Amadeus IT Group, S.A. and Subsidiaries

Consolidated and condensed Interim Financial Statements for the six months period ended June 30, 2020, prepared in accordance with International Accounting Standard 34, interim consolidated Directors' report and review report of independent auditors

Report on Limited Review

AMADEUS IT GROUP, S.A. AND SUBSIDIARIES
Consolidated and Condensed Interim Financial Statements
for the six months period ended
June 30, 2020

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REPORT ON LIMITED REVIEW OF THE CONSOLIDATED AND CONDENSED INTERIM FINANCIAL STATEMENTS

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

To the Shareholders of AMADEUS IT GROUP, S.A. at the request of management:

Report on the consolidated and condensed interim financial statements

Introduction

We have carried out a limited review of the accompanying consolidated and condensed interim financial statements (hereinafter the interim financial statements) of Amadeus IT Group, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the consolidated statement of financial position at June 30, 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes for the six months period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting", adopted by the European Union for the preparation of interim condensed financial reporting in conformity with article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making enquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would lead us to conclude that the accompanying interim financial statements for the six months period ended June 30, 2020 have not been prepared, in all material respects, in accordance with the requirements established by International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis paragraphs

We draw attention to the matter described in the accompanying explanatory Note 3, 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 conclusion.

Additionally, we draw attention to the matter described in the accompanying explanatory Note 2 in the interim financial statements, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2019. This matter does not modify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying interim consolidated Directors' report for the six months period ended June 30, 2020 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six months period ended on June 30, 2020. Our work is limited to verifying the interim consolidated Directors' report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of Amadeus IT Group, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of management with regard to the publication of the semi-annual financial report required by article 119 of the consolidated text of the Securities Market Law developed by Royal Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

Hildur Eir Jónsdóttir

Hildur Eir Jónsdóttir

July 30, 2020

amadeus

Amadeus IT Group, S.A. and Subsidiaries

Consolidated and condensed Interim Financial Statements for the six months period ended June 30, 2020, prepared in accordance with International Accounting Standard 34

Consolidated statement of financial position (millions of euros)

ASSETS	Note	June 30,2020 UNAUDITED	December 31, 2019 AUDITED
Goodwill	5	3,674.8	3,661.5
Patents, trademarks, licenses and others		324.9	330.6
Technology and content		2,837.2	2,843.1
Contractual relationships		981.1	1,014.1
Intangible Assets		4,143.2	4,187.8
Land and buildings		124.7	132.5
Data processing hardware and software		215.7	251.7
Other property, plant and equipment		43.8	47.9
Property, plant and equipment		384.2	432.1
Right of use		306.0	336.4
Investments accounted for using the equity method		23.6	30.5
Other non-current financial assets	6	88.4	92.0
Non-current derivative financial assets	6	2.1	3.7
Deferred tax asset		76.8	37.4
Other non-current assets		195.3	176.6
Total non-current assets		8,894.4	8,958.0
Trade account receivables	6	266.4	529.5
Current income tax assets		46.3	61.2
Other current financial assets	6	15.8	11.3
Current derivative financial assets	6	50.1	9.3
Other current assets		280.6	267.8
Cash and cash equivalents	6 and 14	2,379.9	564.0
Total current assets		3,039.1	1,443.1
TOTAL ASSETS		11,933.5	10,401.1

Consolidated statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	June 30,2020	December 31, 2019
		UNAUDITED	AUDITED
Share Capital		4.5	4.3
Additional paid-in capital		883.4	141.5
Retained earnings and reserves		3,770.4	2,623.3
Treasury shares		(28.2)	(5.4)
Profit / (Loss) for the period attributable to owners of the parent		(196.7)	1,113.1
Unrealized gains / (losses) reserve		(104.6)	(94.3)
Equity attributable to owners of the parent		4,328.8	3,782.5
Non-controlling interests		11.3	14.6
Equity	8	4,340.1	3,797.1
Non-current provisions		23.0	26.8
Non-current debt	6 and 9	3,960.3	2,328.2
Non-current derivative financial liabilities	6	6.6	6.0
Other non-current financial liabilities	6	13.8	1.0
Deferred tax liabilities		698.6	751.1
Non-current contract liabilities		254.4	245.7
Non-current income tax liabilities		137.8	137.6
Other non-current liabilities		137.8	137.3
Total non-current liabilities		5,232.3	3,633.7
Current provisions		7.5	8.4
Current debt	6 and 9	1,174.5	1,245.5
Other current financial liabilities	6	10.6	11.1
Dividend payable	6 and 8	0.3	241.4
Current derivative financial liabilities	6	49.9	28.1
Trade accounts payables	6	469.1	801.2
Current income tax liabilities		50.1	47.2
Current contract liabilities		204.3	238.6
Other current liabilities		394.8	348.8
Total current liabilities		2,361.1	2,970.3
TOTAL EQUITY AND LIABILITIES		11,933.5	10,401.1

Consolidated statement of comprehensive income (millions of euros)

Continuing operations	Note	June 30,2020 UNAUDITED	June 30, 2019 UNAUDITED
Revenue	4	1,281.2	2,826.6
Cost of revenue		(199.0)	(722.2)
Personnel and related expenses		(734.9)	(752.6)
Depreciation and amortization		(430.1)	(351.4)
Other operating expenses		(153.2)	(167.4)
Operating income / (loss)		(236.0)	833.0
Financial income		4.9	0.7
Interest expense	13	(28.0)	(20.8)
Other financial expenses	13	(5.9)	(4.1)
Exchange gains / (losses)		(4.7)	(21.7)
Financial expense, net		(33.7)	(45.9)
Other income / (expense)	6	(0.2)	12.5
Profit / (loss) before income taxes		(269.9)	799.6
Income tax		76.9	(207.8)
Profit / (loss) after taxes		(193.0)	591.8
Share in profit / (loss) of associates and joint ventures accounted for using the equity method		(3.9)	2.6
PROFIT / (LOSS) FOR THE PERIOD		(196.9)	594.4
Attributable to owners of the parent		(196.7)	594.2
Attributable to non-controlling interests		(0.2)	0.2
Earnings / (losses) per share basic [in Euros]	12	(0.45)	1.38
Earnings / (losses) per share diluted [in Euros]	12	(0.44)	1.38
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses)		1.5	(0.1)
Changes in the fair value of equity investment at FVTOCI		(0.5)	-
Items that may be reclassified to profit or loss:			
Cash flow hedges		(1.2)	2.9
Exchange differences on translation of foreign operations		(15.4)	7.3
OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD, NET OF TAX		(15.6)	10.1
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD		(212.5)	604.5
Attributable to owners of the parent		(212.3)	604.3
Attributable to non-controlling interests		(0.2)	0.2

See the accompanying notes to the consolidated and condensed interim financial statements

Consolidated statement of changes in equity (millions of euros)

	Note	Share capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit for the period attributable to owners of the parent	Unrealized gains / (losses) reserves	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 period		-	-	-	-	594.2	10.1	0.2	604.5
Dividend payable		-	-	(286.6)	-	-	-	-	(286.6)
Share Capital reduction		(0.1)	(500.0)	0.1	500.0	-	-	-	-
Treasury shares acquisition		-	-	-	(7.7)	-	-	-	(7.7)
Treasury shares disposal		-	(9.9)	0.5	12.8	-	-	-	3.4
Recognition of share-based payment		-	10.8	-	-	-	-	-	10.8
Transfer to retained earnings		-	-	1,002.4	-	(1,002.4)	-	-	-
Other changes in equity		-	-	0.1	-	-	-	(0.5)	(0.4)
Balance at June 30, 2019 (unaudited)		4.3	135.3	2,870.2	(6.2)	594.2	(97.8)	15.7	3,515.7

	Note	Share capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit (loss) for the period attributable to owners of the parent	Unrealized gains / (losses) reserves	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 period		-	-	-	-	(196.7)	(15.6)	(0.2)	(212.5)
Share Capital increase	8	0.2	736.8	-	-	-	-	-	737.0
Convertible Bonds	8	-	-	39.4	-	-	-	-	39.4
Treasury shares acquisition	8	-	0.2	(0.2)	(22.8)	-	-	-	(22.8)
Treasury shares disposal	8	-	(0.2)	-	-	-	-	-	(0.2)
Recognition of share-based payment	8	-	5.1	-	-	-	-	-	5.1
Transfer to retained earnings		-	-	1,113.1	-	(1,113.1)	-	-	-
De-recognition of non-controlling interests		-	-	(0.1)	-	-	-	(3.1)	(3.2)
Other changes in equity		-	-	(5.1)	-	-	5.3	-	0.2
Balance at June 30, 2020 (unaudited)		4.5	883.4	3,770.4	(28.2)	(196.7)	(104.6)	11.3	4,340.1

See the accompanying notes to the consolidated and condensed interim financial statements

Consolidated statement of cash flows (millions of euros)

	Note	June 30,2020 UNAUDITED	June 30, 2019 UNAUDITED
Operating income / (loss)		(236.0)	833.0
Depreciation and amortization		430.1	351.4
Operating income adjusted before changes in working capital and taxes paid		194.1	1,184.4
Trade accounts receivable		270.5	(72.8)
Other current assets		(14.4)	(48.3)
Trade accounts payable		(343.0)	(69.2)
Other current liabilities		29.8	(16.7)
Other non-current liabilities		(13.5)	(5.3)
Taxes paid		1.3	(153.7)
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		124.8	818.4
Payments for property, plant and equipment		(22.7)	(46.6)
Payments for intangible assets		(241.8)	(323.3)
Net cash outflow on acquisition of subsidiaries	7	(36.4)	(42.9)
Interest received		0.5	0.3
Sundry investments and deposits		(5.1)	(9.0)
Loans to third parties		4.5	(7.4)
Cash proceeds collected from derivative agreements		6.0	12.6
Cash proceeds paid for derivative agreements		(9.4)	(30.6)
Proceeds on sale of financial assets		-	1.0
Dividends received		2.1	0.8
Proceeds obtained from disposal of non-current assets		0.1	0.3
CASH FLOWS USED IN INVESTING ACTIVITIES		(302.2)	(444.8)
Proceeds from issue of equity shares (net of issuance costs)	8	732.8	-
Payments to acquire non-controlling interests in subsidiaries		(3.0)	-
Proceeds from borrowings		2,350.6	777.3
Repayments of borrowings		(727.5)	(890.7)
Interest paid		(7.2)	(6.0)
Dividends paid to owners of the parent	8	(241.4)	(219.6)
Payments to acquire treasury shares		(22.0)	(7.7)
Payments of lease liabilities and others		(54.5)	(47.2)
CASH FLOWS GENERATED (USED) IN FINANCING ACTIVITIES		2,027.8	(393.9)
Effect of exchange rate changes on cash and cash equivalents		(32.3)	1.4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,818.1	(18.9)
Cash and cash equivalents net at the beginning of the period		561.0	561.8
Cash and cash equivalents net at the end of the period	14	2,379.1	542.9

See the accompanying notes to the consolidated and condensed interim financial statements

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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 accompanying consolidated and condensed interim financial statements for the six months period ended June 30, 2020 ("interim financial statements" or "consolidated interim financial statements"), have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), in particular with International Accounting Standard 34: Interim Financial Reporting (IAS 34), and with the requirements of the Royal Decree 1362/2007. The disclosure requirements of IAS 34 are based on the assumption that the reader of the interim financial statements is doing so together with the most recent consolidated annual accounts. Consequently, the interim financial statements do not include all of the information and disclosures that would be required by IFRS-EU for complete consolidated annual accounts. The most recent annual accounts were authorized for issue by the Board of Directors of the Company on February 27, 2020, and approved at the Ordinary General Shareholders' Meeting on June 18, 2020.

The issue of these interim financial statements was authorized by the Board of Directors of the Company on July 30, 2020.

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 interim financial statements are expressed in millions of euros.

2.1.2 Use of estimates

Use of estimates and assumptions is required in the preparation of the interim financial statements in accordance with IFRS-EU. The estimates and assumptions affect the carrying amount of assets and liabilities. The current COVID-19 outbreak has impacted the estimates adding uncertainties which will might be mitigated as the current situation evolves worldwide. The estimates with a more significant impact in the interim financial statements are the following:

_ Estimated recoverable amounts used for impairment testing purposes. See note 3
_ Income taxes
_ Expected credit losses for account receivables. See note 3
_ Valuation of variable consideration in revenue recognition
_ Amortization period for non-current non-financial assets
_ Lease terms (options to extend or to terminate)
_ Share-based payments

The estimates and assumptions are based on the information available at the date of issuance of the interim financial statements, 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 consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows as of June 30, 2020, are presented with information relating to the period of six months ended on June 30, 2019, and the consolidated statement of financial position is presented with information related to the year ended on December 31, 2019.

The presentation and classification of certain line items in the consolidated statement of financial position have been revised and comparative information has been reclassified accordingly. The most significant reclassification corresponds to €63.9 million previously classified under Other property, plant and equipment as of December 31, 2019, which now fall under Land and Buildings. This amount corresponds to Building installations which the Group now classifies under Land and Buildings.

2.3 Consolidation scope

The main variations in the consolidation scope are the following:

_ On January 10, 2020, the Group has acquired through its subsidiary Amadeus Soluciones Tecnologicas, S.A., the remaining 30% ownership of Argo IT Tecnologia, S.A.
_ On March 18, 2020, the fully owned subsidiary Amadeus Services Ltd. has been liquidated.

2.4 Seasonality of interim results

Our business and operations are linked to the global travel industry and travel volumes (air passengers, air and non-air travel agency bookings, etc.), experience seasonality during the year.

Currently, the travel industry is facing an unprecedented level of disruption due to the impact of the COVID-19 pandemic. With world governments enforcing strict travel restrictions in response to the health crisis, travel volumes have been severely impacted. International Air Transport Association (IATA) currently projects air traffic to decline by more than 50% in the year 2020.

There is currently a lot of uncertainty about the shape of recovery in the travel industry and therefore, uncertainty around the seasonality of our performance during 2020. As such, the figures for the six months period ended June 30, 2020, should not be regarded as representative of the performance for the full year.

2.5 Accounting Policies

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the consolidated annual accounts for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

The Group has reassessed the useful life of certain intangible assets. Specifically under the caption of 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 five 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 current six months period has implied a reduction of amortization charges by an amount of €26.0 million.

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

The amendments above did not have any impact on the amounts recognized in prior or current periods.

The International Accounting Standards Board has also published an Amendment to IFRS 16: COVID-19-Related Rent Concessions. This amendment has not yet been endorsed by the EU as at that date of preparation of these interim financial statements. It introduces practical expedients when assessing if a contract meets the conditions for a lease modification in rent concessions. Nevertheless, the Group did not obtain significant rent concessions due to COVID-19.

3. RISKS LINKED TO COVID-19

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 that industry, particularly for airlines, airports, hotels, railways and ferries. The volume of bookings has drastically been reduced, without it being clear when recovery would begin and how long it will take to come back to the travel volumes prior to the impact of the spread of COVID-19.

The Group has identified the following risks:

3.1 Liquidity risk

The Group has adopted a set of measures to protect its liquidity, to enhance its financial flexibility and to support its cash generation 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, disclosed in the 2019 consolidated annual accounts, which is not disposed as at June 30, 2020, the Group has engaged into the following operations during the first semester:

- A share capital increase by an amount of €750.0 million (see note 8).
- The issuance of convertible bonds for a total value of €750.0 million (see note 8 and 9).
- An issuance of two Eurobonds for a total value of €1,000.0 million (see note 9).
- A new Euro term credit facility by an amount of €500.0 million which is not disposed as at June 30, 2020 (see note 9).
- A new European Investment Bank (EIB) Senior Loan by an amount of €200.0 million which is not disposed as at June 30, 2020 (see note 9).

Cash and cash equivalents as at June 30, 2020 amount to €2,379.9 million.

Our main financial obligations this year relate to a €500.0 million bond maturity in October 2020, the rolling forward of our European commercial paper (ECP) program, which amounts to €462.5 million and the scheduled partial payment of a loan received from the EIB for €32.5 million.

3.2 Credit risk

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

The cash and cash equivalents of the Company are deposited in major banks based on the diversification and the credit risk offered by the different available investment options.

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 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.

Nevertheless, the COVID-19 outbreak may trigger some financial difficulties to certain customers increasing our risk assessment for accounts receivable recovery. The Group has updated the Expected Credit Losses (ECL) provision matrix used for low risk customers disclosed in note 4.2.10 to the consolidated annual accounts for the year ended December 31, 2019. The evolution of the provision matrix is the following:

Notes (millions of euros)

	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%

The impact of the update of the provision matrix amounts to approximately €11.6 million.

3.3 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.

The net financial debt as of June 30, 2020, and 2019, is set forth in the table below:

	June 30, 2020	June 30, 2019
Total non-current debt	3,960.3	2,328.2
Total current debt	1,174.5	1,245.5
Total debt	5,134.8	3,573.7
(-) Cash and cash equivalents	(2,379.9)	(564.0)
Total net financial debt	2,754.9	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.

Additionally, the Company has cancelled the complementary dividend payment initially scheduled for the General Shareholders' Meeting approval of June 18, 2020 (see note 8).

3.4 Relief and support measures

The Group has implemented efficiency measures to reduce costs and investment in assets. In relation to other operating expenses, the Group has gained savings mainly focused on cost of contractors and travel expenses. 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 speed, published packages of measures to mitigate the consequences. The Group has worked on mapping all potentially applicable measures in such jurisdictions to protect cash liquidity. 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 all the measures delaying the payments of taxes in accordance with the domestic laws. The tax deferral has not produced significant tax savings for the Group, but a delay in the tax payments which has led to a relief in the cash position.

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, United Kingdom, Singapore and The Netherlands) have published special regimes that the Group has selectively taken advantage of. Total amount captured as of June 30, 2020, amounts to €3.2 million.

Notes (millions of euros)

3.5 Valuation of assets

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 have performed an impairment test of our groups of CGUs, applying a number of scenarios (including, IATA's latest projections, base case and a stressed case), concluding that there is no evidence of impairment at any of our groups of CGUs, even under the stressed scenario.

Calculations use cash flow projections based on financial budgets as discussed by the Board of Directors on June 2020 covering a 4-year period (2020-2023) plus additional forecasts developed for 2024-2025. The projections have been performed considering the following assumptions:

- Total projections have considered a five years and a half period (June 2020 to December 2025) versus the five years period used in 2019. This extension is due to the fact that the year 2020 has been considered as a transition year because of COVID-19 pandemic effects.
- Reduction of bookings and passengers boarded, between 69%-81% and 56%-69%, respectively, in 2020 versus 2019. Progressive recovery of 2019 levels until 2023/2024 depending on the recovery scenarios.
- The compound annual growth rate (CAGR) of forecasted revenues used for the impairment exercise, are set forth in the table below:

	June 30, 2020 2020-2025 period	December 31, 2019 2020-2024 period
Base case	0.60% - 3.87%	3.22% - 8.93%
IATA case	3.13% - 5.13%	4.22% - 10.47%
Stressed case	(2.60%) - 3.12%	2.22% - 7.93%

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/six-year forecasts) applied to the cash flow projections in 2020 and 2019 for the different groups of CGUs are as follows:

	June 30, 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%	7.9%	10.1%	1.5%	7.4%	9.7%
TravelClick	2.5%	8.3%	10.1%	2.5%	7.8%	9.6%
IT Services	2.5%	7.9%	9.7%	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 impairment losses for the six months period ended June 30, 2020, amounting to €64.6 million, 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 six months period ended June 30, 2020, €46.6 million corresponds to the IT Solutions segment and €18.0 million to the Distribution segment.

3.6 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.

4. 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 the 2019 consolidated annual accounts. 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 are set forth in the table below:

Notes (millions of euros)

	June 30, 2020			June 30, 2019		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	441.6	839.6	1,281.2	1,637.0	1,189.6	2,826.6
Contribution	99.0	411.3	510.3	767.8	774.3	1,542.1

The main reconciling items correspond to:

	June 30, 2020	June 30, 2019
Revenue	1,281.2	2,826.6
Contribution	510.3	1,542.1
Net indirect cost (1)	(316.2)	(357.7)
Depreciation and amortization	(430.1)	(351.4)
Operating income / (loss)	(236.0)	833.0

(1) Principally comprises indirect costs that are shared between the Distribution and IT Solutions operating segments, such as: (i) costs associated with our technology systems, including our 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):

	June 30, 2020	June 30, 2019
EMEA	582.0	1,515.2
Asia & Pacific	238.0	576.9
America	461.2	734.6
Revenue	1,281.2	2,826.6

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

	June 30, 2020	June 30, 2019
USA	348.9	525.3
Germany	87.2	242.3
France	59.8	150.8
Spain	23.5	102.0

Notes (millions of euros)

5. GOODWILL

The reconciliation of the carrying amount of goodwill for the period ended June 30, 2020, is set forth in the table below:

Carrying amount at the beginning of the year	3,661.5
Additions due to acquisitions of subsidiaries (note 7)	54.7
Adjustments during the measurement period	(0.2)
Transfers	(42.8)
Exchange rate adjustments	1.6
Carrying amount at the end of the period	3,674.8

The "Additions due to acquisitions of subsidiaries" caption for the period ended June 30, 2020, relates to the goodwill arisen from the acquisitions of Optym's Sky business as detailed in note 7.

The "Transfers" for the period ended June 30, 2020, relates to the recognition of the purchase price allocation exercise for the business combination of ICM and Optym's Sky business.

The "Exchange rate adjustments" caption for the period ended June 30, 2020, mainly relates to the US Dollar – Euro evolution.

6. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

6.1 Classification

The Group's classification of financial assets and liabilities as of June 30, 2020, is set forth in the table below:

Notes (millions of euros)

	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets	77.9	10.5	-	-	88.4
Non-current derivative financial assets	-	-	2.1	-	2.1
Total non-current financial assets	77.9	10.5	2.1	-	90.5
Trade accounts receivable	266.4	-	-	-	266.4
Other current financial assets	15.8	-	-	-	15.8
Current derivative financial assets	-	-	49.7	0.4	50.1
Cash and cash equivalents	2,379.9	-	-	-	2,379.9
Total current financial assets	2,662.1	-	49.7	0.4	2,712.2
Non-current debt	3,960.3	-	-	-	3,960.3
Non-current derivative financial liabilities	-	-	6.6	-	6.6
Other non-current financial liabilities	0.4	-	-	13.4	13.8
Total non-current financial liabilities	3,960.7	-	6.6	13.4	3,980.7
Current debt	1,174.5	-	-	-	1,174.5
Other current financial liabilities	10.6	-	-	-	10.6
Dividend payable	0.3	-	-	-	0.3
Current derivative financial liabilities	-	-	47.9	2.0	49.9
Trade accounts payable	469.1	-	-	-	469.1
Total current financial liabilities	1,654.5	-	47.9	2.0	1,704.4

6.2 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 as of June 30, 2020, 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.

	Level 2	Level 3
Other non-current financial assets	10.5	-
Non-current financial assets	10.5	-
Foreign currency forward	2.1	-
Non-current derivative financial assets	2.1	-
Foreign currency forward	49.7	-
Foreign currency forward held for trading	0.4	-
Current derivative financial assets	50.1	-
Foreign currency forward	6.6	-
Non-current derivative financial liabilities	6.6	-
Foreign currency forward	47.9	-
Foreign currency forward held for trading	2.0	-
Current derivative financial liabilities	49.9	-
Contingent consideration at fair value	-	13.4

Notes (millions of euros)

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.

The Group's foreign currency forward contracts are measured using market 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.

The Group recognizes transfers between levels of fair value hierarchy as of the end of the reporting period in which the transfer has occurred. There were no transfers between levels of fair value hierarchy during the six months period ended June 30, 2020.

As of June 30, 2020, level 3 includes an amount of USD 15 million (€13.4 million, as at June 30, 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 2023.

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as of June 30, 2020, except for the following financial liabilities:

	Nominal amount	Fair Value	% of face value
Bonds	4,250.0	4,448.3	104.7%
European Investment Bank loan	94.6	96.1	98.4%

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

7. BUSINESS COMBINATIONS

The main impacts of business combinations on the consolidated statement of financial position as of June 30, 2020, are set forth in the table below:

	June 30, 2020
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 5)	54.7

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of June 30, 2020, is set forth in the table below:

	June 30, 2020
Cash paid for current transactions	36.7
Net cash on deferred consideration from prior periods	(0.3)
Net cash invested in subsidiaries	36.4

Notes (millions of euros)

The total acquisition-related costs for the six months period ended June 30, 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)	0.3

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 six months period ended June 30, 2020, is set forth in the table below:

	Optym's Sky business
Revenue	4.3
Profit / (losses) net of taxes	0.5

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	1,282.1	0.9
Profit / (losses) net of taxes	(196.8)	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 June 30, 2020, the provisional purchase accounting for the business combination of Optym's Sky business was performed. The table below sets forth the assets acquired and the liabilities assumed recognized at the acquisition date. The Group may adjust the fair value until the end of the measurement period if there is any additional information. The Group expects that the goodwill will be deductible for income tax purposes.

The provisional 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 assumed	0.6	27.7	28.3
Consideration transferred	55.3		55.3
Excess purchase price	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 as 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

Finally, the Group has completed the valuation of the business combination of ICM Holdings Limited and its group of companies ("ICM") disclosed in the consolidated annual accounts as of December 31, 2019.

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

Notes (millions of euros)

	ICM		
	Carrying amounts at acquisition date	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
Excess purchase price	41.3		26.2

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.

8. EQUITY

8.1 Share Capital

As of June 30, 2020, the Company's share capital amounts to €4.5 million, as represented by 450,499,205 ordinary shares with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

On April 2, 2020, the Board of Directors agreed the increase in the share capital of the Company by 192,307.69 euros, 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 June 30, 2020, the Company's shares were held as set forth in the table below:

Shareholder	Shares	%
Free float (1)	449,502,190	99.78%
Treasury shares (2)	718,904	0.16%
Board of Directors (3)	278,111	0.06%
Total	450,499,205	100.00%

(1) Includes shareholders with significant equity stake on June 30, 2020, 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

8.2 Treasury Shares

The movement of the carrying amounts for the six months period ended June 30, 2020, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2019	244,708	5.4
Acquisitions	480,000	22.8
Retirements	(5,804)	-
Carrying amount at June 30, 2020	718,904	28.2

The acquisition of treasury shares corresponds to share buy-back programs carried out during the month of March 2020 and June 2020 which are both ended as at June, 30, 2020.

The Group holds treasury shares for the future specific share delivery commitments with the Group employees and management.

8.3 Additional paid-in capital

The changes in the balance of the "Additional paid in capital" caption include the recognition of the share-based payments considered as equity-settled. The fair value of the amounts received during the six months period ended June 30, 2020, as consideration for the equity instruments granted, amounts to €10.3 million partially offset by the update of the performance objectives of Performance Share Plan (PSP) 2018 with an impact of €5.1 million.

Additionally, this caption also includes the impact derived from the capital increase amounting to €749.8 million mentioned in note 8.1 above partially offset by the related transaction costs which amount to €17.4 million (€13.0 million net of taxes).

8.4 Retained earnings and reserves

This caption has been increased during this semester by the equity value of the convertible bonds issued by the Group on April 2020 disclosed in note 9. 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).

8.5 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 initially scheduled for the General Shareholders' Meeting of June 18, 2020.

Notes (millions of euros)

9. CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt as of June 30, 2020, is set forth in the table below:

	June 30, 2020
Bonds	3,709.9
Deferred charges on Bonds	(27.3)
European Investment Bank (EIB)	29.5
Deferred financing fees on Public Institutions	(0.2)
Deferred financing fees on Revolving loan facility	(3.3)
Other debt with financial institutions	4.9
Lease liabilities	246.8
Total non-current debt	3,960.3
Bonds	500.0
European Investment Bank (EIB)	65.0
European Commercial Paper (ECP)	512.5
Other deferred financing fees	(0.3)
Accrued interest	21.4
Other debt with financial institutions	15.9
Lease liabilities	60.0
Total current debt	1,174.5
Total debt	5,134.8

As of June 30, 2020, after considering the effect of interest rate hedges, approximately 80% (67% in December 31, 2019) of the Groups' outstanding interest-bearing debt is at fixed rate. The increase in the ratio of debt at fixed rate during the six months period ended June 30, 2020, mostly relates to the new issuances of fixed interest rate bonds which have taken place during the second quarter of the year (€1,000 million of new Eurobonds and €750.0 million corresponding to a fixed rate convertible bond) and to a minor extent due to the smaller amount of Euro Commercial Paper (ECP) outstanding as of the end of June 2020.

The Group was required to meet a financial covenant for the EIB senior loans, calculated on the basis of (i) the ratio of total Net Debt to EBITDA (Earnings before Interests, Taxes, Depreciation and Amortization), and (ii) the ratio of EBITDA to Net Interest Payable. These covenants have been waived by the EIB on May 2020 until June 2021.

9.1 Bonds

Convertible bonds

On April 9, 2020, the Company carried out the issuance of convertible bonds for a total value of €750 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 (see note 8) (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 €18.4 million, which has been also split between liability (€17.4 million as "Deferred Financing Fees") and equity (€1.0 million).

Eurobonds

On May 13, 2020, the Company has carried out another issuance of two Eurobonds for a total value of €1,000.0 million under the program "Euro Medium Term Note Program" admitted to trading on 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 2.500%, and an issue price of 99.652% of its nominal value: and the other one with a maturity of seven years (May 2027), an annual coupon of 2.875%, and an issue price of 99.519% of its nominal value. The Company has paid transaction costs related to them by an amount of €5.5 million.

9.2 Euro Commercial Paper program (ECP)

During the period ended June 30, 2020, the Group has issued Euro Commercial Paper (ECP) net of interests by a total amount of €627.5 million. The total commercial paper repaid during this period amounts to €695.0 million.

9.3 Revolving Credit Facility (RCF)

On April 27, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility. This facility matures in April 2025. Neither as of December 31, 2019, nor as of June 30, 2020, the Group had disposed of this facility.

9.4 Euro Term Credit 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 has a maturity of 12 months, which can 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 million of this loan facility. As of June 30, 2020, the Group has not disposed of this facility.

9.5 EIB Senior Loan

On June 29, 2020, the EIB has granted Amadeus IT Group, S.A. an unsecured senior loan of €200 million (without financial covenants), with a maturity date of between four and seven years from the disposal date if repaid in one single instalment, and up to twelve years if repaid on a regular basis by instalments. The proceeds from this loan will be used by Amadeus to finance the R&D investment for the development of a wide variety of new technologies and features. The unsecured loan has involved transaction costs ("Deferred Financing Fees") by an amount of €0.2 million (paid on July 2, 2020). As of June 30, 2020, the Group has not disposed of this facility.

9.6 Maturity analysis

The Group's debt payable by maturity as of June 30, 2020, is set in the table below:

		Current	Non-current				
	June 30, 2020	June 30, 2020-June 30, 2021	June 30, 2021-June 30, 2022	June 30, 2022-June 30, 2023	June 30, 2023-June 30, 2024	June 30, 2024 and beyond	Total non-current
Bonds	4,209.9	500.0	1,000.0	0.0	1,000.0	1,709.9	3,709.9
EIB	95.0	65.0	30.0				30.0
ECP	512.5	512.5					0.0
Accrued interests	21.4	21.4					0.0
Other debt with financial institutions	20.8	4.9	15.9				15.9
Leases	306.8	60.0	48.4	38.2	30.5	129.7	246.8
Total Debt payable	5,166.5	1,163.8	1,094.3	38.2	1,030.5	1,839.6	4,002.6
Non-current Deferred financing fees	(30.8)						
Current Deferred financing fees	(0.3)						
Remaining fair value adjustment on EIB loan	(0.5)						
Total Debt	5,134.8						

10. 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 June 30, 2020, there are neither shareholders nor parties with significant influence considered as related parties.

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

The Group's transactions with the related parties (in thousands of euros) that are set forth in the tables below:

	June 30, 2020		
Consolidated statement of comprehensive income	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	-	42,970	42,970
Personnel and related expenses	4,331	-	4,331
Total expenses	4,331	42,970	47,301
Dividends from associates	-	3,178	3,178
Revenue	-	34,737	34,737
Total income	-	37,915	37,915

	June 30, 2020		
Consolidated statement of financial position	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	3,126	3,126
Trade accounts receivable	-	10,490	10,490
Interim dividend payable	-	-	-
Trade accounts payable	-	28,229	28,229

10.1 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).

On June 18, 2020, 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 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.

As of June 30, 2020, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	June 30, 2020
Name	Shares
José Antonio Tazón	205,000
Luis Maroto	72,360
David Webster	1
Pierre–Henri Gourgeon	400
Stephan Gemkow	350

During the six months period ended June 30, 2020, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions are the following (in thousands of euros):

	June 30, 2020
Compensation in cash (salary and bonus)	527
Compensation in kind	18
Pension plan and collective life insurance policies	117
Share based payments	-
Total	662

10.2 Key Management Compensation

During the year ended December 31, 2019, the amounts accrued to Key Management are the following (in thousands of euros):

	June 30, 2020
Compensation in cash (salary and bonus)	2,680
Compensation in kind	229
Pension plan and collective life insurance policies	347
Share based payments	-
Total	3,256

Key management consist of 12 members of June 30, 2020.

Notes (millions of euros)

The number of shares held by the Group Key Management at June 30, 2020 amounts to 352,874.

11. TAXATION

The effective tax rate has been calculated considering the best estimate available of the full-year effective tax rate and the tax rates currently in force in the different countries defining the Group structure at the date of these consolidated interim financial statements. Due to the impact on the effective tax rate of non-deductible expenses as a percentage of income before taxes, any significant difference between the estimate and the final income before taxes achieved for the full-year could affect the final full-year effective tax rate.

The effective tax rate as of June 30, 2020, is 28.5%, which is the expected effective tax rate for year-end 2020. The effective tax rate as of June 30, 2019, was 26.0%.

During the current period, the Group accounted for deferred tax assets which mainly correspond to carryforward tax losses which are expected to be compensated with future tax benefits.

12. EARNINGS PER SHARE

The reconciliation of the weighted average number of shares and diluted weighted average number of outstanding shares as of June 30, 2020 and 2019, is set forth in the table below:

	June 30, 2020		June 30, 2019	
	Ordinary shares	Weighted average number of ordinary shares	Ordinary shares	Weighted average number of ordinary shares
Total shares issued	450,499,205	440,566,830	431,268,436	438,822,506
Treasury shares	(718,904)	(451,395)	(304,364)	(8,210,278)
Total shares outstanding	449,780,301	440,115,435	430,964,072	430,612,228
Total potentially dilutive shares	15,591,264	8,033,674	-	-

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 ordinary shares purchased by the Group and held as 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 all the ordinary shares outstanding assuming a conversion of potentially dilutive ordinary shares. Dilutive effects during the period ended June 30, 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

June 30, 2020		June 30, 2019	
Profit / (Loss) attributable to the owners of the parent (millions of euros)	Earnings / (losses) per share (Euros)	Profit / (Loss) attributable to the owners of the parent (millions of euros)	Earnings / (losses) per share (Euros)
(196.7)	(0.45)	594.2	1.38

Diluted earnings / (losses) per share

June 30, 2020		June 30, 2019	
Profit / (Loss) attributable to the owners of the parent (millions of euros)	Earnings / (losses) per share (Euros)	Profit / (Loss) attributable to the owners of the parent (millions of euros)	Earnings / (losses) per share (Euros)
(195.0)	(0.44)	594.2	1.38

13. ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

13.1 Interest expense and other financial expenses

The “Interest expense” mainly corresponds to the borrowings detailed in note 9. The breakdown is set forth in the table below:

	June 30, 2020	June 30, 2019
Bonds	17.7	10.5
European Investment Bank	1.8	2.9
European Commercial Paper	(0.7)	(0.6)
Interest from derivative instruments	1.3	1.6
Lease liabilities	3.5	3.1
Subtotal	23.6	17.5
Deferred financing fees	4.4	2.5
Interest expense	28.0	20.8

The breakdown of “Other financial expenses” as of June 30, 2020 and 2019, is set forth in the table below:

	June 30, 2020	June 30, 2019
Net interest on the Net Defined Benefit liability	1.0	1.0
Interest expense on Tax	1.8	2.0
Bank commissions, fees and other expenses	1.0	0.8
Others	2.1	1.1
Other financial expenses	5.9	4.1

13.2 Employee distribution

The employee distribution by category and gender as of June 30, 2020 and 2019, is set forth in the table below:

Notes (millions of euros)

	June 30, 2020			June 30, 2019		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	4	22	26	4	25	29
Group Directors	38	144	182	34	129	163
Managers	1,362	2,835	4,197	1,227	2,544	3,771
Disabled managers	24	36	60	23	30	53
Staff	5,343	7,671	13,014	4,677	6,937	11,614
Disabled Staff	65	79	144	55	78	133
TravelClick employees	-	-	-	656	536	1,192
ICM employees	-	-	-	61	93	154
TOTAL	6,836	10,787	17,623	6,737	10,372	17,109

The average employee distribution by category and gender as of June 30, 2020 and 2019, is set forth in the table below:

	June 30, 2020			June 30, 2019		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	4	23	27	4	25	29
Group Directors	37	145	182	35	132	167
Managers	1,344	2,784	4,128	1,200	2,488	3,688
Disabled managers	24	35	59	23	30	53
Staff	5,423	7,836	13,259	4,693	6,995	11,688
Disabled Staff	65	82	147	55	78	133
TravelClick employees	-	-	-	645	523	1,168
ICM employees	-	-	-	10	16	26
TOTAL	6,897	10,905	17,802	6,665	10,287	16,952

The Group has already homogenized the breakdown of TravelClick and ICM employees to match the distribution for the rest of the Group.

14. ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE

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 is set forth in the table below:

	June 30, 2020	June 30, 2019
Cash on hand and balances with banks	805.5	542.5
Short-term investments	1,574.4	0.7
Cash and cash equivalents	2,379.9	543.2
Bank overdrafts	(0.8)	(0.3)
Cash and cash equivalents net	2,379.1	538.3

15. SUBSEQUENT EVENTS

As of the date of issuance of the consolidated interim financial statements, no significant subsequent events have occurred after the reporting period that might affect the Group and that should be included thereto.

Amadeus IT Group, S.A. and Subsidiaries

Directors' Report for the six months period ended June 30, 2020

Index

1 Summary

1.1 Introduction

Highlights for the first six months ended June 30, 2020

- In Distribution, our travel agency air bookings decreased by 78.6%, to 65.9 million.
- In IT Solutions, our passengers boarded declined 56.2%, to 415.2 million.
- Revenue contracted by 54.7%, to €1,281.2 million.
- EBITDA decreased by 83.6%, to €194.1 million.
- Adjusted profit[1] contracted by 113.4%, to a loss of €89.2 million.
- Underlying Revenue, EBITDA and Adjusted profit growth[2] (excluding cancellation and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements) fell -43.0%, -65.2% and -89.0%, respectively.
- Free Cash Flow[3] decreased by 139.0%, to -€172.4 million.
- Net financial debt[4] was €2,573.1 million at June 30, 2020 (2.07 times last-twelve-month EBITDA[4]).

Market background and segment performance

During the second quarter of 2020, travel volumes became severely depressed by the COVID-19 pandemic. April was the first full month of large-scale shutdowns across regions. All regions except APAC recorded air traffic contractions above 95% rates (APAC c.90%), rates which mostly persisted through May (91%) (Source: IATA). At the end of May, we started to see an increasing number of flights being scheduled again and an improvement in domestic air travel, particularly in China, but also in the U.S. and, to a lesser extent, in Europe, which continued through June.

Amadeus air travel agency (net) bookings in both April and May were negative as cancellations exceeded gross bookings. In June, we started to see positive Amadeus air travel agency (net) bookings daily, as the higher level of cancellations we saw in March, April and part of May, started to slow down, and as gross bookings started to improve in response to more air passenger seats being made available. As a result, in the second quarter, air travel agency bookings (net) decreased by 113.2%, driving negative Distribution revenues in the quarter. Excluding the impact from cancellations associated with COVID-19, our underlying Distribution revenue evolution in the second quarter was -82.4%. In the first six months of 2020, our Distribution volumes and revenues, decreased by 78.6% and 73.0%, respectively (a -52.9% revenue evolution excluding the COVID-19 cancellations effect).

Amadeus Passengers Boarded performed in line with industry traffic throughout the second quarter. From late May, early June, we started to see improved growth rates daily which have persisted through June. In the second quarter, Amadeus Passengers Boarded declined by 93.9%,

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[1] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, and (ii) non-operating exchange gains (losses).

[2] Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in sections 3 and 5.

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

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

resulting in an evolution of -56.2% in the first six months of 2020. In Hospitality, our CRS transactions showed an improvement in June, supported by our exposure to the U.S. market and customer implementations in the second half of 2019. IT Solutions revenue contraction in the second quarter of 55.8% outperformed passengers boarded negative growth, supported by airline services revenue performance and 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 first six months of 2020, IT Solutions revenue experienced a -29.4% revenue decline.

Second quarter 2020 Group financial performance

As a result of the above dynamics, in the second quarter of 2020, Amadeus Group revenue declined by 81.7%, or by 70.7%, excluding the COVID-19 related cancellation effect.

In the second quarter of 2020, our cost of revenue continued to flex with air travel agency bookings and experienced an evolution of -102.1%. Our fixed cost reduction plan announced in March 2020 started to yield results and, in the period, our P&L fixed costs (composed of Personnel and Other Operating Expenses) also declined by 9.6%. This P&L fixed cost reduction was hindered by an increase in the bad debt provision associated with the COVID-19 crisis. Excluding bad debt effects, our P&L fixed costs decreased by 15.6% in the second quarter.

As a result, in the three-month period ending June 30, 2020, we experienced a negative EBITDA evolution of 126.4% (109.4% excluding heightened cancellations and bad debt effects, linked to COVID-19). Capitalized expenditure, also part of our fixed cost reduction plan, declined by 33.7% in the quarter compared to prior year and supported a Free Cash Flow result for the second quarter of -€462.1 million.

The high reduction in travel volumes brought about by COVID-19 also generated an accounting impairment test "triggering event" for Amadeus. We identified impairment losses related to (i) specific developments and implementation efforts carried out for customers that have either cancelled contracts, suspended or ceased operations, and to (ii) assets that will not deliver the expected benefits over the same timeframe as before. As a result, an impairment charge amounting to €45.7 million (post tax) was accounted for in the second quarter of the year.

In the three-month period ended June 30, 2020, we experienced an Adjusted Profit loss of -€231.0 million (this caption excludes effects from impairments). Excluding the COVID-19 associated cancellations and bad-debt effects, our Adjusted Profit underlying evolution was -146.9%.

First half 2020 Group financial performance

In the first six months of 2020, Amadeus Group revenue declined by 54.7%, or by 43.0% excluding the COVID-19 cancellations effect. EBITDA experienced a negative evolution of -83.6%, impacted by COVID-19 associated cancellation and bad debt effects, excluding which, our underlying EBITDA performance was -65.2%, supported by the progress in our fixed cost reduction plan. We experienced an Adjusted Profit loss of €89.2 million, which had an evolution excluding cancellations and bad debt effects of -89.0%. Free cash flow amounted to -€172.4 million, with leverage closing at 2.07 times last-twelve-month EBITDA.

Business update

Despite the tough operating environment over the past months, we have remained highly active with our customers and commercial activity continued. In Distribution, we signed 9 new contracts or renewals of distribution agreements with airlines, amounting to a total of 32 in the first half of the year. We continued to make progress with our NDC program. American Airlines implemented Amadeus Ancillary Services via NDC. Two other large airlines have connected to the Amadeus Travel Platform, one of them through our solution Altéa NDC, and will start piloting our NDC technology for offering ancillary content through the travel agency channel. In Airline IT, a > 40m PB carrier and a small African carrier contracted for the Altéa PSS, and TAAG Angola implemented the Altéa PSS. Korean Air renewed its Altéa contract during the second quarter and signed up for the Amadeus Digital Experience Suite. Air Tahiti and Tarom implemented Altéa Departure Control and Tarom also implemented Amadeus Segment Revenue Management. Qantas successfully implemented Personalized Merchandizing and Personalized Servicing as part of its implementation of Amadeus Customer Experience Management. Ural Airlines implemented Altéa NDC and can now offer its fares and additional services through the channel of its choosing providing a consistent experience to all customers, regardless of the channel. 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

In May, 2020, Amadeus enhanced its available liquidity and pushed out its debt maturities by issuing two bonds amounting to a total of €1,000 million: (i) €500 million, maturing May 2024, with a coupon of 2.500%, and (ii) €500 million, maturing May 2027, with a 2.875% coupon. Following this, Amadeus cancelled only half (€500 million) of its undrawn €1,000 million bridge to bond loan executed on March 25, 2020.

At present, liquidity available to Amadeus amounts to c.€4.1 billion, represented by cash (€2,379.9 million as of June 30, 2020), an undrawn revolving facility (€1,000 million), an undrawn bridge to bond loan (€500 million) and an undrawn covenant-free new EIB loan (€200m) signed on June 29, 2020. Our main financial maturities over 2020 and 2021 include (i) a €500 million bond maturity in October 2020, (ii) a €500 million bond maturity in November 2021, and several maturities in aggregate amounting to (iii) €80 million of our older EIB loan (whose covenants have been now waived until September 2021), and (iv) Commercial Paper of €512.5 million outstanding as of June 30, 2020. We have been capable of refinancing a significant part of our commercial paper maturities during the second quarter and now, our Commercial Paper is eligible for European Central Bank purchases under the Pandemic Emergency Purchase Program (PEPP).

Moreover, Amadeus has further developed the comprehensive plan it initiated in March 2020 and it includes actions to strengthen our capabilities for the future, to improve the way we operate, the way we serve our customers and to enhance innovation. It involves the implementation of operational programs to accelerate our digitalization programs, to simplify and standardize processes, to accelerate the integration of solutions portfolios and commercial operations, to accelerate our adoption of agile, lean and SAFe methodologies, among others and it also involves a workforce reduction. We expect this to bring a fixed cost reduction of €250 million in 2021 vs. 2019. These savings are incremental to the €300 million cost savings plan announced in March 2020 and therefore, we expect to achieve a fixed cost reduction amounting to approximately €550 million in 2021 vs. 2019, part of which will also benefit 2020. The implementation of the operational programs together with the workforce reduction will generate associated costs of broadly €200 million incurred over 2020-2021.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying financial performance*[1]
Operating KPI				
TA air bookings (m)	65.9	307.8	(78.6%)	
Non air bookings (m)	17.0	33.9	(49.8%)	
Total bookings (m)	**82.9**	**341.6**	**(75.7%)**	
Passengers boarded (m)	**415.2**	**947.0**	**(56.2%)**	
Financial results				
Distribution revenue	441.6	1,637.0	(73.0%)	*(52.9%)*
IT Solutions revenue	839.6	1,189.6	(29.4%)	*(29.4%)*
Revenue	**1,281.2**	**2,826.6**	**(54.7%)**	***(43.0%)***
EBITDA	**194.1**	**1,184.4**	**(83.6%)**	***(65.2%)***
Profit (Loss) for the period	(196.9)	594.4	(133.1%)	*(97.8%)*
Adjusted profit[2]	**(89.2)**	**664.0**	**(113.4%)**	***(89.0%)***
Adjusted EPS (euros)[3]	**(0.20)**	**1.54**	**(113.1%)**	***(89.2%)***
Cash flow				
Capital expenditure	(264.5)	(369.9)	(28.5%)	
Free cash flow[4]	**(172.4)**	**442.2**	**(139.0%)**	
Indebtedness[5]	Jun 30,2020	Dec 31,2019	Change	
Net financial debt	**2,573.1**	**2,758.4**	**(185.3)**	
Net financial debt/LTM EBITDA	2.07x	1.23x		

[1]Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in sections 3 and 5.

[2] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, and (ii) non-operating exchange gains (losses).

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

[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.

Interim Consolidated Directors' Report for the six months period ended June 30, 2020 (Millions of euros)

2 Business highlights

Distribution

- During the second quarter of 2020, we signed 9 new contracts or renewals of distribution agreements with airlines, including Air New Zealand and Fiji Airways, amounting to a total of 32 in the first half of the year.
- We continued to make progress with our NDC program. Just this month, Navitaire has been certified as a capable Order Management System by the International Air Transport Association (IATA), building on its previous certification as an Accounting Provider last year. This means Navitaire now joins the Order Management System certification, which Amadeus achieved last year. The ONE Order certification reinforces Amadeus' commitment to industry standards, such as ONE Order and NDC, in order to improve efficiencies and business capabilities in the travel industry. Also, over the period, American Airlines implemented Amadeus Ancillary Services via NDC, increasing seat selection and other ancillary content on the travel agency channel. Two other large airlines have connected to the Amadeus Travel Platform, one of them through our solution Altea NDC, and will start piloting our NDC technology for offering ancillary content through the travel agency channel.
- Our customer base for Amadeus merchandizing solutions for the travel agency channel continued to expand. During the first semester, ten airlines signed up for Amadeus Fare Families (and ten implemented it), six airlines contracted Amadeus Airline Ancillary Services (and five implemented it, including Air Greenland).

Number of customers (at June 30, 2020)	Implemented	Contracted
Amadeus Ancillary Services	136	165
Amadeus Airline Fare Families	87	110

- AERTiCKET, who had access to air content via the Amadeus Travel Platform, will also gain access to the Amadeus Rail Platform, meaning AERTiCKET's customers can book rail tickets alongside flights and other travel offers, and therefore can create a variety of personalized travel packages.

Airline IT

- At the close of June, 212 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 203 customers had implemented one of them.
- During the first half of the year, an undisclosed carrier contracted for the Altéa PSS, and six airlines including Mauritania Airlines, Air Tahiti, TAAG Angola and Azerbaijan Airlines completed their migration to the Altéa platform, while JSX was implemented to New Skies.
- We continued to make progress in our upselling strategy. Korean Air renewed its Altéa contract during the second quarter and signed up for the Amadeus Digital Experience Suite. Thanks to these new tools, the airline will have greater flexibility to work with third-party partners and developers, in order to fast-track innovation.
- Implementations in the period included, Air Tahiti and Tarom who implemented Altéa Departure Control, both Customer Management and Flight Management along with Amadeus Segment Revenue Management. Qantas successfully implemented Personalized Merchandizing

and Personalized Servicing as part of its implementation of Amadeus Customer Experience Management. Ural Airlines implemented Altéa NDC and can now offer its fares and additional services through the channel of its choosing providing a consistent experience to all customers, regardless of the channel. Finally, Fiji Airways implemented Amadeus Single PNR.

Hospitality

- In Hospitality, we had a number of successful agreements, including the renewal of TravelClick's business intelligence technology with Aimbridge Hospitality Holdings across their more than 230 properties as well as Hyatt's Select Service Hotels across close to 500 properties.
- German lodging company Maritim Hotelgesellschaft mbH contracted iHotelier for its 44 properties, while Sonder opted for one of the business intelligence solutions, Demand360, which will be implemented on its more than 40 properties.
- We also signed a new deal with Grupo Posadas to implement our web services solution across 33 of their properties.
- Finally, on the Sales and Catering space, we have signed a multi-year agreement with 11 properties of the British chain Radisson Edwardian Hotels and with Grand Lisboa Palace to implement our Amadeus Sales & Event Management solution. Radisson also contracted MeetingBroker (our industry-leading platform for group business distribution that helps event venues increase their number of online leads) and Direct Book (for planners to book small group function space).

Airport IT

- Our Airport IT customer base continued to expand and we saw particular interest from customers regarding our touchless technology. 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 a number of its properties. Thanks to these technologies, passengers travelling from Norway can now check-in, drop their bags, pass through security, and board the aircraft without interpersonal contact. These will allow Norwegian airports to adapt to the new social distancing processes and requirements.
- Lyon Airport (France) chose Amadeus' self-service bag that will allow passengers to drop their bags independently. As well as saving travelers time and easing terminal congestion, the automated solution includes the first-ever use of intrusion detection sensors in a retrofit system. Pristina Airport (Kosovo) also contracted Amadeus' self-service bag drop during the first three months of the year, while Pulkovo Airport, part of the Fraport group, contracted Amadeus Airport Management Suite
- Also in July, Queen Alia International Airport in Amman deployed our full suite of airport solutions. The technology allows the airport to deliver innovative and automated new passenger services by making check-in and other key functions mobile so they can be completed at any point within the terminal to avoid passenger congestion and ensure social distancing.
- Belgrade Airport (Serbia), part of the VINCI group, signed a seven-year agreement choosing Altéa DCS for Ground Handlers, paving the way for new services to support its expected growth and offer passengers a tailored experience.

- We also made important progress in our upselling efforts within this segment. Daytona Beach International Airport (Florida), already a customer of our EASE Passenger Processing System, contracted FIDS and Content Management System.

Payments

- In April, we announced a partnership with Troovo to integrate its advanced Robotic Process Automation (RPA) engine with Amadeus' B2B Wallet. The introduction of RPA means key data relating to each payment and booking can be moved from the agency system to another system (i.e. to the airline Passenger Service System (PSS) or Hotel Property Management System (PMS), automatically. This automation will save time and resources, while avoiding error-prone human processes.

Other

- We are simplifying our business and customer unit structure by bringing together our Distribution and Airline IT businesses in a wider transversal and platform-led customer unit headed by Decius Valmorbida, previously leading the Distribution unit.
- At the same time, we are also reframing and consolidating our technology and operational resources, simplifying how these are managed under a single Chief Technology Officer, Christophe Bousquet, who will be adding this role to his current one of Head of Airlines R&D.

3 Presentation of financial information

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

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.

This document includes unaudited Alternative Performance Measures such as contribution, 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 direct costs plus direct capitalizations and research incentives. A reconciliation to EBITDA is included in section 5.3.
- EBITDA corresponds to Operating income plus D&A expense. A reconciliation to the financial statements is included in section 5.3.
- The reconciliation of Operating income is included in the Group income statement included 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 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 6.1.1.
- Revenues from airline reservations are recorded at the time the reservation is made, net of estimated future cancellations. The consideration committed by the customer is 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. The underlying financial performance column adjusts the reduction in revenues and cost of revenue associated with the higher than usual cancellations associated with COVID-19.
- In 2020, there has been an increase on the expected credit losses (bad debt provision) on financial assets due to both the change in the provision matrix and the reassessment of the credit risk of some customers as a result of the COVID-19 pandemic. For comparison purposes, the underlying financial performance column information excludes bad debt effects from both the first half of 2020 and the first half of 2019 results.

We believe that these measures provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures 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 40%-50% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 60%-70% of our operating costs[5] are denominated in many currencies different from the Euro, including the US Dollar, which represents 35%-45% 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.

Given that 20-30% of our last-twelve-month net free cash flow was generated in USD or currencies that fluctuate vs. the Euro similarly to the US Dollar-Euro fluctuations, and that our hedging policy targets to reduce cash volatility, our hedging results are generally insufficient to mitigate the impacts from foreign exchange fluctuations on our operating results.

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

Foreign exchange fluctuations had a broadly neutral impact on revenue, costs and EBITDA in the second quarter and the first half of 2020.

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.

At June 30, 2020, 20% of our total financial debt[6] (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 311,000 shares and a maximum of 1,855,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

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

5 Group income statement

H1 Income Statement (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance*[1]
Revenue	**1,281.2**	**2,826.6**	**(54.7%)**	***(43.0%)***
Cost of revenue	(199.0)	(722.2)	(72.4%)	*(51.4%)*
Personnel and related expenses	(734.9)	(752.6)	(2.4%)	*(2.4%)*
Other operating expenses[2]	(153.2)	(167.4)	(8.4%)	*(28.7%)*
Depreciation and amortization[2]	(430.1)	(351.4)	22.4%	*5.7%*
Operating income (loss)	**(236.0)**	**833.0**	**(128.3%)**	***(93.9%)***
Net financial expense	(33.7)	(45.9)	(26.5%)	*(31.3%)*
Other income (expense)	(0.2)	12.5	n.m.	*n.m.*
Profit (loss) before income tax	**(269.9)**	**799.6**	**(133.8%)**	***(97.5%)***
Income taxes	76.9	(207.8)	(137.0%)	*(98.6%)*
Profit (loss) after taxes	**(193.0)**	**591.8**	**(132.6%)**	***(97.1%)***
Share in profit from assoc./JVs	(3.9)	2.6	n.m.	*n.m.*
Profit (loss) for the period	**(196.9)**	**594.4**	**(133.1%)**	***(97.8%)***
EPS (€)	**(0.45)**	**1.38**	**(132.4%)**	***(97.8%)***
Key financial metrics				
EBITDA	**194.1**	**1,184.4**	**(83.6%)**	***(65.2%)***
Adjusted profit (loss)[3]	**(89.2)**	**664.0**	**(113.4%)**	***(89.0%)***
Adjusted EPS (€)[4]	**(0.20)**	**1.54**	**(113.1%)**	***(89.2%)***

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in sections 3 and 5, below.
[2] 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.
[3] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, and (ii) non-operating exchange gains (losses).
[4] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Q2 Income Statement (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	*Underlying performance*[1]
Revenue	259.5	1,420.6	(81.7%)	*(70.7%)*
Cost of revenue	7.8	(364.0)	(102.1%)	*(77.0%)*
Personnel and related expenses	(357.5)	(382.9)	(6.6%)	*(6.6%)*
Other operating expenses[2]	(65.2)	(84.9)	(23.3%)	*(60.5%)*
Depreciation and amortization[2]	(239.1)	(182.4)	31.1%	*(0.3%)*
Operating income (loss)	(394.5)	406.4	(197.1%)	*(155.4%)*
Net financial expense	(29.8)	(25.2)	18.1%	*9.3%*
Other income (expense)	(0.2)	12.7	n.m.	*n.m.*
Profit (loss) before income tax	(424.5)	393.9	(207.8%)	*(163.9%)*
Income taxes	110.9	(100.3)	(210.6%)	*(163.2%)*
Profit (loss) after taxes	(313.5)	293.6	(206.8%)	*(164.1%)*
Share in profit from assoc./JVs	(1.2)	2.3	(152.3%)	*(152.3%)*
Profit (loss) for the period	(314.7)	295.9	(206.4%)	*(164.0%)*
EPS (€)	(0.70)	0.69	(201.8%)	*(161.2%)*
Key financial metrics				
EBITDA	(155.4)	588.8	(126.4%)	*(109.4%)*
Adjusted profit (loss)[3]	(231.0)	330.2	(170.0%)	*(146.9%)*
Adjusted EPS (€)[4]	(0.51)	0.77	(166.9%)	*(144.9%)*

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in sections 3 and 5, below.
[2] 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.
[3] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, and (ii) non-operating exchange gains (losses).
[4] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

In the first half of 2020, and most notably in the second quarter of 2020, Amadeus results were impacted by the following effects related to the COVID-19 pandemic:

- Higher than usual air booking cancellations ratio to gross bookings, most notably in March, April and May 2020, driving negative air booking volumes during March and most of the second quarter of 2020. 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[7]. Both effects combined (booking cancellations and the cancellation

[7] 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 consideration from travel agency unusued air bookings (billed and not flown yet) 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

provision) had a negative impact of €156.1 million on revenue in the second quarter of 2020 (€329.2 million in the first half), and a positive impact of €91.5 million on cost of revenue in the second quarter of 2020 (€152.2 million in the first half). Excluding both effects, our revenue declined by 70.7% and 43.0% in the second quarter and the first half of 2020, respectively, and cost of revenue declined by 77.0% and 51.4% in the second quarter and the first half of 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 €34.9 million and €46.5 million in the second quarter and first half of 2020, respectively (increasing by €8.2 million and €17.6 million in the second quarter and first half of 2019, respectively). Excluding bad debt effects, Other operating expenses declined by 60.5% and 28.7%, respectively, in the second quarter and the first half of 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 €99.5 million and €223.6 million in the second quarter and the first half of 2020, respectively. Excluding both effects, EBITDA declined by 109.4% and 65.2%, in the second quarter and the first half of 2020, respectively.
- In the second quarter of 2020, impairment charges amounted to €63.1 million, and were related to some customers ceasing operations or cancelling contracts, as well as some assets that would not deliver the expected benefits over the same timeframe as before. If we exclude impairment charges from H1 2020 and H1 2019 results (which amounted to €5.8 million both in the second quarter and first half of 2019), D&A expense declined by 0.3% in the second quarter and increased by 5.7% in the first half of 2020.
- Upfront bank fees in relation to the financing transactions undertaken in March, April and May 2020, raised the net financial expense by €2.2 million both in the second quarter and the first half of 2020, respectively.
- Excluding the effects mentioned above (post-tax), Profit (Loss) for the second quarter and the first half of the year declined by 164.0% and 97.8% vs. 2019, respectively, and Adjusted profit (loss) declined by 146.9% and 89.0% for the second quarter and the first half of the year vs. 2019, respectively.

5.1 Revenue

In the second quarter of 2020, revenue amounted to €259.5 million, a decline of 81.7% vs. prior year. Second quarter revenue was particularly negatively impacted by the spike in air booking cancellations relative to gross bookings, driven by the COVID-19 pandemic. This effect was partially offset by our booking cancellation provision[8]. Excluding both effects, our underlying revenue

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.

[8] 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 consideration from travel agency unused air bookings (billed and not flown yet) which may be cancelled in future periods.

declined by 70.7% in the second quarter. This underlying group revenue evolution in the second quarter resulted from segment revenue declines of 82.4% and 55.8% in Distribution and IT Solutions revenue, respectively.

In the first half of 2020, revenue amounted to €1,281.2 million, a decline of 54.7% 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 43.0% vs. the first half of 2019.

H1 Revenue (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance[1]*
Distribution revenue	441.6	1,637.0	(73.0%)	*(52.9%)*
IT Solutions revenue	839.6	1,189.6	(29.4%)	*(29.4%)*
Revenue	**1,281.2**	**2,826.6**	**(54.7%)**	***(43.0%)***

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

Q2 Revenue (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	*Underlying performance[1]*
Distribution revenue	(15.9)	797.1	(102.0%)	*(82.4%)*
IT Solutions revenue	275.4	623.5	(55.8%)	*(55.8%)*
Revenue	**259.5**	**1,420.6**	**(81.7%)**	***(70.7%)***

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

5.1.1 Distribution

Distribution revenue declined by 102.0% and 73.0% in the second quarter and the first half of 2020, respectively, vs. the same period of 2019, driven by an acute decline in bookings, impacted by the COVID-19 pandemic. Amadeus travel agency air bookings were also impacted by higher than usual booking cancellations relative to gross bookings, due to the COVID-19 pandemic, partially mitigated by the cancellation provision. Excluding the impact from the higher than usual air booking cancellations relative to gross bookings and the cancellation provision, the underlying Distribution revenue declined by 82.4% in the second quarter, and by 52.9% in the first half of 2020, vs. 2019.

The Distribution revenue contraction, caused by the negative air travel agency bookings generated by COVID-19, was mitigated by a number of effects. These effects included (i) a positive revenue impact from the cancellation provision, (ii) an increase in revenues from solutions supporting processes related to ticketing and cancellations, and also (iii) other declining revenue lines, although declining at softer rates than the air travel agency bookings decline.

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.

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Evolution of Amadeus bookings

Operating KPI	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
TA air bookings (m)	(19.1)	145.2	(113.2%)	65.9	307.8	(78.6%)
Non air bookings (m)	2.4	16.6	(85.3%)	17.0	33.9	(49.8%)
Total bookings (m)	**(16.7)**	**161.8**	**(110.3%)**	**82.9**	**341.6**	**(75.7%)**

In the second quarter of 2020, Amadeus travel agency air bookings contracted by 113.2% vs. the second quarter of 2019, highly impacted by the COVID-19 pandemic. Volumes reached a low in April and improved sequentially from then. Whilst volumes in April and May were negative, as cancellations exceeded gross bookings, travel agency air bookings turned positive from approximately mid-June, as the higher level of cancellations in March, April and part of May, started to slow down, and as gross bookings started to improve in response to more air passenger seats being made available.

In the first half of 2020, Amadeus travel agency air bookings fell by 78.6%. Air volumes started to trend down in February and deteriorated further from March, as the COVID-19 health impact spread beyond Asia and was declared a pandemic.

Amadeus TA air bookings	Change Apr-Jun 2020	Change Jan-Jun 2020
Western Europe	(118.1%)	(79.1%)
North America	(115.0%)	(77.5%)
Middle East and Africa	(106.6%)	(73.0%)
Central, Eastern and Southern Europe	(106.0%)	(70.8%)
Asia-Pacific	(110.5%)	(88.1%)
Latin America	(112.8%)	(74.5%)
Amadeus TA air bookings	**(113.2%)**	**(78.6%)**

Amadeus' non air bookings decreased by 85.3% in the second quarter of 2020, or by 49.8% in the first half, caused by the overall negative impact of the COVID-19 pandemic on the global travel industry.

5.1.2 IT Solutions

In the second quarter of 2020, IT Solutions revenue decreased by 55.8% vs. the same period of 2019, driving the first half revenue contraction to 29.4%. The revenue decline was driven by the low airline PB volumes, impacted by the COVID-19 pandemic, partially offset by (i) 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, but also due to the impact from new customer implementations across businesses, and (ii) growth in airline services revenue.

Evolution of Amadeus Passengers boarded

Passengers boarded (millions)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
Organic growth[1]	30.3	498.7	(93.9%)	393.0	928.7	(57.7%)
Non organic growth[2]	0.9	12.1	(92.4%)	22.2	18.3	21.5%
Total passengers boarded	**31.3**	**510.8**	**(93.9%)**	**415.2**	**947.0**	**(56.2%)**

[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 second quarter of 2020, Amadeus passengers boarded decreased by 93.9% to 31.3 million, impacted by the COVID-19 pandemic. Organic passengers boarded declined by 93.9%, with contractions reported across regions. After reaching the lowest point of the year in April, organic PB volumes started to improve softly from May, worldwide, and most notably in North America.

Amadeus PB volumes benefited from the positive impact from customer implementations, including Philippine Airlines, Bangkok Airways, Air Canada, Air Europa and FlyOne, in 2019, and Azerbaijan Airlines, Mauritania Airlines, STARLUX Airlines, Air Tahiti, JSX and TAAG Angola, in 2020. On the other hand, Amadeus PB were also impacted by airline customers ceasing or suspending operations, including, in 2019, 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 Flybe, in March 2020.

In the first half of 2020, Amadeus passengers boarded contracted by 56.2%, as the negative impact from the COVID-19 pandemic from February offset the good performance of Amadeus organic PB reported at the beginning of the year, as well as offsetting the contribution from the new PSS customers since 2019.

Passengers boarded (millions)	Change Apr-Jun 2020	Change Jan-Jun 2020
Asia-Pacific	(94.0%)	(56.7%)
Western Europe	(97.2%)	(63.3%)
North America	(85.8%)	(41.2%)
Middle East and Africa	(96.0%)	(54.6%)
Latin America	(93.1%)	(51.7%)
Central, Eastern and Southern Europe	(90.9%)	(54.9%)
Amadeus Passengers boarded	**(93.9%)**	**(56.2%)**

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 second quarter of 2020, cost of revenue amounted to an income of €7.8 million, vs. an expense of €364.0 million in the same period of 2019. In the first half of the year, cost of revenue amounted to an expense of €199.0 million, a reduction of 72.4% vs. the first half of 2019.

Cost of revenue in 2020 has been impacted by a sharp reduction in 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[9]. Excluding the effects from the higher than usual cancellations and the cancellation provision, cost of revenue declined by 77.0% in the second quarter (by 51.4% in the first half), driven by the air booking evolution, although partially offset by the softer pace of the volume contraction in Hospitality.

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

[9] 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 consideration from travel agency unusued air bookings (billed and not flown yet) 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.

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 on March 23, 2020, we have reduced our contractor base considerably and this has supported a reduction of our combined operating expenses cost line, including both Personnel and Other operating expenses, by 9.6% and 3.5%, in the second quarter and the first half of 2020, respectively. 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 €34.9 million and €46.5 million in the second quarter and the first half of 2020, respectively (€8.2 million and €17.6 million in the second quarter and the first half of 2019, respectively). Excluding bad debt effects, our combined operating expenses cost line declined by 15.6% and 6.7%, in the second quarter and the first half of 2020, respectively. If we also exclude foreign exchange effects and the lower capitalization ratio we have had in the first half, Personnel and Other operating expenses together decreased by 16.3% and 9.2%, in the second quarter and the first half of 2020 vs. 2019, respectively.

Personnel + Other op. expenses (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance[1]*
Personnel+Other operating expenses[2]	(888.1)	(920.0)	(3.5%)	*(6.7%)*

[1] Adjusted to exclude the impact from bad debt provision associated with the COVID-19 pandemic.
[2] 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.

Personnel + Other op. expenses (€millions)	Apr-Jun 2020	Apr-Jun 2019[1]	Change	*Underlying performance[1]*
Personnel+Other operating expenses[2]	(422.7)	(467.8)	(9.6%)	*(15.6%)*

[1] Adjusted to exclude the impact from bad debt provision associated with the COVID-19 pandemic.
[2] 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 the first half of 2020, depreciation and amortization expense amounted to €430.1 million, an increase of 22.4% vs. the same period of 2019. This increase was mainly driven by impairment losses amounting to €64.6 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 at present and over the following years.

Depreciation & Amort. (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
Ordinary D&A[1]	(138.0)	(138.6)	(0.4%)	(287.5)	(269.9)	6.5%
Amortization derived from PPA	(38.0)	(38.0)	0.0%	(78.0)	(75.7)	3.0%
Impairments	(63.1)	(5.8)	n.m.	(64.6)	(5.8)	n.m.
D&A[1]	**(239.1)**	**(182.4)**	**31.1%**	**(430.1)**	**(351.4)**	**22.4%**

[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. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

5.3 EBITDA and Operating income

In the second quarter of 2020, Operating income contracted by 197.1%, leading to a loss in the first half of €236.0 million. Excluding booking cancellations, bad debt and impairment effects derived from the COVID-19 pandemic, Operating income declined by 155.4% and 93.9% in the second quarter and in the first half of 2020, respectively.

H1 Operating income – EBITDA (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance[1]*
Operating income (loss)	(236.0)	833.0	(128.3%)	*(93.9%)*
D&A[2]	430.1	351.4	22.4%	*5.7%*
EBITDA	194.1	1,184.4	(83.6%)	*(65.2%)*

[1] Adjusted to exclude booking cancellation, bad debt and impairments effects related to the COVID-19 pandemic, as described in section 5.
[2] 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. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

Q2 Operating income – EBITDA (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	*Underlying performance[1]*
Operating income (loss)	(394.5)	406.4	(197.1%)	*(155.4%)*
D&A[2]	239.1	182.4	31.1%	*(0.3%)*
EBITDA	(155.4)	588.8	(126.4%)	*(109.4%)*

[1] Adjusted to exclude booking cancellation, bad debt and impairments effects related to the COVID-19 pandemic, as described in section 5.
[2] 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. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

Excluding the booking cancellation and bad debt effects related to the COVID-19 pandemic, EBITDA declined by 109.4% and 65.2% in the second quarter and the first half of 2020, respectively.

EBITDA evolution in the six-month period was driven by:

- An 87.1% decrease in Distribution contribution (representing a -63.2% underlying evolution, pre cancellations and bad debt effects), resulting from a decline in revenue of 73.0%, as explained in section 5.1.2 above, and a 60.6% 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 46.9% contraction in our IT Solutions contribution (a -42.7% underlying evolution, pre bad debt effects) as a result of a 29.4% revenue decrease, as explained in section 5.1.2, and a 3.2% growth in net operating costs. Excluding the impact from the increase in the bad debt provision, net operating costs declined in the period, supported by cost saving measures, including, among others, but most importantly, the reduction in our contractor base.
- An 11.6% decline in indirect costs, impacted by the cost contention measures adopted in the period.

EBITDA by segment (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance[1]*
Distribution				
Revenue	441.6	1,637.0	(73.0%)	*(52.9%)*
Net operating costs	(342.6)	(869.2)	(60.6%)	*(43.6%)*
Contribution	99.0	767.8	(87.1%)	*(63.2%)*
IT Solutions				
Revenue	839.6	1,189.6	(29.4%)	*(29.4%)*
Net operating costs	(428.4)	(415.3)	3.2%	*(3.7%)*
Contribution	411.3	774.3	(46.9%)	*(42.7%)*
Net indirect costs	(316.2)	(357.7)	(11.6%)	*(11.6%)*
EBITDA	194.1	1,184.4	(83.6%)	*(65.2%)*

[1] 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 second quarter of 2020, net financial expense grew by 18.1% vs. the same period of 2019, mainly driven by a higher interest expense. Interest expense increased by €8.1 million, impacted by €2.2 million of financing fees paid upfront in relation to the new credit agreements in the period, which were recognized through the P&L in the second quarter[10]. Excluding this impact, interest expense increased by €5.9 million, or 55.3%, in the second quarter of 2020, as a consequence of both a higher average gross debt outstanding and a higher average cost of debt. See section 6.1.1 for details on our debt structure.

In the first half of 2020, net financial expense declined by 26.5% vs. the first half of 2019, or by 31.3% if we exclude financing fees recognized through P&L in the period, as a result of €16.9 million lower exchange losses and an increase of €5.0 million, or 23.8%, in interest expense.

[10] Financing fees related to the new credit agreements are deferred in the balance sheet and recognized through P&L along the length of the associated debt.

Net financial expense (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
Financial income	4.6	0.6	n.m.	4.9	0.7	n.m.
Interest expense	(18.7)	(10.6)	76.2%	(28.0)	(20.8)	34.4%
Other financial expenses	(2.4)	(1.8)	30.8%	(5.9)	(4.1)	42.7%
Exchange gains (losses)	(13.3)	(13.4)	(0.8%)	(4.7)	(21.7)	(78.1%)
Net financial expense	(29.8)	(25.2)	18.1%	(33.7)	(45.9)	(26.5%)

5.5 Income taxes

In the first half of 2020, income taxes amounted to an income of €76.9 million. The Group income tax rate for the period was 28.5%, higher than 22.0% income tax rate reported both in the first quarter of 2020 and in 2019 full-year, and 26.0% reported in the first half of 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 the first half of 2020, Reported profit amounted to losses of €196.9 million, a contraction of 133.1% vs. 2019. Excluding 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 new credit agreements, reported profit declined by 97.8% in the first half of 2020. In turn, Adjusted profit decreased by 113.4% to a loss of €89.2 million in the six-month period, or by 89.0% if (post-tax) effects from booking cancellations, bad debt and upfront financing fees are excluded.

H1 Reported-Adj. profit (loss) (€millions)	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance*[1]
Reported profit (loss)	(196.9)	594.4	(133.1%)	*(97.8%)*
Adjustments				
Impact of PPA[2]	58.1	58.3	(0.3%)	
Impairments[2]	46.1	4.4	n.m.	
Non-operating FX[3]	3.4	16.5	(79.4%)	
Non-recurring items	0.2	(9.7)	n.m.	
Adjusted profit (loss)	(89.2)	664.0	(113.4%)	*(89.0%)*

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, after taxes, as described in section 5.
[2] After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
[3] After tax impact of non-operating exchange gains (losses).

Q2 Reported-Adj. profit (loss) (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	*Underlying performance*[1]
Reported profit (loss)	(314.7)	295.9	(206.4%)	*(164.0%)*
Adjustments				
Impact of PPA[2]	28.7	29.1	(1.6%)	
Impairments[2]	44.9	4.4	n.m.	
Non-operating FX[3]	10.1	10.4	(3.2%)	
Non-recurring items	0.1	(9.7)	n.m.	
Adjusted profit (loss)	(231.0)	330.2	(170.0%)	*(146.9%)*

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, after taxes, as described in section 5.
[2] After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
[3] 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 the first half of 2020, our reported EPS decreased by 132.4% to €0.45 and our adjusted EPS by 113.1% to a loss of €0.20. 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 financing fees in relation to the new credit agreements, EPS and adjusted EPS contracted 97.8% and 89.2%, respectively, in the six-month period.

H1 Earnings (loss) per share	Jan-Jun 2020	Jan-Jun 2019	Change	*Underlying performance*[1]
Weighted average issued shares (m)	440.6	438.8		
Weighted av. treasury shares (m)	(0.5)	(8.2)		
Outstanding shares (m)	440.1	430.6		
EPS (€)[2]	(0.45)	1.38	(132.4%)	*(97.8%)*
Adjusted EPS (€)[3]	(0.20)	1.54	(113.1%)	*(89.2%)*

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, after taxes, as described in section 5.
[2] EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
[3] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Q2 Earnings per share	Apr-Jun 2020	Apr-Jun 2019	Change	*Underlying performance*[1]
Weighted average issued shares (m)	449.9	438.8		
Weighted av. treasury shares (m)	(0.6)	(8.2)		
Outstanding shares (m)	449.3	430.6		
EPS (€)[2]	(0.70)	0.69	(201.8%)	*(161.2%)*
Adjusted EPS (€)[3]	(0.51)	0.77	(166.9%)	*(144.9%)*

[1] Adjusted to exclude cancellation, bad debt and impairment effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, after taxes, as described in section 5.
[2] EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
[3] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

6 Other financial information

6.1 Statement of financial position (condensed)

Statement of financial position (€millions)	Jun 30,2020	Dec 31,2019	Change
Intangible assets	4,143.2	4,187.8	(44.6)
Goodwill	3,674.8	3,661.5	13.3
Property, plant and equipment	384.2	432.1	(47.9)
Right of use assets	306.0	336.4	(30.4)
Other non-current assets	386.2	340.2	46.0
Non-current assets	8,894.4	8,958.0	(63.6)
Current assets	659.2	879.1	(219.9)
Cash and equivalents	2,379.9	564.0	1,815.9
Total assets	**11,933.5**	**10,401.1**	**1,596.0**
Equity	4,340.1	3,797.1	543.0
Non-current debt	3,960.3	2,328.2	1,632.1
Other non-current liabilities	1,272.0	1,305.5	(33.5)
Non-current liabilities	5,232.3	3,633.7	1,598.6
Current debt	1,174.5	1,245.5	(71.1)
Other current liabilities	1,186.6	1,724.8	(538.2)
Current liabilities	2,361.1	2,970.3	(609.2)
Total liabilities and equity	**11,933.5**	**10,401.1**	**1,532.4**
Net financial debt (as per financial statements)	2,754.9	3,009.7	(254.8)

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6.1.1 Financial indebtedness

Indebtedness[1] (€millions)	Jun 30, 2020	Dec 31, 2019	Change
Long term bonds	3,000.0	2,000.0	1,000.0
Short term bonds	500.0	500.0	0.0
Convertible bonds	750.0	0.0	750.0
European Commercial Paper	512.5	580.0	(67.5)
EIB loan	95.0	127.5	(32.5)
Obligations under finance leases	74.8	83.7	(8.9)
Other debt with financial institutions	20.7	31.1	(10.4)
Financial debt	4,953.0	3,322.4	1,630.6
Cash and cash equivalents	(2,379.9)	(564.0)	(1,815.9)
Net financial debt	2,573.1	2,758.4	(185.3)
Net financial debt / LTM EBITDA	2.07x	1.23x	
Reconciliation with financial statements			
Net financial debt (as per financial statements)	2,754.9	3,009.7	(254.8)
Operating lease liabilities	(232.0)	(257.1)	25.1
Interest payable	(21.4)	(5.7)	(15.7)
Convertible bonds	38.5	0.0	38.5
Deferred financing fees	32.8	10.6	22.2
EIB loan adjustment	0.5	0.9	(0.4)
Net financial debt (as per credit facility agreements)	2,573.1	2,758.4	(185.3)

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

Net financial debt, as per our credit facility agreements' terms, amounted to €2,573.1 million at June 30, 2020 (representing 2.07 times last-twelve-month EBITDA).

The main changes to our debt in the first half of 2020 were:

- On May 13, 2020 Amadeus issued two Eurobonds for a total value of €1,000.0 million, with the following conditions: (i) the first issue has a nominal value of €500.0 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 €500.0 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 decrease in the use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €67.5 million.
- The repayment of €32.5 million related to our European Investment Bank (EIB) loan.

On April 27, 2018 Amadeus executed a €1,000 million Euro Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes.

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), which will be used for the refinancing of working capital and debt. This loan facility was partially cancelled by an amount of €500 million in May 2020, after the Eurobonds were issued.

Both credit facilities remained undrawn at June 30, 2020.

On June 29, 2020, Amadeus signed a new covenant-free unsecured senior loan of €200.0 million from the European Investment Bank, with a maturity date of between 4 and 7 years from the disposal date if repaid in one single instalment, and up to 12 years if repaid on a regular basis by instalments, at Amadeus' choice. This loan was undrawn at June 30, 2020.

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 €232.0 million at June 30, 2020, (ii) does not include the accrued interest payable (€21.4 million at June 30, 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 (€1.7 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 new credit agreements and amount to €32.8 million at June 30, 2020), and (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 (€0.5 million at June 30, 2020).

6.2 Group cash flow

Consolidated Statement of Cash Flows (€millions)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
EBITDA	(155.4)	588.8	(126.4%)	194.1	1,184.4	(83.6%)
Change in working capital	(185.2)	(146.8)	26.2%	(70.6)	(212.3)	(66.7%)
Capital expenditure	(113.0)	(170.5)	(33.7%)	(264.5)	(369.9)	(28.5%)
Pre-tax operating cash flow	**(453.6)**	**271.5**	**(267.1%)**	**(141.0)**	**602.3**	**(123.4%)**
Cash taxes	20.6	(107.1)	(119.2%)	1.3	(153.7)	(100.8%)
Interest & financial fees paid	(29.1)	(3.7)	n.m.	(32.6)	(6.4)	n.m.
Free cash flow	**(462.1)**	**160.7**	**(387.6%)**	**(172.4)**	**442.2**	**(139.0%)**
Equity investment[1]	0.2	(42.8)	(100.5%)	(39.4)	(42.8)	(8.1%)
Non-operating items	(35.4)	(16.2)	118.3%	(34.0)	(31.0)	9.7%
Debt payment	1,471.2	(357.0)	n.m.	1,594.5	(159.9)	n.m.
Cash to shareholders	727.6	(7.7)	n.m.	469.5	(227.3)	n.m.
Change in cash	**1,701.5**	**(263.0)**	**n.m.**	**1,818.1**	**(18.9)**	**n.m.**
Cash and cash equivalents, net[2]						
Opening balance	677.7	805.8	(15.9%)	561.0	561.8	(0.1%)
Closing balance	2,379.1	542.8	n.m.	2,379.1	542.8	n.m.

[1] Mainly related to Optym's Sky Suite's acquisition in January 2020.
[2] Cash and cash equivalents are presented net of overdraft bank accounts.

Amadeus Group free cash flow amounted to -€462.1 million and -€172.4 million in the second quarter and the first half of 2020, respectively.

6.2.1 Change in working capital

In the second quarter of 2020, Change in working capital amounted to -€185.2 million, a deterioration of €38.4 million vs. the same period of 2019. This deterioration was primarily caused by a negative effect in change in working capital that resulted from the activity deceleration. In the quarter, we saw significantly higher cash distribution cost payments associated to past period activity, in proportion to the distribution expenses accounted for in the quarter, as compared to prior year. Also, part of the cost saving measures put in place at the end of the first quarter and during the second quarter of 2020, which have reduced our fixed costs during the period, have not had a cash impact yet. These effects were partly offset by payments amounting to c.€126 million delayed, partly to the second half of 2020, and related to social security, payroll taxes and employee bonus payments, as well as changes in payment terms with vendors.

In the first six months, Change in working capital amounted to -€70.6 million, an improvement of €141.7 million vs. the same period of 2019, mainly resulting from (i) timing differences in collections and payments, including payments amounting to c.€126 million delayed, partly to the second half of 2020, (ii) changes in payment terms with vendors, and (iii) lower advanced payments related to customer renegotiations. These effects were partially offset by (i) an increase in the net outflow resulting from higher collections and payments from previous periods vs. revenues and expenses accounted for in the first half of 2020, compared to the same period of 2019, and (ii) part of the cost saving measures put in place at the end of the first quarter and during the second quarter of 2020, which have reduced our fixed costs during the period, and have not had a cash impact yet.

6.2.2 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)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
Capital Expenditure PP&E	8.9	16.2	(45.1%)	22.7	46.6	(51.3%)
Capital Expenditure in intangible assets	104.1	154.3	(32.5%)	241.8	323.3	(25.2%)
Capital Expenditure	113.0	170.5	(33.7%)	264.5	369.9	(28.5%)

In the second quarter of 2020, capex declined by €57.5 million, or 33.7%, vs. the same period of 2019, driving a first half capex decrease of €105.4 million, or of 28.5%.

In the first six months of the year, capex in intangible assets decreased by €81.5 million, or 25.2%, as a result of:

- Lower capitalizations from software development, driven by (i) a 7.7% 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)	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change
R&D investment[1]	222.2	269.1	(17.4%)	475.7	515.3	(7.7%)

[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 Q2 and H1 2019 before restatement was €251.8 million and €473.6 million, respectively. R&D investment is reported net of Research Tax Credit (RTC).

ended June 30, 2020 (Millions of euros)

In the six-month period, capex in property, plant and equipment declined by €23.9 million, or 51.3%, impacted by the cash saving measures put in place in the period.

6.2.3 Cash taxes

In the first half of 2020, cash taxes amounted to an inflow of €1.3 million, vs. an outflow of €153.7 million in the same period of 2019. The variation 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 (ii) an increase in tax reimbursements from previous years.

In the second quarter of 2020, cash tax inflow of €20.6 million was mainly driven by the reimbursement of prepaid taxes paid in the first quarter of 2020 in Germany, as losses are now expected for the year in this country, and tax reimbursements received from previous years.

6.2.4 Interests and financial fees

In the first half of 2020, interests and financial fees paid amounted to €32.6 million, an increase of €26.2 million vs. the same period of 2019. During the period, upfront financing fees in relation to the new credit agreements and the issuance of convertible bonds, amounting to €26.3 million, were paid. Excluding these, interests and financial fees paid amounted to €6.3 million, broadly in line with previous year. There have not been any interest payments related to the new facilities yet.

7 Investor information

7.1 Capital stock. Share ownership structure

At June 30, 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 June 30, 2020 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	449,502,190	99.78%
Treasury shares[1]	718,904	0.16%
Board members	278,111	0.06%
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.

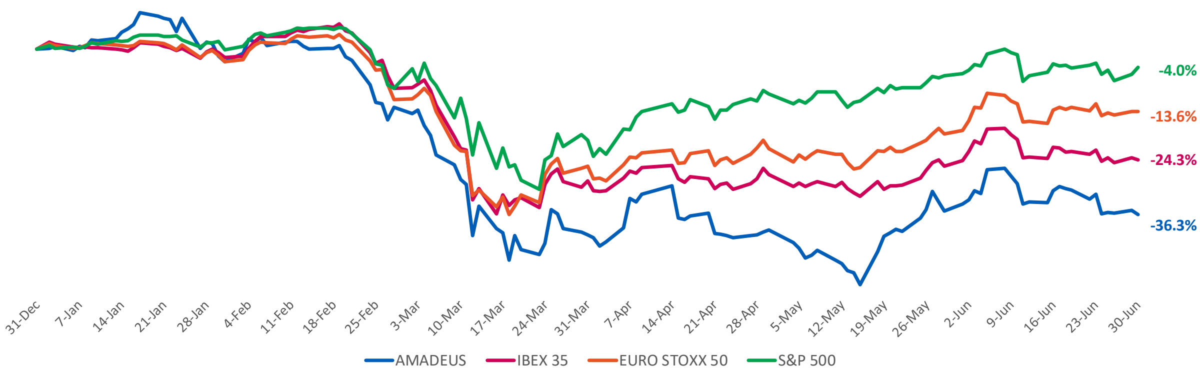
On April 3, 2020, Amadeus undertook a capital increase of c.€750 million, corresponding to 19,230,769 new shares at an issue price of €39.00 (of which €0.01 corresponds to the nominal amount and €38.99 to the issue premium).

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.

7.2 Share price performance in 2020



Key trading data (as of June 30, 2020)

Number of publicly traded shares (# shares)	450,499,205
Share price at June 30, 2020 (in €)	46.38
Maximum share price in Jan - Jun 2020 (in €) (January 17, 2020)	78.60
Minimum share price in Jan - Jun 2020 (in €) (May 15, 2020)	35.2
Market capitalization at June 30, 2020 (in € million)	20,894.2
Weighted average share price in Jan - Jun 2020 (in €)[1]	55.22
Average Daily Volume in Jan - Jun 2020 (# shares)	2,274,711.7

[1] Excluding cross trade

7.3 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.

8 Other additional information

8.1 Explanatory notes to the stand-alone statement of income

The stand-alone statement of income of the issuing Entity for the six months period ended June 30, 2020 and 2019, respectively, is as follows:

Amounts in millions of Euros	June 30, 2020 UNAUDITED	June 30, 2019 UNAUDITED
Services rendered	933.7	2,411.3
Net trade revenue	**933.7**	**2,411.3**
Less charges to fixed assets	63.3	65.9
Other operating income	-	31.3
Personnel expenses	(61.0)	(63.6)
Operating expenses	(1,008.2)	(2,080.5)
Depreciation and amortisation of non-current assets	(150.4)	(145.4)
Impairment and gains / (losses) on disposal of non-current assets	(8.8)	(2.7)
Operating profit / (loss)	(231.4)	216.3
Financial income	33.5	311.9
Financial expenses	(30.4)	(22.4)
Exchange rate differences	(14.7)	(22.4)
Impairment and gains / (losses) on disposal of financial instruments	(13.8)	12.0
Financial profit / (loss)	(25.4)	279.1
Profit / (loss) before taxes	(256.8)	495.4
Corporate income tax	42.8	(76.7)
Profit / (loss) after taxes	(214.0)	418.7

The main variations for the first half of 2020 in comparison with the same period of 2019, are as follows:

- Net trade revenues include the income earned by Amadeus IT Group, S.A. while executing its activities during 2020 and 2019, amounting to €933.7 million and €2,411.3 million, respectively. Additionally, the operating profit / (loss) amounts to € (231.4) million during 2020 and €216.3 million during 2019.
- The financial result mainly registers dividends received from Group companies during the first half of 2020 and 2019, amounting to €16.2 million and €281.8 million, respectively. This caption also includes other financial incomes from Group companies during the first half of 2020 and 2019, amounting to €9.6 million and €28 million, respectively.
- The net result for the first half of the year 2020 amounts to € (214.0) million. The net result for the same period of 2019 was €418.7 million.

8.2 Key risk factors and uncertainties

There are a number of risks and uncertainties of diverse nature, both related to our business and the industry in which we operate, as well as to the financial markets, which could affect our financial condition and results in the second half of 2020. The most significant are described below.

In addition to a number of hedging instruments to manage our interest rate and exchange rate related risks (as described in section 4), Amadeus regularly evaluates and puts in place a number of processes towards the identification, control and management of potential risks, and designs specific systems in order to manage and mitigate such risks.

Risk of disruptions to travel

There are events and situations which may arise, external to Amadeus, which can have a detrimental impact on travel volumes and thus on our operations and performance. These situations include health pandemics or crises, terrorist attacks, geopolitical events and natural disasters, among others. The disruptions to travel provoked by these situations may be of a larger or smaller regional scale and may be sustained over shorter or longer periods of time.

Risks related to the current macro-economic environment

Amadeus is a leading technology provider to the travel industry. Amadeus connects the travel ecosystem -travel providers, travel sellers and travellers - at every stage of the journey. Our technology allows travel players to manage their operations with greater efficiency and serve their customers better. We operate transaction-based business models linked to global travel volumes (mainly bookings made by travel agencies connected to the Amadeus system, or passengers boarded by airlines using our IT solutions). Our businesses and operations are largely dependent on the global travel and tourism industry, which is sensitive to general economic conditions and trends.

Currently, fighting the COVID-19 pandemic has required isolation, lockdowns, and widespread closures leading to a severe impact on the economic activity. As a result, the IMF project the global economy to contract sharply in 2020, by -3%[11] (vs. the +2.9% growth of 2019):

- Advanced economies are set to be the worst hit, projected to decline by -6.1% (US -5.9%, Euro area -7.5%, UK -6.5%, Japan -5.2%).
- Emerging markets and developing economies are estimated to do better, declining at -1.0% thanks to economic growth projected in China (+1.2%) and India (+1.9%).

The impact of the COVID-19 has been particularly severe in the travel industry. According to IATAs latest estimate, air traffic will decline by -54.7% in 2020[12] (vs. a +4.2% growth reported in 2019), with all regions falling by more than 50%. Most forecasts agree that we will see an unprecedented decline in travel volumes during 2020, which a corresponding recovery over the following two to three years.

[11] As reported in the World Economic Outlook Update – April 2020

[12] As reported in the IATA Airline Industry Economic Performance – June 2020

Execution risk related to the migration of new customers

Part of our future growth is linked to contracts within the IT Solutions business. Under these contracts, we have to undertake complex work in order to migrate these clients onto our platforms. Successful execution of these migration processes is key. We have a strong implementation track record in Airline IT and significant in-house expertise. However, failure to deliver or to seamlessly implement our clients in Airline IT and in other new IT verticals (such as Hospitality IT, Rail IT, Airport IT) could impact our future growth.

8.3 Environmental sustainability

Amadeus' operations involve relatively low environmental risks and impacts compared with other industries. Nonetheless, we acknowledge our responsibility to minimize the company's environmental impact and to make our contribution to the sustainability of the travel industry.

Travel industry sustainability and climate change in particular are global challenges by definition, and we need to work in cooperation to provide global solutions. In this context, Amadeus has been reinforcing its strategy to address environmental concerns – not only internally but also in cooperation with customers and industry stakeholders. Accordingly, our environmental strategy is built upon three pillars:

8.3.1 Environmental efficiency of Amadeus' operations

We address the impact of our operations and the concerns of travel industry stakeholders, including customers, providers, employees, partners, regulatory bodies and the society in general.

We believe our foremost responsibility is to manage the environmental impact of our operations. The fact that economic and environmental interests sometimes go hand-in-hand facilitates action in reducing resource consumption.

Amadeus Environmental Management System (EMS) is the principal tool we use in Amadeus to address our environmental impact. The Amadeus EMS includes a systematic approach by which we:

- Measure resource consumption
- Identify best practices
- Implement actions for improvement and
- Follow up regarding results and next steps

The items covered by the EMS include energy use, CO_2 emissions, paper consumption, water use and waste generated. The EMS scope includes direct measurements at 15 of Amadeus largest sites, which represent approximately 70% of the total Amadeus workforce worldwide. The impact of the remaining 30% is estimated based on average consumption factors of the 15 sites. This new methodology has been externally validated. It was implemented in 2018 and it broadens the scope of our reporting to 100% of our impact. Importantly, the Amadeus data center in Erding, Germany, is included in the direct reporting of the EMS.

Energy efficiency is a priority at the Data Center. In 2019 we took a significant step forward by moving the Data Center to 100% renewable energy, reducing CO_2 emissions to zero. This was achieved through the purchase of Guarantees of Origin of renewable energy. This initiative represents a significant step to achieve zero company emissions, in alignment with the objectives of the Paris climate change agreement.

8.3.2 Helping our customers to improve their environmental performance

A principal component of Amadeus' value proposition is to increase operational efficiencies for our customers through our IT solutions. Often, the increased efficiencies mean more productivity, reduced costs, better use of infrastructure and environmental benefits.

In the following paragraphs we describe five examples of Amadeus solutions that contribute to improving the environmental performance of our customers.

i) Reducing fuel use and emissions with Amadeus Altéa Departure Control Flight Management

Thanks to the use of optimization tools, Amadeus Altéa Departure Control Flight Management (DCFM) helps airline customers to save a significant amount of fuel and greenhouse gas emissions, compared with less sophisticated technologies currently in the market.

In order to quantify the savings described above, we have worked with customers to analyze the environmental benefits of the solution in terms of fuel and emissions saved. The analysis proved a higher precision from Altéa DCFM when estimating the zero-fuel weight of the aircraft (EZFW). This increased precision translates into improvements in the estimation of the fuel needed for each flight, resulting in significant savings in economic costs, fuel and emissions.

ii) Amadeus Airport Sequence Manager

Amadeus Airport Sequence Manager helps airports to optimize the flight departure process. The solution relies on sophisticated sequencing algorithms to calculate the Target Start-Up Approval Time (TSAT) for each departing flight. This allows the aircraft to leave the stand at the last possible moment, reducing fuel burn, economic costs and environmental impact (including not only greenhouse gas emissions but also local air pollution and noise), enabling better allocation of resources. Runway capacity can therefore be optimized at times of congestion or during de-icing processes in the winter season. As a collaborative tool, Amadeus Airport Sequence Manager creates a shared situational awareness among all airport partners.

Amadeus launched Airport Sequence Manager in collaboration with Munich Airport – one of the busiest European airports.

iii) Amadeus Airport Common Use Service (ACUS)

With ACUS, airports can transfer hosting and development responsibilities to Amadeus. Our full, thin client solution and application virtualization approach reduce the requirement for costly on-site hardware equipment, servers and local data centers, as well as IT maintenance. This generates substantial operational savings for the airport and reduces the overall environmental footprint. Energy consumption is substantially lower compared to traditional solutions.

iv) Managing disruptions with Amadeus Schedule Recovery

Amadeus Schedule Recovery minimizes disruptions to airline operations caused by external events such as bad weather or air traffic congestion. The solution, among other features, helps to accommodate to the new situation, minimizing operational costs and environmental impact.

v) Amadeus Sky Suite

Thanks to Amadeus Sky Suite, airlines can improve performance and profitability. Sky Suite offers a whole new approach to determining where to fly, when to fly or what aircraft to use. Using sophisticated algorithms and large amounts of data, including factors like the probability of disruptions, Amadeus Sky Suite helps airlines to make fundamental decisions related to airline networks, flight frequencies and equipment, reducing the use of resources (fuel, aircraft, airport infrastructure, etc.) per passenger flown.

8.3.3 Cooperation with travel industry stakeholders in sustainability projects

The environmental sustainability of the travel industry is a common objective for all industry stakeholders. At Amadeus, we offer our data management capabilities, technology, expertise and network to make our contribution towards industry sustainability.

We include below some examples of our participation in projects with industry stakeholders in relation to environmental sustainability objectives.

i) Industry standards for carbon calculation per passenger in aviation

The calculation of emissions per passenger in aviation is complicated for various reasons. Consequently, different calculation methodologies offer considerably different emissions estimations for the same itinerary. It is important that a standard calculation methodology complies with requirements related to commercial neutrality, global reach and legitimacy to represent the industry.

The UN International Civil Aviation Organisation (ICAO) and Amadeus reached an agreement by which Amadeus uses ICAO's carbon calculator to display in our distribution platforms the CO_2 emissions estimations per passenger. Thanks to this cooperation, we contribute to raise environmental awareness among travelers.

Our agreement with ICAO has also encouraged the development of local initiatives to support the use of ICAO's carbon calculator and the offsetting of travel related emissions. This includes the development of mid- and back-office solutions that include post-trip carbon reporting, as well as facilitating access to carbon offsetting schemes.

ii) Participation in forums and research projects

We consider fundamental that industry stakeholders work together and agree on strategies and responsibilities towards sustainability. Amadeus participates in various events and specific initiatives with UN agencies, academia and trade associations.

We have produced, in cooperation with Griffith University (Australia) the white paper "*Carbon Reporting in Travel and Tourism*". This research document intends to gain knowledge regarding current status of various carbon reporting initiatives in the travel industry and promote the awareness and reduction of carbon emissions in the industry. In 2019, also in cooperation with Griffith, we contributed with aggregated travel information and insights to the report "*Airline initiatives to reduce climate impact.*"

ended June 30, 2020 (Millions of euros)

Our support to UNFCCC has led us to sign and promote the UN Climate Neutral Now Pledge. In line with the Paris Climate Change Agreement, the signatories of this pledge commit to become carbon neutral by 2050.

We participate in the production of the Global Sustainable Tourism Dashboard by sharing aggregated travel data. It is developed in cooperation with the University of Surrey (UK) and the Griffith Institute for Tourism (Australia). The Global Sustainable Tourism Dashboard provides a broad insight into how the travel sector is contributing to key sustainability goals.

Amadeus in sustainability indices

Regarding our sustainability efforts, it's important for us to receive feedback from external sustainability indices, in order to understand how we perform as compared to other companies, to identify areas of focus for the future and to improve the quality and transparency of our non-financial reporting.

Since 2012 Amadeus has remained for eight consecutive years among top sustainability scorers and therefore, included in the Dow Jones Sustainability Index (DJSI). Amadeus is also included in the FTSE4Good index, and our latest score in CDP Climate Change (formerly Carbon Disclosure Project) is B.

Climate change-related risks and opportunities

The Amadeus' risk and opportunity analysis regarding climate change, that is updated annually, identifies physical, regulatory, reputational, technology and market issues related to the impact of climate change in our operations, even if the probability and impact of these risks remain relatively low.

On the other hand, the opportunities for Amadeus business related to climate change are mainly linked to the possibility of launching new products and services that help customers to address climate change impacts, as well as to improve our competitive positioning.

8.4 Treasury shares

The movement of the carrying amounts for the six months period ended June 30, 2020, of the treasury shares is set forth in the table below:

	Treasury Shares
Carrying amount at December 31, 2019	244,708
Acquisitions	480,000
Retirements	(5,804)
Carrying amount at June 30, 2020	718,904

The acquisition of treasury shares corresponds to share buy-back programs carried out during the month of March 2020 and June 2020 which are both ended as at June, 30, 2020.

The Group holds treasury shares for the future specific share delivery commitments with the Group employees and management.

8.5 Relief and support measures

The Group has implemented efficiency measures to reduce costs and investment in assets. In relation to other operating expenses, the Group has gained savings mainly focused on cost of contractors and travel expenses. 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 speed, published packages of measures to mitigate the consequences. The Group has worked on mapping all potentially applicable measures in such jurisdictions to protect cash liquidity. 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 all the measures delaying the payments of taxes in accordance with the domestic laws. The tax deferral has not produced significant tax savings for the Group, but a delay in the tax payments which has led to a relief in the cash position.

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, United Kingdom, Singapore and The Netherlands) have published special regimes that the Group has selectively taken advantage of. Total amount captured as of June 30, 2020, amounts to €3.2 million.

8.6 Subsequent events

As of the date of issuance of this Directors' report, no significant subsequent events have occurred after the reporting period that might affect the Group and that should be included thereto.

9 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 consideration from travel agency unused air bookings (billed and not flown yet) 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"
- "FTE": refers to "Full-Time Equivalent" employee
- "IFRS": refers to "International Financial Reporting Standards"
- "JV": refers to "Joint Venture"
- "KPI": refers to "Key Performance Indicators"
- "LTM": refers to "last twelve months"
- "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"
- "One Order": an initiative launched by IATA which aims to simplify the service, delivery and accounting of airlines' sold services
- "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
- "PMS": refers to "Property Management System"
- "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"
- "RevPAR": refers to "Revenue Per Available Room"
- "TA": refers to "travel agencies"
- "TA air bookings": air bookings processed by travel agencies using our distribution platform
- "TA air booking industry": defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines' direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry

- "XML": refers to "Extensible Markup Language"