Bulgaria EOOD	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Bulgaria	Distribution	55.01%	55.01%
Amadeus Capital Markets, S.A., Sociedad Unipersonal	Salvador de Madariaga, 1. 28027 Madrid	Spain	Financial activities	100.00%	100.00%
Amadeus Central and West Africa S.A.	7, Avenue Nogues 08 BPV 228 Abidjan 01	Ivory Coast	Distribution	100.00%	100.00%
Amadeus Content Sourcing, S.A., Sociedad Unipersonal	Salvador de Madariaga 1, 28027, Madrid	Spain	Intermediation	100.00%	100.00%
Amadeus Corporate Business, AG	Berghamer Straße 6, 85435 Erding-Aufthausen	Germany	Holding of shares	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Amadeus Customer Center Americas S.A.	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Costa Rica	Regional support	100.00%	100.00%
Amadeus Czech Republic and Slovakia s.r.o.	Meteor Centre Office Park. Sokolovská 100 / 94 Praha 8 – Karlin 186 00.	Czech Republic	Distribution	100.00%	100.00%
Amadeus Data Processing GmbH	Berghamer Strasse 6. D-85435. Erding. Munich.	Germany	Data processing	100.00%	100.00%
Amadeus Denmark A/S (5)	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Denmark	Distribution	100.00%	100.00%
Amadeus Eesti AS	Tuukri 19. 10152 Tallinn.	Estonia	Distribution	100.00%	100.00%
Amadeus Finance B.V.	Jupiter Building. Herikerbergweg 88. 1101 CM Amsterdam.	The Netherlands	Financial activities	100.00%	100.00%
Amadeus France S.A.	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	100.00%	100.00%
Amadeus GDS LLP	48 Auezov Str,m 4th floor, 050008, Almaty.	Kazakhstan	Distribution	100.00%	100.00%
Amadeus GDS (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Malaysia	Distribution	100.00%	100.00%
Amadeus GDS Singapore Pte. Ltd.	1 Wallich Street 27-00 Guoco Tower Singapore 078881	Singapore	Distribution	100.00%	100.00%
Amadeus Germany GmbH	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Germany	Distribution	100.00%	100.00%
AmadeusGlobal Ecuador S.A.	República del Salvador N35- 126 and Portugal, Zanté Building; 2nd floor Suite 206, Quito.	Ecuador	Distribution	100.00%	100.00%
Amadeus Global Operations Americas Inc. (3)	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	U.S.A.	Data processing	100.00%	100.00%
Amadeus Global Travel Distribution Ltd.	P.O. Box 6680-00100 14,Riverside off Riverside Drive Grosvenor suite 4A, 4th Floor, Nairobi.	Kenya	Distribution	100.00%	100.00%
Amadeus Global Travel Israel Ltd.	14 Ben Yehuda St. 61264 Tel Aviv.	Israel	Distribution	100.00%	100.00%
Amadeus GTD (Malta) Limited	Birkirkara Road. San Gwann. SGN 08.	Malta	Distribution	100.00%	100.00%
Amadeus GTD Southern Africa Pty Ltd.	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Amadeus Hellas Electronic Travel Information Services Single Member Societe Anonyme	Sygrou Ave. 157. 17121 N. Smyrni Athens.	Greece	Distribution	100.00%	100.00%
Amadeus Honduras, S.A. (3)	Building El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel Local B. Av. Circunvalación. San Pedro Sula.	Honduras	Distribution	100.00%	100.00%
Amadeus Hong Kong Ltd.	3/F, Henley Building nº 5 Queens' Road. Central Hong Kong.	China	Distribution	100.00%	100.00%
Amadeus Hospitality Americas, Inc (3)	75 New Hampshire Ave, Portsmouth NH 03801.	U.S.A.	Distribution and software	100.00%	100.00%
Amadeus Hospitality Asia Pacific Pte. Ltd (3)	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Singapore	Distribution and software	100.00%	100.00%
Amadeus Hospitality Netherlands B.V.	Chasséveld 15G 4811 DH Breda.	The Netherlands	Distribution and software development	100.00%	100.00%
Amadeus Hospitality UK Ltd. (3)	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	U.K.	Distribution and software	100.00%	100.00%
Amadeus Information Technology LLC	M. Golovin line 5, 2nd floor 107045, Moscow.	Russia	Distribution	100.00%	100.00%
Amadeus Integrated Solutions Pty Ltd.	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	100.00%	100.00%
Amadeus IT Group Colombia S.A.S.	Carrera 11 No. 84 - 09 6° floor Building Amadeus Tower, Bogotá.	Colombia	Distribution	100.00%	100.00%
Amadeus IT Pacific Pty. Ltd.	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Australia	Distribution	100.00%	100.00%
Amadeus IT Services UK Limited	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	U.K.	Distribution and software development	100.00%	100.00%
Amadeus Italia S.P.A.	Via Morimondo, 26, 20143 Milano.	Italy	Distribution	100.00%	100.00%
Amadeus Japan K.K.	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Japan	Distribution	100.00%	100.00%
Amadeus Korea, Ltd	Kyobo Securities Building-Youldo 10F, Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	South Korea	Software development and software definition	100.00%	100.00%
Amadeus Lebanon S.A.R.L.	Gefinor Centre P.O. Box 113-5693 Beirut.	Lebanon	Distribution	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Amadeus Leisure IT GmbH	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Germany	Software development	100.00%	100.00%
Amadeus Macedonia DOOEL Skopje	Gradski Zid, Blok 4/8, 1000 Skopje.	Macedonia	Distribution	100.00%	100.00%
Amadeus Magyaroszag Kft	1075 Budapest. Madách Imre út 13-14. Budapest.	Hungary	Distribution	100.00%	100.00%
Amadeus Marketing (Ghana) Ltd.	12 Quarcoo Lane, West Airport Residential Area. Accra.	Ghana	Distribution	100.00%	100.00%
Amadeus Marketing Ireland Ltd.	65 Charlemont Street Dublin 2.	Ireland	Distribution	100.00%	100.00%
Amadeus Marketing Nigeria Ltd.	26, Ladipo Bateye Street. G.R.A., Ikeja, Lagos.	Nigeria	Distribution	100.00%	100.00%
Amadeus Marketing Phils Inc.	36th Floor, LKG Tower Ayala Avenue, Makati City.	Philippines	Distribution	100.00%	100.00%
Amadeus Marketing Romania S.R.L.	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Romania	Distribution	100.00%	100.00%
Amadeus Marketing (Schweiz) AG	Pfingstweidstrasse 60. Zurich CH 8005.	Switzerland	Distribution	100.00%	100.00%
Amadeus México, S.A. de C.V. (6)	Av. Paseo de la Reforma 180-1802 Juárez, Piso 18, Suite A. Col. Juárez. Delegación Cuauhtemoc. CP 06600. México DF.	Mexico	Distribution	100.00%	100.00%
Amadeus North America Inc. (3)	3470 Northwest 82 Ave., Suite 1000, Miami, Florida 33122.	U.S.A.	Distribution	100.00%	100.00%
Amadeus Norway AS (5)	Post boks 6645, St Olavs Plass, No-0129 Oslo.	Norway	Distribution	100.00%	100.00%
Amadeus Paraguay S.R.L.	Luis Alberto de Herrera 195 esquina Fulgencio Yegros Inter Express Building- 2nd floor, Suite 202, Asunción.	Paraguay	Distribution	100.00%	100.00%
Amadeus Perú S.A.	Víctor Andrés Belaunde, 147. Real 5 Building, Suite 902. San Isidro, Lima.	Peru	Distribution	100.00%	100.00%
Amadeus Polska Sp. z o.o.	ul. Domaniewska 49, Warsaw 26-672.	Poland	Distribution	100.00%	100.00%
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	Barbados Square Iş Merkezi.Dikilitaş Mah. Emirhan Cad. No: 113 Kat:18 34349 Istanbul.	Turkey	Distribution	100.00%	100.00%
Amadeus S.A.S.	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	France	Software development and software definition	100.00%	100.00%
Amadeus Scandinavia AB	Hälsingegatan 49 6tr, Box 6602, SE-113 84 Stockholm.	Sweden	Distribution	100.00%	100.00%
Amadeus Services Ltd. (7)	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	U.K.	Software development	-	100.00%
Amadeus Slovenija, d.o.o.	Dunajska 122, 1000 Ljubljana.	Slovenia	Distribution	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Amadeus Sofia Labs EOOD	19 Dobri Voynikov Stre., apt 3, fl. 2. Lozenets region. 1164 Sofia.	Bulgaria	Software development and software definition	100.00%	-
Amadeus Software Labs India Private Limited (8)	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	India	Software development and software definition	100.00%	100.00%
Amadeus Software Technology (Shangai) CO., Ltd (3)	1709 You You International Plaza, No. 76 Pujian Road, Pudong New Area 200127 Shanghai.	China	Distribution and software	100.00%	100.00%
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Iris Building, Ribera del Loira 4-6 28042, Madrid.	Spain	Distribution	100.00%	100.00%
Amadeus Taiwan Co. Ltd.	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Taiwan	Distribution	100.00%	100.00%
Amadeus Travel IMS, S.L.	Paseo Isabel La Católica 6 - Zaragoza	Spain	Software development	95.00%	95.00%
Amadeus Yemen Limited (9)	Al-Zubariri Street. Aman Tower Building 6th floor. Sana'a.	Yemen	Distribution	100.00%	100.00%
Argo IT México S.A. de C.V. (10)	Laguna de Términos 221, Torre A, Oficina 903, col Granada. Deleg. Miguel Hidalgo. CP 11520. Cdmx	Mexico	Software Development	100.00%	70.00%
Argo IT Tecnologia S.A. (10)	Rua do Paraiso, No. 148, planta 13, Estado de Sao Paulo	Brazil	Software Development	100.00%	70.00%
Bratys Development (3)	3 Zarii Street, 5th District Bucharest	Romania	Information Technology	100.00%	100.00%
Content Hellas Electronic Tourism Services S.A. (9)	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Greece	Distribution	100.00%	100.00%
Digital Alchemy, LLC. (3)(11)	8721 Airport Freeway Suite 200, N. Richland Hills, Texas	U.S.A.	Data processing and information technology	-	100.00%
Enterprise Amadeus Ukraine	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100.00%	100.00%
ICM Airport Technics Australia Pty. Ltd. (12)	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Australia	Installation of industrial machinery and equipment	100.00%	100.00%
ICM Airport Technics LLC (12)	4001 Kennett Pike, Suite 302, DE 19807, Wilmington, United States.	U.S.A.	Installation of industrial machinery and equipment	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
ICM Airport Technics Singapore Pte. Ltd. (13)	80 Airport Boulevard, #04-21, Changi Airport Terminal 1, 819642, Singapore.	Singapore	Installation of industrial machinery and equipment	100.00%	100.00%
ICM Airport Technics UK Ltd. (13)	Aruna House, 2 Kings Road, Haslemere, Surrey, GU27 2QA, United Kingdom.	U.K.	Installation of industrial machinery and equipment	100.00%	100.00%
ICM Australia Holdings Ltd. (12)	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Australia	Holding of shares	100.00%	100.00%
ICM Group Holdings Limited	15 Queen's Road Central, Edinburgh Tower, 21st floor, The Landmark, Hong Kong.	China	Holding of shares	100.00%	100.00%
i:FAO AG (14)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Holding of shares	90.02%	90.02%
i:FAO Bulgaria EOOD (14)	Antim Tower, Level 15 -2 Kukush Street, 1309 Sofia.	Bulgaria	Software development	90.02%	90.02%
i:FAO Group GmbH (14)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Distribution and software development	90.02%	90.02%
Latinoamérica Soluciones Tecnológicas SPA (15)	Isidora Goyenechea 2939 P/10, Las Condes, Santiago de Chile.	Chile	Distribution	100.00%	100.00%
Navitaire LLC	333 South Seventh Street Suite 1800, 55402 Minneapolis.	U.S.A.	Software development	100.00%	100.00%
Navitaire Philippines Inc.	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila	Philippines	Software development	100.00%	100.00%
NMTI Holdings, Inc. (3)	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	U.S.A	Holding of shares	100.00%	100.00%
Private Enterprise 'Content Ukraine' (16)	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100.00%	100.00%
PT Amadeus Technology Indonesia (17)	UOB Square floor 39, Unit 2, Jl. M. H. Thamrin No. 10, Jakarta 10230.	Indonesia	Distribution	100.00%	100.00%
Pyton Communication Services B.V.	Schatbeurderlaan 10, Postbus 6002 AC Weert,	The Netherlands	Distribution and software development	100.00%	100.00%
Pyton Communication Services Deutschland GmbH (18)	Kölner Straße 7A D - 51789 Lindlar.	Germany	Software development	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
SIA Amadeus Latvija	8 Audeju Street, LV-1050 Riga.	Latvia	Distribution	100.00%	100.00%
Sistemas de Distribución Amadeus Chile, S.A.	Marchant Pereira No 221, 11th floor. Comuna de Providencia, Santiago de Chile.	Chile	Distribution	100.00%	100.00%
Sistemas de Reservaciones CRS de Venezuela, C.A.	Av. Francisco de Miranda, Parque Cristal Building, East Tower, Floor 3, Suite 3 - 7A, Urb. Los Palos Grandes, 1060, Caracas.	Venezuela	Distribution	100.00%	100.00%
The Rubicon Group (3) (11)	101 Marietta Street, Suite 3525, Atlanta GA 30303	U.S.A.	Information Technology	-	100.00%
Travel Audience, GmbH (19)	Elsenstraße 106 12435 Berlin.	Germany	E-commerce	100.00%	100.00%
TravelClick Asia Pty (3)	291 Coventry Street Melbourne, 3205	Australia	Distribution	100.00%	100.00%
TravelClick, Canada (3) (20)	1306 Wellington Street West Suite 300 & 500 Otawa, Ontario K1Y 4R1	Canada	Distribution	100.00%	100.00%
TravelClick Europe S.L., Sociedad Unipersonal (3)	Via Augusta, 117 - 08006 Barcelona.	Spain	Distribution	100.00%	100.00%
TravelClick France, Eurl. (3)	12 Rue de la Chaussee D'Antin - 75009 Paris	France	Distribution	100.00%	100.00%
TravelClick, Inc (3)	55 W 46th St 27th floor New York, NY 10036	U.S.A.	Distribution and Software development	100.00%	100.00%
TravelClick Singapore Pte. Ltd (3)	8 Kallang Avenue #12-05, Aperia (Tower 1) Singapore 339509	Singapore	Distribution	100.00%	100.00%
UAB Amadeus Lietuva	Olimpieciu 1A-9B, LT-09200, Vilnius.	Lithuania	Distribution	100.00%	100.00%
UFIS Airport Solution Holding Ltd. (21) (22)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Holding of shares	49.00%	49.00%
UFIS Airport Solutions (Thailand) Ltd. (21) (23)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Software development	74.00%	74.00%
Vedaleon Technologies Pty. Ltd. (12)	4 Rayville Avenue, orquay VIC 3228, Australia	Australia	Software development	100.00%	100.00%
Videopolis, S.A.S. (3)	8 place du Marché Neuilly Sur Seine - 92200	France	Distribution and Information technology	100.00%	100.00%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2020 (%) (1) (2)	Investment December 31, 2019 (%) (1) (2)
Videopolis.com, S.A. (3)	Avenue Louise 523 1050 Bruxelles	Belgium	Information Technology	100.00%	100.00%
Zdirect, Inc. (3) (11)	4712 Oleander Drive Myrtle Beach -SC 29577	U.S.A.	Information Technology	-	100.00%
Zdirect.Biz Canada Inc. (3) (20)	6 Hamilton Avenue North, Suite 206, K1Y 4R1 Ottawa, Ontario	Canada	Software development and Information Technology	-	100.00%

Joint ventures companies and Associates	Registered Address	Country	Activity	Investment 31-Dec-20 (%) (1) (2)	Investment 31-Dec-19 (%) (1) (2)
Amadeus Algerie S.A.R.L	06, Rue Ahcéne Outaleb « les Mimosas »Ben. Aknoun.	Algerie	Distribution	40.00%	40.00%
Amadeus Egypt Computerized Reservation Services S.A.E. (24)	Units 81/82/83 Tower A2 at Citystars. Cairo.	Egypt	Distribution	100.00%	100.00%
Amadeus Gulf L.L.C.	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	United Arabian Emirates	Distribution	49.00%	49.00%
Amadeus Libya Technical Services JV	Abu Kmayshah st. Alnofleen Area, Tripoli.	Libya	Distribution	25.00%	25.00%
Amadeus Maroc S.A.S.	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Morocco	Distribution	30.00%	30.00%
Amadeus Qatar W.L.L.	Al Darwish Engineering W.W.L. Building nº 94 ‘D’ Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Qatar	Distribution	40.00%	40.00%
Amadeus Saudi Arabia Limited (24) (25)	3rd Floor, Diner’s Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Saudi Arabia	Distribution	100.00%	100.00%
Amadeus Sudani co. Ltd.	Street 3, House 7, Amarat. Khartoum 11106.	Sudan	Distribution	40.00%	40.00%
Amadeus Syria Limited Liability (24)	Shakeeb Arslan Street Diab Building, Ground Floor	Syria	Distribution	100.00%	100.00%
Amadeus Tunisie S.A.	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Tunisia	Distribution	30.00%	30.00%
Jordanian National Touristic Marketing Private Shareholding Company	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Aman.	Jordan	Distribution	50.00%	50.00%
Qivive GmbH (9) (26)	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Germany	Information technology	33.33%	33.33%
Refundit Ltd.	30ª Gruner Dov. Street, Tel Aviv-Yaffo, 694827 Israel.	Israel	Software Development	20.00%	20.00%

(1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
(2) Unless otherwise stated, all participations are direct.
(3) The participation in these companies is held through Amadeus Americas, Inc.
(4) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(5) The participation in these companies is held through Amadeus Scandinavia AB.
(6) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(7) This company has been liquidated during 2020.
(8) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
(9) These companies are in the process of being liquidated.
(10) The participation in this company is held through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(11) At July 1st, 2020 these companies were merged with TravelClick, Inc. The resulting company is denominated TravelClick, Inc.
(12) At May 29th, 2020, the participation in these company was sold to Amadeus IT Pacific Pty. Ltd.
(13) The participation in these companies is held through ICM Group Holding Limited.
(14) The participation in these companies is held through Amadeus Corporate Business, AG.
(15) The participation in this company is held through Sistemas de Distribution Amadeus Chile, S.A.
(16) The participation in this company is held through Enterprise Amadeus Ukraine.
(17) The participation in this company is 99% direct and 1% indirect through Amadeus Asia Limited.
(18) The participation in this company is held through Pyton Communication Services B.V.
(19) At December 31st, 2020 the participation in this company was sold to Amadeus ITG, S.A.
(20) At August 1st, 2020 the companies TravelClick Canada and Zdirect Canada, Inc. were merged. The resulting company is denominated TravelClick Canada.
(21) The control of these companies is held through Amadeus Asia Limited.
(22) The Company controls 79.35% of the voting rights of this company.
(23) The Group hold a 49.0% of the shares through Amadeus Asia Ltd. And 25.0% through UFIS Airport Solutions Holding Ltd. The Group controls 89.47% of the voting rights.
(24) Although there is a 100% interest in these companies, the Company has no control over them as there are some Board members named by airlines with veto rights for some relevant decisions, which prevent having control. There are no restrictions for transferring funds.
(25) The share percentage in this company is 95% direct and 5% indirect, through Pyton Communication Services, B.V.
(26) The participation in this company is held through Amadeus Germany GmbH

Amadeus IT Group, S.A. and Subsidiaries

Directors' report for the year ended December 31, 2020

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Index

1. Summary

1.1 Introduction

2020 Full Year highlights (relative to 2019)

_ In Distribution, our travel agency air bookings decreased by 81.5%, to 107.6 million.
_ In IT Solutions, our passengers boarded declined 65.4%, to 690.6 million.
_ Revenue contracted by 61.0%, to €2,174.0 million.
_ EBITDA[1] decreased by 89.8%, to €227.8 million.
_ Adjusted profit[2] contracted by 123.9%, to a loss of €302.4 million.
_ Revenue, EBITDA and Adjusted profit *underlying performance*[3] (excluding cancellation and bad debt COVID-19 effects, cost reduction plan implementation costs and upfront financing fees related to new financings in 2020) were -52.8%, -74.9% and -103.9%, respectively.
_ Free Cash Flow[4] decreased by 152.6%, to a cash outflow of €541.9 million.
_ Net financial debt[5] was €3,073.9 million and liquidity available[6] was c.€3.5 billion, at December 31, 2020.

Market background and segment performance

During the fourth quarter of 2020, global air traffic declined by 70.2%[7] relative to prior year, representing an improvement over the 76.0%[7] traffic contraction we saw in the third quarter of the year. However, the progress we had seen each month since May stabilized in November, with traffic down in the month by 70.3%[7] year-on-year, broadly unchanged from October (-70.6%[7]). November saw the resurgence of the virus in some regions and associated restrictions weighed in on air travel in certain domestic and international markets. Europe was the most impacted due to strict containment measures. In turn, we also saw continued improvements in November in other parts of the world, such as in the regions of Latin America or North America. In the second half of December, the momentum of the pandemic eased in certain regions and traffic improved, such as in Europe, resulting in global traffic in the final month of the year declining by 69.7%[7] vs. 2019. The 2020 year concluded with global air traffic contracting by 65.9%[7] in the full year period, relative to 2019.

In the fourth quarter of 2020, Amadeus air travel agency bookings growth vs. 2019 continued to show gradual improvements each month, supported by both the gross bookings evolution and a continued normalization of the cancellation ratio. As a result, air travel agency bookings decreased by 79.4% in the fourth quarter of 2020 relative to 2019 and Distribution revenue declined by 77.9% vs. prior year. Excluding the effect from cancellations associated with COVID-19, our underlying Distribution revenue evolution in the fourth quarter was -71.2%. In the year 2020, our air travel agency volumes and Distribution revenues decreased by 81.5% and 77.1%, respectively (a -62.6% underlying revenue evolution excluding the COVID-19 cancellations effect).

Amadeus Passengers Boarded performed in line with industry traffic throughout the fourth quarter. Amadeus Passengers Boarded performance continued to improve month on month until the end of the year, across regions, with the exception of Europe. In Europe, we saw a deterioration in the month of November compared to October,

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[1] Adjusted to exclude costs related to the implementation of the cost savings program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €93.4 million and €169.1 million in the fourth quarter and the full year 2020, respectively (€66.4 million and €120.9 million in the fourth quarter and the full year 2020, respectively, post tax). See sections 3 and 5 for more details.
[2] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.
3 Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5. Adjusted profit based on the definition provided in footnote 2 above.
4 Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.
5 Based on our credit facility agreements' definition.
[6] Composed of cash (€1,555.1 million), short term investments (€900.5 million) and an undrawn revolving credit facility (€1,000 million).
7 Source: IATA Air Passenger Market Analysis of September, October, November and December. Quarterly air traffic contraction is calculated as the average of the reported IATA monthly growth rates.

driven by the elevated COVID cases and reintroduction of travel restrictions. During the fourth quarter, Amadeus Passengers Boarded declined by 72.4% vs. 2019, following a decline of 74.9% in the third quarter vs. prior year, resulting in an evolution of -65.4% for the 2020 full year period. IT Solutions revenue in the fourth quarter of 2020 contracted by 48.5%, outperforming our passengers boarded negative growth, supported by revenues across our business portfolio not directly linked to airline traffic or not driven by transactions, particularly in the area of Hospitality. In the 2020 full year, IT Solutions revenue experienced a 40.2% revenue decline relative to 2019.

Fourth quarter 2020 Group financial performance

As a result of the above industry backdrop and volume evolutions, in the fourth quarter of 2020, Amadeus Group revenue declined by 64.6%, or by 61.0% excluding the COVID-19 related cancellations effect. Our cost of revenue also contracted by 83.7%, in the last quarter of the year, very much in line with the air travel agency booking evolution in the period. The fixed cost reduction plans we announced in the second quarter of 2020 continued to generate savings, and in the fourth quarter of 2020 our P&L fixed costs (composed of Personnel and Other Operating Expenses) declined by 24.7%[8] relative to the same quarter in 2019.

As a result, EBITDA[8] in the fourth quarter of 2020, amounted to €31.6 million, an evolution of -93.4% relative to 2019 (or a decline of 84.8%[8] relative to 2019 if we exclude cancellations and bad debt effects linked to COVID-19). Capitalized expenditure, also part of our fixed cost reduction plan, declined by 39.8% in the quarter compared to prior year and supported a Free Cash Flow result for the fourth quarter amounting to a €213.5 million cash outflow.

In the fourth quarter of 2020, we had an Adjusted Profit[9] loss of €88.2 million. Excluding the COVID-19 associated cancellations and bad debt effects, as well as upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, our Adjusted Profit underlying performance was -119.7%.

2020 Full Year Group financial performance

In the 2020 full year period, Amadeus Group revenue declined by 61.0%, or by 52.8% excluding the COVID-19 cancellations effect. EBITDA[10] had a negative evolution of -89.8%, impacted by COVID-19 associated cancellation and bad debt effects, excluding which our underlying EBITDA performance was -74.9%[10], supported by the progress in our fixed cost reduction plan. We experienced an Adjusted Profit[11] loss of €302.4 million, which had an evolution excluding cancellations and bad debt effects, as well as upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, of -103.9%. Free cash flow in the 2020 full year period amounted to a cash outflow of €541.9 million, with net financial debt[12] closing the year at €3,073.9 million.

Business update

Our commercial activity progressed through the last quarter of the year and included the signing of 11 new contracts or renewals of distribution agreements with airlines, amounting to a total of 67 in the 2020 full year. In December, we were pleased to announce another NDC agreement with Singapore Airlines, which will start offering its NDC content through the Amadeus Travel Platform from January 2021, including ancillary services and additional content like special fares, and personalized merchandising offers. Additionally, on the travel agency front, in 2020, we signed our first distribution agreement with Priceline, one of North America's leading online travel agencies. In January 2021,

[8] Adjusted to exclude costs amounting to €93.4 million, incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
[9] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.
[10] Adjusted to exclude costs amounting to €169.1 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
[11] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.
[12] Based on our credit facility agreements' definition.

we reinforced our strategic partnership with Expedia Group, with the renewal of our long-term global distribution agreement, also including Amadeus' latest technology and IT solutions.

In Airline IT, we continued to expand our PSS customer base with Air Senegal, Air Burkina and Uganda Airlines contracting for the Altéa PSS among other solutions. Additionally, we progressed with our upselling efforts and Gulf Air and Kenya Airways contracted for additional Amadeus airline IT solutions in the fourth quarter. Finally, in Hospitality and in Airport IT we continued to renew contracts and to grow our respective customer bases (see section 2 Business Highlights).

Liquidity enhancement and plan to strengthen Amadeus for the future

At December 31, liquidity available to Amadeus amounted to c.€3.5 billion, represented by cash (€1,555.1 million), short term investments (€900.5 million) and an undrawn revolving credit facility (€1,000 million). Our main financial maturities over 2021 and 2022 include (i) a €500 million bond maturity in November 2021, (ii) a €500 million bond maturity in March 2022, (iii) several maturities in aggregate amounting to €62.5 million of our older EIB loan, and (iv) Commercial Paper of €622.0 million outstanding as of December 31, 2020. Amadeus has been able to refinance its commercial paper maturities during the second, third and fourth quarters of 2020. However, with the aim to extend the duration of our debt, Amadeus issued a €500 million Floating Rate Note on February 2, 2021. These floating rate notes have a two year term, with an optional redemption for the issuer within the term of 374 days after the issuance date, at a variable 3-month Euribor interest rate plus 65 basic points. This new financing instrument will gradually replace our Commercial Paper maturities.

Furthermore, in March 2020 Amadeus announced an initial set of measures to reduce costs, followed by a plan of actions in July 2020 to strengthen our capabilities for the future, to improve the way we operate, the way we serve our customers and to enhance innovation. As a result, in the fourth quarter of 2020, we have achieved a fixed cost reduction (excluding bad debt) relative to 2019, together in the Personnel and Other operating expenses lines in the Income Statement and in the Capital Expenditure caption in the Consolidated Statement of Cash Flows combined, of €195.8 million, totaling €506.1 million for the 2020 full year period. In 2021, we aim to maintain this fixed cost reduction and to achieve approximately an additional €50 million reduction vs. 2020.

The implementation of the operational programs together with the workforce reduction will generate associated implementation costs of broadly €200 million. In the fourth quarter of 2020, we incurred implementation costs associated with these fixed cost reduction programs amounting to €93.4 million, thus totaling to an amount of €169.1 million for the 2020 full year period. The balance to the expected total implementation costs amount of approximately €200 million will be incurred in 2021.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Full year 2020	Full year 2019	Change	*Underlying financial performance*[1]
Operating KPI				
TA air bookings (m)	107.6	580.4	(81.5%)	
Non air bookings (m)	29.1	66.2	(56.0%)	
Total bookings (m)	136.7	646.6	(78.9%)	
Passengers boarded (m)	690.6	1,993.7	(65.4%)	
Financial results[2]				
Distribution revenue	715.6	3,130.6	(77.1%)	*(62.6%)*
IT Solutions revenue	1,458.4	2,439.5	(40.2%)	*(40.2%)*
Revenue	2,174.0	5,570.1	(61.0%)	*(52.8%)*
EBITDA	227.8	2,232.4	(89.8%)	*(74.9%)*
Profit (Loss) for the year	(505.3)	1,113.2	(145.4%)	*(113.1%)*
Adjusted profit (loss)[3]	(302.4)	1,263.1	(123.9%)	*(103.9%)*
Adjusted EPS (euros)[4]	(0.68)	2.93	(123.1%)	*(103.7%)*
Cash flow				
Capital expenditure	501.5	736.1	(31.9%)	
Free cash flow[5]	(541.9)	1,030.4	(152.6%)	
Indebtedness[6]	Dec 31,2020	Dec 31,2019	Change	
Net financial debt	3,073.9	2,758.4	315.5	

[1] Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5.

[2] 2020 figures adjusted to exclude costs amounting to €169.1 million (€120.9 million post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020. See sections 3 and 5 for more detail.

[3] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.

[4] EPS corresponding to the Adjusted profit attributable to the parent company.

[5] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

[6] Based on our credit facility agreements' definition.

(millions of euros)

2. Business highlights

Distribution

_ Continue broadening and enhancing our content offering for our customers remains one of our priorities During 2020, we signed 67 new contracts or renewals of distribution agreements with airlines, including Air New Zealand, Fiji Airways , Frontier Airlines and Icelandair.

_ Since October, and following our agreement with Southwest Airlines, the airline's complete offer for business travel is available through the Amadeus Travel Platform.

_ We made steady progress on our NDC strategy despite the challenges posed by the COVID-19 pandemic. In September, we announced a strategic and innovative NDC distribution agreement with Air France-KLM Group thanks to which the group's NDC offers will be made available for travel agents through the Amadeus Travel Platform. Finally, in December, we announced that Singapore Airlines will start offering its NDC content through Amadeus from January 2021.

_ In 2020, we signed our first distribution agreement with Priceline, one of North America's leading online travel agencies and a subsidiary of industry giant Booking Holdings Inc.

_ In January 2021, Amadeus and Expedia Group reinforced their strategic partnership with the renewal of their long-term global distribution agreement covering air, car, hotel and rail distribution. Expedia Group will also leverage Amadeus' latest technology and IT solutions to innovate in searching and booking travel globally, and to optimize its business performance and experience for travelers.

_ Our customer base for Amadeus merchanding solutions for the travel agency channel continued to expand. At the close of the year, 116 airlines had signed up for Amadeus Fare Families and 173 airlines had contracted Amadeus Airline Ancillary Services.

Number of customers (as of December 31, 2020)	Implemented	Contracted
Amadeus Ancillary Services*	143	173
Amadeus Fare Families*	95	116

_ In February 2021, we expanded our partnership with China's Fliggy, Alibaba's online travel platform. Fliggy, has been working with Amadeus since 2015 and has contracted for Amadeus MetaConnect. Through this solution, Fliggy will be able to better aggregate and normalize travel content from multiple sources, enabling more customized products and services to Chinese travelers all over the world.

Airline IT

_ At the close of 2020, 206 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 195 customers had implemented either of them.

_ Among the key deals of the year, we announced a 40m PB carrier, and three African carriers, Air Senegal, Air Burkina and Uganda Airlines that contracted for the Altea PSS. Also, Jeju Air, the first and largest South Korean low-cost airline, signed up for New Skies PSS. Etihad Airways contracted Altéa Departure Control System Flight Management to support its ongoing mission to transform the overall travel experience while improving operational capabilities and efficiencies.

- Mauritania Airlines, Air Tahiti, Azerbaijan Airlines, TAAG Angola, Air Senegal and STARLUX Airlines completed their migration to the Altéa platform, while JSX was implemented to New Skies.
- Alaska Airlines became the first airline in the world to implement Amadeus Revenue Management as a non-Altéa passenger service system carrier. Additionally, Alaska Airlines is among the first airlines in the world to benefit from a new revenue forecast model created by Amadeus - Active Forecast Adjustment (AFA). The model helps airlines adapt their revenue management systems to fluctuating air travel demand as it adjusts forecasts across all departure dates based on the latest live sales data.
- We remained active on our upselling efforts during 2020. In April, All Nippon Airways (ANA) announced that it had implemented Amadeus Airline Cloud Availability. ANA is also the first airline to take advantage of Interactive Codeshare through Amadeus Cloud Availability solution, which means that it can process availability interactively with codeshare partners. In August, we signed an agreement with Turkish Airlines to improve their digital shopping experience. The airline, an Amadeus Flex Pricer customer, has signed for additional shopping solutions from Amadeus' Offer Suite, including Amadeus Massive and Instant Search and Amadeus Ticket Changer Reissue, Shopper and Refund. In December, Gulf Air, contracted for Amadeus Rich Merchandising. Qantas successfully implemented Personalized Merchandizing and Personalized Servicing as part of its implementation of Amadeus Customer Experience Management.

Hospitality

- We continued to expand our portfolio of customers for our Hospitality solutions, while also expanding the collaboration with existing ones. In November, we signed an agreement with Meeting Point Hotels, which is part of the FTI Group, to adopt the new Amadeus Integrated Booking Suite, which includes Amadeus' iHotelier Central Reservations System, Guest Management Solutions and Web.
- We also expanded our strategic partnership with Accor hoteliers to include the use of Demand360. With this new agreement, Accor will recommend Demand360 for use in its properties and work with Amadeus to increase adoption across the organization's brand portfolio, which includes more than 5,000 hotels and 39 brands across 110 countries.
- In October, we also renewed and expanded of our business intelligence partnership with Hilton. The hotel chain will continue to recommend Amadeus Demand360, Rate360 and Agency360 to its properties. Also, as part of the new deal, Demand360 will be the exclusive provider of forward-looking data integrated into the Hilton Revenue Management System (GRO). Finally, the hotel chain will also encourage hotels in their portfolio to use Amadeus GDS Advertising services.
- In December 2020, we renewed our partnership with InterContinental Hotels Group. IHG will continue using Amadeus industry-leading Hotelligence360 Business Intelligence solutions and will extend the recommendation for hotels to use Demand360, Agency360 and RevenueStrategy360 which have been enhanced with additional solution capabilities, including access to the new Amadeus Recovery Insights tool for corporate users.
- We also signed an agreement with Sunway Hotels & Resorts, one of Asia's most prominent international hotel groups, for Amadeus' iHotelier Central Reservation System, Guest Management Solutions and Website Management Solutions. And Grupo Posadas contracted our web services solution for 33 of its properties.
- In December, we partnered again with Booking.com and Conferma Pay to allow business travelers to simplify the checkout payment process. Thanks to this alliance, when business travel is arranged through Amadeus Hotel Billback solutions, the business travelers will not have to pay with their credit card. Conferma Pay automatically generates a virtual card number, which Booking.com then sends on to the property. At checkout, the property charges the booking to the virtual card, and the booking and payment data is then reconciled. Amadeus facilitates and enables the communication between Conferma Pay and Booking.com. The number of Booking.com properties available to be paid following this procedure has increased from 20% to 80%.

Airport IT

- We had several contract wins in our Airport IT business during 2020, particularly related to touchless technology, which is helping our airport customers adapt to the new social distancing rules. Fort Lauderdale-Hollywood International Airport, a customer of our airport suite, contracted for Amadeus Biometric Boarding.
- In July, we announced that Avinor, the firm operating Norway's 44 state-owned airports, contracted touchless check-in and bag drop technology from the ICM Amadeus portfolio for several its properties.
- Stuttgart Airport completed a successful migration to the Amadeus Airport Cloud Use Service (ACUS) platform, at more than 200 check-in counters and self-boarding gates, as well as the installation of 30 Amadeus self-service check-in kiosks, for a smoother check-in experience. The airport has also adopted Amadeus' technology for payments.
- Nashville International Airport, an Amadeus Airport Operational Database and Resource Management System customer, implemented airline agent-facing common use passenger processing technology and Common Use self service kiosks.
- Salt Lake City Airport chose Amadeus to help it manage the current flow of traffic at its extended facilities, while also adapting to future demand. The airport contracted Airport Operational Database, Resource Management Systems, Flight Information Display System, EASE Common Use check-in boarding and Self-Service Kiosks.

Payments

- In December, we announced a new currency conversion module, the first of the solutions from a suite of new foreign exchange (FX) services called 'FX Box'. The solution allows travel agencies and airlines to offer customers the possibility to see ticket prices in the currency of their choice. For many travel companies today, currency conversion is handled by third parties in the payment chain. By re-engineering the way payments are presented and managed from authorization to settlement, FX Box can help to empower travel suppliers to internalize the proceeds of a cross-currency payment and generate significant savings. Amadeus is currently working to add more foreign exchange providers so that travel companies can select their preferred partner, with Citibank being the first available on the platform

Other

- In November, it was announced that for the ninth consecutive year Amadeus IT Group, S.A. had been selected as an index component of the Dow Jones Sustainability Europe and World Indices. Our long term continuity in the index is proof of Amadeus commitment to ESG.
- During 2020, we made some changes to our Executive Committee. In September, we announced the appointment of Mr. Till Streichert as new Chief Financial Officer (CFO), replacing Ana de Pro. In December we announced that Mr. Stefan Ropers, Senior Vice-President Strategic Growth Business, will take up a new role outside of Amadeus in 2021 and Ms. Julia Sattel, Senior Vice-President Airline IT, after a 25-year career in the Company, will leave Amadeus effective December 31, 2020, to continue focusing on activities related to the tourism industry. The functions of both executives have been assumed by the other members of the Executive Committee.

3. Presentation of financial information

The audited consolidated financial statements of Amadeus IT Group, S.A. and subsidiaries are the source to the financial information included in this document and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Certain amounts and figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

Alternative Performance Measures

This document includes unaudited Alternative Performance Measures such as EBITDA, operating income, net financial debt as defined by our credit facility agreements, adjusted profit and their corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2016.

- Segment contribution is defined as the segment revenue less operating costs plus capitalizations directly allocated to the segment. A reconciliation to EBITDA is included in section 5.3.
- EBITDA corresponds to Operating income plus D&A expense. A reconciliation of EBITDA to Operating income is included in section 5.3. The Operating income calculation is displayed in section 5.
- Adjusted profit corresponds to reported profit for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-operating, non-recurring items, as detailed in section 5.6.1.
- Net financial debt as defined by our credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.5.

Underlying performance view

The underlying financial performance column displayed in this document adjusts for the reduction in revenues and cost of revenue associated with the higher than usual cancellations associated with COVID-19. Revenues related to airline reservations are recorded at the time the reservation is made, net of estimated future cancellations. Booking fees are contingent on the occurrence of a future event, that is, the cancellation. Cancellations also impact incentives paid to travel agencies (accounted for within the Cost of revenue caption), which are also recorded net of estimated future cancellations. Historically, definitive cancellations were infrequent, however travel restrictions imposed by governments and other COVID-19 related negative impacts on the travel industry have raised the cancellation ratio and obliged to update the cancellation reserve.

In 2020, as a result of the COVID-19 pandemic, there has been an increase in the expected credit losses on financial assets (bad debt provision) due to the change in the provision matrix and the reassessment of the credit risk of some customers. For comparison purposes, the underlying financial performance column information excludes bad debt effects from both the 2020 and the 2019 results.

Cost savings program implementation costs

In the second half of 2020, we incurred one-time costs amounting to €169.1 million (€120.9 million post tax), related to the implementation of the cost savings program announced in the second quarter of 2020. In the fourth quarter, these one-time costs amounted to €93.4 million (€66.4 million post tax). These costs mainly correspond to severances. For purposes of comparability with 2019, figures shown in section 5 have been adjusted to exclude these costs. A reconciliation of these figures to the financial statements is provided below.

	Oct-Dec 2020			Full year 2020		
Income statement (€millions)	Excl. implementation costs	Implementation costs	As reported	Excl. implementation costs	Implementation costs	As reported
Group revenue	474.3	0.0	474.3	2,174.0	0.0	2,174.0
Cost of revenue	(56.6)	0.0	(56.6)	(276.6)	0.0	(276.6)
Personnel expenses	(349.2)	(82.7)	(431.9)	(1,441.3)	(156.3)	(1,597.6)
Other operating expenses	(36.8)	(10.7)	(47.5)	(228.3)	(12.8)	(241.2)
Dep. and amortization	(215.4)	0.0	(215.4)	(829.4)	0.0	(829.4)
Operating income	(183.8)	(93.4)	(277.1)	(601.6)	(169.1)	(770.8)
Net financial expense	(31.5)	0.0	(31.5)	(101.7)	0.0	(101.7)
Other income (expense)	(1.1)	0.0	(1.1)	(1.5)	0.0	(1.5)
Profit before income taxes	(216.4)	(93.4)	(309.8)	(704.9)	(169.1)	(874.0)
Income taxes	68.7	26.9	95.6	208.2	48.2	256.4
Profit (Loss) after taxes	(147.7)	(66.4)	(214.2)	(496.7)	(120.9)	(617.6)
Share in profit assoc/JV	(1.2)	0.0	(1.2)	(8.7)	0.0	(8.7)
Profit (Loss) for the period	(148.9)	(66.4)	(215.4)	(505.3)	(120.9)	(626.3)
EPS (€)	(0.33)	(0.15)	(0.48)	(1.13)	(0.27)	(1.40)
EBITDA	31.6	(93.4)	(61.8)	227.8	(169.1)	58.6
Adjusted profit (Loss)	(88.2)	0.0	(88.2)	(302.4)	0.0	(302.4)
Adjusted EPS (€)	(0.20)	0.00	(0.20)	(0.68)	0.00	(0.68)

We believe that these Alternative Performance Measures and the Underlying Performance view provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures and views are not standard and therefore may not be comparable to those presented by other companies.

3.1 ICM Airport Technics acquisition

On May 31, 2019, Amadeus acquired ICM Group Holding Limited and its group of companies ('ICM'), for €40.1 million. ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia-Pacific and Europe. The ICM results were consolidated into Amadeus' books from June 1, 2019.

A purchase price allocation exercise in relation to the consolidation of ICM into Amadeus' books was carried out during the first half of 2020.

3.2 Optym's Sky Suite acquisition

On January 31, 2020, Amadeus acquired Sky Suite, the airline network planning software business of Optym, for €36.2 million in cash. Optym and Amadeus have been partners for more than three years, jointly delivering solutions to Southwest Airlines, easyJet and LATAM Airlines. The Amadeus Sky Suite will be further integrated into the

Amadeus Airline Platform, including software for network optimization and simulation, frequency and capacity planning, network planning and forecasting, and a flight scheduling development platform. The Optym's Sky Suite results were consolidated into Amadeus' books from January 31, 2020.

A purchase price allocation exercise in relation to the consolidation of Optym's Sky Suite into Amadeus' books was carried out during the second quarter of 2020.

4. Main financial risks and hedging policy

4.1 Foreign exchange rate risk

Our reporting currency is the Euro. However, as a result of Amadeus' global activity and presence, part of our results are generated in currencies different from the Euro and therefore are impacted by foreign exchange fluctuations. Similarly, part of our cash inflows and outflows are denominated in non-Euro currencies. As a consequence, both our results and our cash flows are impacted, either positively or negatively, by foreign exchange fluctuations.

Exposure to foreign currencies

Our revenue is almost entirely generated either in Euro or in US Dollar (the latter representing 45%-55% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs[13] are denominated in many currencies different from the Euro, including the US Dollar, which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

Amadeus' target is to reduce the volatility generated by foreign exchange fluctuations on its non-Euro denominated net cash flows. Our hedging strategy is as follows:

- To manage our exposure to the US Dollar, we have a natural hedge to our net operating cash flow generated in US Dollar or US Dollar-correlated currencies through, among others, payments of USD-denominated debt (when applicable), as well as investments and taxes paid in the U.S. We may enter into derivative arrangements when this natural hedge is not sufficient to cover our outstanding exposure.

- We also hedge a number of currencies, including the GBP, AUD, INR and SEK, for which we enter into foreign exchange derivatives with banks.

When the hedges in place covering operating flows qualify for hedge accounting under IFRS, profits and losses are recognized within EBITDA. Our hedging arrangements typically qualify for hedge accounting under IFRS.

In 2020, foreign exchange fluctuations had a broadly neutral impact on revenue, costs and EBITDA. In the fourth quarter, foreign exchange fluctuations had a negative impact on revenue, a positive impact on costs and a neutral impact on EBITDA.

4.2 Interest rate risk

Our target is to reduce volatility in net interest flows. In order to achieve this objective, Amadeus may enter into interest rate hedging agreements (interest rate swaps, caps, collars) to cover the floating rate debt.

[13] Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortization.

At December 31, 2020, 21% of our total financial debt[14] (related to the European Commercial Paper Program and one Eurobond issue) was subject to floating interest rates, indexed to the EURIBOR. As of this date, no interest rate hedges were in place.

4.3 Own shares price evolution risk

Amadeus has three different staff remuneration schemes which are settled with Amadeus' shares.

According to the rules of these plans, when they mature all beneficiaries will receive a number of Amadeus shares which for the outstanding plans amount to (depending on the evolution of certain performance conditions), between a minimum of 335,000 shares and a maximum of 1,402,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

[14] Based on our credit facility agreements' definition.

5. Group income statement

Full Year Income Statement (€millions)	Full Year 2020[1]	Full Year 2019	Change	*Underlying performance[2]*
Revenue	2,174.0	5,570.1	(61.0%)	*(52.8%)*
Cost of revenue	(276.6)	(1,429.5)	(80.7%)	*(67.8%)*
Personnel and related expenses	(1,441.3)	(1,543.2)	(6.6%)	*(6.6%)*
Other operating expenses[3]	(228.3)	(365.0)	(37.4%)	*(51.7%)*
Depreciation and amortization[3]	(829.4)	(757.0)	9.6%	*(5.2%)*
Operating income (loss)	(601.6)	1,475.4	(140.8%)	*(107.8%)*
Net financial expense	(101.7)	(59.0)	72.4%	*62.5%*
Other income (expense)	(1.5)	(10.0)	(84.9%)	*(84.9%)*
Profit (loss) before income tax	(704.9)	1,406.4	(150.1%)	*(114.8%)*
Income taxes	208.2	(306.0)	(168.0%)	*(123.0%)*
Profit (loss) after taxes	(496.7)	1,100.4	(145.1%)	*(112.5%)*
Share in profit from assoc./JVs	(8.7)	12.8	(167.7%)	*(167.7%)*
Profit (loss) for the year	(505.3)	1,113.2	(145.4%)	*(113.1%)*
EPS (€)	(1.13)	2.58	(143.9%)	*(112.6%)*
Key financial metrics				
EBITDA	227.8	2,232.4	(89.8%)	*(74.9%)*
Adjusted profit (loss)[4]	(302.4)	1,263.1	(123.9%)	*(103.9%)*
Adjusted EPS (€)[5]	(0.68)	2.93	(123.1%)	*(103.7%)*

[1] Figures adjusted to exclude costs amounting to €169.1 million (€120.9 million post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020. See sections 3 and below for more detail.

[2] Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5.

[3] From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

[4] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.

[5] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Q4 Income Statement (€millions)	Oct-Dec 2020[1]	Oct-Dec 2019	Change	*Underlying performance*[2]
Revenue	474.3	1,341.3	(64.6%)	*(61.0%)*
Cost of revenue	(56.6)	(346.9)	(83.7%)	*(80.6%)*
Personnel and related expenses	(349.2)	(394.1)	(11.4%)	*(11.4%)*
Other operating expenses[3]	(36.8)	(118.9)	(69.0%)	*(70.2%)*
Depreciation and amortization[3]	(215.4)	(199.4)	8.0%	*(18.8%)*
Operating income (loss)	(183.8)	282.0	(165.2%)	*(127.1%)*
Net financial expense	(31.5)	(15.4)	104.7%	*99.0%*
Other income (expense)	(1.1)	(21.5)	(94.8%)	*(94.8%)*
Profit (loss) before income tax	(216.4)	245.1	(188.3%)	*(142.9%)*
Income taxes	68.7	(26.9)	(355.3%)	*(225.8%)*
Profit (loss) after taxes	(147.7)	218.2	(167.7%)	*(131.5%)*
Share in profit from assoc./JVs	(1.2)	8.7	(113.8%)	*(113.8%)*
Profit (loss) for the period	(148.9)	226.9	(165.6%)	*(130.8%)*
EPS (€)	(0.33)	0.53	(162.7%)	*(129.4%)*
Key financial metrics				
EBITDA	31.6	481.4	(93.4%)	*(84.8%)*
Adjusted profit (loss)[4]	(88.2)	276.1	(132.0%)	*(119.7%)*
Adjusted EPS (€)[5]	(0.20)	0.64	(130.5%)	*(118.7%)*

[1] Figures adjusted to exclude costs amounting to €93.4 million (€66.4 million post tax), incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the the second quarter of 2020. See section 3 and below for more detail.
[2] Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5.
[3] From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.
[4] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.
[5] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Cost savings program implementation costs

In 2020, Amadeus incurred costs amounting to €169.1 million (€120.9 million post tax) related to the implementation of the cost savings program announced in the second quarter of 2020. These costs amounted to €93.4 million (€66.4 million post tax) in the fourth quarter of the year. These costs mainly correspond to severances. For purposes of comparability with 2019, figures shown above and across section 5 have been adjusted to exclude these costs.

Presentation of Underlying performance view

In 2020, Amadeus' results were also impacted by the following effects related to the COVID-19 pandemic:

- Higher than usual air booking cancellations ratio to gross bookings, starting from March, since the COVID-19 health situation spread across the globe. The higher than usual booking cancellations rate resulted in a reduction of revenue, as well as in cost of revenue, partially offset by the booking cancellation provision[15]. Both effects combined (above historical average booking cancellations and the cancellation provision) had a negative impact of €49.0 million on revenue in the fourth quarter of 2020 (€455.7 million in the full year), and a positive impact of €10.7 million on cost of revenue in the fourth quarter of 2020 (€184.3 million in the full year). Excluding both effects, our revenue declined by 61.0% and 52.8% in the fourth quarter and the full year 2020, respectively, and cost of revenue declined by 80.6% and 67.8% in the fourth quarter and the full year 2020, respectively.

- An increase in the bad debt provision, negatively impacting the Other operating expenses cost line, driven by (i) the reassessment of the credit risk of some customers that became high risk customers in accordance with our default definition, and (ii) the changes in the provision matrix, in the context of COVID-19. The bad debt provision increased by €5.2 million and €70.1 million in the fourth quarter and the full year 2020, respectively (increasing by €12.8 million and €37.1 million in the fourth quarter and the full year 2019, respectively). Excluding bad debt, Other operating expenses declined by 70.2% and 51.7%, in the fourth quarter and the full year 2020, respectively.

- The combination of the unusually high level of air booking cancellations ratio to gross bookings and the increase in bad debt provision had a negative impact on EBITDA of €43.5 million and €341.5 million in the fourth quarter and the full year 2020, respectively. Excluding both effects, as well as the implementation costs related to our cost savings programs, EBITDA declined by 84.8% and 74.9%, in the fourth quarter and the full year 2020, respectively.

- In the fourth quarter of 2020, impairment charges amounted to €58.8 million (€139.6 million in the full year), and were related to some customers ceasing operations or cancelling contracts, as well as to some assets that will not deliver the expected benefits over the same timeframe as before. If we exclude impairment charges from the 2020 and 2019 results (which amounted to €6.5 million in the fourth quarter of 2019 and €29.2 million in the full year 2019), D&A expense declined by 18.8% in the fourth quarter and 5.2% in the full year 2020.

- Upfront bank fees in relation to the bridge to bond facility signed in March and the convertible bond issued in April 2020, raised the net financial expense by €0.9 million and €5.9 million in the fourth quarter and the full year 2020, respectively.

- Excluding the (post-tax) effects mentioned above, as well as the implementation costs related to our cost savings programs, Profit (Loss) for the fourth quarter and the full year declined by 130.8% and 113.1% vs. 2019, respectively, and Adjusted profit (loss) declined by 119.7% and 103.9% for the fourth quarter and the full year vs. 2019, respectively.

[15] As a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

5.1 Revenue

In the fourth quarter of 2020, revenue amounted to €474.3 million, a decline of 64.6% vs. prior year. Fourth quarter revenue continued to be impacted by the low levels of air traffic, as well as a higher than usual level of air booking cancellations relative to gross bookings, caused by the COVID-19 pandemic. Excluding the effects from the higher level of cancellations and related movements in the cancellation provision[16], our underlying revenue declined by 61.0% in the fourth quarter. This underlying group revenue evolution in the fourth quarter resulted from segment revenue underlying declines of 71.2% and 48.5% in Distribution and IT Solutions revenue, respectively.

In 2020, revenue amounted to €2,174.0 million, a decline of 61.0% vs. prior year. Excluding the effect from the higher than usual air booking cancellations related to COVID-19 and the cancellation provision, revenue declined by 52.8% vs. 2019.

Q4 Revenue (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	*Underlying performance[1]*
Distribution revenue	162.5	735.8	(77.9%)	*(71.2%)*
IT Solutions revenue	311.8	605.5	(48.5%)	*(48.5%)*
Revenue	474.3	1,341.3	(64.6%)	*(61.0%)*

[1] Adjusted to exclude the cancellations effect associated with the COVID-19 pandemic.

Full Year Revenue (€millions)	Full Year 2020	Full Year 2019	Change	*Underlying performance[1]*
Distribution revenue	715.6	3,130.6	(77.1%)	*(62.6%)*
IT Solutions revenue	1,458.4	2,439.5	(40.2%)	*(40.2%)*
Revenue	2,174.0	5,570.1	(61.0%)	*(52.8%)*

[1] Adjusted to exclude the cancellations effect associated with the COVID-19 pandemic.

5.1.1 Distribution

Evolution of Amadeus bookings

Operating KPI	Oct-Dec 2020	Oct-Dec 2019	Change	Full Year 2020	Full Year 2019	Change
TA air bookings (m)	27.5	133.4	(79.4%)	107.6	580.4	(81.5%)
Non air bookings (m)	5.4	16.9	(68.0%)	29.1	66.2	(56.0%)
Total bookings (m)	32.9	150.2	(78.1%)	136.7	646.6	(78.9%)

In the fourth quarter of 2020, Amadeus travel agency air bookings contracted by 79.4% vs. the same period in 2019, an improvement from the 89.8% air booking decline we saw in the third quarter, on the back of enhanced gross booking growth rates and a continued slow down in the level of cancellations. Improvements in the booking growth rates compared to the third quarter of the year were seen across regions. Latin America and Middle East and Africa

[16] As a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

were the regions where volume performance improved the most relative to prior quarter, as several key countries in these regions eased restrictions and allowed for international travel. Booking growth also improved in North America, although this region showed some volatility across the quarter provoked by the effects of elevated COVID-19 cases and the elections. On the other hand, both Asia-Pacific and Europe reported softer improvements vs. the previous quarter, impacted by the resurgence of the virus and associated restrictions.

In 2020, Amadeus travel agency air bookings fell by 81.5%. Air volumes started to trend down in February and deteriorated further from March, as the COVID-19 health crisis spread beyond Asia and was declared a pandemic. After reaching a low in April and May, with cancellations exceeding gross bookings, volumes turned positive from mid-June and improved sequentially since then, every quarter, on the back of enhanced gross booking growth rates and a slow down in the level of cancellations.

Amadeus TA air bookings Change vs. same period of 2019	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Full year 2020
Western Europe	(118.1%)	(95.3%)	(87.3%)	(84.7%)
North America	(115.0%)	(83.4%)	(72.5%)	(77.8%)
Middle East and Africa	(106.6%)	(84.5%)	(67.8%)	(74.6%)
Central, Eastern & Southern Europe	(106.0%)	(78.0%)	(71.5%)	(72.8%)
Asia-Pacific	(110.5%)	(96.7%)	(89.1%)	(90.4%)
Latin America	(112.8%)	(89.9%)	(68.7%)	(77.0%)
Amadeus TA air bookings	(113.2%)	(89.8%)	(79.4%)	(81.5%)

Amadeus' non air bookings decreased by 68.0% in the fourth quarter of 2020, or by 56.0% in the full-year period, caused by the overall negative impact of the COVID-19 pandemic on the global travel industry. Volume declines reported in the fourth quarter compared to the third quarter of 2020 (-56.8%) deteriorated across our non-air products, mainly due to a worsening of the rail booking volumes in Europe and the hospitality industry in the U.S.

Revenue

Q4 Distribution revenue (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	*Underlying performance*[1]
Distribution revenue	162.5	735.8	(77.9%)	*(71.2%)*

[1] Adjusted to exclude the cancellations effect associated with the COVID-19 pandemic.

Full Year Distribution revenue (€millions)	Full Year 2020	Full Year 2019	Change	*Underlying performance*[1]
Distribution revenue	715.6	3,130.6	(77.1%)	*(62.6%)*

[1] Adjusted to exclude the cancellations effect associated with the COVID-19 pandemic.

In the fourth quarter of 2020, Distribution revenue declined by 77.9%, driving a full year revenue decline of 77.1%, vs. previous year. The Distribution revenue contraction was the result of the declining booking volumes from February 2020, impacted by the pandemic. Distribution revenue per booking increased, both in the fourth quarter and the full year 2020, compared to 2019, supported by (i) a positive revenue impact from the cancellation provision and from solutions supporting processes related to ticketing and cancellations, and (ii) contractions in other revenue lines, albeit at softer rates than the travel agency bookings decline, such as revenues from travel agency IT solutions.

These positive effects offset the negative impact from the higher weight of local bookings, impacted by the faster recovery in domestic air traffic compared to international air traffic.

Excluding the impact from the higher than usual booking cancellations relative to gross bookings, as well as related movements in the cancellation provision, the underlying Distribution revenue declined by 71.2% and by 62.6% in the fourth quarter and the full year 2020 vs. 2019, respectively.

5.1.2 IT Solutions

Evolution of Amadeus Passengers boarded

Passengers boarded (millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
Organic growth[1]	133.0	478.7	(72.2%)	658.6	1,939.0	(66.0%)
Non organic growth[2]	4.4	18.4	(76.3%)	32.0	54.7	(41.5%)
Total passengers boarded	137.4	497.1	(72.4%)	690.6	1,993.7	(65.4%)

[1] Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on our PSS platforms during both periods.
[2] Includes the impact from 2019 and 2020 migrations, partly offset by the effects from airlines ceasing or suspending operations.

In the fourth quarter of 2020, Amadeus passengers boarded decreased by 72.4% to 137.4 million. This PB performance represented an enhancement over the 74.9% PB decline in the third quarter of the year. All regions except Europe reported improvements in PB performance, most notably Latin America and Middle East and Africa, where large countries such as Brazil or South Africa eased mobility restrictions. Europe volume growth deteriorated in the fourth quarter, relative to the third quarter, impacted by the resurgence of the virus and associated restrictions.

In 2020, Amadeus passengers boarded declined by 65.4%, severely impacted by the COVID-19 pandemic. After reaching a low in April, the Amadeus PB evolution improved sequentially, every quarter, and across most regions.

Amadeus PB volumes in the 2020 full year included those of customers implemented in 2019, such as Philippine Airlines, Bangkok Airways, Air Canada, Air Europa and FlyOne, and in 2020, such as Azerbaijan Airlines, Mauritania Airlines, STARLUX Airlines, Air Tahiti, JSX, TAAG Angola and Air Senegal. These customer implementations, pre-COVID-19, would have added approximately 114 million PB annually. On the other hand, Amadeus PB were also impacted by airline customers ceasing or suspending operations in 2019, such as Germania and bmi Regional (both in February), Avianca Brasil (in May), Avianca Argentina (in June), and Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France (all in September), and in 2020, such as Flybe (in March) and Tiger Airways Australia (in September). These customers, pre-COVID-19, accounted for approximately 46 million PB annually.

Passengers Boarded Change vs. same period of 2019	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Full year 2020
Asia-Pacific	(94.0%)	(83.3%)	(75.3%)	(68.4%)
Western Europe	(97.2%)	(75.7%)	(83.1%)	(71.6%)
North America	(85.8%)	(58.9%)	(58.0%)	(50.2%)
Middle East and Africa	(96.0%)	(85.0%)	(72.4%)	(67.4%)
Latin America	(93.1%)	(77.2%)	(48.2%)	(57.4%)
Central, Eastern & Southern Europe	(90.9%)	(53.1%)	(62.4%)	(56.1%)
Amadeus Passengers Boarded	(93.9%)	(74.9%)	(72.4%)	(65.4%)

Revenue

IT Solutions Revenue (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
IT Solutions revenue	311.8	605.5	(48.5%)	1,458.4	2,439.5	(40.2%)

In the fourth quarter of 2020, IT Solutions revenue decreased by 48.5% vs. the same period of 2019, driving a revenue contraction in the full year of 40.2%. The full year revenue decline was mainly driven by the low airline PB volumes, impacted by the COVID-19 pandemic, coupled with a contraction in revenue from our new businesses, albeit at a softer rate than airline PB, partly due to subscription or license-based revenues, which are less impacted by the COVID-19 disruption.

IT Solutions Revenue (€millions)	Full year 2020	Full year 2019	Change
IT transactional revenue	795.0	1,506.8	(47.2%)
Direct distribution revenue	48.6	151.5	(67.9%)
Airline services and Hospitality IT revenue	614.9	781.1	(21.3%)
IT Solutions revenue	1,458.4	2,439.5	(40.2%)

IT transactional revenue[17]

In this category we include revenues from (i) our IT offering for airlines, including passenger service systems, digital solutions, merchandizing and personalization tools, and revenue optimization and disruption management software, among others, and (ii) our Airport IT and Payments IT (the Merchant Hub offering) businesses.

IT transactional revenue decreased by 47.2% in 2020, driven by a reduction in PB volumes. IT Transactional revenue per PB increased in the year, supported by (i) revenue contractions in Airport IT and Payments IT, albeit at a softer rate than the decline in PB, positively impacted by the performance of revenue lines not directly linked to volumes, as well as new customer implementations, and (ii) the positive contribution from upselling activity in Airline IT (including solutions such as revenue optimization, disruption management, merchandizing and personalization).

[17] Note, the 'transactional' concept herein is based on management view, and is not related with IFRS15.

Direct distribution revenue

Direct distribution revenue mainly includes fees charged for bookings made through the direct sales channel of an airline using our Altéa Reservation solution and for certain types of bookings made through the direct sales channel of Altéa customers, for which we charge a booking fee, not a PB fee. It also includes several solutions related to the booking process.

In 2020, revenue from direct distribution decreased by 67.9%, driven by a booking volume decline.

Airline services and Hospitality IT revenue

This caption mainly comprises (i) the provision of bespoke and consulting services, (ii) the recognition of deferred customization and implementation fees of our solutions, and (iii) our Hospitality IT solutions business.

Airline services and Hospitality IT revenue declined by 21.3% in 2020, due to the COVID-19 pandemic impacting the overall travel industry. The revenue evolution was supported by the resiliency provided by non-volume driven revenues, such as sales and catering and business intelligence within Hospitality IT, and customer implementations across both airline services and Hospitality IT businesses.

5.2 Group operating costs

5.2.1 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel sellers for bookings done through our reservations platforms, (ii) distribution fees paid to local commercial organizations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea), (iii) data communication expenses related to the maintenance of our computer network, including connection charges, (iv) fees paid in relation to advertising and data analytics activities in Hospitality, and (v) commissions paid to travel agencies for the use of our payments distribution solutions.

In the fourth quarter of 2020, cost of revenue amounted to €56.6 million, a 83.7% decline vs. the same period of 2019. In 2020, cost of revenue amounted to €276.6 million, a reduction of 80.7% vs. 2019.

Cost of revenue in 2020 has been impacted by a sharp reduction in gross air booking volumes, as well as higher than usual air booking cancellations relative to gross bookings, due to the COVID-19 pandemic, as detailed in section 5.1.1, partially offset by our booking cancellation provision[18]. Excluding the effects from the higher than usual cancellations and the cancellation provision, cost of revenue declined by 80.6% in the fourth quarter (by 67.8% in the full year), driven by the air booking evolution.

5.2.2 Personnel and related expenses and other operating expenses

A large number of Amadeus' employees are software engineers. Amadeus has also historically hired contractors to support development activity, complementing permanent staff, providing flexibility to increase or reduce our development activity. The overall ratio of permanent staff vs. contractors devoted to R&D has fluctuated depending on business needs and project mix, therefore impacting the evolution of both 'Personnel expenses' and 'Other operating expenses' captions in our income statement.

Resulting from our fixed cost reduction plan announced in the second quarter of 2020, we have undertaken a number of measures, including a reduction of our permanent staff and contractor base. This has supported a

[18] As a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

reduction of our combined operating expenses cost line, including both Personnel and Other operating expenses, by 24.7% and 12.5%, in the fourth quarter and the full year 2020, respectively (excluding cost savings programs implementation costs). Our fixed cost base was impacted by an increase in the bad debt provision, driven by (i) the reassessment of the credit risk of some customers that became high risk customers in accordance with our default definition, and (ii) an increase in our Expected Credit Losses provision, in the context of COVID-19. The bad debt provision increased by €5.2 million and €70.1 million in the fourth quarter and the full year 2020, respectively (€12.8 million and €37.1 million in the fourth quarter and the full year 2019, respectively). Excluding bad debt effects and cost savings programs implementation costs, our combined operating expenses cost line declined by 23.9% and 14.5%, in the fourth quarter and the full year 2020, respectively.

FY Personnel + Other op. expenses (€millions)	Full year 2020[1]	Full year 2019	Change	*Underlying performance[2]*
Personnel+Other operating expenses[3]	(1,669.7)	(1,908.2)	(12.5%)	*(14.5%)*

1 Figures adjusted to exclude costs amounting to €169.1 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude the impact from bad debt provision associated with the COVID-19 pandemic, as well as costs related to the cost savings programs implementation.
3 From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

Q4 Personnel + Other op. expenses (€millions)	Oct-Dec 2020[1]	Oct-Dec 2019	Change	*Underlying performance[2]*
Personnel+Other operating expenses[3]	(386.0)	(513.0)	(24.7%)	*(23.9%)*

1 Figures adjusted to exclude costs amounting to €93.4 million, incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude the impact from bad debt provision associated with the COVID-19 pandemic, as well as costs related to the cost savings programs implementation.
3 From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

5.2.3 Depreciation and amortization

In 2020, depreciation and amortization expense amounted to €829.4 million, an increase of 9.6% vs. the same period of 2019. This increase was mainly driven by impairment losses amounting to €139.6 million, related to some customers ceasing operations or cancelling contracts, as well as some assets that in this environment are not expected to deliver the benefits over the same timeframe as before, due to the COVID-19 impact on the travel industry. Excluding impairment losses, depreciation and amortization expense declined by 5.2% in 2020, mostly due to a decrease in amortization from purchase price allocation exercises, driven by certain assets which reached the end of their useful lives at the end of the second quarter of 2020. In the fourth quarter of 2020, depreciation and amortization expense amounted to €215.4 million, 8.0% higher than the same period of 2019, impacted by higher impairment losses, as per the above.

Depreciation & Amort. (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
Ordinary D&A[1]	(138.2)	(154.7)	(10.6%)	(574.3)	(575.9)	(0.3%)
Amortization derived from PPA	(18.3)	(38.2)	(52.0%)	(115.5)	(151.9)	(23.9%)
Impairments	(58.8)	(6.5)	n.m.	(139.6)	(29.2)	n.m.
D&A expense[1]	(215.4)	(199.4)	8.0%	(829.4)	(757.0)	9.6%

1 From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to Ordinary D&A within the D&A expense caption. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification

5.3 EBITDA and Operating income

In the fourth quarter of 2020, Operating income contracted by 165.2%, leading to a loss in 2020 of €601.6 million. Excluding booking cancellations, bad debt and impairment effects derived from the COVID-19 pandemic, as well as costs related to the implementation of our cost savings programs, Operating income declined by 127.1% and 107.8% in the fourth quarter and in the full year 2020, respectively.

FY Operating income – EBITDA (€millions)	Full year 2020[1]	Full year 2019	Change	*Underlying performance[2]*
Operating income (loss)	(601.6)	1,475.4	(140.8%)	*(107.8%)*
D&A expense[3]	829.4	757.0	9.6%	*(5.2%)*
EBITDA	227.8	2,232.4	(89.8%)	*(74.9%)*

1 Adjusted to exclude costs amounting to €169.1 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude booking cancellation, bad debt and impairments effects related to the COVID-19 pandemic, as well as costs related to the cost savings programs implementation, as described in section 5.
3 From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A expense. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

Q4 Operating income – EBITDA (€millions)	Oct-Dec 2020[1]	Oct-Dec 2019	Change	*Underlying performance[2]*
Operating income (loss)	(183.8)	282.0	(165.2%)	*(127.1%)*
D&A expense[3]	215.4	199.4	8.0%	*(18.8%)*
EBITDA	31.6	481.4	(93.4%)	*(84.8%)*

1 Adjusted to exclude costs amounting to €93.4 million, incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude booking cancellation, bad debt and impairments effects related to the COVID-19 pandemic, as well as costs related to the cost savings programs implementation, as described in section 5.
3 From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A expense. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

In the fourth quarter of 2020, EBITDA amounted to €31.6 million. Excluding the booking cancellation and bad debt effects related to the COVID-19 pandemic, as well as costs related to the implementation of our cost savings programs, EBITDA declined by 84.8% and 74.9% in the fourth quarter and the full year 2020, respectively.

EBITDA evolution in the full year period (excluding cost savings programs implementation costs) was driven by:

_ An 89.1% decrease in Distribution contribution (representing a -68.4% underlying evolution, pre cancellations and bad debt effects), resulting from a decline in revenue of 77.1%, as explained in section 5.1.1 above, and a

67.4% reduction in net operating costs, which mainly resulted from (i) a decline in variable costs, driven by the booking volume evolution, and (ii) a reduction in net fixed costs, impacted by our cost reduction measures.

_ A 54.2% contraction in our IT Solutions contribution (a -51.9% underlying evolution, pre bad debt effects) as a result of a 40.2% revenue decrease, as explained in section 5.1.2, and a 15.1% net operating costs reduction, supported by cost saving measures, including, among others, but most importantly, the reduction in our contractor base.

_ A 13.2% decline in indirect costs, impacted by the cost contention measures adopted in the year.

EBITDA by segment (€millions)	Full year 2020[1]	Full year 2019	Change	*Underlying performance*[2]
Distribution				
Revenue	715.6	3,130.6	(77.1%)	*(62.6%)*
Operating costs	(640.5)	(1,810.6)	(64.6%)	*(55.4%)*
Capitalizations	77.5	85.3	(9.1%)	*(9.1%)*
Net operating costs	(563.0)	(1,725.2)	(67.4%)	*(57.7%)*
Contribution	152.6	1,405.4	(89.1%)	*(68.4%)*
IT Solutions				
Revenue	1,458.4	2,439.5	(40.2%)	*(40.2%)*
Operating costs	(954.0)	(1,134.9)	(15.9%)	*(18.4%)*
Capitalizations	214.9	264.5	(18.8%)	*(18.8%)*
Net operating costs	(739.0)	(870.3)	(15.1%)	*(18.3%)*
Contribution	719.4	1,569.1	(54.2%)	*(51.9%)*
Net indirect costs				
Operating costs	(826.5)	(976.5)	(15.4%)	*(15.4%)*
Capitalizations	182.2	234.4	(22.3%)	*(22.3%)*
Net indirect costs	(644.3)	(742.1)	(13.2%)	*(13.3%)*
EBITDA	227.8	2,232.4	(89.8%)	*(74.9%)*

1 Adjusted to exclude costs amounting to €169.1 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude booking cancellation and bad debt effects related to the COVID-19 pandemic, as described in section 5.

5.4 Net financial expense

In the fourth quarter of 2020, net financial expense amounted to an expense of €31.5 million, an increase of 104.7% vs. the same period of 2019. This variation was mainly driven by a 137.0% interest expense increase, as a consequence of both a higher average gross debt outstanding and a higher average cost of debt, driven by the new financings.

In 2020, net financial expense increased by 72.4% vs. 2019, mostly driven by the €35.4 million, or 84.4%, increase in interest expense. €5.9 million of such increase was due to financing fees recognized through the P&L in the second, third and fourth quarters[19], in relation to the bridge to bond facility signed in March and the convertible bond issued in April this year. The balance of the interest expense increase of €29.6 million in 2020 was caused by both a higher average gross debt outstanding and a higher average cost of debt, as a consequence of the new financings. See section 6.6 for details on our debt structure.

Net financial expense (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
Financial income	2.5	0.5	n.m.	9.1	1.6	n.m.
Interest expense	(25.4)	(10.7)	137.0%	(77.4)	(42.0)	84.4%
Other financial expenses	(4.1)	(3.9)	3.9%	(12.7)	(10.3)	23.4%
Exchange gains (losses)	(4.6)	(1.3)	n.m.	(20.7)	(8.3)	148.8%
Net financial expense	(31.5)	(15.4)	104.7%	(101.7)	(59.0)	72.4%

5.5 Income taxes

In 2020, income taxes (adjusted to exclude €48.2 million tax income impact from costs related to the implementation of the cost savings programs) amounted to an income of €208.2 million. The Group income tax rate for the period was 29.5%, higher than 21.8% income tax rate reported in 2019. This increase in the tax rate comes from the effect of tax deductions (associated with R&D) in the context of a negative taxable income result.

5.6 Profit for the period. Adjusted profit

5.6.1 Reported and Adjusted profit

In 2020, Reported profit (adjusted to exclude post-tax costs amounting to €120.9 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020) amounted to losses of €505.3 million, a contraction of 145.4% vs. 2019. Excluding also the (post-tax) effects from booking cancellations, bad debt and impairments derived from the COVID-19 pandemic, as well as from upfront fees in relation to the bridge to bond facility signed in March 2020 and the convertible bond issued in April 2020, reported profit declined by 113.1% in 2020. In turn, Adjusted profit decreased by 123.9% to a loss of €302.4 million in the full year period, or by 103.9% if (post-tax) effects from booking cancellations, bad debt, impairments, upfront financing fees and cost savings programs implementation costs are excluded.

[19] Financing fees are deferred in the balance sheet and recognized through P&L over the term of the associated debt.

FY Reported-Adj. profit (loss) (€millions)	Full year 2020[1]	Full year 2019	Change	*Underlying performance[2]*
Reported profit (loss)	(505.3)	1,113.2	(145.4%)	*(113.1%)*
Adjustments				
Impact of PPA[3]	86.0	113.1	(23.9%)	
Impairments[3]	101.3	22.2	n.m.	
Non-operating FX[4]	14.7	6.6	121.6%	
Non-recurring items	0.9	7.9	(88.6%)	
Adjusted profit (loss)	(302.4)	1,263.1	(123.9%)	*(103.9%)*

1 Adjusted to exclude costs amounting to €120.9 million (post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in section 5.
3 After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
4 After tax impact of non-operating exchange gains (losses).

Q4 Reported-Adj. profit (loss) (€millions)	Oct-Dec 2020[1]	Oct-Dec 2019	Change	*Underlying performance[2]*
Reported profit (loss)	(148.9)	226.9	(165.6%)	*(130.8%)*
Adjustments				
Impact of PPA[3]	13.3	26.6	(49.8%)	
Impairments[3]	43.5	4.7	n.m.	
Non-operating FX[4]	3.2	1.1	196.2%	
Non-recurring items	0.6	16.8	(96.3%)	
Adjusted profit (loss)	(88.2)	276.1	(132.0%)	*(119.7%)*

1 Adjusted to exclude costs amounting to €66.4 million (post tax), incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in section 5.
3 After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
4 After tax impact of non-operating exchange gains (losses).

5.6.2 Earnings (loss) per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed in section 5.6.1). In 2020, our reported EPS (excluding costs related to the implementation of the cost savings program announced in the second quarter of 2020) decreased by 143.9% to a loss of €1.13 and our adjusted EPS by 123.1% to a loss of €0.68. If we exclude the (post-tax) effects from booking cancellations, bad debt and impairments derived from the COVID-19 pandemic, as well as from upfront fees in relation to the bridge to bond facility signed in March 2020 and the convertible bond issued in April 2020, and costs related to the implementation of our cost savings programs, EPS and adjusted EPS contracted 112.6% and 103.7%, respectively, in the full year period.

(millions of euros)

FY Earnings (loss) per share	Full year 2020[1]	Full year 2019	Change	*Underlying performance[2]*
Weighted average issued shares (m)	445.6	435.0		
Weighted av. treasury shares (m)	(0.4)	(4.2)		
Outstanding shares (m)	445.2	430.8		
EPS (€)[3]	(1.13)	2.58	(143.9%)	*(112.6%)*
Adjusted EPS (€)[4]	(0.68)	2.93	(123.1%)	*(103.7%)*

1 Adjusted to exclude costs amounting to €120.9 million (post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in section 5.
3 EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4 EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Q4 Earnings per share	Oct-Dec 2020[1]	Oct-Dec 2019	Change	*Underlying performance[2]*
Weighted average issued shares (m)	450.5	431.3		
Weighted av. treasury shares (m)	(0.2)	(0.2)		
Outstanding shares (m)	450.3	431.0		
EPS (€)[3]	(0.33)	0.53	(162.7%)	*(129.4%)*
Adjusted EPS (€)[4]	(0.20)	0.64	(130.5%)	*(118.7%)*

1 Adjusted to exclude costs amounting to €66.4 million (post tax), incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.
2 Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in section 5.
3 EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4 EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

6. Statement of financial position

Statement of financial position (€millions)	Dec 31,2020	Dec 31,2019	Change
Intangible assets	3,946.9	4,187.8	(240.9)
Goodwill	3,539.8	3,661.5	(121.7)
Property, plant and equipment	347.7	432.1	(84.4)
Other non-current assets	748.2	676.6	71.6
Non-current assets	8,582.6	8,958.0	(375.4)
Cash and equivalents	1,555.1	564.0	991.1
Other current assets[1]	1,562.4	879.1	683.3
Current assets	3,117.5	1,443.1	1,674.4
Total assets	11,700.1	10,401.1	1,299.0
Equity	3,755.3	3,797.1	(41.8)
Non-current debt	4,343.0	2,328.2	2,014.8
Other non-current liabilities	1,209.3	1,305.5	(96.2)
Non-current liabilities	5,552.3	3,633.7	1,918.6
Current debt	1,320.6	1,245.5	75.1
Other current liabilities	1,071.9	1,724.8	(652.9)
Current liabilities	2,392.5	2,970.3	(577.8)
Total liabilities and equity	11,700.1	10,401.1	1,299.0
Net financial debt (as per financial statements)[1]	3,208.0	3,009.7	198.3

[1] Other current assets include €900.5 million short term investments that have been included in Net financial debt as per financial statements as they are considered cash equivalent assets under our credit facility agreements´ definition.

6.1 Intangible assets

This caption principally includes the cost of acquisition or development, as well as the excess purchase price allocated to, patents, trademarks and licenses[20], technology and content[21] and contractual relationships[22], net of amortization.

Intangible assets amounted to €3,946.9 million at December 31, 2020, a decrease of €240.9 million vs. December 31, 2019. This decrease was mainly the result of the combination of the following effects: (i) additions of internally developed software (+€455.0 million), (ii) the addition of assets mainly from purchase price allocation exercises in relation to the ICM's and Optym's consolidation (+€45.4 million, net of amortization), (iii) amortization charges and impairment losses (-€626.4 million) and (iv) foreign exchange effects (-€110.3 million).

6.2 Goodwill

Goodwill mainly relates to the unallocated amount of the excess purchase price derived from (i) the business combination (acquisition) between Amadeus IT Group, S.A. (the currently listed company, formerly named Amadeus IT Holding, S.A. or WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company in 2005) in 2005, and (ii) acquisitions, most of them completed between 2014 and 2018.

Goodwill amounted to €3,539.8 million as of December 31, 2020. Goodwill decreased by €121.7 million in 2020, mainly due to the adjustments of non-Euro denominated balances to exchange rates at December 31, 2020.

6.3 Property, plant and equipment (PP&E)

This caption principally includes land and buildings, data processing hardware and software, and other PP&E assets such as building installations, furniture and fittings and miscellaneous.

PP&E amounted to €347.7 million at December 31, 2020, a decrease of €84.4 million vs. December 31, 2019. This decrease was mainly the result of the following effects: (i) additions (+€59.0 million), (ii) depreciation charges (-€131.4 million) and (iii) foreign exchange effects (-€5.9 million).

6.4 Equity, share capital

As of December 31, 2020 the share capital of our Company was represented by 450,499,205 shares with a nominal value of €0.01 per share.

[20] Net cost of acquiring brands and trademarks (either by means of business combinations or in separate acquisitions) as well as the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions.

[21] Net cost of acquiring technology software and travel content either by means of acquisitions through business combinations/separate acquisitions or internally generated (software applications developed by the Group, including the development technology of the IT solutions business). Travel content is obtained by Amadeus through its relationships with travel providers.

[22] Net cost of contractual relationships with customers, as acquired through business combinations, as well as costs subject to capitalizations, related to travel agency incentives, that can be recognized as an asset.

6.5 Financial indebtedness

Indebtedness[1] (€millions)	Dec 31, 2020	Dec 31, 2019	Change
Long term bonds	3,250.0	2,000.0	1,250.0
Short term bonds	500.0	500.0	0.0
Convertible bonds	750.0	0.0	750.0
European Commercial Paper	622.0	580.0	42.0
EIB loan	262.5	127.5	135.0
Obligations under finance leases	68.4	83.7	(15.3)
Other debt with financial institutions	76.6	31.1	(17.7)
Financial debt	5,529.5	3,322.4	2,144.0
Cash and cash equivalents	(1,555.1)	(564.0)	(991.1)
Other current financial assets[2]	(900.5)	0.0	(900.5)
Net financial debt	3,073.9	2,758.4	252.4
Reconciliation with financial statements			
Net financial debt (as per financial statements)	3,208.0	3,009.7	198.3
Operating lease liabilities	(178.0)	(257.1)	79.1
Interest payable	(28.4)	(5.7)	(22.7)
Convertible bonds	34.6	0.0	34.6
Deferred financing fees	37.4	10.6	26.8
EIB loan adjustment	0.2	0.9	(0.7)
Net financial debt (as per credit facility agreements)	3,073.9	2,758.4	252.4

[1] Based on our credit facility agreements' definition.
[2] Short term investments that are considered cash equivalent assets under our credit facility agreements´ definition.

Net financial debt, as per our credit facility agreements' terms, amounted to €3,073.9 million at December 31, 2020.

The main changes to our debt in 2020 were:

_ On October 6, 2020 €500 million notes, part of the Euro Medium Term Note Programme, reached maturity and were repaid.

_ On September 17, 2020 Amadeus issued a Eurobond for a value of €750 million, with a maturity date of eight years at a fixed interest rate, an annual coupon of 1.875% and an issue price of 99.194% of its nominal value.

_ On May 13, 2020 Amadeus issued two Eurobonds for a total value of €1,000 million, with the following conditions: (i) the first issue has a nominal value of €500 million, with a maturity date of 4 years, at a fixed interest rate, with an annual coupon of 2.500%; (ii) the second issue has a nominal value of €500 million, with a maturity date of 7 years, at a fixed interest rate, with an annual coupon of 2.875%.

_ On April 3, 2020 Amadeus announced a €750 million convertible bond issue. Each bond has a nominal amount of €100,000, carries a coupon of 1.5% per annum and matures, at par, on April 9, 2025 (unless previously converted, redeemed or purchased and cancelled). The bonds will be convertible into shares with an initial conversion price of €54.60.

- The increase in the use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €42.0 million.
- The repayment of €65.0 million related to our European Investment Bank (EIB) loan, as scheduled. Also, on June 29, 2020, Amadeus signed a new covenant-free unsecured senior loan of €200 million from the European Investment Bank. This loan was drawn in December 2020, and matures in December 2027.

On April 27, 2018 Amadeus executed a €1,000 million Euro Revolving Loan Facility, with maturity in April 2025, to be used for working capital requirements and general corporate purposes. This facility remained undrawn at December 31, 2020.

On March 25, 2020 Amadeus executed a new €1,000 million Euro Loan Facility, with one-year term, plus two extensions of six months each at maturity (at Amadeus' discretion), to be used for the refinancing of working capital and debt. This loan facility was cancelled in full, by an amount of €500 million in May 2020, and an additional amount of €500 million in September 2020, upon the Eurobond issuances in each of the periods.

Reconciliation with net financial debt as per our financial statements

Under our credit facility agreements' terms, financial debt (i) does not include debt related to assets under operating lease agreements (which form part of the financial debt in the statement of financial position) amounting to €178.0 million at December 31, 2020, (ii) does not include the accrued interest payable (€28.4 million at December 31, 2020) which is treated as financial debt in our financial statements, (iii) includes the part of the convertible bond that has been accounted for as equity in our financial statements (€40.1 million) and does not include the accrued interest of the convertible bonds (€5.5 million), which has been accounted for as financial debt in our financial statements, (iv) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortized cost, i.e. after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the convertible bond issued in April 2020, and amount to €37.4 million at December 31, 2020), (v) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€0.2 million at December 31, 2020) and (vi) is presented net of certain deposits and current financial assets which are considered cash equivalent assets under our credit facility agreements' definition (in aggregate, amounting to €900.5 million at December 31, 2020). These assets are treated as current financial assets in our financial statements.

7. Group cash flow

Consolidated Cash Flow (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
EBITDA	(61.8)	481.4	(112.8%)	58.6	2,232.4	(97.4%)
Change in working capital	(6.6)	54.2	(112.2%)	11.0	(95.2)	(111.6%)
Capital expenditure	(115.6)	(192.1)	(39.8%)	(501.5)	(736.1)	(31.9%)
Pre-tax operating cash flow	(184.0)	343.5	(153.6%)	(431.9)	1,401.1	(130.8%)
Cash taxes	(12.1)	(108.9)	(88.9%)	(36.6)	(335.3)	(89.1%)
Interest & financial fees paid	(17.5)	(13.4)	30.7%	(73.5)	(35.4)	107.3%
Free cash flow	(213.5)	221.1	(196.6%)	(541.9)	1,030.4	(152.6%)
Equity investment	0.0	4.1	n.m.	(39.4)	(46.2)	(14.9%)
Non-operating items	41.2	2.0	n.m.	(36.2)	(51.6)	(29.8%)
Debt payment	(296.5)	(238.2)	24.5%	2,071.2	(417.3)	n.m.
Cash from (to) shareholders	0.0	0.0	n.m.	468.3	(516.3)	(190.7%)
Other financial flows	(929.0)	0.0	n.m.	(929.0)	0.0	n.m.
Change in cash	(1,397.8)	(11.0)	n.m.	993.0	(0.9)	n.m.
Cash and cash equivalents, net[1]						
Opening balance	2,951.7	571.7	n.m.	561.0	561.8	(0.1%)
Closing balance	1,553.9	561.0	177.0%	1,553.9	561.0	177.0%

[1] Cash and cash equivalents are presented net of overdraft bank accounts.

Amadeus Group free cash flow amounted to -€213.5 million and -€541.9 million in the fourth quarter and the full year 2020, respectively. Excluding the €34.1 million cost savings program implementation costs paid in the year (€31.6 million in the fourth quarter), free cash flow amounted to -€181.9 million and -€507.8 million in the fourth quarter and the full year 2020, respectively.

7.1 Change in working capital

Change in working capital amounted to an outflow of €6.6 million in the fourth quarter and an inflow of €11.0 million in the full year 2020. Change in working capital, both in the fourth quarter and in the full year 2020, was positively impacted by costs related to the implementation of the cost savings program announced in the second quarter of 2020, incurred in the fourth quarter and the full year 2020, not paid yet. These unpaid costs amounted to €61.8 million and €135.0 million in the fourth quarter and the full year 2020, respectively. Excluding them, change in working capital amounted to an outflow of €68.4 million and €124.0 million in the fourth quarter and the full year 2020, respectively.

In the fourth quarter of 2020, change in working capital excluding the implementation cost effect mentioned above, deteriorated by €122.5 million vs. the same period of 2019. This deterioration was primarily caused by (i) payments amounting to c.€120 million that had been delayed from previous quarters, related to social security, payroll taxes and employee bonus, and (ii) a decrease in the net inflow resulting from higher collections and payments from previous periods vs. revenues and expenses accounted for in the fourth quarter of 2020, compared to the same period of 2019, resulting from the activity deceleration. This effect was partly offset by payments, amounting to

€34.3 million, advanced from January 2020 to December 2019, negatively impacting change in working capital in the fourth quarter of 2019.

In 2020, Change in working capital excluding the implementation cost effect deteriorated by €28.9 million vs. 2019, mainly due to a net outflow resulting from higher collections and payments from previous periods vs. revenues and expenses accounted for in 2020, compared to a net inflow in 2019, caused by the activity deceleration in 2020. This effect was partly offset by timing differences in collections and payments, including (i) payments, amounting to €34.3 million, advanced from January 2020 to December 2019, and (ii) c.€13 million social security payments delayed to 2021 and 2022.

7.2 Capital expenditure, R&D investment

Capital expenditure

The table below details the capital expenditure, both in relation to property, plant and equipment ('PP&E') and to intangible assets. Based on the nature of our investments in PP&E, the figures may show variations on a quarterly basis, depending on the timing of certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the negotiations. In turn, our capitalized R&D investment may fluctuate depending on the level of capitalization ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages of the various projects.

Capital Expenditure (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
Capital Expenditure in intangible assets	103.1	163.0	(36.7%)	458.1	642.6	(28.7%)
Capital Expenditure PP&E	12.5	29.1	(57.0%)	43.4	93.5	(53.6%)
Capital Expenditure	115.6	192.1	(39.8%)	501.5	736.1	(31.9%)

In the fourth quarter of 2020, capex declined by €76.5 million, or 39.8%, vs. the same period of 2019, driving a full year capex decrease of €234.6 million, or 31.9%.

In the year, capex in intangible assets decreased by €184.5 million, or 28.7%, as a result of:

- Lower capitalizations from software development, driven by (i) a 18.3% decline in R&D investment, resulting from the COVID-19 impact on our business, in response to which we have started prioritizing our most strategic and important projects over others and also postponing more long-term initiatives, and (ii) a lower capitalization ratio, due to project mix, including, among others, a higher weight of R&D investment devoted to airline bespoke services, which is not capitalized.
- A reduction in the amount of signing bonuses paid.

R&D investment (€millions)	Oct-Dec 2020	Oct-Dec 2019	Change	Full year 2020	Full year 2019	Change
R&D investment[1]	182.7	274.9	(33.5%)	856.2	1,047.8	(18.3%)

[1] Due to recent changes applied to our accounting systems, which allow for a better tracking of our R&D activity, from January 1, 2020, the scope of R&D investment has increased vs. previous years. The 2019 R&D investment figure has been restated for this change in scope, for comparability purposes. R&D investment reported in Q4 and the full year 2019 before restatement was €253.2 million and €965.3 million, respectively. R&D investment is reported net of Research Tax Credit (RTC).

R&D investment amounted to €856.2 million in 2020, and our main projects include, among others:

- Ongoing efforts for NDC industrialization. Investments related to the development of our platform to combine content from different sources (existing technology, NDC and content from aggregators and other sources), ensuring easy adoption in the marketplace with minimal disruption.
- Investments in digitalization and enhanced shopping, retailing and merchandizing tools.
- For the hospitality industry: continued efforts devoted to the evolution of our hospitality platform to integrate our offering, resources dedicated to the development of our modular and combined central reservation system and property management system and further enhancements to our sales and catering technology stack.
- Continued shift to cloud services and next-generation technologies, including the application of artificial intelligence and machine learning to our product portfolio.
- Efforts related to customer implementations across our businesses.

In 2020, capex in property, plant and equipment declined by €50.1 million, or 53.6%, impacted by the cash saving measures put in place in the period.

7.3 Cash taxes

In 2020, cash taxes amounted to €36.6 million, a reduction of €298.7 million vs. €335.3 million taxes paid in 2019. In the fourth quarter, cash taxes amounted to €12.1 million, a decrease of €96.9 million vs. the same period of 2019. The three-month and full year variations vs. 2019 mostly resulted from (i) a reduction in prepaid taxes on 2020 taxable income, driven by the contraction in the financial results expected for 2020 vs. 2019, and, to a lesser extent, (ii) an increase in tax reimbursements from previous years.

7.4 Interest and financial fees paid

In 2020, interest and financial fees paid amounted to €73.5 million, an increase of €38.0 million vs. 2019, driven by upfront financing fees paid in relation to the new financing and the issuance of convertible bonds, amounting to €37.3 million.

7.5 Equity investments

Equity investments amounting to €39.4 million in 2020 and €46.2 in 2019 mainly related to Optym's Sky Suite's and ICM's acquisitions, respectively, as detailed in section 3.

7.6 Non-operating items

In 2020, cash outflow from non-operating items amounted to €36.2 million, and mostly responded to (i) hedging costs and results, mainly in relation to a USD-denominated intercompany loan, linked to TravelClick's acquisition, and (ii) the adjustment of USD-denominated cash to the USD-Euro FX rate at December 31, 2020. In the fourth quarter, the cash inflow of €41.2 million posted in this caption mainly corresponds to results from FX hedges on USD-denominated cash equivalents.

(millions of euros)

7.7 Cash from/to shareholders

In 2020, cash from shareholders amounted to an inflow of €468.3 million, resulting from the proceeds from the capital increase of c.€750 million undertaken on April 3, 2020, partly offset by (i) the payment of the interim dividend of €0.56 per share (gross) on the 2019 profit, and (ii) the acquisition of treasury shares under the share repurchase programs undertaken during March and June 2020. See further details on these transactions in section 8.3.

7.8 Other financial flows

In 2020, Other financial flows amounting to €929.0 million correspond to short term investments, in aggregate amounting to USD 1,105 million. These short term investments are denominated in USD and are 100% hedged from exchange variations.

8. Investor information

8.1 Capital stock. Share ownership structure

At December 31, 2020, Amadeus' capital stock amounted to €4,504,992.05, represented by 450,499,205 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of December 31, 2020 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	449,973,829	99.88%
Treasury shares[1]	231,196	0.05%
Board members	294,180	0.07%
Total	450,499,205	100.00%

[1] Voting rights suspended for as long as the shares are held by the company. Includes treasury shares acquired to cover the exchange ratio related to the merger of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. not yet delivered.

On February 28, 2020, Amadeus announced a share repurchase program for a maximum investment of €72 million, or 900,000 shares (representing 0.21% of the share capital of the Company), to meet the obligations related to the allocation of shares to employees, Senior Management and CEO of the Amadeus Group of companies for the years 2020, 2021 and 2022. On March 23, 2020, as part of a set of measures that Amadeus announced in response to the COVID-19 pandemic, Amadeus management agreed to modify this share repurchase program, to a maximum investment of €28 million, or 350,000 shares (representing 0.081% of the share capital of the Company), to meet the obligations related to the allocation of shares to employees, Senior Management and CEO of the Amadeus Group of companies for the year 2020. The maximum investment under this program was reached on March 23, 2020.

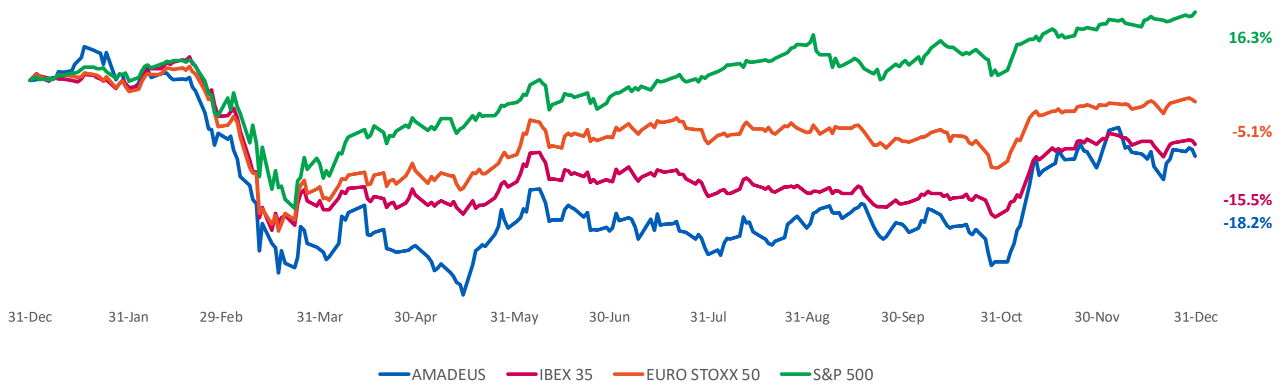
On April 3, 2020, Amadeus undertook a capital increase of c.€750 million, corresponding to 19,230,769 new shares at an issue price of €39.00 (of which €0.01 corresponds to the nominal amount and €38.99 to the issue premium).

Also, on April 3, 2020, Amadeus issued convertible bonds for a total amount of €750 million. Each bond has a nominal amount of €100,000, carries a coupon of 1.5% per annum and matures, at par, on April 9, 2025 (unless previously converted, redeemed or purchased and cancelled). The bonds will be convertible into shares with an initial conversion price of €54.60.

On June 18, 2020, Amadeus announced a share repurchase program for a maximum investment of €10 million, or 130,000 shares (representing 0.029% of the share capital of the Company), to meet the obligations related to the allocation of shares to employees and Senior Management of Amadeus SAS (and its wholly owned subsidiary Amadeus Labs) for the year 2020. The maximum investment under this program was reached on June 26, 2020.

For further details on these transactions, see communications filed by Amadeus with the CNMV.

8.2 Share price performance in 2020



Key trading data (as of December 31, 2020)

Number of publicly traded shares (# shares)	450,499,205
Share price at December 31, 2020 (in €)	59.56
Maximum share price in 2020 (in €) (January 17, 2020)	78.60
Minimum share price in 2020 (in €) (May 15, 2020)	35.22
Market capitalization at December 31, 2020 (in € million)	26,831.7
Weighted average share price in 2020 (in €)[1]	52.81
Average daily volume in 2020 (# shares)	1,822,987.7

[1] Excluding cross trade

8.3 Shareholder remuneration

On December 12, 2019 the Board of Directors of Amadeus proposed a 50% pay-out ratio for the 2019 dividend. The Board of Directors of Amadeus also agreed to distribute an interim dividend of €0.56 per share (gross), corresponding to the 2019 profit, which was paid in full on January 17, 2020.

On February 27, 2020 the Board of Directors of Amadeus agreed to submit a final gross dividend of €1.30 per share corresponding to the 2019 profit to the General Shareholders' Meeting approval.

On March 23, 2020, as part of a set of measures that Amadeus announced in response to the COVID-19 pandemic, the Board of Directors of Amadeus approved the cancellation of the complementary dividend of €0.74 per share. The cancellation of the complementary dividend was ratified at our General Shareholders' Meeting in June 2020.

Considering the financial results due to the COVID-19 pandemic, the Board of Directors of Amadeus has agreed to not distribute a dividend pertaining to the 2020 exercise.

9. Other additional information

9.1 Expected Business Evolution

9.1.1 Macroeconomic environment

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the evolution of the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

In 2021, the COVID-19 pandemic will continue to have a negative impact on the economy and the travel industry, and it is difficult to predict how travel volumes will evolve during the year. An improvement on 2020 is expected, thanks to more established testing protocols and the launch of vaccination programs. However, in December 2020, the International Air Transport Association (IATA) forecasts that air traffic in 2021 will be 50%[23] below 2019 levels (vs. -66% in 2020 over 2019). By region, with respect to 2019, IATA estimates: Africa (-62%), Asia-Pacific (-43%), Middle East (-61%), Latin America (-50%), North America (-45%) and Europe (-56%). More recently, in February 2021, IATA published a downside risk to their forecast, indicating that 2021 air traffic could be limited to -62%[24] vs. 2019 levels, if more severe travel restrictions in response to new variants persist.

9.1.2 Amadeus strategic priorities and expected business evolution in 2021

Amadeus is a leading technology provider for the travel industry. Amadeus has built commercial relationships with players across the industry, including airlines, travel agencies, hotels and airports, among others, and across the globe (with presence in more than 190 countries). Amadeus has invested consistently over the years to have a unique technology offering. Having market leading technology allows us to serve our customers better, to customize more efficiently and to continue innovating.

In 2021, the performance in all our business units will depend on the evolution of the COVID -19 pandemic and the recovery of the travel industry. We expect to maintain our leadership positions in both Distribution and Airline IT, supported by our focus on R&D, local market understanding and travel industry expertise.

In Distribution, the Amadeus Travel Platform continues to bring together travel content from different sources, including NDC content, as evidenced by our recent agreement with Air France KLM. In Airline IT, we will continue to enhance and expand our solutions portfolio, in areas such as NDC, revenue optimization, network planning and data analytics. In Hospitality we are further advancing with the integration of our portfolio to create a hospitality leader that offers a broad range of innovative solutions to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2021, while investment will be prioritized and closely managed, Amadeus will maintain investment in R&D to support long term growth, such as new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which consists of an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

[23] IATA Airline Industry Economic Performance - November 2020

[24] IATA – COVID19 Weak year-end for air travel and outlook is deteriorating- February 2021

9.2 Research and Development Activities

Research and development (R&D) is core to the company's strategy and key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Group is continuously investing in its systems, including the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The group has 16 development centers, including 3 regional centers and the central development sites in Nice and Bangalore.

During the year ended December 31, 2020, Amadeus expensed €408.3 million for R&D activities and capitalized €467.3 million (before deducting any incentives), which compares to €479.3 million and €591.5 million, respectively, in 2019.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

9.3 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2020 and 2019, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount as of December 31, 2018	8,214,289	511.3
Acquisitions	144,582	10.1
Retirements	(560,093)	(16.0)
Share capital reduction	(7,554,070)	(500.0)
Carrying amount as of December 31, 2019	244,708.0	5.4
Acquisitions	481,131	23.1
Retirements	(494,643)	(19.0)
Carrying amount as of December 31, 2020	231,196	9.5

9.4 Other financial risks

9.4.1 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Group by failing to discharge an obligation.

The Group cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

In 2020 the Group has made some short-term financial investments, in order to invest part of the liquidity raised through the several financings undertaken during the year. These short-term investments are denominated in USD and are fully hedged from foreign exchange variations. These investments consist of a tri-party repo amounting to USD 755.0 million and a Trade Finance Fund amounting to USD 350.0 million. We consider that these investments have a low credit risk since:

_ the tri-party repo could be liquidated at the end of March 2021 and it has the double guarantee of a diversified portfolio of financial instruments acting as underlying and the bank acting as the counterparty of the transaction. The counterparty bank is a prime investment grade global bank. The portfolio of assets underlying is valued by a third party (Euroclear) and matched on daily basis in order to reach at least 75% of the value of the investment.

_ in the case of the Trade Finance Fund, this fund is invested in a diversified portfolio of receivables shorter than 3 months being the obligors US investment grade companies.

The credit risk of the Group's customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ('IATA') and Airlines Clearing House, Inc. ('ACH'). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and partially mitigate the credit risk by the fact that the members of the clearing house are required to make deposits that would be used in the event of default. Moreover, our customer base is large and unrelated which results in a low concentration of the credit risk.

9.4.2 Liquidity risk

The Corporate Treasury is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently, the Company concentrates the excess liquidity of the subsidiaries and channel it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through:

_ Three different cash pooling agreements. One with most of the subsidiaries located in the euro area; another one in US Dollars for the US subsidiaries and another one in British Pounds for the UK subsidiaries.

_ Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by the subsidiaries of the Group and later on consolidated in order to examine both the liquidity situation and the prospects of the Group and its subsidiaries.

9.5 Subsequent events

On February 2, 2021, the Company has issued a bond for a nominal amount of €500.0 million. The bond has a maturity of 2 years, although the Company has the option of total early redemption within 374 days from the closing date since the issuance. It has a quarterly payable coupon with a variable interest rate of three-month Euribor plus 65 basis points. The amount issued will be used for general corporate financing needs. This new financing instrument will gradually replace our Commercial Paper maturities.

10. Non-financial information statement

See Annex 2

11. Corporate Governance Information

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website www.cnmv.es.

Annex 1: Key terms

Key terms

- Cancellation provision: as a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of variable consideration from travel agency air bookings which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail in section 3.
- 'CNMV': refers to Comisión Nacional del Mercado de Valores (the Spanish stock regulator)
- 'D&A': refers to 'depreciation and amortization'
- 'ECP': refers to 'European Commercial Paper'
- 'EIB': refers to 'European Investment Bank'
- 'EPS': refers to 'Earnings Per Share'
- 'GDS': refers to 'Global Distribution System'
- 'IFRS': refers to 'International Financial Reporting Standards'
- 'JV': refers to 'Joint Venture'
- 'KPI': refers to 'Key Performance Indicators'
- 'NDC': refers to 'New Distribution Capability'. NDC is a travel industry-supported program launched by IATA for the development and market adoption of a new, XML-based data transmission standard
- 'n.m.': refers to 'not meaningful'
- 'PB': refers to 'passengers boarded', i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- 'p.p.': refers to 'percentage point'
- 'PPA': refers to 'Purchase Price Allocation'
- 'PP&E': refers to 'Property, Plant and Equipment'
- 'PSS': refers to 'Passenger Service System'
- 'R&D': refers to 'Research and Development'
- 'TA': refers to 'travel agencies'
- 'TA air bookings': air bookings processed by travel agencies using our distribution platform

Annex 2: 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 OF THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

To the Shareholders of AMADEUS IT GROUP, 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 Non-Financial Information Statement (hereinafter, NFS) for the year ended December 31, 2020, of AMADEUS IT GROUP, S.A. and Subsidiaries (hereinafter, the Group), which is part of the Consolidated Directors' Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information statement that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the Annex A "Table of contents as required by Law 11/2018" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Directors' Report and its content is the responsibility of the Board of Directors of AMADEUS IT GROUP, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in the Annex A "Table of contents as required by Law 11/2018" of the NFS.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information Statement and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review 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 the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller 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 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.

- Analyzing the scope, relevance and integrity of the content included in the NFS based on the materiality analysis made by the Group and described in chapter 1 "Introduction", considering the content required by prevailing mercantile regulations.

- Analyzing the processes for gathering and validating the data included in the 2020 NFS.

- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.

- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFS and its correct compilation from the data provided.

- Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the Annex A "Table of contents as required by Law 11/2018" of the NFS.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

____
Alberto Castilla Vida

February 25, 2021

amadeus

Non-financial information 2020

(This statement of non-financial information is part of the consolidated Directors' report approved by the Board of Directors at the meeting held on February 25, 2021)

Non-financial information 2020

(This statement of non-financial information is part of the consolidated Directors' report approved by the Board of Directors at the meeting held on February 25, 2021)

1 Introduction

1.1 Scope and limitations of the non-financial information statement

This document includes the information required by the Non-Financial Reporting and Diversity Law (11/2018), of 28 December 2018, and details the main aspects of Amadeus Group business model and corporate risk management, as well as its sustainability plans, environmental matters, social issues and subjects related to workforce, human rights, prevention of corruption and bribery and societal information.

The document provides a summary of Amadeus business model, a description of the policies in relation to these matters and the measures adopted, the results of these policies, the related risks identified, the management of these risks and the indicators of its non-financial results.

The reporting scope for each material aspect includes the entire Amadeus Group unless otherwise is indicated. In terms of the data-gathering process and scope of this document, we have considered the materiality of the information on one hand and the effort of collecting the data on the other to provide a sensible balance between these two elements.

This document includes certain information that is also provided in other documents, such as the annual Amadeus Global Report.

The principal objective of the Amadeus Global Report is to provide a comprehensive and transparent view of Amadeus' activities, operations and performance from a commercial, financial and sustainability perspective. As a communication tool, the Report contains a basic explanation of our business lines for any internal or external audience, as well as a summary of our financial results and management review of the year. A significant portion of the report is dedicated to environmental, social and governance matters (ESG), in addition to a description of our activities in the areas of industry relations and corporate risk management.

The Amadeus Global Report is verified by an external firm, and it follows the Global Reporting Initiative (GRI) in accordance with the GRI Standards (core option) for the reporting of non-financial information.

1.2 Methodology

1.2.1 Reporting principles

Based on our materiality analysis, this non-financial information report has been produced following the requirements of the Spanish Law 11/2018 on non-financial information reporting, as well as the Global Reporting Initiative (GRI) standards. Annex A of this report includes a table of content in which all the information items required by the Law are listed, with a reference to the page(s) where the information is included and the corresponding, if any, GRI indicator.

According to the Spanish Law 11/2018 requirements, this non-financial report has been externally reviewed by EY. The external assurance of this document by an independent organization (EY) ensures that the quantitative and qualitative material issues are reported accurately. The corresponding Limited Assurance Report is attached to this report.

1.2.2 Materiality analysis

A principal driver for the selection of the specific non-financial indicators chosen is the materiality analysis carried out by Amadeus. Materiality helps us understand our impacts and our stakeholders' concerns and it helps us to meet their expectations.

In 2020 travel industry has been severely impacted by the COVID-19 outbreak. The number of travelers plummeted as global travel restrictions were implemented to contain the spread of the virus.

Amadeus' business has also adapted to this unprecedented emergency in an extremely complex environment. As all players have been impacted by the pandemic, we have conducted a review of our 2019 materiality analysis, in order to reflect COVID-19 impacts on our business and on the travel industry.

As in 2019 materiality analysis, this review has been led by external consultants (Mazars). Based on the ESG issues identified in our previous materiality analysis, the 2020 update consisted of the following phases:

1. Update of external assessment

The aim of this phase was to identify key changes in our stakeholders' concerns to every issue, including peers, industry opinion makers, industry associations, society, mass media, employees, main reporting standards (GRI, Sustainability Accounting Standards Board, the United Nations Sustainable Development Goals), ESG investors and ratings (Dow Jones Sustainability Indices, FTSE4Good, Ecovadis or BlackRock).

2. Update of internal assessment

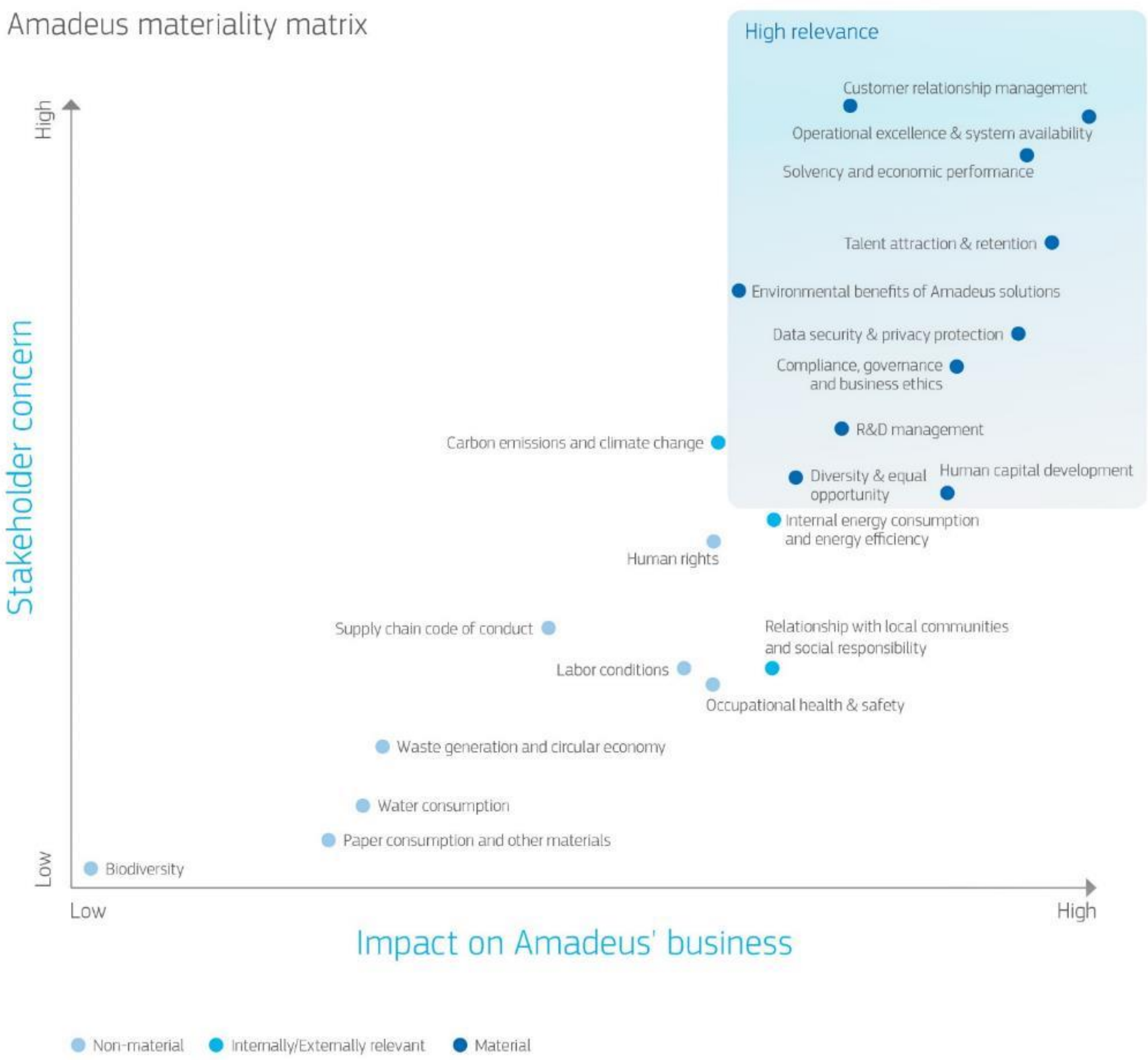
The consultants have interviewed our top management to identify how the significance of each ESG issue has changed in 2020 due to the impact of the pandemic.

3. Prioritization and materiality matrix generation

The results of the previous phases above were aggregated in order to create the materiality matrix. This matrix has two axes representing two dimensions of ESG issues: their relevance to the company and their influence on our stakeholders' assessments and decisions. Material issues are those that exceed the average scoring on both axes, while issues exceeding average scores on only one of them are considered externally or internally relevant (see graph below).[1]

It is important to note that the materiality matrix is not meant to be a precise representation, but rather an indication of principal factors. This matrix is reviewed on a yearly basis.

[1] External prioritization averages 50.1 points while internal prioritization averages 65.0 out of 100.



According to the 2020 ESG materiality analysis review, industry associations are increasingly concerned about how Amadeus can provide technology to deliver more sustainable travel solutions and society is obviously more concerned about the economic impacts of the COVID-19 pandemic. Employees show increasing interest in talent attraction & retention, while customers highlight aspects like customer relationship management, operational excellence & system availability. Additionally, the most important ESG issue for our shareholders is Compliance, Governance & Business Ethics and regulators are concerned about diversity, data security and privacy protection.

The materiality analysis has helped to define what must be reported in more detail. From that starting point, we report not only on our material issues but also on the main topics identified as either externally or internally relevant: carbon emissions, energy consumption and social responsibility.

Additionally, current regulation and key sustainability ratings require that we report specific non-material issues. Therefore, for the purpose of improving overall transparency and stakeholder engagement, we have included indicators on materials (paper consumption), water usage, effluents and waste generation, social and environmental assessments of supplier, human rights and occupational health and safety.

1.2.3 Amadeus' contribution to the Sustainable Development Goals

Based on the results of the materiality analysis, external experts have assessed our impact in relation to UN Sustainable Development Goals (SDGs). This assessment has had the vision of Amadeus' top management regarding our contribution to each SDG. This exercise has served to identify those areas with the highest potential action by Amadeus. Thus, the relationship between our material issues and the SDGs' targets, quantified according to the level of our contribution, has led us to prioritize the SDGs 5, 7, 8, 9, 10, 13, 16 and 17.

The table below summarizes our main contributions to the goals per material issue.

1.3 COVID-19. Impact and measures adopted

The COVID-19 pandemic is having an unprecedented and damaging impact on the travel industry as countries worldwide impose lockdowns and travel restrictions to control the spread of the virus. The uncertainty about the evolution of the pandemic and related travel restrictions is also affecting negatively travel industry planning and operational efficiency.

Year 2020 started with a moderate growth in travel, then, as COVID-19 spread, activity plummeted to minimums in March and April. Following the initial slight signs of activity in May and June, over the summer period global travel improved slowly across regions on the back of travel restrictions being lifted in parts of the world, slowing again with the return of governmental restrictions in response to new COVID-19 outbreaks impacting the tail of the summer season. Since then and until the end of the year travel remained with low levels of activity.

While the pandemic affected significantly all industry stakeholders and geographies, some sectors like airlines were more severely impacted than others like hospitality. In terms of destinations, markets with lower numbers of domestic travelers were more negatively affected by the pandemic than large tourism markets like the US or China.

We continue to track how the industry and our customers are evolving so that we can react quickly to the changes and help guide the best way forward. In these unprecedented and turbulent times, Amadeus has focused on ensuring our financial stability, protecting our employees and helping our customers.

1.3.1 Improving company's liquidity

The Group has adopted a set of measures to protect its liquidity, to enhance its financial flexibility and to support its operations even in a scenario where the current tough market conditions persist over a long period of time.

To face the reduction of revenues and secure liquidity, besides the €1,000.0 million Revolving Credit Facility, already available in 2019, which is neither disposed of as at December 31, 2020, nor was as at December 31, 2019, the Group has engaged into the following operations during year 2020:

- A €1,000.0 million bridge to bond credit facility was contracted in March 2020.
- A share capital increase by an amount of €750.0 million.
- An issuance of convertible bonds for a total value of €750.0 million maturing in 2025.
- An issuance of two Eurobonds for a total value of €1,000.0 million in May 2020. These bonds mature respectively in 2024 and 2027. After the issuance of these bonds, €500.0 million of the undrawn bridge to bond credit facility was cancelled.
- An additional €750.0 million through an 8-year Eurobond was issued in September 2020. After this bond was issued the remaining €500.0 million of its undrawn bridge to bond loan was cancelled.
- A new European Investment Bank (EIB) Senior Loan by an amount of €200.0 million which was drawn in December 2020. This new loan is not subject to financial covenants, whereas the financial covenant of the previously contracted EIB loans were waived until September 2021.

In order to preserve the cash of the Group and strengthen its liquidity position; the 2019 complementary dividend, which is generally distributed in July, was cancelled.

1.3.2 Protecting our employees

Given the nature of our business and global reach, Amadeus is fully committed to and recognizes the benefit of having a global Business Resilience Management approach. This consists of providing the organization with the mechanisms and tools to anticipate, prepare for, respond and adapt to events that could adversely impact our people, systems and infrastructure, and manage disruption to minimize the potential impact.

When it comes to disruptive events, our priority is always to ensure the well-being of our employees and as such, we have mechanisms in place to ensure we can manage and respond to events that can impact our workforce. We constantly monitor events that may have the potential to affect our people's health and safety and their ability to work.

More precisely, as well as Global Crisis Management Teams, we also have Local Crisis Management Teams that manage these types of events locally through:

- Established Business Continuity Plans at both site and departmental level
- Mass notification tools and processes to use during emergencies and/or to provide updates to employees during disruptive events. This enables immediate messaging and management of disruptive events.

These tools have been tested and are now being executed. Our teams are working normally so we are confident that our preparation for crisis events has worked and that we will be able to continue servicing our customers without disruption in the coming weeks.

Some of the measures taken, both at local and global level, are:

- Emergency response plans
- Alternative means of working to ensure continuity of operations. Examples are work-from-home arrangements, follow-the-sun mechanisms and teams or secondary facilities
- Criteria and thresholds to determine when alternative means of working should be in place
- Internal communications and notifications
- Health and safety preventive and reactive measures

Our approach to coronavirus

Starting on January 30 2020, when the World Health Organization declared the Novel Coronavirus outbreak (since renamed covid-2019) a Public Health Emergency of International Concern, we closely monitored the situation in close contact with trusted sources of information such as International SOS and the World Health Organization itself, both at group and local level. We are also followed local authority guidance on any change, locally or globally, that could affect our employees.

We supported Amadeus sites in and near affected countries to ensure we took necessary precautionary measures and addressed employee concerns. We actioned our business continuity plans, both at local and group level, and were able to work normally, regardless of whether sites are open or working remotely.

Specific measures included:

- Recognition of the World Health Organization and International SOS as our source of information for monitoring and planning
- In-country local team responses to, and working with, local authorities to requirements unique by site or country
- Global communications management with messages applying to all employees, as well as specific messaging for employees at local sites where relevant
- Request to all our employees travelling to consult the International SOS travel advisory and watch out for alerts from International SOS regarding their specific destination as there may be travel delays or disruptions.
- Increase in sanitation services and hygiene standards in high risk sites

Our main priority is to ensure our employees well-being and also to continue servicing and assisting our customers with as little disruption as possible.

1.3.3 Helping our customers

We worked closely with our customers across all areas of the travel industry in order to help them navigate the COVID situation as best as possible. As every customer situation is unique, we spoke with them individually to see how we could best support them and their business during this difficult time. We accelerated the delivery of products and services, we worked with many of our customers to use Amadeus' advertising space, we maintained constant technical support through our online customer portals, or we replaced face-to-face trainings with virtual classrooms.

1.3.4 Rethinking Travel

During 2020, Amadeus collaborated with our customers, partners and the travel industry's movers and shakers to rethink the future of travel.

New products and packages may need to be developed to offer travelers greater choice, flexibility and stress-free customer service. For example, we expect increasing low-touch experiences both at airports and hotels, by enabling travelers to handle airport processes remotely using their mobile phones.

By working together in travel as a global community, we can create a more sustainable sector, one that supports local communities and small businesses, avoids over-tourism, and takes care of our planet.

We are committed to supporting our customers to reconnect with travelers, to bring back the joy of travel and to ensure that it continues to be a major driver of global progress and prosperity.

2 Amadeus' business model

Amadeus is a technology company dedicated to the world's travel industry. We provide solutions and services for the travel industry: airlines, airports, ground handlers, car rental agencies, corporations, cruise and ferry operators, hotels and event venues, insurance providers, travel sellers, tourism boards, travelers themselves and more. Amadeus facilitates complex transactions between travel providers and travel sellers and provides mission critical IT solutions for travel providers. Amadeus operates in more than 190 countries. Amadeus workforce exceeds 16,500 people.

Amadeus was founded in 1987 to develop a standard system for connecting airlines with travel agencies. The company created the world's leading Global Distribution System[2], offering unmatched search, pricing, booking, ticketing, and servicing capabilities.

In the year 2000, Amadeus pioneered the development of a revolutionary reservation technology that provided airlines and travel agencies with a shared view of travelers and allowed for truly seamless reservation servicing across direct and indirect channels to create a state-of-the-art airline Passenger Service System[3]. Building on this success, Amadeus has continued to expand our IT portfolio to include a variety of other applications.

At the beginning of 2016 Amadeus acquired the US-based company Navitaire, allowing us to broaden the scope of our services, particularly for low-cost carriers. We accelerated our move into the hotel IT sector with the acquisition of Newmarket in 2014. The latest acquisition of TravelClick in 2018, the largest in Amadeus history, confirms our strong commitment to the hospitality industry, broadening our product portfolio, know-how and global presence.

Amadeus has also expanded its portfolio to merchandising, revenue management, travel intelligence and travel expense management, harnessing the potential of cloud computing, mobile applications and big data for our customers. In fact, investment in research and development has been integral to Amadeus growth.

Over the years Amadeus has built a global commercial and operational network that has become one of the key components of our value proposition. The corporate headquarters are in Madrid, Spain. The main research and product development site is located in Nice, France, while the core components of Amadeus operations are run from the site in Germany.

Amadeus is a publicly listed company and part of the Spanish IBEX 35, as well as stock indices worldwide like the EURO STOXX 50. Amadeus has more than 99.8% of its equity in free float[4] as at December 31, 2020.

Amadeus invested 875.6 million EUR in R&D in 2020. Amadeus is constantly exploring new business models that will drive our own and our customers' growth, experimenting with technologies that will make travel more rewarding and sustainable. Amadeus continues to recruit the best people in the industry – a workforce that is multi-cultural, multi-generational and multi-skilled. Amadeus investment in innovation is a strategic priority. As the travel ecosystem expands, Amadeus also continues to broaden its focus, collaborating with industry partners, investing in acquisitions and new ventures and nurturing start-ups to ensure the most comprehensive travel offer.

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[2] A Global Distribution System (GDS) is a computer network containing travel-related information such as schedules, availability, fares and related services, which also enables automated travel-related transactions between travel providers and travel sellers. GDSs offer travel-related content to a broad range of agents worldwide, making global reach an important element of their value proposition.

[3] Passenger Service System (PSS), a series of mission-critical systems used by airlines. The PSS usually comprises a Reservation System, an Inventory System and a Departure Control System.

[4] This figure includes significant direct and indirect shareholders reported to the CNMV as of December 31, 2020.

Since 2018 Amadeus has been a member of the United Nations Global Compact, underlining our full and unwavering commitment to its principles on human rights, labor, the environment and anti-corruption.

2.1 Amadeus business lines

Amadeus operates several complementary business lines with significant commercial and technological synergies. Through them, we offer cutting-edge technology solutions that help key players of all types in the travel industry succeed.

Amadeus at the heart of travel

2.1.1 Distribution

Amadeus' Distribution business is two-sided. On one side we have travel providers: airlines, hospitality providers, car rental operators, railways, cruise lines, etc. And on the other we have travel channels: travel sellers such as online travel companies, retail travel agencies, business travel agencies, consolidators and tour operators, or buyers like corporations. Through the Distribution business area, Amadeus acts as a global network providing comprehensive real-time search, pricing, booking, ticketing and other processing solutions to our travel providers and travel agency customers.

Amadeus offers a full range of commercial services and complementary technologies that:

- Connect sellers, buyers and partners across the global travel industry and beyond
- Create opportunities to increase revenue by maximizing existing and new sales channels
- Provide economies of scale and unparalleled efficiency in delivering high-yield travel reservations

2.1.2 IT solutions

Through the IT Solutions business area, Amadeus offers travel providers an extensive portfolio of technology solutions which facilitate mission-critical business processes, such as reservations, ticketing, inventory management and departure control.

Airline IT

Amadeus helps airlines – whether they're full-service, hybrid, or low-cost – deliver on their business objectives. Amadeus solutions help airlines become more profitable, operate more efficiently, and provide differentiated experiences for their travelers. Amadeus supports airlines so they can provide travelers with a consistent, personalized customer experience throughout every stage of the journey. Amadeus offers airlines integrated Passenger Service System (PSS), standalone software, analytics and consulting solutions that:

- Grow revenues by helping travel business reach more potential customers more profitably through direct sales and merchandising.
- Optimize costs by streamlining marketing, sales and business operations.
- Increase customer loyalty with better brand differentiation and data-driven personalization.

Hospitality

Amadeus is focused on helping its hospitality customers in three key ways:

- Understanding their guests and market
- Enhancing guest experience
- Driving loyalty and increasing profitability

Other areas of diversification

Amadeus provides technology at all stages of the traveler journey, and we have the capability to serve almost every player in the travel industry. This puts us in a unique position to diversify and grow our business in new markets.

Complementing the offer in the travel industry, Amadeus diversified its business, providing technology solutions to other key sectors in the industry. This includes airports and ground transportation, as well as transversal operational areas relevant to all travel industry players, such as payments systems and travel advertising.

In addition to our business lines, Amadeus' technical teams drive product innovation with R&D initiatives. They also provide customer support to ensure data security and system stability. Finally, Amadeus' corporate units help implement and evolve implement Amadeus' corporate strategy.

2.2 Amadeus strategic priorities and expected business evolution

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the evolution of the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends. Consequently, our operating results have been severely negatively impacted by the travel restrictions imposed to fight against the COVID-19 pandemic. After an extremely disruptive 2020, Amadeus is focusing on facilitating the return to travel and in our priorities as a business.

Amadeus positioning is centered around three key priorities.

1) Strengthening our existing businesses, both our core Distribution and Airline IT businesses, as well as scaling up new areas of diversification like Payments, Corporations or Hospitality. Continuous support for our customers in the

current turbulent times will continue to be a key for future opportunities and development for our customers, for Amadeus and for the travel industry broadly. Accordingly, we will continue to accelerate in areas which can drive growth, such as digitalization, cloud and open platforms.

2) Building strong industry connections and partnerships. The travel industry today is shifting, creating new expectations and demanding new skills. Alone, we cannot expect to fulfill all our customers' requirements. We are currently working on setting up a partnership for cloud services. As we continue to 'rethink travel', we need to expand this approach to other parts of our business, opening up to new possibilities.

3) Enhancing our contribution to a better travel experience. Enabling personalized services, easy transactions and seamless connections is a strategic differentiator for our customers today. And we need to lead the way in powering these solutions, investigating new business models, growing our artificial intelligence abilities and expanding further into data, biometrics and touchless technology. We also want to keep looking at diversifying into more travel-related areas, particularly within adjacent domains.

Key to exploring these new opportunities is our ability to adapt quickly, deliver efficiently and continue embedding agile ways of working. In this respect, we have made significant progress with SAFe methodology. Our goal is to accelerate this until we reach true end-to-end agility, across the business. Importantly as well is to continue to develop our business in a sustainable manner and continuing and enhancing our collaboration with industry stakeholders for a more sustainable travel industry.

2.3 Trends with a potential to impact travel volumes

The impact of the COVID crisis on travel and tourism has been unprecedented in modern times and has caused an existential threat to many players in the industry. As such, the estimated contribution from travel and tourism to the world economy declined by 39% from 2019 to 2020.[5,6]

Aviation has been even more affected, and the industry has been facing the worst crisis since the beginning of the Jet Age. Many players have gone out of business, while others have survived only due to government bailouts. This is reflected in the decline in air travel between 2019 and 2020 of 66%. [7]

In regard to projections of future air traffic, the pandemic means that there is more near-term uncertainty than at any other moment in aviation history, including after the 9/11 terror attacks in 2001. Hospitality is following a similar trend with some regional exceptions. Further quarantine requirements and the emergence of new virus strains are leading to harsh forecasts for the months ahead (-80% traffic for Q1 2021), at least until we see widespread vaccination. At the time of this report going to print, experts don't expect travel to return to 2019 levels before 2024.

However, our industry has recovered from downturns every time throughout its history, and in the long term, air traffic is now expected to maintain an annual growth of 4.0%.[8]

Travel volumes can be affected, among others, by health crises, geopolitical events, economic growth levels, capacity constraints and sustainability issues.

[5] Source: World Travel & Tourism Council (June 2020). Travel & Tourism Recovery Scenarios 2020 & Economic Impact from COVID-19.

[6] Global baseline scenario.

[7] Source: https://www.iata.org/en/pressroom/pr/2020-09-29-02/.

[8] Source: http://www.boeing.com/commercial/market/commercial-market-outlook/#/long-term.

2.3.1 Health crises

Until now, the recent health crises that the world has encountered like SARS, MERS and Ebola have affected just countries or regions and with a smaller and in most cases shorter impact on travel.[9] COVID-19 is of a completely different order of magnitude, both impacting the whole world and having a much stronger impact on travel, and future outbreaks of COVID-19 or other pandemics will have a significant impact on travel volumes.

Restoring traveler's confidence is now the priority for the industry and for governments. This requires coordinated efforts to implement practical changes in established procedures following the recommendations of public health authorities, to ensure passengers' health. Beyond the evolution of the pandemic, operational measures, the availability of a vaccine or medication, and the profile of the economic recovery, the international coordination of travel-related measures is essential to restoring traveler confidence.

Governments, trade industry associations, travel players and IT companies have launched a wide range of initiatives to address the impact of COVID-19 on travel demand – such as 'travel bubble'; 'contactless' solutions for use at check-in, for example; rapid testing; health pass solutions; or insurance against COVID-19 related events. However, these initiatives are still fragmented, and an increased degree of coordination is required.

With the use of rapid COVID-19 test and related protocols, the industry is pushing for safe alternatives to blanket quarantines imposed unilaterally by governments. The industry is also promoting the use of updated, easily available and standardized information on national restrictions and conditions for travel in order to facilitate decisions about travelling, improve the consumer journey experience and help companies servicing the trips.

We believe that these initiatives will also mature beyond COVID-19, with technology companies like Amadeus playing an important role in this evolution, preparing the industry to better deal with future health crises.

2.3.2 Geopolitics

Geopolitical and security events in certain parts of the world are affecting travel significantly.

Political tensions and an increased level of protectionism are affecting travel negatively. Indeed, in 2018 the International Air Transport Association (IATA) projected significant differences in the growth of air travel over the next 20 years under a base case scenario ('Constant Policy': 3.5% growth p.a.) and two extreme scenarios ('Reverse Globalization': 2.4% p.a.; 'Maximum Liberalization': 5.5% p.a.).[10] These different scenarios translate into a projected number of passengers by 2037 that can differ by almost a factor of two between the best- and worst-case scenarios.

At the same time, threats of terrorism are leading to restrictions on travel, increased security and border control, and an increased administrative burden on the traveler. This, coupled with a reduced appetite for travel, can have a dampening effect on demand. But experience has shown that security issues tend to only affect specific countries or regions and are generally short-lived. In addition, Amadeus' broad geographical reach helps to limit the impact of such issues on our business. Technology has provided solutions for security issues in the past, and this is likely to continue, presenting further opportunities for large travel IT providers with the required scale and reach such as Amadeus.

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[9] Source: https://wttc.org/Initiatives/Crisis-Preparedness-Management-Recovery/moduleId/1154/itemId/41/controller/DownloadRequest/action/QuickDownload.

[10] https://www.iata.org/pressroom/speeches/Pages/2018-10-24-01.aspx.

2.3.3 Economic growth

Economic growth levels have a significant impact on travel industry growth. For example, the 20-year median growth rate of air passengers in terms of passenger kilometers flown is just above 2 times that of the global GDP,[11] although this multiplier varies substantially over time and from one region to another. To in the long term, future economic recessions or upturns will have a strong impact on travel volumes.

However in the short to mid-term, as the COVID-19 pandemic has had an unbalanced economic impact on countries and citizens, and as the ascent out of the crisis is likely to be uneven,[12] the relationship between GDP growth and travel industry growth may be different from what has been observed historically.

2.3.4 Capacity constraints

Growth in travel is leading to strains on travel infrastructure, and in particular on airports. In 2019, 204 airports were designated Level 3 slot-coordinated facilities, meaning that they did not have the runway, ramp or gate capacity to handle all of the flights that carriers would like to operate.[13] At the time, it was also expected that there could be another 100 slot-constrained airports declared in the next 10 years because airport infrastructure development wasn't keeping up with traffic growth.[14]

While the COVID-19 pandemic has reduced passenger numbers massively, with the recovery in travel, capacity constraint issues might be exacerbated by the need for airports to safeguard passengers and comply with new national and global health standards, which in turn increases the chance of crowded terminals, queues and bottlenecks.

Social distancing measures alone will slash airport capacity, and airports already congested before the COVID-19 crisis can expect to reach their maximum saturation capacity at just 60–75% of their peak 2019 traffic.[15]

As technology can facilitate more efficient use of these scarce resources, the industry will need to invest in IT systems. For example, where traditional check-in sees passengers directed to the check-in hall, where they interact with agents or kiosks to obtain a boarding pass or drop off their luggage, with technology from companies like Amadeus, airports can position fixed or portable check-in and bag drop stations at multiple locations inside or outside the terminal, minimizing congestion at the terminal.

2.3.5 Sustainability

The travel and tourism industry faces issues such as overcrowded destinations, income inequalities and human-induced climate variability. The climate issue in particular has received much more attention over recent years. In 2019 air traffic accounted for 2% of all human-induced carbon dioxide emissions, [16] and social movements like 'flight-shaming' have attracted unprecedented attention. The industry therefore needs to respond with facts and action. We expect a more specific and stricter legal framework to emerge on these and other issues, which could have a negative impact on travel.

In regard to aviation, however, the industry is determined to grow sustainably, committing to cutting net emissions to half the 2005 levels by 2050. [17] As such, many airlines have taken an active role in addressing this issue. For

[11] Source: https://www.iata.org/en/iata-repository/publications/economic-reports/air-travel-gdp-multiplier-falls-sharply-back-to-its-20-year-median/.
[12]Source: https://blogs.imf.org/2020/10/13/a-long-uneven-and-uncertain-ascent/#:~:text=We%20are%20upgrading%20our%20forecast,to%205%20percent%20in%202021.
[13] Source: https://blog.aci.aero/the-majority-of-passengers-this-summer-will-travel-through-airports-with-capacity-constraints-the-importance-of-a-robust-slot-allocation-process/.
[14] Source: https://www.airlineratings.com/news/iata-capacity-crunch-hit-another-100-airports/.
[15] Source: https://www.internationalairportreview.com/news/127043/study-impact-covid-19-measures-airport-performance/.
[16] Source: https://www.atag.org/facts-figures.html.
[17] Source: https://www.iata.org/en/programs/environment/climate-change/.

(millions of euros)

example, back in 2019 EasyJet announced that it will offset the emissions of all of its flights,[18] and more recently JetBlue announced that it had gone carbon neutral on all domestic flights.[19] Also, the Oneworld alliance member airlines have committed to net zero carbon emissions by 2050, via various initiatives such as efficiency measures; investments in sustainable aviation fuels and more fuel-efficient aircraft; reduction of waste and single-use plastics; and carbon offsets, among other measures.[20]

In the journey toward the industry becoming more sustainable, technology from IT companies such as Amadeus can contribute to the more efficient use of infrastructure and energy.

2.4 Headcount information

Amadeus total workforce as of 31 December 2020 was 16,531 FTEs (Full-Time Equivalent). In terms of Amadeus headcount, the total was 16,550 people. This figure is the one reflected on section six, Amadeus workforce, as reporting is based on Amadeus employees (excluding external manpower).

For environmental reporting, given the fact that resources consumption take place across the year, we use average FTEs in the year (17,593).

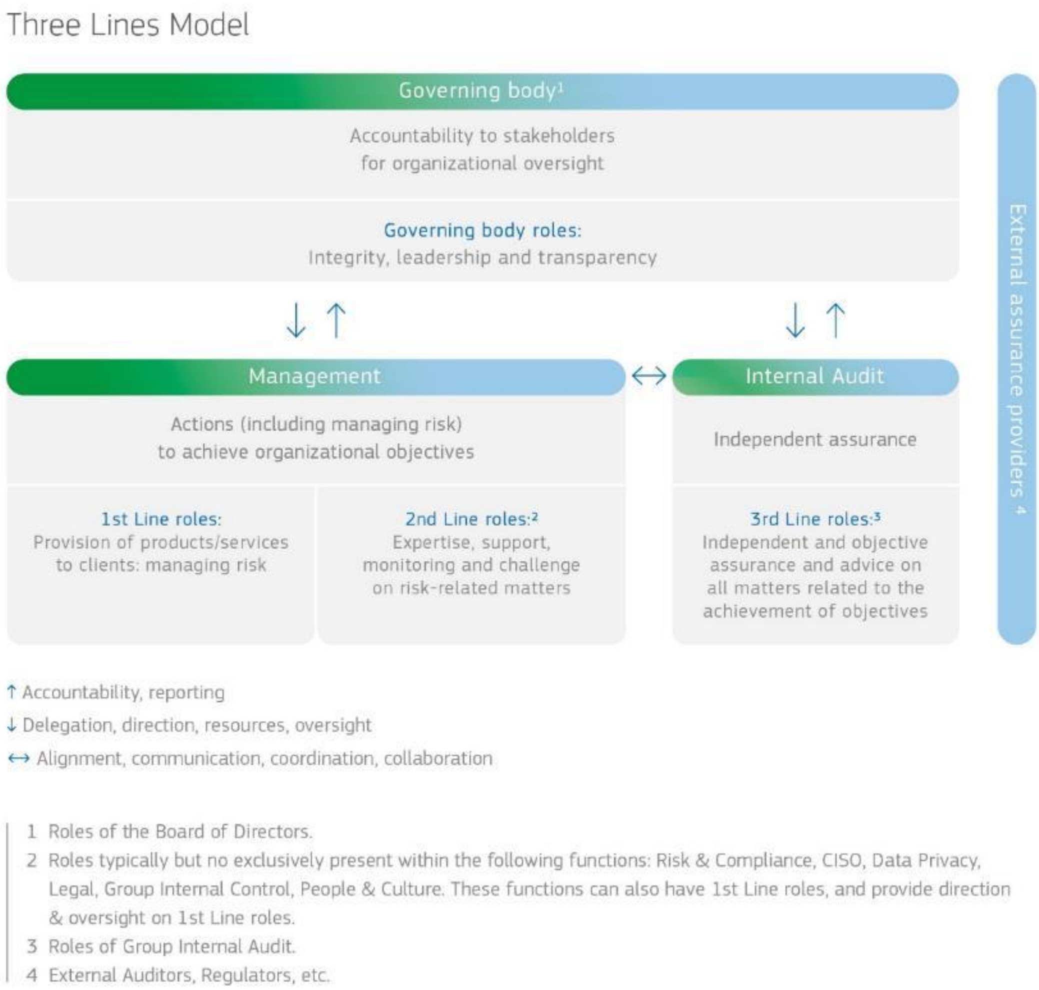
	December 31, 2020
FTEs (internal + external) as of 31 December 2020	16,531
Headcount 2020	16,550
Average FTEs internal + external 2020	17,593

[18] Source: https://www.easyjet.com/en/sustainability.
[19] Source: http://mediaroom.jetblue.com/investor-relations/press-releases/2020/08-13-2020-152953291.
[20] Source: https://www.oneworld.com/news/2020-09-11-oneworld-member-airlines-commit-to-net-zero-carbon-emissions-by-2050.

3 Corporate risk management

Amadeus adopted the Three Lines of Defense Model in 2015, with the endorsement of the Board of Directors and the Executive Committee. This model integrates, coordinates and aligns all Amadeus support and assurance functions for the effective management of risk across the group.

Throughout 2020 we've continued fostering effective coordination of assurance activities across Amadeus and adopted the updated Three Lines of Defense Model (or 'Three Lines Model'). This update was endorsed by the Audit Committee of the Board of Directors, and reaffirms our commitment to strong governance and risk management practices



3.1 First Line of Defense: executive management, management and staff

Amadeus' commitment to integrity and transparency begins with its own staff. Amadeus employees adhere to the ethical standards set forth in the Amadeus Code of Ethics & Business Conduct and related policies. We do not see this code and our core policies purely as a 'rule book', but as a mutual agreement across the company to promote positive behaviors that will add value to our business and always ensure the highest standards of integrity. The areas covered in the code are:

- Commitment to the environment
- Avoiding conflicts of interest

- Protecting personal data and confidentiality
- Handling relations with third parties and the media in a sensitive manner
- Handling company property, equipment and installations with care

We have a Human Rights Policy, affirming our commitment to international human rights. We expect all our suppliers and business partners to uphold internationally recognized standards regarding working conditions and the dignified treatment of employees.

Human rights form part of Amadeus' risk analysis framework. We evaluate the risks of infringing on the following rights:

- Non-discrimination
- Collective bargaining
- Freedom of association
- Fair wages
- No child labor or forced labor
- Adequately healthy and safe working conditions

Although such risks fall very low on our Corporate Risk Map, we have a series of mitigating and monitoring procedures to manage them, both internally and with our vendors and business partners.

Our mergers and acquisitions procedures also include due diligence on risks related to human rights.

Our Integration team ensures that Amadeus' policies are effectively implemented into newly integrated companies. And our Speak Up Policy encourages employees to report any breach of the Code of Ethics and Business Conduct, including potential human rights violations.

During 2020 no significant breaches of the Code of Ethics and Business Conduct were reported.

3.2 Second Line of Defense: internal governance functions

Control activities are embedded in all areas of the company. Major control activities are carried out from units such as Corporate Risk & Compliance, Corporate Security, Group Privacy, Corporate Legal, Corporate Finance, Human Resources and others.

Risk management and controls

Corporate Risk & Compliance is responsible for centralizing the continuous monitoring of major risk and compliance issues within Amadeus.

Corporate Risk & Compliance develops Amadeus' Corporate Risk Map and establishes control and monitoring procedures for identified risks, in conjunction with the owner responsible for each risk. The risks ascertained from analysis, as well as monitoring measures are reported on a regular basis to the Risk Steering Committee and the Audit Committee, as well as the Board of Directors.

We continually monitor the most significant risks that could affect the activities and objectives of Amadeus and its companies. Amadeus' general policy regarding risk management and monitoring focuses on:

- Achieving the company's long-term objectives in line with its established strategic plan
- Giving the maximum level of guarantees to shareholders and defending their interests
- Protecting the company's earnings
- Protecting the company's image and reputation
- Giving the maximum level of guarantees to customers and defending their interests

- Guaranteeing corporate stability and financial strength over time

The ultimate aim of the Corporate Risk Map is to provide visibility on significant risks and facilitate effective risk management. Risk analysis is a fundamental element of the company's decision-making processes, both within the governing bodies and in the management of the business as a whole.

The Corporate Risk Map also considers the global risks identified each year by the World Economic Forum,[21] such as economic, environmental, geopolitical, societal and technological risks.

Issues or risks that could impede Amadeus from achieving our strategic objectives as well as other issues that haven't yet manifested sufficiently to be managed – commonly referred to as 'known unknowns' or 'emerging risks' – are also reflected in the Corporate Risk Map. These are newly developing or changing risks that are difficult to identify and quantify and could have a major impact on society and our industry. Examples include the effect of extremely fast digital development: new economic models of travel distribution are continuously emerging as a consequence of rapid technological changes. New emerging global challenges related to climate change are also on our radar, as they could affect the travel industry.

The latest version of the Corporate Risk Map defines the most critical risks relating to Amadeus' operations and objectives, including:

- Technological risks derived from failures in the infrastructure or caused by cyber-attacks
- Operational risks that could affect the efficiency of business processes and services
- Security and compliance risks
- Commercial risks that could affect customer satisfaction
- Reputational risks
- Risks related to the macro-economic and geopolitical environment
- Risks related to trends in the travel and tourism industry

Some of these risks have evolved from the previous year's Corporate Risk Map, while others have been newly identified in 2020. The COVID-19 pandemic has caused an acceleration of some of these risks, while triggering the emergence of new ones.

Risk owners assigned to each of these major risks propose a specific risk response. Progress with mitigation and evolution of key risks is submitted to the Risk Steering Committee for review and consideration, together with any proposed action plan for necessary measures or further actions.

Due to its transversal and dynamic character, this process identifies new risks that affect Amadeus arising from changes in the environment or the revision of objectives and strategies.

In the current business environment, with its increasing stakeholder demand for transparency, ethics and social responsibility, reputational risk management is becoming increasingly relevant. So, assessing the reputational impact of a particular risk is embedded into our methodology. Similarly, cybersecurity risks are managed through a security risk framework driven by our Corporate Information Security Office, which is also integrated into the Corporate Risk Map.

In addition to managing risks, Amadeus is very focused on ensuring compliance with data privacy regulations, including the EU's General Data Protection Regulation (GDPR). Our activities also extend to existing certification standards such as PCI DSS (credit cards), SOC1 and SOC2 (computer controls) and ISO 27001 (cybersecurity).

[21] World Economic Forum (2020). Global Risks Report 2020, 15th Edition

Amadeus, like any other organization, is exposed to risks that could significantly disrupt key internal services to the company as well as IT services that we provide to customers. To ensure minimal disruption in such catastrophic events, Amadeus has implemented a Business Resilience Program designed to protect our people, assets and infrastructure, and minimize the potential impact to acceptable limits. The pandemic crisis we've gone through in 2020 has proven the importance and readiness of our Business Continuity strategy in minimizing any business disruption.

Finally, through our training and awareness plan we aim to ensure that all employees understand and apply best practice on ethical behavior as well as security and privacy.

Corporate Risk & Compliance works closely with the following committees:

Ethics Committee

The Ethics Committee provides guidance on ethical behavior and compliance issues. This committee also addresses any concerns that employees may have and assists in the implementation of the Code of Ethics and Business Conduct. Promoting integrity, transparency and ethical conduct in all our operations is very important to us, and we have a zero-tolerance approach to prohibited practices, both in our internal affairs and external operations.

Risk Steering Committee

The Risk Steering Committee is a decision-making body empowered by the Executive Committee to provide oversight and guidance on risk management activities and issues across Amadeus. This includes risk assessment, prioritization and mitigation strategies.

Both the Ethics Committee and the Risk Steering Committee meet several times a year.

3.3 Third Line of Defense: Group Internal Audit

Amadeus' Group Internal Audit:

- Supports the Audit Committee in monitoring the effectiveness of the company's internal control and risk management systems.
- Provides independent and objective assurance and consulting services designed to add value and improve Amadeus' operations. It helps accomplish our goals by using a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. This includes the potential for fraud and how the organization manages fraud risk.
- Covers all companies, businesses and processes majority-owned or controlled by Amadeus. Every year, Group Internal Audit performs a thorough background and risk assessment exercise to verify and update our audit priorities. This considers, among other dimensions:
  - The Group's strategic objectives and projects
  - The Corporate Risk Map
  - Internal/external challenges and enablers identified through interviews with senior management and major control functions
  - Magnitudes and geographical footprint of the Group's entities and activities
  - Audit cycles

  The output leads to the formalization and approval by the Audit Committee of a yearly internal audit plan.

The legal entities included in Group Internal Audit reviews during 2020[22] represented more than 50% of the total Amadeus workforce. The main risks identified during internal auditing are reported to senior management and the Audit Committee, and their status is periodically updated until resolution or acceptance by the governing bodies.

As an optimum complement to its independent reviews, Group Internal Audit holds periodic coordination meetings with the main control, business and technology units.

The reporting lines and authority of Group Internal Audit are set by the Audit Committee to ensure that it has sufficient authority to carry out its duties. To ensure Internal Audit's objectivity, its staff have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors don't implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair their judgment.

Group Internal Audit is governed according to the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF). This includes its Core Principles, its Definition of Internal Auditing, its International Standards and its Code of Ethics. Group Internal Audit also runs a Quality Assurance & Improvement Program that combines ongoing monitoring with periodic internal and external assessments. The program includes the evaluation of Group Internal Audit's conformance with the IPPF. It also assesses the efficiency and effectiveness of Group Internal Audit and identifies opportunities for continuous improvement.

[22] Including internal audit reviews, and the assessment of the design and effectiveness of the Internal Control over Financial Reporting (ICFR) and the Corporate Crime Prevention (CCP) models.

4 Amadeus policies – fight against bribery, corruption and money laundering

Amadeus supports the business with a set of policies designed to comply with certain agreed behaviors. The Amadeus core policies are supported by systems which undergo regular internal and external quality reviews to ensure regulatory compliance and application of best practices.

Among Amadeus' main corporate policies, the following contribute to the prevention of illegal activities such as bribery, corruption and money laundering:

- Code of Ethics & Business Conduct
- Speak Up Policy
- Anti-Fraud Policy
- Anti-Bribery and Anti-Corruption Policy
- Entertainment & Gifts Policies
- Charitable Contributions Policy
- Political Contributions & Lobbying Policy
- Powers of Attorney
- Banking Powers
- Antitrust & Competition Law – Compliance Manual
- On-Site Investigation Policy
- Data Privacy Manual
- Security & Privacy Handbook
- External Legal Counsel Policy
- Sales Manual
- Corporate Purchasing Policy
- Health & Safety Policy
- Environmental Policy
- Tax Policy

Further details of the environmental and social policies, including Human Rights, are described in chapters below.

With respect to preventing bribery, corruption and money laundering practices in Amadeus, in addition to the specific policies focused to that topic, Amadeus has also developed policies to prevent this from occurring through charitable and/or political contributions. Controls are enforced through our Industry Affairs and CSR area to control this type of contributions.

4.1 Code of Ethics and Business Conduct

The Amadeus Code of Ethics and Business Conduct (CEBC) sets forth the commitment of the company to conduct business pursuant to the highest ethical standards.

This Code of Ethics and Business Conduct (the 'CEBC') is based on the following values: Customers First, Working Together, Taking Responsibility and Aiming for Excellence. The CEBC reflects who we are and how we conduct our business. Our guiding principle is integrity – the personal integrity of each and every member of the Amadeus community and our professional integrity as a business organization.

4.2 Anti-Bribery and Anti-Corruption Policy

Amadeus is committed to winning business through fair and honest competition in the marketplace. We are committed to the highest standards of ethics, as outlined in the Amadeus Code of Ethics and Business Conduct. This includes complying with obligations under international anti-corruption laws, including but not limited to: Law 10/1995 of the Criminal Code of Spain, The Anti-Corruption Act 2007 of France, the Criminal Code and the Act on Combating International Bribery 1997 of Germany, the Bribery Act 2010 of the UK and the Foreign Corrupt Practices Act ('FCPA') of the U.S.A.

Specifically, we will abide by the letter and spirit of applicable international anti-corruption laws in conducting our business. Promising, authorizing, offering, giving, accepting or soliciting anything of value, or any advantage, to anyone, with the intention or appearance of improperly influencing his or her decisions or conduct, or as reward for improper performance, is strictly prohibited.

As well as reading and understanding the Amadeus Anti-Bribery and Anti-Corruption Policy, all Amadeus employees must also read and comply with the Amadeus Code of Ethics and Business Conduct, the Charitable Contributions Policy and the Political Contributions Policy.

This Policy applies to all Amadeus Group employees, agents, intermediaries, consultants, sub-contractors, vendors and Joint Venture partners working on behalf of Amadeus worldwide.

The owner of this Policy is Corporate Risk & Compliance. This unit shall oversee and administer the Policy, develop and maintain procedures and guidelines to support the Policy and work with key stakeholders to ensure Amadeus' officers, employees and contingent staff affected by the Policy receive adequate communication and training.

4.3 Anti-Fraud Policy

Amadeus has no tolerance for fraud, and thus fraudulent practices of any kind are prohibited at Amadeus. All Amadeus employees are accountable for complying with appropriate procedures, controls and monitoring activities to protect Amadeus against the commission of fraud. Where there are reasonable grounds to indicate that a fraud may have occurred, senior management has a duty to ensure a fair and respectful clarification of facts and prompt action to resolve the issue.

In the event that a fraud has been committed, Amadeus will promptly take such action as is appropriate to remedy the situation, clarify individual responsibilities, take appropriate disciplinary and legal actions, and leverage lessons learned in order to improve the internal controls wherever needed.

4.4 Anti-Money Laundering

As part of its global anti-corruption efforts, Amadeus is committed to conducting its business professionally, fairly and ethically, and in full compliance with anti-money laundering laws, and laws and regulations countering terrorist financing which are applicable to Amadeus.

4.5 Training and communication

Preventing corruption issues is not only achieved through policies published in our intranet. It also requires that the message reaches Amadeus people, especially to certain teams more exposed to these illegal practices due to the activity and role they perform in the organization. For this reason, training and communication is a key activity, which is performed in various manners (face-to-face, webinars, e-learning…). Many financial processes to approve payments ensure as well that illegal activities are prevented from occurring.

4.6 Corporate Criminal Prevention Program

The Corporate Criminal Prevention Compliance Program, implemented as a result of the amendments to the Spanish Criminal Code in 2010 and later in 2015 and 2019, consists of a set of processes and procedures to ensure that risks are identified, and also that the controls that Amadeus has in place to prevent activities such as bribery, corruption or money laundering, are in place and effectively help to prevent and/or mitigate the commission of any criminal action that could impact the Company.

5 Amadeus' environmental sustainability strategy

The last two years have been crucial regarding the focus on environmental sustainability in the travel industry. During 2019, social movements like Fridays For Future raised the attention to sustainability to a higher level. Interestingly, for very different reasons, in 2020 the travel industry has also reinforced the importance of sustainability, as the COVID-19 pandemic proved its, previously underestimated, vulnerability. Consequently, the political and corporate will to address climate change is now higher than ever.

Amadeus has been reinforcing its sustainability strategy to address environmental concerns – specially in cooperation with industry stakeholders. Amadeus' environmental sustainability strategy is based on three pillars:

1_ Environmental efficiency of Amadeus operations

We measure the environmental impact of our operations, identify areas for improvement, implement solutions and continue to monitor our performance for achieving continuous improvement in environmental efficiency. The Amadeus Environmental Management System (EMS) is the tool we use in Amadeus to achieve these objectives.

2_ Development of IT solutions that improve economic and environmental efficiency

We deliver IT solutions that improve customers' operational and environmental efficiency. Amadeus invests approximately one billion EUR annually in R&D. R&D is therefore a fundamental component of our business strategy and of our contribution to the sustainability of our customers and the industry.

3_ Partnering with industry stakeholders in joint sustainability initiatives in our industry

We work in partnership with other industry stakeholders on projects to improve travel industry sustainability. Our partnerships include UN agencies like the International Civil Association Organization (ICAO), the World Tourism Organization (UNWTO) or the UN Climate Secretariat (UNFCCC). We also work with academic institutions from around the world and with travel industry associations like the World Travel and Tourism Council (WTTC).

5.1 Amadeus Environmental Management System (EMS)

Since 2009, the Amadeus Environmental Management System (EMS) is the tool we use at Amadeus to measure, report and improve environmental performance.

Amadeus' Environmental Management System measures the impact of our operations considering five elements: energy, CO_2 emissions, paper used, water and waste generated. We evaluate our performance considering both total consumption of resources and also efficiency ratios based on the business transactions processed and on the number of employees. We also factor in company growth to evaluate our performance. We guarantee long-term improvement in our environmental performance by setting annual targets to improve the environmental performance of the previous year.

Building & Facilities teams at local level are responsible for the optimization of the use of resources at our office buildings. They are supported in specific cases by technical teams that, for example, provide performance indicators relating to the use of resources.

5.1.1 EMS material elements

The EMS helps to manage the five principal elements related to the environmental impact of Amadeus' operations. These elements were identified in the initial materiality exercise in which we consulted our own internal experts and benchmarked with other companies in similar economic sectors. The five elements included in Amadeus EMS are: energy consumption, CO_2 emissions, paper consumption, water use and waste generation.

5.1.2 EMS geographical scope and methodology

The EMS includes the reporting of Amadeus' operations environmental impact. Amadeus has offices in more than 70 countries. Some of these offices are small and it becomes inefficient to measure and report the impact of all of them in a direct manner. Therefore, we have adopted a more efficient and pragmatic approach by which we report direct measurements of impacts in our 15 largest sites (which represent more than 70% of total Amadeus workforce worldwide) and then we make an estimation of the remaining sites, based on the average consumption factors per employee of the sites where we measure our impact directly. In summary, we measure our impact directly for 70% of our employees and indirectly for the remaining 30%. This new methodology was implemented in 2018. Before this date, we were reporting the impact of the sites where our measurement was direct. It is important to note that the reporting of the Amadeus Data Center is included in the direct reporting.

The 15 Amadeus sites included in the direct reporting are:

1_ Nice, France

2_ Bangalore, India

3_ Miami, US

4_ Erding, Germany

5_ Madrid, Spain (headquarters)

6_ London, United Kingdom

7_ Bad Homburg, Germany

8_ Bangkok, Thailand

9_ Sydney, Australia

10_ Paris, France

11_ Madrid, Spain (Amadeus Commercial Organization)

12_Waltham, US

13_Singapore

14_Manila, Philippines

15_Portsmouth, US

The scope of the Amadeus EMS direct reporting reaches 15 of our largest sites across the world, which account for close to 70% of all Amadeus employees and approximately 90% of the total estimated Amadeus resource consumption worldwide (considering that our Data Center in Germany is by far the largest energy consumer in the Amadeus Group).

Our Data Center located in Germany is included in the EMS and until 2018 it accounted for almost 50% of the overall estimated environmental impact and more than 70% of scopes 1 and 2 CO_2 emissions. In 2019 the Amadeus Data Center reduced CO_2 emissions to zero through the use of Guarantees of Origin of renewable energy.

The scope of the Amadeus EMS direct reporting is regularly reviewed and adapted to the changing circumstances of Amadeus and of our business environment. Since 2013, we have progressively expanded the scope of the EMS direct reporting to our sites in Bangalore (India), Waltham (US), Singapore and Manila (Philippines) and in 2019 we incorporated to the EMS our premises in Portsmouth (USA).

COVID-19 pandemic has also impacted our environmental impact and reporting. Due to national lockdowns and to meet safety legislation requirements, most of our offices have been closed to employees for several months in 2020. Some offices reopened to staff from mid-May after national restrictions due to COVID-19 were changed to allow the return of employees to the office. Nonetheless, building maintenance and security require certain use of resources like energy and water, therefore, consumption was not fully stopped while offices were closed.

In order to make sure that the EMS remains an efficient tool to provide visibility of Amadeus operations' environmental impact and that it also allows the proper monitoring by comparing performance from one year to the next, every year the scope of the EMS is reviewed; and when new additions are included, we provide proper comparisons including and excluding the new additions, so that internal and external audiences can easily understand the information and the performance. Until now, all the 15 sites included in the EMS have remained operational since their inclusion in the EMS so, we haven't had the need to remove any of the sites from the EMS. In mid-2020 one of our offices (Madrid ACO) closed and employees moved to Madrid Headquarters.

We have prioritized those elements in the EMS that are quantitatively more relevant for Amadeus global performance and those where we have room for management and improvement. Following this reasoning, for example electricity gets a higher weight in our objectives than waste generation, since our electricity consumption is more important in absolute terms than the waste generated and also because, arguably, we have more capacity to manage our electricity consumption than the waste generated through our operations. In addition, and given the different nature of activities and environmental impact, we analyze separately the impact of the Data Center from the impact of office buildings.

We have introduced a number of environmentally friendly measures that helped to improve efficiency in the use of resources.

Energy efficiency at the Amadeus Data Center remains a priority. In the last six years, we have reduced the PUE[23] from 1.39 to 1.31 in 2020.

The number of transactions and queries processed at the Data Center has increased dramatically over recent years, even in the context of COVID-19, due to the increasing number of online devices that can connect and trigger queries: broad use of the internet, increase of ancillary and customized services to travelers, ability to change travel plans using different means, etc. One of the consequences of this increase in hits in the Amadeus system is that the energy required to process the number of transactions also continues to increase, despite the improvements in energy efficiency. As a way to counteract this trend in energy consumption and greenhouse gas emissions, and following our initiative to reach carbon neutrality, from 2016 to 2018 we worked with the UNFCCC (United Nations Framework Convention on Climate Change) to invest in Clean Development Mechanism projects in India. During these three years we offset an accumulated total of 32,091 t CO_2 with Certified Emissions Reductions from these projects.

In 2019 we implemented a more ambitious policy at the Data Center to avoid the release of emissions, rather than compensating them by reductions elsewhere. Since 2019, through the use of Guarantees of Origin of renewable energy, the Data Center became a carbon neutral facility (zero CO2 emissions). This initiative also had a significant positive impact in overall company emissions. Our scope 1 CO_2 emissions were reduced by 61% if we compare with 2018, making a significant step toward the ambition of zero company emissions by 2050, in alignment with the objectives of the Paris Climate Change agreement.

[23] PUE stands for Power Usage Effectiveness and is a common metric used to measure the energy efficiency of data centers. The closer to 1 the PUE, the more efficient the data center is.

5.2 Detailed information on environmental matters

5.2.1 Pollution

Delivering sustainable growth and reducing CO_2 emissions are some of the challenges that we face today. Electricity consumption is one of the largest sources of CO_2 emissions at Amadeus, but also paper use, business travel, natural gas and diesel contribute to our carbon footprint.

We follow the Greenhouse Gas Protocol (GHGP)[24] to manage and report our CO_2 emissions.

- In Scope 1, we include emissions from natural gas and diesel.
- In Scope 2, we include emissions linked to the use of electricity[25] at our office buildings worldwide and at the Data Center.
- In Scope 3, we include emissions from paper consumption and from business travel. We gather information about business trips from our travel agency provider and we use the International Civil Aviation Organization (ICAO) carbon calculator to estimate emissions per passenger. Emissions are therefore calculated for each individual trip. The scope of measurement of emissions from air business travel includes 62% of our total workforce.

In 2015, we made a commitment to run Amadeus operations under a carbon neutral growth policy. This implies that we implement measures to reduce emissions as much as possible, and if we emit more than our baseline year, we offset the increase of our CO_2 emissions using Certified Emissions Reductions from Clean Development Mechanism projects in India. In 2019 we updated and enhanced this commitment by reducing our Data Center CO_2 emissions to zero, thanks to the use Guarantees of Origin of renewable energy. In addition, an in order to reduce CO_2 emissions, our sites have implemented some best practices, for example:

Data Center:

Amadeus has always been focused on the energy efficiency of all its operations. The measures taken come from a combination of internal analysis by our experts, as well as reviews and recommendations from external consultants. In this respect, the Amadeus Data Center has maintained since 2010 the Energy-Efficient certification from TÜV SÜD for its power supply, cooling and climate control processes and IT equipment, as well as its procurement, installation and de-installation procedures, following a thorough analysis of our infrastructure. The certification has been subsequently renewed in 2012, 2015 and 2018. The current certification is valid until 2021. Amadeus has also extended the data center certification to EN 50600, the new EU standard for data centers that is even broader in scope and more demanding.

As explained above, in 2019 became a carbon neutral facility thanks to the use of Guarantees of Origin of renewable energy.

In 2020 we have finalized the renewal of our low voltage distribution units. Thanks to this system, losses are about 18% lower if we compare with the old electrical system. The estimated savings generated by this operational efficiency improvement would be 62,000 kWh.

Examples of other recent measure taken to improve our energy efficiency and reduce CO_2 emissions include the implementation of more efficient cooling machines that reduce the energy required to cool servers and also optimize the use of water.

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[24] The Greenhouse Gas Protocol (GHGP) is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. The GHGP classifies emissions into three scopes. Scope 1: direct GHG emissions from sources owned by the company; Scope 2: indirect GHG emissions produced as a consequence of the company's operations; and Scope 3: other indirect GHG emissions, such as emissions from travel providers for business travel.

[25] The conversion factors applied, i.e. the amount of CO_2 emitted per kWh used, are obtained from the latest updated averages for each country, published by the International Energy Agency in its publication: IEA Statistics Data Service Emissions factors 2020 edition.

In 2020 we have reduced the volume flow of the sensible coolers. Moreover, we have implemented an intelligent control system which can regulate the speed of fans and we have optimized the air volume flow. In summary, improvements in the coolers and chillers reduced the power consumption by an estimated 442,452 kWh/year.

Office buildings:

Some of the measures implemented include:

- Adapting room temperature to weather seasons
- Promoting the use of carpooling/public transportation. Some of our largest sites like Bangalore or Nice provide shuttle services and shared transport for employees to reduce environmental footprint and traffic congestion.
- Purchase of carbon-neutral paper
- Electric vehicle charging points

Given the nature of our business activities noise and light pollution are not material for Amadeus. Our operations involve the running of our Data Center in Germany and office buildings around the world therefore we are not directly involved in the generation of significant noise or light pollution.

5.2.2 Circular economy and waste management

One of the elements included in our EMS is waste generation. Waste is generated at our premises from kitchens and from general office use. Waste is difficult to measure, since in some cases we do not have the means or documentation to report part of the waste. The principal sources of information to report waste at Amadeus are the recycling companies that provide their services to Amadeus, since they can report the amount of waste collected for recycling, as this is the basis for their invoices. On the other hand, waste generated by extraordinary activities, like works done in buildings, is generally measured, but for comparability reasons it is reported separately from regular waste. At Amadeus, waste generation is generally low compared with other sectors or other types of impact like energy use or greenhouse gas emissions. Nonetheless, we are committed to a reduce-reuse-recycle policy. We develop management procedures aimed at minimizing waste. Some of our sites have implemented local actions to reduce food waste. For example, in Nice a percentage over our total waste is sent to compost.

Some best practices to reduce waste generation are the following:

- Implementing proper infrastructure to promote classification of waste
- Replacing individual workstation bins with common area bins
- Communication campaigns to raise awareness among employees to minimize waste and the use of plastic
- Producing energy from waste
- Working with external vendors to improve the measurement and management of waste
- Reusing obsolete PC screens and other electronic equipment
- Replacing paper cups with glass/ceramic mugs

5.2.3 Sustainable use of resources

We focus on making an efficient and responsible use of natural resources that we use directly, like water, or indirectly, like paper.

The use of water at Amadeus is divided into three categories:

1) Water used for cooling of servers, principally at the Data Centre in Erding. Continuous water quality tests are carried out at the Data Center to ensure high water quality standards. With these tests and subsequent increased water quality, we reduce the need add new water in the circuits, reducing the overall consumption.

2) Water used at office buildings in kitchens, toilets, etc. The amount used for this purpose is relatively low, and thanks to the continuous improvement measures the overall consumption has remained stable, despite the increase in number of employees. The improvement measures are related to communication campaigns among Amadeus employees, implementation of new equipment like automatic sensor faucets, etc.

3) Water used for irrigation. Our gardens and irrigation system in Nice minimize the use of water since the plants in the garden are adapted to local weather.

In specific regions or seasons, water frequently becomes a scarce resource, especially drinking water. As a company, it's key to keep a responsible use of water in every action we take. Examples of initiatives carried out at our offices worldwide to reduce water consumption:

- Implementing motion sensor taps and flow regulators in washrooms
- Use of drip irrigation systems and plants with low water consumption
- Use of water-efficient household appliances in kitchens
- Implementing leak detention units to reduce the loss of water
- In Singapore, our office building has a condenser water system to avoid the waste of water in the cooling system due to condensation. The building also harvests rainwater from the roof top for landscape irrigation.
- In Sydney, our office building harvests rainwater by using a downpipe system to collect roof catchment runoff and then deliver it to rainwater storage tanks. Filtered water from the harvesting system is then used for use in the shower and toilets in all bathroom facilities in the building, to hose down the hard-external surfaces of the building and, when possible, to clean the windows.

We report paper consumption at our premises either by summing up the amount of paper bought during the year or, when available, through automated badge-based printing system. These automated systems permit a more precise monitoring of use and facilitate the identification of areas for improvement.

Examples of initiatives carried out at our offices worldwide to reduce paper consumption:

- Implementing badge-based printing systems
- Use of carbon-neutral paper
- Setting all printers by default to black-and-white double-sided printing
- Raising awareness among users of the environmental and economic cost of printing
- Use of recycled paper
- Sending used paper for recycling
- Implementing electronic signature to reduce the printing and delivery of hard-copy contract versions
- Reducing paper advertising replacing it by digital means

Electricity is the principal type of energy we use in our operations. It also represents the main source of our carbon footprint.

We measure electricity consumption at our Data Center and at our office buildings separately. We also report natural gas consumption, which is normally used for heating some of our buildings, as well as diesel, used mainly at our Data Center for a guaranteed uninterrupted power supply through the use of a large generator.

Most sites included in the Environmental Management System have implemented best practices on energy efficiency and behavioral change. For example:

- Replacing incandescent bulbs with LEDs

- Switches connected to movement-detection control systems
- Thorough planning of areas covered by specific light switches
- Automatically switching off lights at certain hours
- Switching off PCs after working hours
- Maximizing the use of natural light
- Adapting room temperature to weather seasons
- Use of energy saving stickers and other means to encourage frugal energy consumption
- Investing in renewable energy
- Implementing photovoltaic (PV) cells on roofs

In addition, as indicated above (see section on pollution), the Data Center follows a strict energy efficiency policy that involves several actions on different fronts, from the optimization of energy used for cooling to the improvement of the process to decommission IT equipment.

Regarding renewable energy, in 2019 the Amadeus Data Center reduced CO_2 emissions to zero through the use Guarantees of Origin of renewable energy. In the rest of office buildings where Amadeus doesn't purchase renewable energy certificates, we report renewable energy use based on the production mix per country published by the International Energy Agency. Accordingly, we report on the primary sources of energy necessary for the electricity that has been consumed and the total energy consumption from renewable sources as shown below.

Through the use of Guarantees of Origin, the proportion of renewable energy for our Data Center is 100%. The source of the renewable energy is hydropower.

We have also calculated the proportion of renewable energy for our total Amadeus sites worldwide which corresponds to 26.9% over the total.

The percentage of total renewable for our Data Center and total Amadeus sites worldwide is 68.9% which corresponds to 76,091.47 MWh (273,929 GJ).

5.2.4 Biodiversity protection

Amadeus operations do not generate significant or direct biodiversity risks and therefore biodiversity is not identified as a material issue.

Amadeus has a broad network of partners and customers across the industry. We take advantage of this to participate in joint industry sustainability projects. For example, two years ago we joined the initiative led by the World Travel and Tourism Council (WTTC) to fight against the illegal trade of wildlife and supported the implementation of a corporate illegal wildlife trade policy.

Other related activities Amadeus is engaged include the reduction of the amount of waste that goes to the landfill, reduction of the use of plastics or eliminating single-use kitchenware in our office buildings.

5.2.5 Climate change

We follow the Greenhouse Gas Protocol (GHGP) standards to measure and report our CO_2 emissions.

To achieve our strategic objective of sustainable profitable growth and to be aligned with 1.5-2 degrees objective of the Paris Agreement, Amadeus has established objectives to reduce our greenhouse gas emissions.

Until 2018 we had the objective of not increasing net emissions (Scope 1 and 2) compared to our baseline year of 2015. This was a challenging target since it required efficiency improvements due to the fact that the company is growing at a fast pace. In order to achieve this objective, we worked with the UNFCCC (United Nations Framework Convention on Climate Change) investing in Clean Development Mechanism projects in India. For three years we offset an accumulated total of 32,091 t CO_2 with Certified Emissions Reductions from these projects.

In 2019 we revisited this target to make it more ambitious and start delivering net emissions reduction even if the company is growing in revenues and employees. Since 2019, we have reduced our CO_2 emissions through the use of Guarantees of Origin of renewable energy. With this measure we reduced our total CO_2 emissions by 28,250 tons in 2019 compared with 2018 and 4,525 tons in 2020 compared with 2019.

On the other hand, Amadeus invested 875.6 million EUR in R&D in 2020. We develop IT solutions that improve the operational and environmental efficiency of our customers. This helps particularly airlines and other customers to meet their own scope 1 targets.

In 2017 we signed the UN Climate Neutral Pledge. In line with the objectives of the Paris Agreement on Climate Change and by signing the pledge, we have set the long-term objective of zero emissions by 2050. Since this is a very long-term for Amadeus, we will work on achieving the same objective by 2030, as a way to guarantee early action and reduced uncertainties. The main tools to achieve this objective are energy efficiency measures and the use of renewable energy either directly or through the use of market instruments like Guarantees of Origin of renewable energy.

5.3 Climate change and Amadeus

The travel and tourism industry needs to contribute to achieving the 1.5-2 degrees maximum increase target set by the Paris climate agreement. The actions required for the achievement of the target require fundamental changes in the travel industry.

Amadeus is involved in the travel experience of millions of passengers daily. We are an important player in the travel and tourism industry, and we acknowledge our responsibility to contribute to the fight against climate change.[26]

The climate change–related risks faced by Amadeus can be classified into the following categories:

5.3.1 Governance

Amadeus' Board of Directors is the highest representative, administrative, and controlling body of the company. Among its responsibilities lie risk management, which include physical and transition risks related to climate change.

Amadeus Corporate Risk & Compliance unit is responsible for centralizing and monitoring risk and compliance issues. Corporate Risk & Compliance produces the Corporate Risk Map, considering global risks such as economic, environmental, geopolitical, societal, and technological risks. Based on identified risks, Corporate Risk & Compliance assesses those that may imply a threat towards achieving Amadeus' strategic objectives, as well as emerging issues to which Amadeus should pay attention in the medium term.

The Senior Vice President, General Counsel & Corporate Secretary holds the highest level of responsibility within Amadeus management team regarding environmental sustainability, including climate change related issues. In this context, he is responsible for reporting to the Board of Directors about Amadeus' climate change strategy and initiatives.

Amadeus analyzes both risks and opportunities regarding climate change, monitoring climate change impacts on a regular basis. The analysis of risks and opportunities related to climate change is led by the Amadeus Sustainability team. In order to ensure identification of major risks during the monitoring period, this analysis is reviewed on a continuous manner throughout the year in close cooperation with Corporate Risk & Compliance.

Although Amadeus operations have a relatively low level of emissions, we are involved in an energy- and emissions-intensive industry. We acknowledge and act on our responsibility to contribute, with our technology and reach, to a more sustainable and carbon neutral travel industry, working in cooperation with industry partners.

[26] According to best practices, the following sections are reported according to the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

5.3.2 Strategy

Amadeus overall environmental strategy, which is applicable specifically to climate change, is based on three pillars: (1) the environmental efficiency of our operations; (2) the development of IT solutions that help our customers improve their environmental efficiency; and (3) partnering with industry stakeholders in joint sustainability initiatives in our industry.

For Amadeus, climate change identified risks are mainly linked to travel demand. This is due in part to the fact that incremental environmental costs imply increased economic costs, and this leads to a reduced demand for travel. Besides, travelers, in order to avoid negative environmental impacts, might look for alternatives to travelling.

The following table details the main risks related to climate change that may affect Amadeus' business:

Risk Category	Climate change related risks	Description
Physical risks	Physical risks affecting the communities where we operate	By operating in over 190 countries worldwide, Amadeus is exposed to local extreme weather events affecting any of the communities where we operate, our providers and/or customers, or our operations.
	Physical risks affecting our travel providers and/or customers	
	Physical risks affecting Amadeus operations	
Regulatory risks	Carbon reporting related regulations	Increasingly, new regulations are being approved, involving mandatory reporting on climate change.
	Regulations imposing charges and/or emission reductions	Since travel industry is global by nature, Implementation of regional emissions markets could create some competitive and political disruptions.
Reputational risks		The increase in the society's awareness about climate change and the commitment to develop environmentally responsible operations and value proposition.
Technology risks		Failure to reach customers' needs or to implement sustainable state-of-the-art IT solutions.
Market risks		Increasing concern from travelers and our own workforce on our initiatives against climate change

On the other hand, climate change related opportunities are linked to the development of IT solutions that help to inform travelers about sustainable travel options and to help travel providers improve the environmental efficiency of their operations. These solutions can improve customer conversion and loyalty and market reputation. Identified climate change related opportunities are detailed below:

Type of opportunity	Solution/functionality	Description
New products and services	Display	Providing the traveler an estimation of the emissions released in a journey at the time of booking.
	Compare	Our solutions are able to compare emissions from different itineraries, using ICAO Carbon Calculator.
	Reporting	Compiling all emissions released in business trips by an organization.
	Offsetting	Including the possibility to offset carbon emissions released on a journey.
Competitive advantages	Amadeus Altéa Departure Control System (DCS) Flight Management (FM) module	Optimization of aircraft load distribution, helping airlines to reduce fuel uplifts in every departure.
	Amadeus Sky Suite	Amadeus Sky Suite is a scheduling system helping airlines to optimize their operations thus reducing the amount of resources used per passenger.
	Amadeus Airport Sequence Manager and other airport IT solutions	Facilitating the implementation of Collaborative Decision Making (CDM) at airports, entailing reductions in CO_2 emissions, local pollution, noise and increasing efficiency at airports and traveler satisfaction
	Amadeus Sky Suite	Facilitates airline network planning with sophisticated algorithms to estimate travel demand, helping to optimize the use of resources, including fuel and related emissions

5.3.3 Risk management

Amadeus uses the Three Lines of Defense Model. This model, endorsed by the Board of Directors and the Executive Committee, allows us to coordinate all Amadeus support and assurance functions to appropriately manage risk throughout the Group.

Climate change risks are embedded in Amadeus corporate risk management. Our commitment to the environment is integrated in our Code of Ethics and Business Conduct (1st Line of Defense), and our Corporate Risk Map considers emerging risks such as those related with climate change (2nd Line of Defense).

The Risk & Compliance is responsible of the development of the Amadeus' Corporate Risk Map, working together with the owner responsible of each of the risks. Regarding climate change, Amadeus Sustainability team is the owner responsible of the risk, supervised by the Senior Vice President, General Counsel and Corporate Secretary.

Each of the identified climate change related risks are assessed, taking both impact and probability into consideration, classifying them according to three categories: low, medium and high risk. According to each risk assessment, specific mitigation and prevention measures are then set out.

In the following table we describe the management for each of the identified climate related risks, as well as their assessment.

Risk Category	Climate change related risk	Management	Assessment
Physical risks	Physical risks affecting the communities where we operate	Our global presence helps us to diversify our risk. Amadeus has built a global team to coordinate social responsibility responses to cope with adverse events occurring in the markets where we operate.	Probability: High Impact: Low
	Physical risks affecting our travel providers and/or customers	Our 24-hour follow-the sun customer service is ready to provide extra support if needed.	Probability: Medium Impact: Medium
	Physical risks affecting Amadeus operations	For events affecting any of our offices, mitigation is facilitated with communication technology, allowing us to maintain our operations uninterrupted. The most significant risk is related to events affecting the regular operations of our Data Center in Erding (Germany) where all Amadeus transactions are processed. To manage this risk, the design of the Data Center included resilience measures, such as reinforced concrete insulation and redundant water and power supplies. Furthermore, 80 million Euro are invested per year in the Amadeus Data Center, allocating part of this investment to maintain its resiliency. Besides, business continuity strategies have been implemented to minimize the effects of local weather extreme events.	Probability: Low Impact: High
Regulatory risks	Carbon reporting related regulations	These regulations can affect Amadeus directly or indirectly, since our customers could ask us to help them comply with them. These regulations do not mean a risk for Amadeus, unless they become too complex and heterogeneous. For this reason, we are implementing active dialogue with EU representatives to raise awareness about the importance of a homogeneous international approach to carbon emissions reporting.	Probability: Low Impact: Low
	Regulations imposing charges and/or emission reductions	Due to the geographical diversification of Amadeus business, this risk could have a limited effect. Amadeus maintains close relationships with regulatory bodies in the EU and US and remains alert to relevant changes.	Probability: Medium Impact: Low
Reputational risks		Companies are expected to comply with all industry environmental standards and monitor its environmental performance. Amadeus has implemented its Environmental Management System (EMS) and is participating in sustainability indexes. These measures allow us to be transparently report our environmental performance and to identify best practices and improvement areas.	Probability: Low Impact: Medium
Technology risks		Environmental performance is becoming an important element in airlines' operational performance. We need to make sure our IT solutions help airlines improve their environmental performance (for example, optimizing fuel consumption)	Probability: High Impact: Medium

Risk Category	Climate change related risk	Management	Assessment
Market risks		If Amadeus does not contribute to offer travelers carbon offsetting options, our competitive position will deteriorate. Nowadays, our solutions can calculate CO_2 emissions for itineraries. Amadeus must prioritize its own environmental performance if we want to be able to attract and/or retain the talent of younger generations. We have implemented our Environmental Management System and we set environmental performance objectives.	Probability: Medium Impact: Medium

5.3.4 Metrics and objectives

Amadeus implemented its Environmental Management System (EMS) in 2009, a tool to measure, report and identify best practices regarding Amadeus environmental performance.

Through the EMS, Amadeus manages the principal KPIs regarding environmental impact of our operations, including those related to climate change. There are twelve main indicators identified:

- Electricity consumption in the Data Center;
- Electricity consumption per transaction processed at the Data Center;
- Electricity consumption in total Amadeus' sites worldwide;
- Electricity per employee in total Amadeus' sites worldwide;
- Paper consumption in total Amadeus' sites worldwide;
- Paper per employee in total Amadeus' sites worldwide;
- CO_2 emissions (scopes 1 and 2) in total Amadeus' sites worldwide;
- CO_2 emissions per employee (scopes 1 and 2) in total Amadeus worldwide;
- Water consumption in total Amadeus' sites worldwide;
- Water consumption per employee in total Amadeus' sites worldwide;
- Waste generated in total Amadeus' sites worldwide;
- Waste per employee in total Amadeus' sites worldwide.

These indicators have been monitored since 2009, therefore allowing the possibility to use historical data records to analyze trends and define new strategies.

In tables related to environmental sustainability we disclose GHG emissions in tons CO_2 equivalent, broken down into Scope 1, 2 and 3.

5.4 Tables related to environmental sustainability

Energy consumption [1]

	2020	2019	2018
Electricity consumption top Amadeus sites* (GJ)	168,761	211,484	201,124
Number of employees	17,593	19,402	17,598
Electricity consumption per employee* (GJ)	9.59	10.9	11.4
Electricity consumption Amadeus data center (GJ)	228,611	242,590	231,801
Number of transactions processed at the data center (millions)	472.9	1,907	1,849
Electricity required per one million transactions (GJ)	483.4	127.2	125.4
Total electricity consumption top Amadeus sites and data center (GJ)	397,372	454,074	432,925
Natural gas (GJ)	22,234	25,662	30,110
Diesel oil (GJ)	3,076	7,271	2,481
Total energy consumption top Amadeus sites and data center (GJ)	422,683	487,007	465,516

[1]Scope: Total Amadeus sites worldwide. Figures have been calculated considering the direct reporting of the sites included in the EMS plus the estimation of the rest of the sites. This estimation is based on the average consumption reported by the EMS sites. For environmental reporting, given the fact that resources consumption take place across the year, we use average FTEs in the year.

*Does not include Amadeus Data Center.

Type of fuel used for electricity generation (GJ)*

	Coal	Fuel Oil	Natural Gas	Biofuel	Waste	Other**	Total
Amadeus sites worldwide (excluding the Data Center)	105,077	7,540	72,729	9,256	3,142	97,518	295,262
Data Center***	0	0	0	0	0	228,611	228,611

*All figures expressed in gigajoules equivalent, obtained from the energy mix data of each country and the energy-transformation efficiency factor for each type of energy source.

**Other: Nuclear, hydropower, geothermal, photovoltaic, solar thermal, wind power, tidal power and other sources

***In 2020 we purchased Guarantees of Origin (GOs) of renewable energy from hydropower plants in Northern Europe for all electricity used at the Data Center. Without considering the use of GOs; the energy mix for the Data Center would result in the following split, calculated as per the German energy mix: Coal: 207,855; Fuel Oil: 5,012; Natural Gas: 87,324; Biofuel: 44,008; Waste: 12,396; Other: 102,059; Total: 458,653

CO_2 emissions [1]

	2020	2019	2018
Scope 1. Direct emissions (fossil fuels) **	1,380	1,849	1,754
Scope 2. Indirect emissions from purchased electricity**	13,688	18,213	46,463
Scope 3. Indirect emissions from other sources***	2,886	7,424	9,468
Carbon offset	-	-	16,410
Natural gas (m^3)	578,834	668,071	783,878
Diesel oil (L)	79,675	188,317	64,257

[1]Scope: Total Amadeus sites worldwide. Figures have been calculated considering the direct reporting of the sites included in the EMS plus the estimation of the rest of the sites. This estimation is based on the average consumption reported by the EMS sites. All figures in t of CO_2 unless otherwise indicated.

**Carbon offset not discounted

*** The reported figure in 2018 includes emissions from air travel (10 sites) and from paper use (14 sites). In 2019 the scope included 11 sites for air travel emissions and the total Amadeus paper use, estimated from the 15 sites included in the direct reporting of the EMS and in 2020 we have increased the scope of air travel emissions including 12 sites.

Paper consumption [1]

	2020	2019	2018
Paper consumption (kg)	22,307	66,988	79,044
Number of employees	17,593	19,402	17,598
Paper consumption per employee (A4 sheets per working day)	1.15	3.14	4.08

Water consumption and waste generation [1]

	2020	2019	2018
Water consumption (m^3)	152,105	248,641	255,512
Total estimated waste (kg)*	184,034	427,722	507,220

[1]Scope: Total Amadeus sites worldwide. Figures have been calculated considering the direct reporting of the sites included in the EMS plus the estimation of the rest of the sites. This estimation is based on the average consumption reported by the EMS sites.

*For comparability purposes, the figures for waste do not include obsolete equipment or hazardous waste. Total obsolete equipment in 2020 was 78.9 tonnes and total hazardous waste was 14.9 tonnes. The percentage of obsolete equipment and hazardous waste that was sent for recycling in 2020 was 99% and 99%, respectively. For non-hazardous waste, 54% is the estimated average percentage of waste that was sent for recycling in the sites included in our direct reporting.

(millions of euros)

6 Amadeus workforce

6.1 Employment

The people at Amadeus are the company's one true competitive advantage. It is their creativity, commitment, expertise and experience that have allowed us to build a leading position in our industry. They are critical to the successful delivery of our strategy and maintaining our long-term business performance.

The role of the People, Culture, Communications and Brand (PCCB) team within Amadeus is to ensure that the company can attract, retain and develop the best talent so that we can deliver for our customers every day.

Our aim therefore is to create the conditions in which all our people can thrive, to build an inclusive culture in which diversity is valued and celebrated. We provide a culture and environment that values each individual and gives them the best possible opportunity to have a productive, stimulating and enjoyable career. The encouraging results of our 2018 Employee Engagement, as well as the external recognition, suggest we are on the right path to achieve these goals.

Our PCCB teams provide a wide variety of services and processes to achieve our goals, from imaginative rewards and benefits to tailored learning and development programs and international mobility opportunities. They also manage our brand and communications. Our brand comes alive in all what we do. A key element for success is also how we communicate externally and internally. Our social media tools enjoy one of the highest number of followers in the industry and we keep employees abreast of what's happening in the company through relevant storytelling and live webcasts with senior management.

All of this makes a significant contribution to a vibrant and successful company.

Total number of employees

Total Workforce by main countries*

	2020	2019
France	4,403	4,482
United States	2,307	2,732
India	2,079	2,065
Germany	1,658	1,744
Spain	1,385	1,513
United Kingdom	587	629
Philippines	533	525
Australia	438	478
Thailand	323	362
Singapore	314	360
Turkey	220	268
Bulgaria	189	185
Ukraine	171	210
Colombia	150	148
Netherlands	139	169
United Arab Emirates	114	129
Others	1,540	1,790
Total	16,550	17,789

*Scope for this table includes all employees in controlled companies.

(millions of euros)

Employees diversity by employment type and contract

2020*

	Permanent	Temporary	Total
Full-time	15,305	113	15,418
Part-time	1,127	5	1,132
Total	16,432	118	16,550

* The information provided refers to the number of contracts at 31/12/2020, for all employees in controlled companies. The differences in the number of Part-time employees and Temporary employees between 2019 and 2020 are due to the measures implemented by Amadeus to face COVID-19 crisis.

2019*

	Permanent	Temporary	Total
Full-time	16,454	292	16,746
Part-time	899	19	918
Total	17,353	311	17,664

* The information provided refers to the number of contracts at 31/12/2019, for all employees in controlled companies.

Gender diversity by employment type and contract

2020*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Male	9,595	929	10,524	99	12	111
Female	5,352	1,322	6,674	81	9	90
Total	14,947	2,251	17,198	180	21	201

* The information provided refers to the average number of contracts for 2020, for all employees in controlled companies. Differences in Part-time and Temporary employee's figures between 2019 and 2020 are due to the measures implemented by Amadeus to face COVID-19 crisis. Among them, Amadeus proposed an incentivized program for a temporary voluntary reduction of the working hours.

2019*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Male	10,090	178	10,268	204	12	217
Female	5,883	676	6,559	191	12	203
Total	15,973	855	16,828	395	25	420

* The information provided refers to the average number of contracts for 2020, for all employees in controlled companies.

Age diversity by employment type and contract

2020

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<30	2,235	108	2,343	55	6	61
>50	2,687	717	3,403	13	3	17
Between 30 and 50	10,026	1,426	11,452	111	13	124
Total	14,947	2,251	17,198	179	21	201

* The information provided refers to the average number of contracts for 2020, for all employees in controlled companies. Differences in Part-time and Temporary employee's figures between 2019 and 2020 are due to the measures implemented by Amadeus to face COVID-19 crisis. Among them, Amadeus proposed an incentivized program for a temporary voluntary reduction of the working hours.

(millions of euros)

2019

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<30	2,524	17	2,541	198	14	212
>50	2,916	263	3,179	16	4	20
Between 30 and 50	10,533	575	11,108	181	6	188
Total	15,973	855	16,828	395	25	419

* The information provided refers to the average number of contracts for 2020, for all employees in controlled companies.

Professional category (Corporate Level) by employment type and contract

2020*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
VPs and directors	180	26	207	1	0	1
Senior Managers and Managers	3,602	563	4,165	14	1	15
Staff	11,165	1,662	12,827	165	20	185
Total	14,947	2,251	17,198	179	21	201

*The information provided refers to the average number of contracts for 2020, for all employees in controlled companies. Differences in Part-time and Temporary employee's figures between 2019 and 2020 are due to the measures implemented by Amadeus to face COVID-19 crisis. Among them, Amadeus proposed an incentivized program for a temporary voluntary reduction of the working hours.

2019*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
VPs and directors	192	1	193	1	0	1
Senior Managers and Managers	3,627	199	3,826	19	1	20
Staff	12,155	655	12,810	375	23	399
Total	15,973	855	16,828	395	25	419

*The information provided refers to the average number of contracts for 2020, for all employees in controlled companies.

Gender Diversity by professional category (Corporate level)

2020*

	VPs and directors	Senior managers and managers	Staff	Total
By age range				
<30	0	9	2,296	2,305
30-50	82	2,913	8,046	11,041
>50	124	1,220	1,860	3,204
By gender				
Male	164	2,784	7,180	10,127
Female	42	1,358	5,022	6,423
Total workforce	206	4,142	12,202	16,550

*Scope for this table includes all employees in controlled companies.

(millions of euros)

2019*

	VPs and directors	Senior managers and managers	Staff
By age range			
<30	0	13	3,036
30-50	81	2,945	8,540
>50	112	1,129	1,933
By gender			
Male	155	2,742	7,986
Female	38	1,345	5,523
Total workforce	193	4,087	13,509

*Scope for this table includes all employees in controlled companies.

Dismissal by age, Gender and professional category (Corporate level)

2020*

	Staff	Senior managers and managers	VPs and directors	Grand Total
<30	144			144
Male	65	0		65
Female	79	0		79
Between 30 and 50 years old	399	47		446
Male	226	30		256
Female	173	17		190
>50	177	53	7	237
Male	84	29	7	120
Female	93	24		117
Grand Total	720	100	7	827

*Scope for this table includes all employees in controlled companies.

2019*

	Staff	Senior managers and managers	VPs and directors	Grand Total
<30	164			164
Male	99			99
Female	65			65
Between 30 and 50 years old	186	35		221
Male	103	24		127
Female	83	11		94
>50	79	23	7	109
Male	36	15	6	57
Female	43	8	1	52
Grand Total	429	58	7	494

*Scope for this table includes all employees in controlled companies.

(millions of euros)

Average remunerations and their evolution disaggregated by sex, age and professional classification or 'equal value'.

Average remuneration by gender:

Average Compensation (in EUR)	2020	2019
Female	55,488	56,923
Male	66,513	67,887

Average remuneration by age:

Average Compensation (in EUR)	2020	2019
<30 years	29,461	32,524
30-50 years	61,067	64,090
>50 years	94,855	97,111

Average remuneration by level:

Average Compensation (in EUR)	2020	2019
Executive Level	282,149	282,912
Management Level	126,181	130,914
Non-management Level	53,226	55,225

Average remuneration shown above refers to total target compensation (base salary, target annual bonus and target long-term incentive).

Variations between 2020 and 2019 are strongly impacted by exchange rate evolution and difference in workforce composition.

Salary gap

Pay gap, shown as a percentage, calculated as the difference between the average compensation of male employees and the average compensation of female employees, divided by the average compensation of male employees:

Pay Gap of Average Compensation	2020	2019
Executive Level	2.0%	-8.1%
Management Level	4.7%	4.2%
Non-management Level	10.2%	10.8%
Total (weighted average)	9.7%	10.1%

Pay gap, shown as a percentage, calculated as the difference between the median compensation of male employees and the median compensation of female employees, divided by the median compensation of male employees:

Pay Gap of Median Compensation	2020	2019
Executive Level	9.4%	7.4%
Management Level	6.4%	7.0%
Non-management Level	9.4%	9.3%
Total (weighted average)	9.1%	9.1%

(millions of euros)

The average remuneration of the directors and executives, including the variable remuneration, allowances, indemnities, the payment to long-term savings systems and any other perception broken down by sex

Average Compensation (in EUR)

	2020		2019	
	Female	Male	Female	Male
Board of Directors				
External Directors [1]	89,790	115,018	139,650	125,017
Executive Director		3,657,544		5,281,643
Executives [2]	314,210	289,908	382,221	343,377

(1) Remuneration paid to External Directors consists of an annual fixed fee for Chairmanship / membership of the Board, plus an additional annual fixed fee for Chairmanship / membership of the Board's Committees. Hence, total remuneration received by External Directors only depends on the time they serve on the Board during the year, and whether they are also members of one or more of the Board's Committees during part or the full year.

(2) Includes the Company's Executive Committee as well as other individuals with senior leadership responsibilities (referred to as Executive Level in the previous remuneration tables).

Organization of working time

Work life balance is embedded in our culture and promoted across the organization. The diversity in our culture implies that we have different laws and policies applicable in the different Amadeus sites worldwide. All of our main sites promote teleworking and flexible working hours opportunities, as well as two of our main sites, NICE and NORAM, (39% of overall population) recently implemented policies related to labor disconnection.

This policy confirms that employees have the right to disconnect outside of working hours (except for on-call periods), during their statutory daily and weekly rest periods, and during leave and periods when the contract is suspended.

Consequently, mobile equipment and email and other messaging systems should not be used during employees' rest periods (of all kinds); periods when the employment contract is suspended must be observed by all parties.

In our Amadeus Headquarters, following the current Spanish law ('articulo 34.2'), we have a maximum of 40 weekly working hours, with the exception of the months of July and September with 32.5 weekly hours.

Working hours should be in all cases between 8am and 8pm.

There is a maximum of 9 daily working hours, ensuring a minimum of 30 mins break for lunch time. The minimum daily hours should be of 4 hours, respecting the overall weekly schedule of 40/ 32.5 hours per week.

These flexible hours are applicable in all cases in which the function and goals of the area allow this flexibility, maintaining always a minimum coverage of service between 9am and 6pm during the week and from 9am to 5pm on Fridays.

The distribution of hours/ employee should always be agreed with the department manager.

Disabled employees

At Amadeus, our culture of inclusivity is shaped by our people: a global community of over 140 different nationalities. But diversity means more than simply being a group of people from different backgrounds and places. We are actively committed to promoting a welcoming, inclusive and supportive atmosphere across every office – a shared culture of respect, openness and thoughtfulness, underpinned by our collective enthusiasm for technology, travel and innovation.

(millions of euros)

Our commitment is to accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

Our largest site, in Nice, took the lead on inclusion of people with disabilities, hosting disability awareness training sessions and other activities in honor of European Disability Employment Week. We constantly review accessibility to our sites, equipment is available, and offer diversity awareness training for managers. In addition, we engage with schools, universities and job fairs to promote the hiring of people with disabilities.

Employees with disabilities*

	2020	2019
	217	193

*The scope for this table included all employees in controlled companies.

Work-life balance and absenteeism

At Amadeus we believe A good work/life balance can enable employees to feel more in control of their working life and lead to:

- increased productivity
- lower absenteeism
- a happier, less stressed workforce
- improvements in employee health and well-being
- a more positive perception of you as an employer
- greater employee loyalty, commitment and motivation
- a reduction in staff turnover and recruitment costs

We have implemented in the last few years a number of initiatives to support and embrace work-life balance. As a latest example in our Headquarters in Madrid we implemented the 'smart work' program. The aim of this policy is to allow more flexibility to those employees who are willing to perform part of their working activities outside the Amadeus premises. The independent Smart Work days allow the employee to better engage with personal needs, without having to commit to a fixed teleworking regime. The outcome of the various initiatives put in place in our company to enhance a better work/life balance, is a 20% decrease in the global number of absenteeism hours in 2019 and a 26% decrease in 2020.

Number of absenteeism hours

	2020	2019
Male	111,652	156,484
Female	147,924	192,052
Total	259,577	348,537

*An employee absents from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded (following Global Reporting Initiative standards).

(millions of euros)

6.2 Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who might be affected by our operations.

Injuries per type

	Female 2020	Female 2019	Male 2020	Male 2019
Neck or back	2	7	1	5
Bone	1	5	4	3
Soft Tissue	3	3	0	5
Burns	0	-	0	-
RMI	0	1	0	-
Other	17	23	27	47
Totals	23	39	32	60

	Female 2020	Female 2019	Male 2020	Male 2019
Total Injuries	23	39	32	60
Total Occupational Disease	9	6	2	10
Injury Rate*	3.13	3.55	1.90	3.13
Occupational Disease Rate**	0.01	0.01	0.00	0.01
Lost Day Rate***	0.16	0.48	0.08	0.16

Injury rate calculated based on the number of injuries/ the effectively worked hours in the year 1,000,000.

**Occupational Disease Rate calculated based on the Occupational diseases/ the effectively worked hours in the year* 10,000.

***Lost Day Rate calculated based on the total number of lost working dates/ the effectively worked hours in the year* 1,000.

6.3 Relationship with employees

We have a culture of open, transparent and inclusive employee communications. Our goal is to help our people connect what they do individually with the company vision and strategy, to be more engaged in their day to day work, and to build a sense of belonging to one global team.

Good communications drive performance: we inform our employees about our business strategy, our customers, the market and technology landscape and key events both external and internal. We work to make relevant resources and information accessible through a variety of channels. We build a sense of belonging by sharing stories that unite us as a global workforce with common values. And we work to empower our employees at all times by encouraging greater exchange, input and dialogue.

Each and every employee makes a unique contribution to Amadeus' goals. We take pride in delivering better journeys, helping our customers be successful, innovating and giving back to our communities and society. This is brought to life by the personal experiences, perspectives and stories shared on a daily basis with colleagues around the world. In 2018 our most popular communications were '5-minute jabbers' with senior leaders, and stories on the following topics: diversity and gender equality, our employee home and language exchange program, GDPR readiness, employee relocation experiences, and customer first stories from around the world.

The internal communications team also played an important role in informing employees during key Mergers & Acquisitions developments and business transformation programs that took place across the company in 2018.

A European Work Council agreement is available for Amadeus companies located in member states of the European Union and states signatories of the European Economic Area, and non-members of the EU including Switzerland, on the provision of consultation and information sharing on transnational matters affecting employees within those companies defined later on.

The parties recognize this Agreement as a negotiated agreement under Spanish law 10/1997 of April 24, as amended by the Act 10/2011 of 19 May 2011 implementing the Council Directive 2009/38/EC of 6 May 2009.

This Agreement will apply to all Amadeus companies located in member states of the European Union and states signatories of the European Economic Area and non-members of the European Union including Switzerland, and it does not exclude any European country where an Amadeus Company with majority shareholding exists.

The scope of the Amadeus European Employee Council consists of significant subjects of a transnational nature based on a Central Management report and relating to the following:

Information shall be provided regarding, but not limited to, the following subjects:

- the structure of the business;
- the economic and financial situation and forecast of the Company, including likely business forecasts and activities of the undertaking;
- the development of the business;
- production and commercial activities and sales;
- employment trends;
- Company strategy and investments;
- establishment of undertakings;
- exceptional events affecting any of the above;
- Headcount evolution and forecasts;
- Corporate Policies;
- Employees' financial participation in the Company (eg. Future share options).

Consultation shall be undertaken regarding, but not limited to, the following subjects:

- Substantial changes of organization such as mergers, cut-backs, closures or relocation of tasks resulting in collective redundancies;
- Cost reduction programs impacting staff;
- New working methods;
- Significant transfers of production;
- Environmental issues;
- Outsourcing plans of a transnational nature;
- Costs and benefits of transnational issues.

If the local regulation across the agreement requires additional details or procedures, the local law will always prevail.

(millions of euros)

Total Workforce by main countries/ regions covered with collective agreements* (percentage)

Country	2020	2019
France	100%	100%
United States	0%	0%
India	0%	0%
Germany	69%	62%
Spain	100%	100%
United Kingdom	71%	72%
Philippines	0%	0%
Australia	69%	73%
Thailand	0%	0%
Singapore	0%	0%
Turkey	0%	0%
Ukraine	0%	0%
Bulgaria	0%	0%
Netherlands	0%	0%
Colombia	0%	0%
United Arab Emirates	0%	0%
Others	34%	22%
TOTAL	48%	47%

*Scope for this table includes all employees in controlled companies.

An overall population of 48% worldwide is covered by collective agreements, however most of European sites like Madrid (Spain), Nice (France) or Erding (Germany) the percentage of workforce increases significantly.

The health and safety of our employees is a matter of the utmost importance for us. In order to ensure all local regulations are complied with, each Amadeus office coordinate this activity at local level. The health and safety topics are covered by collective agreements where available.

6.4 Training and development

Learning and Development are the two essential ingredients needed to keep the teams mobile and actively engaged. A Competency Model is available to all employees to give them an excellent insight and overview of what key behaviors and required skillsets are essential at every level of the business.

Every employee is considered as unique, with their own set of special aspirations, suite of skillsets and bank of knowledge. Whether they want to pursue a career in leadership, or try their hand at becoming a technical expert, the Competency Model can point them in the right direction.

We have a decentralized learning program in which each site and company of the group manages their own training budget and policies based on market requirements. We provide available corporate training tools which gives employees empowerment to decide on their own training demands.

(millions of euros)

Total number of hours of training

Employee category	Male 2020	Male 2019	Female 2020	Female 2019	Total 2020	Total 2019
SVPs, EVPs and VPs	77.49	91.46	6.00	10.05	83.49	101.51
Directors	1,207.87	668.44	362.86	234.86	1,570.73	903.30
Associate directors	1,948.38	1,511.44	460.21	509.64	2,408.59	2,021.08
Senior managers	7,555.99	8,605.33	3,707.99	4,309.20	11,263.98	12,914.53
Managers	28,407.93	27,425.78	15,953.71	15,672.39	44,361.64	43,098.17
Staff	82,104.19	161,041.12	51,760.08	92,011.69	133,864.27	253,052.81
	121,301.85	199,343.57	72,250.85	112,747.83	193,552.70	312,091.40

*Scope for this table includes all employees in controlled companies.

Average number of trainings

Employee category	Male 2020	Male 2019	Female 2020	Female 2019	Total 2020	Total 2019
SVPs, EVPs and VPs	3.69	6.10	2.00	2.51	3.48	5.34
Directors	8.57	5.76	9.81	8.10	8.82	6.23
Associate directors	9.06	8.08	6.97	8.49	8.57	8.18
Senior managers	9.32	11.66	11.77	14.76	10.00	12.54
Managers	11.29	16.36	11.33	17.41	11.30	16.73
Staff	11.68	20.05	10.88	17.43	11.35	19.01

*Scope for this table includes all employees in controlled companies. Figures show training average per employee category.

Amadeus invests heavily in training specially for women, as shown above on the higher average number of training hours they received compared to the male average.

6.5 Accessibility

For Amadeus, developing an accessible workplace is an imperative to help expand workplace diversity, and ultimately improve the hire, retention of employees with disabilities. Therefore, in sites like Madrid we develop individualized accessibility actions for each employee with disabilities, providing the required tools and support for their daily activities. In the USA we participate in the equal employer opportunity (EEO) program.

In accordance with the Americas with disabilities Act of 1990 (ADA), Amadeus prohibits any form of discriminations against individuals with physical or mental disabilities in hiring as well as in all terms and conditions of employment.

6.6 Equity

Amadeus works to help everyone shape their own journeys, creating value for customers, travelers and society. Our culture promotes respect, fairness, equal opportunities and dignity for everybody and allows our people to be the best version of themselves.

At Amadeus, we accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

We work to build a workplace with equal opportunities for all employees. We regularly review our selection processes for bias and ensure our job offers are gender neutral. We closely monitor remuneration processes for gender bias. Women at Amadeus are further empowered through cross mentoring programs, and the work of the employee-led Amadeus Women's Network which operates at many of our offices.

We're also focusing on encouraging girls and young women to pursue careers in STEM fields through our support of Inspiring Girls (see below) in Spain and our sponsorship of the Code First: Girls conference in London.

Amadeus was proud to show its commitment to the LGBTI community this year as the 150th company to support the UN Standards of Conduct for Business for tackling discrimination against Lesbian, Gay, Bi, Trans, & Intersex people. Amadeus also joined other leading Spanish companies to create REDI (Red Empresarial por la Diversidad y la Inclusion LGBTI) to promote best practices in the workplace for LGBTI diversity and inclusion. Our LGBTI employee resource group, Amadeus Proud, opened a chapter at our Madrid headquarters, increasing visibility and expanding the LGBTI and Ally network.

We were proud to support the work of Inspiring Girls, an organization that provides female professional role models to 11-15-year-old girls. The girls have an opportunity to meet women in a variety of non-traditional professions so that they can expand their view of available professions, ask questions, and see that the women who work in these fields are not outliers. Amadeus was delighted to host one of these sessions at our Madrid office

Amadeus is fully committed to comply with all appropriate laws and regulations in all countries and jurisdictions in which we operate. This includes, but is not limited to, laws and regulations pertaining to health and safety, labor, discrimination, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, anti-bribery and anti-money laundering. Madrid headquarters complies with the legal obligations stated in Law 3/2007 of effective equality between women and men.

Compliance alone, however, is not enough. Consistent with the values and principles set forth in this Code, we are guided by the highest ethical standards and are firmly committed to excellence in the fields of corporate governance, social responsibility and environmental sustainability.

6.7 Human Rights Policy

Amadeus is committed to developing an organizational culture and structure that supports human rights policies all around the world. Amadeus aims to clearly set out its views on potential issues surrounding human rights such as fair wages and compensation, freedom of association and collective bargaining, health and safety, migrant workers, and non-discrimination of the workforce.

Amadeus, and its global group of companies worldwide, is committed to developing an organizational culture and structure based upon the principles set forth in The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, The International Covenant on Economic, Social and Cultural Rights and The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

We seek to establish relationships with entities and organizations that share the same principles and values as Amadeus. It is expected from our partners to respect and not infringe upon human rights. Within our company, should any employee believe that someone is violating the Human Rights Policy or the legislation, they are asked to immediately report it to their manager, to the Human Resources department or to the Ethics Committee.

Our senior management has the responsibility for ensuring adherence to these commitments as well as for overseeing their implementation and guaranteeing that any breaches are investigated.

Amadeus adheres to national law and regulation in each market in which it operates. In situations where Amadeus faces conflicts between internationally recognized human rights and national regulations, the company will follow processes that seek ways to honor the principles of international human rights.

In addition to working within the respect for human rights, we also pursue opportunities to support human rights in areas where we can make a positive impact, in local communities, through our CSR initiatives.

Our commitment to excellence has made us leaders in our industry. The same spirit of excellence informs our professional behavior and how we treat one another. It guides our relations with stakeholders, our conduct in the communities in which we operate, and our efforts to contribute to a healthier, cleaner and more sustainable environment.

Amadeus teamwork is based on trust and integrity. We expect employees to honor the trust placed in them by acting at all times with personal and professional integrity. Employees must avoid conflicts of interests, including all situations where competing professional or personal interests put in question the impartial fulfilment of professional duties. Employees should never use their position within Amadeus, or the resources of Amadeus, to obtain benefits for themselves, relatives, or third parties connected to them.

This Amadeus code of ethics and business conduct (https://corporate.amadeus.com/documents/en/corporate-sustainability/report/amadeus-code-of-ethics-and-business-conduct.pdf) is binding on all employees of the Amadeus Group, including the members of the Executive Committee and VP/Directors, and forms part of their employment relationship with the Group or the relevant Amadeus Company. For this purpose, 'Amadeus Group' or 'Group' is the set of companies in which Amadeus IT Group, S.A. has a direct or indirect holding and which it controls.

On top of the high commitment with Human Rights, Amadeus is committed with the application, among others, with the content of the main agreements included in the ILO (International Labour organization) related to unacceptance of forced labor, modern slavery and human trafficking.

6.7.1 Child labor

There is no child labor in Amadeus, therefore it is excluded from any recruitment activity. This statement uses the applicable local legislation to determine the definition of a child.

6.7.2 Fair wages/compensation

Every Amadeus employee has the right to a fair compensation for his/her work. The company is committed to remunerating employees in line with the labor market best practices and local legislation.

Our current compensation policies include global guidelines which are being applied globally during our Salary review process, ensuring fairness, and equity across the different markets, and no discrimination of minority groups.

6.7.3 Freedom of association/collective bargaining

Amadeus reaffirms its support to the freedom of association and the right to collective bargaining. In that regard, the company is committed to complying with the ILO Conventions with respect to freedom of association and trade union rights, fully acknowledging the right to organize and the right of unions to represent and negotiate on behalf of the employees, without prejudice to existing local legislation.

6.7.4 Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who may be affected by our operations. Amadeus' Health and Safety policy requires that each of its companies or legal entities develops and approves a Health and Safety Policy. Programs and procedures in line with this policy are developed and implemented at local level following the approval of the General Manager/Site Manager.

6.7.5 Migrant workers

All of Amadeus employees, including migrant workers, are provided wages, benefits and working conditions that are fair and in accordance with local legislations. We do not permit holding workers' passports to keep them from leaving, charging any type of fee or deposit for employment, or any other unfair practice. Amadeus repudiates human trafficking.

6.7.6 Non-discrimination

At Amadeus, we value and respect the differences of our workforce. We are committed to ensuring that every single employee is treated with respect, dignity and fairness and that he/she is given equal opportunities. This means that throughout all our HR processes - recruitment, compensation and benefits, training, development, promotion, transfer, mobility and termination -, individuals are solely assessed based on their merit and their ability to meet the requirements and standards of the role and that they are not discriminated against. For our company, valuing diversity and inclusion means accepting and respecting differences between and within cultures, while acknowledging and endorsing differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities. We respect everybody's rights and we have a zero-tolerance policy to discrimination.

6.7.7 Non-Compliance with Policy and consequences

Non-compliance with this policy will not only violate Amadeus values, but it may also have a wider socio-economic impact on the Amadeus company as a whole. Negative press and links with human rights violations can be very damaging to a company's reputation and can lead to loss of customer trust and engagement.

Reporting violations will be treated as highly confidential and will be recorded anonymously. All reports will be taken seriously and will be treated on a case by case basis, with adequate escalation to relevant governing bodies if needed.

6.7.8 Escalation Procedure

The members of the Ethics Committee responsible of the compliance of the Human rights policy can be reached through direct contact, or through a confidential email sent to ethics@amadeus.com. Whenever necessary and appropriate, Amadeus will establish alternative means of communication outside of normal email to ensure confidentiality.

In 2019 and 2020 we have not received any complaints related to Human Rights violations.

Human Rights form part of Amadeus' risk analysis framework. We evaluate the risks of infringing any of the following rights:

- Non-discrimination
- Collective bargaining
- Freedom of association
- Fair wages
- No child labor or forced labor
- Adequately healthy and safe working conditions

In 2020 we completed a risk assessment of the Human Rights identified above in a selected number of countries based on the following criteria: (i) according to Human Rights standards, or (ii) because of the importance in the operations for Amadeus, especially in terms of reputational impact.

The assessment was carried out in 37 countries, which represents 16% of the total number of affiliates. Most of the companies in these countries have been requested to perform the assessment for 2 types of stakeholders (Amadeus employees and Amadeus suppliers) and each risk has been assessed in terms of Probability and Impact (financial and reputational impact), rated from 1 (lowest) to 4 (highest).

The results obtained from this assessment show that the probability for these risks to materialize in these countries is not material.

7 Societal information

7.1 Social commitment

Our corporate social responsibility purpose is to bring our people and technology together to help build a responsible, inclusive and sustainable travel and tourism industry. Travel can bring significant socio-economic benefits for local communities. At the same time, it can also have an adverse impact on the long-term sustainability of destinations. This is why we are focused on initiatives that contribute to the responsible development of travel and tourism by:

1. Maximizing the positive contribution that travel and tourism makes to society by engaging local stakeholders and creating opportunities for communities around the world through education and socio-economic development initiatives.

2. Minimizing that adverse impact of tourism on specific destinations by protecting biodiversity, cultural heritage and community spirit.

COVID-19 has had an unprecedented impact on the global travel industry. Just as we have done with our business, we have adapted our long-term CSR strategy to support relief and recovery efforts through existing and new programs. In 2020 we launched four new strategic CSR programs designed to meet our CSR purpose and social goals:

_Social Innovation Powers Good: Delivering positive social impact through product and service innovation

_Skills to Empower Good: Facilitating specialized free education to promote talent and address unemployment within the travel and tourism industry

_Powering Good with Partners: Joining forces with our stakeholders in collaborative initiatives to co-generate solutions with a positive social impact for our industry and our communities

_Empowering Communities: Fostering employee engagement to strengthen local communities and help them protect their natural and cultural heritage

In 2020 CSR activities were rolled out in 49 sites (33 countries), where over 75% of staff are based. We worked with organizations to form long-term partnerships and collaborated on strategic projects that can have a greater impact on our beneficiaries. We also further aligned our programs and activities with the United Nations Sustainable Development Goals (SDGs) to increase our efforts toward rebuilding the global travel and tourism industry responsibly. In 2020 we have focused on SDGs 3, 4, 8, 10, 11 and 17.

We have four flagship programs designed to meet our SDG goals.

Social Innovation Powers Good

This program promotes Amadeus innovation in product and service development with a social purpose. We work jointly with all internal teams, supporting and showcasing business initiatives that can help address social challenges and contribute to achieve UN SDGs.

Due to the pandemic, in 2020 our social innovation efforts focused on SGD 3, making the protection of travelers' health, well-being and safety our main goal. This purpose-driven innovation was possible thanks to the development of cross-functional taskforces and the launch of internal contests that engaged more than 600 employees.

Skills to Empower Good

This program provides free access to specialized training in travel and tourism for vulnerable people and professionals in need of upskilling, contributing to the recovery of the industry while addressing unemployment globally.

(millions of euros)

During 2020 we received more than 45,000 registrations to our free training courses and webinars.

Powering Good with Partners

This program looks at joining forces with our stakeholders though collaborative initiatives to cogenerate solutions that have a multiplier effect and increase our collective positive social impact. Amadeus is at the center of the travel ecosystem and best positioned to promote networks, collaborative projects or joint actions where our solutions, knowledge and expertise can make a difference in boosting a more responsible, inclusive and sustainable travel and tourism industry.

In 2020 this program has provided us with the framework to join forces with others to face the social challenges raised by the pandemic.

Empowering Communities

This program focuses on engaging our employees in supporting social initiatives with a positive impact on the local communities where we operate. This year, our employees' engagement centered on COVID-19 response and recovery through volunteering, fundraising and active citizenship initiatives.

Our people found creative ways to help their local communities despite the challenges of COVID-19 from mask and food donations to mentoring programs to upskill students in the travel and tourism industry.

Amadeus IT Group spent in 2020 a total of 214,231 EUR in terms of contribution to non-profit organizations.

Contribution to non-profit organizations (EUR)	2020	2019
	214,231	269,469

In relation to the impact on local development and communities, one of our principal contributions is based on the provision of high-quality jobs that generate local positive direct and indirect impact thanks to our total workforce of more than 16,500 FTEs spread across the world. In this respect, our historical growth and positive economic results has resulted in a significant total tax contribution.

At Amadeus, we want to make sure that all our stakeholders have easy access to up-to-date information about the company. In addition to several publications we maintain dialogue with our stakeholders in a regular basis. We are aware of the importance of stakeholder engagement, as it allows us to understand which are our stakeholders' main concerns, and what do they expect for us. In the table below we describe the main communication channels for each of our stakeholders.

Stakeholder	Communication channels
Employees and external candidates	Direct engagement through local, regional and global Amadeus People & Culture teams Engagement surveys across all sites Collective bargaining agreements Employee Box email Intranet and internal weekly newsletter Participation in external events to showcase our expertise and attract new talent, covered by our social media channels https://jobs.amadeus.com/
Shareholders	Direct engagement through Investor Relations team and periodic reports Roadshows and conferences Investor Relations Inbox https://corporate.amadeus.com/ (specific pages for investors)

Customers	Regular press releases announcing new solutions, deals and other important news Guest blog posts in which our customers offer their view on the industry and how they collaborate with us Direct engagement through local, regional and global sales, as well as customer management teams around the world Voice of the Customer Program Local and global customer support centers Customer-focused events showcasing our offerings and expertise and working on how to better collaborate with our customers, covered by our corporate blog and social media channels
Vendors	Direct contact through the Amadeus Corporate Purchasing department, other internal units and local teams across offices worldwide Social responsibility and environmental surveys
Industry associations	Direct engagement through participation in main industry associations Blog posts
Governments, authorities and regulatory bodies	Direct contact through the Industry Affairs team and local Amadeus general managers Participation in related meetings and events https://corporate.amadeus.com/ (specific pages for industry affairs)
Society and the environment	Direct engagement through multi-stakeholder panels Industry Affairs Box email Collaboration on joint social responsibility and sustainability initiatives Blog posts https://corporate.amadeus.com/ (specific pages for sustainability)

7.2 Relationship with vendors

Our goal is to make Amadeus the most respected brand in the industry. The Amadeus Corporate Purchasing Policy sets the policies needed to help Amadeus to achieve this goal.

Amadeus expects all internal and external participants in the purchasing process to observe the highest standards of ethical conduct. We expect business to be conducted in accordance with the Amadeus Code of Ethics and Business Conduct (CEBC) (could be found on www.amadeus.com) and Amadeus Environmental Policy.

All Amadeus employees, especially the ones involved on the procurement process, have to develop plans to ensure that all potential vendors are in line with the Amadeus Code of Ethics. Amadeus has to favor vendors which are committed to environmental responsibility.

Internally, we expect all Amadeus Employees involved in the purchasing process to maintain the highest level of integrity and objectivity in the decision-making process; therefore, we discourage Employees and vendors from doing anything to compromise or appear to compromise objectivity. All Amadeus employees will have to adhere to the provisions included in the Amadeus Code of Ethics and Business Conduct (CEBC). Amadeus employees should also be aligned to main environmental principles in our outsourcing process, considering for example to buy goods and services that are truly necessary (e.g. no warehousing, make or buy evaluation or check if internal transfer of existing goods makes sense).

Externally, we expect all Amadeus Vendors to commit with a minimum set of ethical standards, such as business ethical, social and environmental commitments. All Vendors of Amadeus shall be fully committed to comply in strict compliance with all appropriate laws and regulations in all countries and jurisdictions in which they operate, such as laws and regulations pertaining to health and safety, labor, human rights and discrimination, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, and anti-bribery. We expect that Vendors shall be guided by the highest ethical standards and shall be firmly committed to excellence in the fields of corporate governance, social responsibility and environmental sustainability. In order to verify that we should ensure:

- At least strategic vendors for each Amadeus Company will have to explicitly adhere in writing to the Amadeus CEBC extract for vendors. In case any of those vendors are having their own documented CEBC in place (which Amadeus has the right to ask for and/or audit) and it is demonstrated that their own CEBC is at least as strict as the Amadeus one, it will be accepted that they adhere to their own CEBC, but this has to be confirmed in writing. In case vendor is not in agreement with this wording, it is vendor's responsibility to explicitly say if they are not adhering to CEBC, which are the reasons that motivate this and then the respective Purchasing Department together with Risk and Compliance department will decide how to move forward in each specific case
- Favor vendors which are committed to environmental and Social responsibility practices such as having an environmental policy in place, demonstrate ability and willingness to comply with environmental obligations, prioritize goods which are produced in an eco-friendly way and can be disposed in an environmental responsible way
- Avoid relationship vendors whose cannot fulfil following principles:
  - Respect the human rights of employees, and never treat employees in an inhuman manner
  - Prevent forced labor or child labor
  - Not practice discrimination in hiring and employment
  - Prevent unfair low-wage labor
  - Respect the right of employees to organize, for smooth negotiation between labor and management
  - Create and maintain healthy and safe work conditions and environment for all their employees
  - Observe all related laws and international rules, and ensure fair transactions and prevent corruption

7.2.1 Vendor qualification policy

The vendor qualification process helps identify candidates for strategic relationships, facilitates communication with potential vendors, and ensures new suppliers meet firm-wide quality, management and safety standards.

Amadeus' vendor qualification procedure will provide a holistic view of our entire global supply base by

- Identifying approved and preferred vendors for the products and services we want to buy
- Better understand the potential risks of buying products or services in all geographies
- Encourage improvements in supplier standards

The qualification process that needs to be applied to any new vendor for Amadeus could be divided in two steps, one related to the qualification as a vendor to provide any kind of service to Amadeus and one service qualification to ensure the Vendor can provide specific type of services such as Business Continuity Critical or IT Security Relevant

Initial Vendor Assessment / Registration

As a first step in evaluating vendor capacity to fulfil Amadeus requirements, a pre-qualification questionnaire is submitted according to the vendor criticality in addition to general contact information

This initial assessment could include at least the following aspects:

- Vendor general information
- Corporate Social Responsibility and Environmental information
- Reputational analysis
- Financial health information

This assessment could be complemented as mentioned above depending on the service this vendor should provide, if needed, with a more detailed audit of the capabilities of the vendor to respond to the requirements that Amadeus needs from them.

- Security policies or adherence to Amadeus security policies and other requirements (i.e. PCI…)
- Quality systems in place
- Competitive advantage with rest of industry
- Service levels
- Demand management capabilities
- References from similar industries

It is a good practice as well (depending on the country/location) to ask for specific registration document of the vendor to ensure proper adherence to legal local requirements.

Qualification

Output of the previous processes will be evaluated between Purchasing, Functional departments and Risk area owners. This review will decide whether vendor is allowed to work with any Amadeus company for that respective service.

The output of this evaluation will be stored in Coupa Supplier Information Management module (data related to vendor) and Contract Lifecycle Management module (data related to service to be provided)

This is just ensuring that vendor is meeting Amadeus' requirements in order to be able to work with us and in no way is to be understood and communicated to vendor as an awarding of any contract.

When running an RFX event, vendors already included in Coupa will be automatically qualified to participate if the service is similar to the ones provided before by this vendor. If service is different, Service Risk assessment will have to be performed again.

7.2.2 Amadeus vendors

Most of our external vendors fall under the following categories:

- Consulting and marketing services
- Hardware vendors
- Software vendors
- Data communication vendors

Although Amadeus has a worldwide presence, most of the spend, around an 80%, is concentrated in Spain, France, Germany and North America. From a supply chain perspective, our activity is related to online transaction processing and technology development. In this context, Amadeus' exposure to third-party vendors that may not comply with minimal social or environmental requirements is low, and that is a principal reason our external reporting is limited.

Regarding our vendors, our purchasing department uses a survey to make sure our vendors comply with highest sustainability standards and with the relevant environmental legislation, including greenhouse gas emissions. The majority of spend is concentrated in a limited number of vendors, mainly hardware producers (servers) and consultancy companies. Generally speaking, Amadeus is having a quite stable situation in terms of vendor concentration since 50 main vendors gather almost 55% of the global spend.

The Amadeus Corporate Purchasing Policy aims at ensuring that all employees involved in the procurement of goods and services factor in social and environmental responsibility aspects in their purchasing decisions.

An organization of local, regional and global Amadeus purchasing teams oversees the operations on the supply chain side and deals with both internal stakeholders and vendors.

7.2.3 Supervision systems and audits, and their results

Evaluation of supervision systems in our vendors is carried out by internal and external audits.

The selection of activities to be reviewed by Group Internal Audit is mostly risk based, and has to be formally approved by the Audit Committee of the Group. Through our engagements, we assess the adequacy and the effectiveness of the internal controls within the organization. This includes, whenever deemed relevant, the effectiveness of the controls over outsourced activities.

In addition to the previous, and on an ad hoc basis according to our risk-based approach, Group Internal Audit can also directly assess the activity at selected vendors, both at the Group Level and at the entity level.

External auditors provide independent assurance over Business Continuity. In 2018 we assessed a total number of 4 vendors and in 2019 we assessed 10 vendors regarding Business Continuity capabilities. During 2020 we have implemented a Business Continuity Third Party management process, to asses our top critical providers Business Continuity capabilities, through a self-assessment questionnaire. The process has been implemented in the corporate Business Continuity Tool and will allow us to increase the reach of providers to be evaluated.

In 2020 the identification of the criticality of Vendor Risk Management led to the decision to kick off a multidisciplinary project which overall objective is to implement a risk-based approach (including Privacy, Cybersecurity, Business Continuity, IT Controls, Compliance and legal), determining how to manage subsequent vendor activities, such as vendor performance and vendor risk monitoring.

We ask our vendors to provide their sustainability strategy or to comply with the requirements of Amadeus environmental policy. We believe the systematic implementation of this approach helps to increasingly raise awareness in the industry about the importance of reducing greenhouse gas emissions overall and it also helps us to identify potential risks and areas for improvement. Amadeus has implemented a new process for vendor creation. As part of this process, Amadeus has a mandatory questionnaire to be completed by all the recurrent vendors (spend over 10k EUR yearly). The questionnaire includes issues related to human rights, discrimination or environmental policies. As part of this process, vendors must confirm their adherence to our Code of Ethics or Environmental policy or confirm they have something similar. If vendors respond incorrectly, they cannot move forward in the process and Amadeus could not work with them.

For the time being this process of implementation is already effective in our headquarters Amadeus IT Group in Madrid, our other main sites Amadeus SAS, Amadeus Data Processing GMBH and Amadeus Soft Labs, plus North America offices, covering more than 80% of our relationship with vendors (870 vendors which turnover is equal or greater than 10k EUR have signed our CEBC for Vendors). Process implementation will gradually continue with the other countries.

7.3 Customer services

We develop and deliver a wide range of services to maximize our customers' efficiency, business continuity and performance. In the customer service sphere, we strive to serve each of our customers in the best possible way and address their specific needs. Our customer service and support delivers a wide range of learning, support, automation, content and security management services.

In order to ensure proximity to our customers, we have built a strong local, regional and global customer service presence.

Our Customer Experience program collects the voice of our customers to identify from their perspective areas for improvement and areas of excellence. It monitors customer loyalty through multiple sources and channels to transform customer feedback into insights. All teams across Amadeus – whether or not on the frontline – have a role to play and are exposed to that feedback to improve our performance. This helps us continually revisit our way of doing things and focus on the areas that are a priority for our customers. This feedback is also key to defining Amadeus' strategic investments.

(millions of euros)

Our Voice of the Customer Program monitors customer loyalty and evolves to open new feedback sources and channels between customers and Amadeus. The main purpose of the program is to transform customer feedback into insights that teams across Amadeus will use to improve our performance. This helps us to continually revisit our way of doing things and focus on the areas that are priorities for our customers. This feedback is also key to defining Amadeus' strategic investments.

Customers actively participate in the design of our action plans, and we keep them informed regularly of the progress made. This communication is always carried out face-to-face via our regional teams or the various customer forums we organize throughout the year.

Our main measure is the Net Promoter Score, and we set targets at the beginning of the year.

There are certain key satisfaction drivers measured across all customer segments:

- Quality and reliability of Amadeus solutions, as a reflection of our focus on R&D
- Our customers' experience of working with Amadeus across the various stages of the customer journey
- Overall relationship with Amadeus, highlighting the engagement and service mindset of our people

In 2020 we continue to invest in our Voice of Customer practices to proactively capture, process and react to customer feedback. In 2020 we took three steps to bring our activities to the level of global best-practice:

1. We migrated to the leading customer experience solution Medallia. This provides best-in-class technology to launch and process surveys and share insights with all stakeholders. We increased automated survey-sending to get feedback after every customer training and every major customer product implementation.

2. We implemented a new governance framework to ensure a more consistent and automated processing of customer insights. We can now react to our customers quicker and ensure that lessons learned in one area are available to other teams to build improvements.

3. We launched a global 'sentiment survey' titled 'How is Amadeus supporting you during the crisis?' More than 80% responded 'as expected' or 'better than expected,' with many praising the guidance provided and our relief initiatives during the crisis.

Our Customer Services teams in Distribution business line, scored consistently above 90% in terms of customer satisfaction in 2020, while Customer Services Airline IT started measuring customer satisfaction this year and reached 80%.

On the quantitative side, in 2019 we received feedback from over 80,000 customers worldwide and in 2020 we received it from 60,000. Regarding customers that have contacted Amadeus for support, once they get assistance, they receive a request to fill out a feedback survey. If the feedback does not reflect a satisfied customer (in 2020, we got 3.9% of low satisfying results), an alert is triggered to the entities in charge of taking the following actions as relevant: improving internal processes, training staff, providing feedback to the product teams and contacting the customer back.

Low satisfying results

	2020	2019
	3.8%	6.5%

As we incorporate and integrate other sources of information, we aim to reduce the length of our surveys, so less time is needed to respond to them.

(millions of euros)

Amadeus has been working actively toward the new General Data Protection Regulation (GDPR) enforcement introduced in May 2018 by the European Community regarding data privacy. A global review of the compliance of all our systems and processes pertaining to personal private information (PII) has taken place with the support of specialized consulting firms. All immediate actions have been implemented, and a detailed plan has been laid down for further evolutions.

7.4 Industry relations

In the vast landscape of different private sector and trade industry stakeholders in travel and tourism, Amadeus engages with selected players in an open and constructive dialogue on industry issues. We collaborate in our own trade associations and partner with our airline and travel agency customer organizations to work toward common public policy goals. As an active partner, we have strong relations and work closely with institutional stakeholders, consumer advocates and many other travel and tourism associations across the globe.

7.5 Fiscal information

The tax contribution provided by the Group through compliance with its fiscal duties, in relation to both taxes paid directly by the Group companies and those collected from third parties but derived from the Group´s activities, is part of its core contribution to the sustainability of public finances and the development of the communities in which it operates.

The tax strategy of Amadeus IT Group, S.A. ('Amadeus' or the 'Company') is aimed at the full and strict compliance with all appropriate tax laws and regulations in every country and jurisdiction in which it operates. Moreover, Amadeus strives to follow the best standards in the business community and aims to be recognized for its practices and programs on corporate and tax governance. Amadeus tax policy is publicly available at:

https://corporate.amadeus.com/documents/en/corporate-sustainability/report/tax-strategy.pdf

Since 2018, Spanish companies have the possibility of assigning 0.7% of their respective tax due to entities which pursue social purposes. This option is exercised in the company's corporate income tax return. In a continuous effort to contribute to the communities in which is involved, Amadeus has opted to exercise this option. For the fiscal years 2018 and 2019 this option has represented a total contribution of €2,329,270. In 2020, the loss situation due to the pandemic has prevented the Company to assign any amount.

Fiscal information
(all figures in Euros)

	2020		2019	
Country	Pre-Tax Results **	Tax Cash Paid ***	Pre-Tax Results **	Tax Cash Paid ***
Albania	81,657.82	**** N/A	20,063.58	10,687.00
Angola	42,732.76	**** N/A	35,924.64	**** N/A
Argentina	555,749.16	147,336.00	1,115,895.82	198,114.00
Australia	4,700,917.01	(593,765.00)	3,338,200.72	1,427,109.57
Austria	901,274.84	80,345.00	1,020,753.27	221,918.00
Barbados	(1,424.64)	**** N/A	9,906.98	3,979.03
Belgium	1,161,522.48	806,363.00	1,594,952.02	463,351.88
Bolivia	60,519.48	27,040.00	78,943.20	37,887.00
Bosnia	63,877.65	**** N/A	69,314.63	1,599.00
Brazil	(1,576,501.74)	198,294.00	112,243.11	198,178.00
Bulgaria	376,566.02	81,427.00	931,624.53	89,439.99
Cameroon	32,687.79	15,998.48	48,940.11	22,145.00
Canada	(101,190.43)	194,672.00	1,262,763.95	590,070.56
Cape Verde	8,746.16	497.68	10,434.05	7,776.00
Chile	183,419.68	(58,145.00)	226,467.34	169,871.00

(millions of euros)

China	(2,618,014.29)	404,148.00	6,044,954.71	1,502,529.43
Colombia	1,510,813.54	159,301.00	444,028.79	221,539.00
Congo Republic	(31,526.94)	5,655.84	14,806.64	14,377.00
Costa Rica	384,888.31	153,023.00	748,109.32	291,739.59
Czech Republic	848,594.28	13,427.00	149,950.74	30,662.00
Democratic	16,457.15	8,864.33	(21,020.82)	10,207.00
Denmark	480,931.16	204,157.00	648,381.69	64,549.22
Dominican	50,294.10	38,729.00	105,919.33	109,337.10
Dubai*	2,934,447.46	**** N/A	3,013,041.89	**** N/A
Ecuador	(215,338.99)	7,660.00	95,073.13	100,607.00
El Salvador	45,758.17	5,673.00	34,613.49	19,824.58
Estonia	41,087.45	1,106.00	64,627.67	673.00
France	(234,222,981.98)	(50,389,532.00)	402,716,613.29	69,458,702.00
Gabon	19,076.33	5,193.66	17,767.20	9,251.00
Germany	(89,184,850.57)	(4,752,812.00)	176,883,687.46	42,564,994.81
Ghana	(196,005.95)	248.00	53,032.34	42,657.00
Greece	451,879.09	2,095.00	(23,348,505.54)	3,506.00
Guam	(3,178.69)	-00.00	4,573.56	**** N/A
Guatemala	48,708.47	67,221.00	89,021.46	88,453.23
Honduras	32,927.23	17,050.00	52,387.31	47,348.21
Hong Kong	17,997,079.45	727,391.00	2,947,679.10	357,960.00
Hungary	153,350.69	6,895.00	102,451.34	4,254.00
India	8,104,290.74	-00.00	14,476,085.39	4,220,525.00
Indonesia	52,185.29	26,221.00	165,934.01	34,417.00
Ireland	82,001.01	11,501.00	39,765.49	9,227.00
Israel	2,310,145.51	(192,014.00)	(33,293.97)	80,364.00
Italy	2,680,199.44	18,478.00	455,348.40	300,936.00
Ivory Coast	104,923.42	35,069.13	(203,388.44)	18,004.00
Japan	1,917,850.51	416,559.00	740,973.77	465,734.00
Kazakhstan	60,900.87	220,295.00	2,213,936.28	69,027.00
Kenya	22,865.54	228,535.00	(1,580,867.19)	346,870.33
Latvia	(261,477.02)	153,400.00	319,826.22	95,105.00
Lebanon	415,262.11	**** N/A	(101,141.34)	36,951.00
Lithuania	101,378.55	**** N/A	77,279.38	**** N/A
Luxembourg	60,027.84	14,111.00	72,387.16	38,569.00
Macedonia	13,047.56	-00.00	34,894.16	1,981.00
Malaysia	(113,462.45)	27,140.00	393,291.03	149,878.00
Malta	27,265.96	9,439.00	22,038.91	8,809.00
Mauritius	67,513.59	15,966.41	46,463.73	3,632.28
Mexico	150,237.93	25,905.00	197,020.25	134,237.00
Mozambique	59,740.54	5,548.75	(22,895.48)	**** N/A
Netherlands	(9,946,822.20)	194,127.00	(6,430,984.52)	320,785.00
New Zealand	1,239,932.26	164,743.00	455,369.19	414,640.59
Nicaragua	12,850.44	979.00	17,126.94	15,178.36
Nigeria	(328,658.41)	215,692.00	719,775.41	200,106.00
Norway	172,911.53	121,973.00	385,844.86	75,190.56
Panama	23,073.39	43,509.00	37,296.69	9,543.42

(millions of euros)

Paraguay	19,475.72	6,770.00	35,662.99	1,026.00
Peru	110,446.53	75,609.00	93,195.51	72,223.00
Philippines	980,148.78	245,069.00	1,045,505.37	154,060.00
Poland	124,042.50	321,020.00	428,865.55	296,046.00
Portugal	177,976.89	**** N/A	54,387.96	**** N/A
Puerto Rico	(2,523.10)	90.00	5,121.28	40.19
Romania	176,473.09	**** N/A	292,474.67	52,758.00
Russia	(68,282.47)	168,152.00	500,228.10	248,404.00
Senegal	115,370.39	254,129.23	(61,475.56)	56,849.00
Singapore	4,186,017.18	811,622.00	5,054,086.66	202,786.52
Slovenia	67,099.80	13,830.00	43,347.90	7,907.00
South Africa	658,400.35	610,895.84	944,214.83	472,721.16
South Korea	317,528.30	57,528.00	189,874.15	40,986.00
Spain	(119,293,903.76)	72,916,651.00	1,024,252,752.23	153,773,116.18
Sweden	2,324,780.67	1,031,735.00	2,813,397.92	919,612.48
Switzerland	700,921.49	13,104.00	589,696.32	169,616.00
Taiwan	160,277.57	**** N/A	266,977.94	65,991.00
Tanzania	71,967.81	**** N/A	92,620.41	4,391.71
Thailand	2,167,398.21	1,472,269.00	6,697,993.05	1,181,451.00
Trinidad	7,782.04	26,204.00	30,826.42	5,266.97
Turkey	4,487,148.69	164,082.00	1,379,970.71	**** N/A
Uganda	(150,541.04)	63,986.00	11,854.90	16,158.38
Ukraine	689,453.09	219,016.00	2,840,487.49	299,641.00
United Kingdom	3,574,668.93	(330,329.00)	11,769,745.41	1,296,500.99
Uruguay	(164.22)	35,180.00	318,701.77	51,923.00
USA	5,289,851.17	10,127,891.00	171,409,930.46	9,417,852.38
Venezuela	-	-	(34,145.86)	**** N/A
Yemen	-	-	-	-

Notes:

* Dubai: Amadeus operates in Dubai through a branch of Amadeus IT Group, S.A. (Spanish Head Office).

** Pre-tax results are calculated under IFRS accounting principles

*** Tax Cash Paid applies on tax basis calculated under domestic accounting legislation

**** N/A means no cash payment during year 2020 or 2019 (no tax exemption from Corporate Income Tax).

Amadeus has not received any subsidy from any public institution during year 2020. Neither in 2019.

(millions of euros)

8 Annex A. Table of contents as required by Law 11/2018

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
Business model				
- Business model description			12-14	102-1, 102-2, 102-3
- Geographical presence			12	102,4, 102-5, 102-6
- Objectives and strategy			14-15	102-7, 102-15
- Principal factors and trends that affect future evolution			15-18	
Reporting Standard			5	
- Materiality analysis			5-8	102-54
Risks linked to company activity			19-23	102-15, 102-29, 102-30, 102-31
Fight against corruption and bribery			24-26; 56	
- Measures adopted to prevent corruption and bribery	Compliance, Governance & Business ethics	Y	24-26	102-16, 102-17, 205-1, 205-2
- Measures to fight against money laundering	Compliance, Governance & Business ethics	Y	24-26	102-16, 102-17
- Contributions to charities and non-governmental organizations	Relationship with local communities & social responsibility	Y	24;56	102-13
Environmental matters			27-40	
- Current and future potential impact of company operations over the environment	Compliance, Governance & Business ethics	Y	27	103-2
- Procedures for environmental certifications and evaluations	Compliance, Governance & Business ethics	Y	30	103-2
- Dedicated resources to prevent environmental risks	Compliance, Governance & Business ethics	Y	27-29	103-2
- Application of the precautionary principle	Compliance, Governance & Business ethics	Y	27	102-11
- Provisions in relation to environmental risks	Solvency and economic performance	Y	36-38	103-2
- Pollution: measures to prevent, reduce or restore carbon emissions	Carbon emissions and climate change	Y	30-31	305-1, 305-2, 305-3
- Circular economy and waste management: measures to reuse, recycle or otherwise prevent waste generation and waste food	Waste generation and circular economy	N	31	103-2, 306-2
- Sustainable use of resources			31-33;39-40	
o Water consumption	Water consumption	N	31-32;40	303-1, 303-3
o Use of raw materials	Paper consumption & other materials	N	32;40	301-1
o Energy consumption (direct and indirect)	Internal energy consumption and efficiency	Y	32-33;39	302-1
o Measures to improve energy efficiency	Internal energy consumption and efficiency	Y	33	302-4

(millions of euros)

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
o Renewable energy use	Internal energy consumption and efficiency	Y	33;39	302-1
- Biodiversity protection	Biodiversity	N	33	304-4
- Climate change			34-38;40	
o Greenhouse gas emissions	Carbon emissions and climate change	Y	40	305-1, 305-2, 305-3
o Measures to adapt to climate change	Carbon emissions and climate change	Y	34-38	103-2, 201-2
o Mid and long-term emissions targets	Carbon emissions and climate change	Y	34	305-5
Workforce, social and human rights related information			41-54	
Employment			41-47	
- Number of employees by region, gender, age, type of contract and professional category			41-44	102-8, 405-1
- Dismissals by age, gender and profession-al category	Talent attraction & retention	Y	44	103-2
- Average remuneration evolution by gender, age and professional category	Talent attraction & retention	Y	45	103-2
- Average remuneration of board members and executive team	Compliance, Governance & Business Ethics	Y	46	102-35
- Pay gap	Diversity and equal opportunities	Y	45	103-2
- Work Disconnect policy	Labor conditions	N	46	103-2
- Employees with disabilities	Diversity and equal opportunities	Y	46-47	405-1
Working-time management			46-47	
- Working-time management	Labor conditions	N	46	103-2
- Hours of absenteeism	Occupational Health & Safety	N	47	103-2
- Work-life balance measures	Labor conditions	N	47	401-3
Health and safety			48	
- Health and safety working conditions	Occupational Health & Safety	N	48	103-2
- Number of work accidents, Injury rate by sex and Lost day rate, by gender	Occupational Health & Safety	N	48	403-2
- Occupational disease rates by gender	Occupational Health & Safety	N	48	403-2
Social dialogue - Relationship with employees			48-50	
- Organization of social dialogue	Labor conditions	N	48-49	103-2
- Percentage of employees covered by collective agreements	Labor conditions	N	50	102-41
- Results of collective agreements on health and safety	Labor conditions	N	50	403-4
Training and development			50-51	
- Policies implemented in the field of training	Human Capital Development	Y	50	404-2

(millions of euros)

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
- Total amount of training hours by professional	Human Capital Development	Y	51	404-1
Accessibility for people with disabilities	Diversity and equal opportunities	Y	51	405-1
Equity	Diversity and equal opportunities	Y	51-52	103-2
Human rights related information			52-54	
- Implementation of human rights related procedures	Human rights	N	52-54	102-16, 102-17
- Compliance with and promotion of agreements in accordance with the ILO related to respect for freedom of association and the right to collective bargaining, elimination of employment discrimination, elimination of forced labor and effective abolition of child labor.	Human rights	N	53-54	407-1, 408-1, 409-1
- Prevention, management and complaints about cases of violation of human rights	Human rights	N	52-54	102-17, 406-1
Social commitment			55-57;62	
- Impact over local development and employment	Relationship with local communities & social responsibility	Y	55-57	413-1
- Impact over local populations and on the territory	Relationship with local communities & social responsibility	Y	55-57	413-1
- Relationships with local stakeholders	Relationship with local communities & social responsibility	Y	55-57	102-43, 413-1
- Association and sponsorship actions	Relationship with local communities & social responsibility	Y	57;62	102-12, 102-13
Relationship with vendors			57-60	
- Inclusion of social, environmental and gender considerations in purchasing policy	Supply Chain Code of Conduct	N	57-60	102-9
- Social and environmental responsibility of vendors	Supply Chain Code of Conduct	N	57-60	102-9, 308-1, 414-1
- Supplier evaluation procedures: Monitoring systems and audits and results	Supply Chain Code of Conduct	N	60	308-2, 414-2

(millions of euros)

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
Customer services			60-62	
- Measures for customer health and safety	Customer Relationship Management Data security & privacy protection	Y Y	60-62	103-2
- Customer complaints management and number of complaints received and resolution	Customer Relationship Management	Y	60-61	102-17
Fiscal information			62-64	
- Pre-Tax Results and tax cash paid per country	Solvency and economic performance Compliance, Governance & Business Ethics	Y Y	62-64	103-2
- Public subsidies received	Compliance, Governance & Business Ethics	Y	64	201-4

BOARD OF DIRECTORS

Members of the Board of Director on the date when the consolidated annual accounts and the consolidated Directors' Report were prepared.

CHAIRMAN

José Antonio Tazón García

VICE-CHAIRMAN

William Connelly

EXECUTIVE DIRECTOR

Luis Maroto Camino

DIRECTORS

Clara Furse

David Webster

Francesco Loredan

Josep Piqué Camps

Nicolas Huss

Peter Kuerpick

Pierre-Henri Gourgeon

Pilar García Ceballos-Zúñiga

Stephan Gemkow

Xiaoqun Clever

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 25, 2021