D. Tomás López Fernebrand, Secretario del Consejo de Administración de "AMADEUS IT GROUP, S.A.", con domicilio social en Madrid, Salvador de Madariaga, 1, con CIF A- 84236934

C E R T I F I C A

Que las cuentas anuales individuales y consolidadas y respectivos informes de gestión individual y consolidado en idioma inglés adjuntos y referidos al ejercicio cerrado a 31 de diciembre de 2019, son una fiel traducción de las cuentas anuales individuales y consolidadas e informes de gestión individual y consolidado formulados por el Consejo de Administración el 27 de febrero de 2020, en idioma español, bajo principios y criterios contables españoles y Normas Internacionales de Información Financiera adoptadas por la Unión Europea, respectivamente.

En caso de discrepancia entre la versión española y la inglesa prevalecerá la versión española.

Y para que conste a los efectos oportunos, expido la presente Certificación con el Visto Bueno del Presidente, en Madrid, a 27 de febrero de 2020.

VºBº

El Presidente
D. José Antonio Tazón García

El Secretario
Tomás López Fernebrand

Amadeus IT Group, S.A.

Auditors' Report, Annual Accounts and Directors' Report for the year ended December 31, 2019

amadeus

Amadeus IT Group, S.A.

Auditors' Report for the year ended
December 31, 2019

Building a better
working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel.: 902 365 456
Fax.: 915 727 300
ey.com

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the annual accounts

Opinion

We have audited the annual accounts of AMADEUS IT GROUP, S.A. (the Company), which comprise the balance sheet as at December 31, 2019, the income statement, the statement of changes in equity, cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Revenues from contracts with customers

Description	At year ended 2019, the Company has registered in the Income Statements 4,737.7 million euros corresponding to Revenue from contracts with customers, which correspond to the recognition of travel bookings and sales and services of IT Solutions. Revenues involve a high number of transactions and complex IT Systems are used. We have considered this matter a key audit matter due to the magnitude of the amounts recorded and its high dependence on IT environments. In particular, we have considered that revenues may contain errors because a relevant IT System may be improperly configured, so that the fees and revenues associated with them are incorrectly calculated; that there are losses of data in the process of transferring them from the operating systems to the financial information systems; or that unauthorized changes occur in the relevant systems. The information related to the revenue recognition criteria is included in Note 4.8 of the attached annual accounts.
Our response	Our audit procedures include, among others, the following: ▶ Understanding of the processes established by the Management related to the access to applications and data, as well as changes and developments in the relevant programs and systems related to revenue recognition, including the evaluation of the design, implementation and performance of the operating of the effectiveness of the relevant controls. ▶ Involvement of our IT specialists in carrying out tests on the relevant controls related to access to applications and data, as well as changes and developments in the relevant programs and IT Systems. ▶ Performing analytical procedures consisting of a review of the evolution of billing cycles, as well as an analysis of correlations between the associated accounts. ▶ Performing tests of detail on a sample of the transactions that have generated income in the year. In addition, we have verified that the price allocation process is carried out in accordance with the billing rules defined in the contracts. ▶ Identification and examination of significant manual entries in the revenue accounts. ▶ We assessed the adequacy of the disclosures included in the annual accounts of the year in accordance with the applicable financial information regulatory framework.

Capitalization and measurement of Development Costs

Description

At year ended 2019, the Company has registered under "Intangible assets" of the Balance Sheet, 393.3 million euros corresponding to the expenses incurred in the developing software applications development projects, relating to the design and testing of new or improved, software and travel contents programs, included in Note 6 of the notes attached.

Assets capitalizations kind requires management judgment to evaluate their recognition and measurement. Additionally, their recoverable value is conditioned by the existence of possible impairments, which depends on the result of complex estimates that require the application of criteria and assumptions by the management.

We have considered this matter a key audit matter because of the significance of the amounts and the inherent complexity in determining the key assumptions considered and the variation of the assumptions made in the estimation process.

The information related to the criteria applied by the Management and the main assumptions used in the determination of impairment of the assets corresponding to development costs are included in Note 4.1 of the attached annual accounts.

Our response

Our audit procedures include, among others, the following:

- Understanding of the processes established by the Management related to the registration and evaluation of development expenses, including the evaluation of the design, implementation and performance of the operating of the effectiveness of the relevant controls
- Performing tests of detail on a sample of capitalized projects during the year. Through the information provided by management, the review of technical information and business plans related to the selected projects, we have verified whether the capitalized costs can be classified as capitalized expenses. Additionally, for a selection of costs, we have verified that they are activatable and that the amounts have been capitalized correctly verifying evidences such as invoices or personnel expenses incurred among others.
- Evaluated the main assumptions and methodology used by the Company to test the development costs for impairment.
- We assessed the adequacy of the disclosures included in the annual accounts of the year in accordance with the applicable financial information regulatory framework.

Other questions

On February 27, 2019 other auditors issued their audit report on the 2018 annual accounts, in which they expressed an unmodified opinion.

Other information: directors´ report

Other information refers exclusively to the 2019 directors´ report, the preparation of which is the responsibility of the Parent Company's Directors and is not an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors´ report. Our responsibility for the information contained in the directors´ report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to the non-financial information statement, as well as certain information included in the Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the director´s report or where applicable, that the directors´ report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.

b. A general level applicable to the remaining information included in the directors´ report, which requires us to evaluate and report on the consistency of said information in the consolidated annual accounts, based on knowledge of the Entity obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the directors´ report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have checked that the directors' report includes a reference to the fact that the non-financial information described in sector a) above is presented in the consolidated directors' report of the Amadeus Gr up of which the Company forms part, that the information in the ACGR, discussed in the aforementioned sector, is included in the director's report and that the other information in the directors' report is consistent with that contained in the annual accounts for 2019 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying annual accounts, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the annual accounts

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 27, 2020.

Term of engagement

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

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

Hildur Eir Jónsdóttir

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

February 27, 2020

Amadeus IT Group, S.A.

Annual Accounts for the year ended
December 31, 2019

Balance sheet (millions of euros)

ASSETS	Note	December 31, 2019	December 31, 2018
NON-CURRENT ASSETS		5,727.0	5,531.3
Intangible assets	6	1,537.7	1,649.2
Brands & trademarks		154.0	179.6
Goodwill		833.0	971.8
Software		6.0	9.1
Development costs		393.3	287.1
Intangible rights		151.4	201.6
Tangible assets	7	6.4	6.8
Furniture, office, equipment and other tangible assets		6.4	6.8
Long-term investments in Group companies and joint ventures		3,921.2	3,664.7
Equity instruments	9.2 & 19.2	3,474.9	2,618.5
Loans to companies	19.2	446.3	1,046.2
Long-term financial investments	9.1	104.7	77.4
Equity instruments		10.2	10.9
Derivatives	11	3.7	1.5
Other financial assets		90.8	65.0
Deferred tax assets	16.1	157.0	133.2
CURRENT ASSETS		926.0	1,245.2
Trade debtors and other accounts receivable		376.6	379.8
Trade accounts receivable	10	247.9	229.8
Accounts receivable - Group companies and joint ventures	19.2	42.6	57.9
Other accounts receivable		84.1	90.2
Employee receivable		1.3	1.1
Other accounts receivable from Public Administrations	16.1	0.7	0.8
Short-term investments in Group companies and joint ventures		121.2	442.9
Loans to companies	19.2	119.1	442.0
Other financial assets	19.2	2.1	0.9
Short-term financial investments	9.1	16.5	7.7
Derivatives	11	9.3	7.5
Other financial assets		7.2	0.2
Short-term prepaid expenses		11.4	7.9
Cash and cash equivalents		400.3	406.9
Cash		342.4	393.8
Cash equivalents		57.9	13.1
TOTAL ASSETS		6,653.0	6,776.5

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the balance sheet at December 31, 2019.

Balance sheet (millions of euros)

EQUITY AND LIABILITIES	Note	December 31, 2019	December 31, 2018
EQUITY	12	1,347.3	1,198.0
Shareholders' equity		1,351.6	1,213.8
Share capital		4.3	4.4
Additional paid-in capital		254.5	754.5
Reserves		670.0	561.3
Legal reserves		556.3	556.3
Other reserves		113.7	5.0
Treasury shares		(5.6)	(512.1)
Retained earnings		26.4	16.9
Net profit/(loss) for the year		643.4	608.4
Interim dividend		(241.4)	(219.6)
Other comprehensive income		(4.3)	(15.8)
Available-for-sale financial assets		0.1	0.1
Hedges		(4.8)	(16.3)
Cumulative translation adjustments		0.4	0.4
NON-CURRENT LIABILITIES		2,509.9	3,126.1
Long-term provisions	13	153.9	139.5
Long-term employee benefit obligations		0.5	0.4
Other provisions		153.4	139.1
Long-term liabilities		1,561.8	1,648.5
Bonds and other long-term securities	14	1,493.9	1,492.3
Long-term debts with financial institutions and third parties	14	60.7	125.1
Obligations under finance leases	8	0.6	0.8
Derivatives	11	6.0	14.5
Other financial liabilities		0.6	15.8
Long-term debts with Group companies and joint ventures	19.2	497.9	995.3
Deferred tax liabilities	16.1	65.2	85.4
Long-term deferred income	15	231.1	257.4
CURRENT LIABILITIES		2,795.8	2,452.4
Short-term provisions	13	3.2	2.5
Short-term liabilities		339.7	309.6
Bonds and other short-term securities	14	3.4	3.5
Short-term debts with financial institutions and third parties	14	65.9	66.0
Obligations under finance leases	8	0.6	0.6
Derivatives	11	28.1	19.3
Other financial liabilities	12.3	241.7	220.2
Short-term debts with Group companies and joint ventures	19.2	1,544.6	1,175.6
Trade creditors and other accounts payable		840.5	898.1
Trade accounts payable	10	463.3	462.5
Accounts payable – Group companies and joint ventures	19.2	321.6	394.7
Other accounts payable		1.8	2.1
Personnel related liabilities		17.4	15.2
Other accounts payable to Public Administrations	16.1	36.4	23.6
Short-term deferred income	15	67.8	66.6
TOTAL EQUITY AND LIABILITIES		6,653.0	6,776.5

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the balance sheet at December 31, 2019.

Income statement (millions of euros)

CONTINUING OPERATIONS	Note	Year 2019	Year 2018
Trade revenue	18.1	4,737.7	4,515.5
Services rendered		4,737.7	4,515.5
Less charges to fixed assets		143.8	161.3
Other operating income		6.9	5.1
Personnel expenses	18.2	(127.4)	(116.5)
Salaries, wages and similar		(94.4)	(88.4)
Social benefits		(33.0)	(28.1)
Other operating expenses		(4,000.8)	(3,854.6)
External services		(68.8)	(98.6)
Taxes		(0.4)	(2.2)
Losses, impairment and variations in trading provisions		(10.4)	(8.5)
Other operating expenses	18.3	(3,921.2)	(3,745.3)
Depreciation and amortization of non-current assets	6 & 7	(303.2)	(279.5)
Impairment and gains/(losses) on disposal of non-current assets		(10.5)	(0.6)
Impairment and losses	6	(10.5)	(0.3)
Gains/(losses) on disposal of financial instruments	7	-	(0.3)
OPERATING PROFIT/(LOSS)		446.5	430.7
Financial income	18.4	424.7	356.8
From equity instruments		378.0	334.8
Group companies and joint ventures		377.4	334.3
Third parties		0.6	0.5
From other financial instruments		46.7	22.0
Group companies and joint ventures		46.4	20.9
Third parties		0.3	1.1
Financial expenses	18.4	(43.9)	(40.0)
Debts with Group companies and joint ventures		(16.6)	(15.3)
Debts with third parties		(27.3)	(24.7)
Exchange rate differences	17	(14.5)	(15.0)
Impairment and gains/(losses) on disposal of financial instruments		(23.5)	24.1
Impairment and losses		(38.5)	23.6
Gains/(losses) on disposal of financial instruments		15.0	0.5
FINANCIAL PROFIT/(LOSS)	18.4	342.8	325.9
PROFIT/(LOSS) BEFORE TAX		789.3	756.6
Corporate Income Tax	16.4	(145.9)	(148.2)
NET PROFIT/(LOSS) FOR THE YEAR		643.4	608.4

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the income statement for the year ended December 31, 2019.

Statements of changes in equity (millions of euros)

a) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	Note	Year 2019	Year 2018
NET PROFIT/(LOSS) FOR THE YEAR		643.4	608.4
Income and expenses directly recognized in equity	12.6		
Cash flow hedge		(0.2)	(40.7)
Cumulative translation adjustments		-	0.4
Tax impact		0.1	10.2
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		(0.1)	(30.1)
Transfers to the income statement	12.6		
Cash flow hedge		15.5	7.4
Tax impact		(3.9)	(1.8)
TOTAL TRANSFERS TO THE INCOME STATEMENT		11.6	5.6
TOTAL RECOGNIZED INCOME AND EXPENSES		645.9	583.9

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the statements of changes in equity for the year ended December 31, 2019.

Statement of changes in equity (millions of euros)

b) STATEMENT OF TOTAL CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Legal reserves	Other reserves	Merge reserve	Treasury shares	Net profit/(loss) for the year	Interim dividend	Other comprehensive income	Total
BALANCE AT DECEMBER 31, 2017	4.4	754.5	556.3	(209.8)	179.0	(518.5)	596.1	(210.1)	8.7	1,160.6
Total recognized income/(expenses) for the year	-	-	-	-	-	-	608.4	-	(24.5)	583.9
Transactions with shareholders										
Dividends distribution	-	-	-	-	-	-	(284.2)	(219.6)	-	(503.8)
Other transactions with shareholders	-	-	-	13.8	-	3.6	-	-	-	17.4
Merger Exchange-Ratio	-	-	-	(0.1)	-	0.1	-	-	-	-
Other variations in equity										
Appropriation of results	-	-	-	101.8	-	-	(311.9)	210.1	-	-
Share-based payments	-	-	-	6.3	-	2.7	-	-	-	9.0
Other variations in equity (Note 16.1)	-	-	-	(69.1)	-	-	-	-	-	(69.1)
BALANCE AT DECEMBER 31, 2018	4.4	754.5	556.3	(157.1)	179.0	(512.1)	608.4	(219.6)	(15.8)	1,198.0
Total recognized income/(expenses) for the year	-	-	-	-	-	-	643.4	-	11.5	654.9
Transactions with shareholders										
Dividends distribution	-	-	-	-	-	-	(286.6)	(241.4)	-	(528.0)
Other transactions with shareholders	-	-	-	11.9	-	3.4	-	-	-	15.3
Merger Exchange-ratio	(0.1)	(500.0)	-	0.1	-	500.0	-	-	-	-
Other variations in equity										
Appropriation of results	-	-	-	102.2	-	-	(321.8)	219.6	-	-
Share-based payments	-	-	-	4.0	-	3.1	-	-	-	7.1
BALANCE AT DECEMBER 31, 2019	4.3	254.5	556.3	(38.9)	179.0	(5.6)	643.4	(241.4)	(4.3)	1,347.3

Statement of cash flows (millions of euros)

	Year 2019	Year 2018
CASH FLOWS FROM OPERATING ACTIVITIES	874.0	922.4
Profit/(loss) before income tax	789.3	756.6
Adjustments for profit/(loss)		
Asset amortization	303.2	279.5
Impairment losses	10.4	8.5
Variation of provisions	2.3	(0.4)
Impairment and gains/losses from financial instruments	38.5	(23.6)
Impairment and gains/losses on disposal of non-current assets	10.5	0.6
Gains/(losses) on disposal of financial instruments	(15.0)	(0.5)
Financial income	(424.7)	(356.8)
Financial expenses	43.9	40.0
Exchange rate differences	14.5	15.0
Changes in fair value of financial instruments	-	-
Other revenue and expenses	(1.0)	9.1
Changes in working capital		
Trade debtors and other receivables	(27.9)	(86.8)
Other current assets	(3.5)	2.7
Trade creditors and other payables	(84.3)	(9.6)
Other current liabilities	1.4	4.4
Other non-current assets and liabilities	(30.9)	(48.1)
Other cash flows from operating activities		
Interests paid	(35.3)	(22.5)
Dividends received	376.9	436.6
Interest received	59.0	9.7
Corporate Income Tax received from Group companies	-	1.8
Corporate Income Tax paid to Public Administrations	(153.3)	(93.8)
CASH FLOWS FROM INVESTING ACTIVITIES	(235.6)	(1,497.7)
Payments due to investments		
Group companies and joint ventures	(24.6)	(1,307.1)
Fixed assets	(201.8)	(207.2)
Other financial assets	(76.5)	(1.2)
Proceeds from disposals		
Group companies and joint ventures	67.2	4.7
Other financial assets	0.1	12.9
CASH FLOWS FROM FINANCING ACTIVITIES	(645.0)	565.5
Receipts and payments relating to equity instruments		
Acquisition of treasury shares	-	(500.0)
Transfer of treasury shares	15.3	17.4
Receipts and payments relating to liability instruments		
Obligations and other securities	-	1,491.8
Issue of debts with Group companies and joint ventures	973.7	951.2
Repayment of debts with financial institutions	(65.0)	(67.6)
Repayment of debts with Group companies and joint ventures	(1,059.1)	(833.5)
Repayment of other financial liabilities	(3.7)	0.5
Dividends and equity instruments´ payments		
Dividends	(506.2)	(494.3)
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	(6.6)	(9.8)
Cash and cash equivalents at the beginning of year	406.9	416.7
Cash and cash equivalents at year-end	400.3	406.9

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the statement of cash flows for the year ended December 31, 2019

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1. GENERAL INFORMATION AND ACTIVITY

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

As a consequence of the merger registered in the Commercial Registry on August 2, 2016, mentioned in Note 2.5, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company) took over Amadeus IT Group, S.A. (Absorbed Company), subsequently, adopting the Absorbed Company's registered name.

The Company's corporate purpose, as set out in article 2 of its corporate Bylaws, is the following:

- Transfer of data from and/or through computer reservation systems, including offers, reservations, tariffs, transport tickets and/or similar, as well as any other services, including information technology services, all of them mainly related to the transport and tourism industry, provision of computer services and data processing systems, management and consultancy related to information systems;
- Provision of services related to the supply and distribution of any type of product through computer means, including manufacture, sale and distribution of software, hardware and accessories of any type;
- Organization and participation as partner or shareholder in associations, companies, entities and enterprises active in the development, marketing, commercialization and distribution of services and products through computer reservation systems for, mainly, the transport or tourism industry, in any of its forms, in any country worldwide, as well as the subscription, administration, sale, assignment, disposal or transfer of participations, shares or interests in other companies or entities;
- Preparation of any type of economic, financial and commercial studies, as well as reports on real estate issues, including those related to management, administration, acquisition, merger and corporate concentration, as well as the provision of services related to the administration and processing of documentation;
- Acting as a holding company, for which purpose it may (i) incorporate or take holdings in other companies, as a partner or shareholder, whatever their nature or object, including associations and partnerships, by subscribing to or acquiring and holding shares or stock, without impinging upon the activities of collective investment schemes, securities dealers and brokers, or other companies governed by special laws, as well as (ii) establishing its objectives, strategies and priorities, coordinating subsidiaries' activities, defining financial objectives, controlling financial conduct and effectiveness and, in general, managing and controlling them.

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

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 and provides advanced technology solutions to travel providers and travel agency customers worldwide. The Group acts as an international network for the products and travel services distribution, providing to its customers comprehensive real-time search, pricing, booking and ticketing through its distribution services, and offers travel providers (principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes and strategic operations, such as sales and reservations, inventory management and other operational processes, through its IT solutions services.

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

In accordance with the regulatory financial reporting framework applicable, this document only refers to the separate annual accounts of Amadeus IT Group, S.A. and does not represent the Group consolidated annual accounts. The Company is under an obligation to prepare consolidated annual accounts, which are presented separately in accordance with International Financial Reporting Standards as adopted by the European Union. The consolidated annual accounts of the Group for the year 2019 have been prepared by the Directors at the meeting held on February 27, 2020. The consolidated annual accounts of the Group for the year 2018 were approved at the Ordinary General Shareholders' Meeting held on June 19, 2019 and registered at the Commercial Registry of Madrid.

The equity of the consolidated Group as of December 31, 2019 and 2018 amounts to €3,797.1 and €3,191.7 million, respectively. The profit for the years 2019 and 2018 of the consolidated Group amounts to €1,113.2 and €1,002.5 million, respectively.

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) and form part of the IBEX 35 index [AMS]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1 Regulatory financial reporting framework applicable to the Company

These annual accounts have been prepared by the Directors according to the legal framework of financial information applicable to the Company, which is established in:

Commercial Code and the rest of the commercial law.

Generally Accepted Accounting Principles in Spain approved by the Royal Decree 1514/2007, which has been modified by the Royal Decree 602/2016, and their sectorial adaptations.

The mandatory rules approved by the Accounting and Auditing Institute in Spain (ICAC) in order to implement the Generally Accepted Accounting Principles in Spain and the relevant secondary legislation, including the mandatory rules approved by the National Commission of the Stock Exchange (CNMV).

The rest of the applicable Spanish accounting standards.

2.2 True and fair view

The accompanying annual accounts have been obtained from the accounting records of the Company and prepared in accordance with the regulatory financial reporting framework that results from the application described above and in particular, the principles and accounting criteria. Accordingly, these annual accounts show a true and fair view of the Company's equity, financial situation, results and cash flows for the year. These annual accounts, which have been prepared by the Directors of the Company, are subject to the approval of the Ordinary General Shareholders' Meeting and are expected to be approved as they stand. The annual accounts for the year 2018 were approved at the Ordinary General Shareholders' Meeting held on June 19, 2019.

The balance sheet and the income statement of both Dubai and Cuba branches are fully consolidated in these annual accounts.

The present annual accounts have omitted that information or disclosures that do not require detail due to their qualitative importance, or due to being non-material or their relative importance according to the concept of materiality or relative importance defined in the conceptual framework of the Generally Accepted Accounting Principles in Spain approved by the Royal Decree 1514/2007.

2.3 Non-obligatory accounting principles

For the preparation of these annual accounts, the Directors have taken into consideration all the mandatory accounting principles and standards with a significant impact on the annual accounts. Additionally, non-obligatory accounting principles have not been applied.

2.4 Critical aspects for the measurement and estimation of uncertainty

When preparing the accompanying annual accounts, estimates and assumptions, as made by the Directors of the Company, have been applied in order to measure certain assets, liabilities, expenses and income, and commitments as recognized therein. Those with a significant impact on the annual accounts are:

Estimation of impairment losses;

Useful life of tangible and intangible assets and goodwill;

Market value of derivative financial instruments;

Provisions valuation;

Valuation of employee´s remuneration schemes.

Despite the fact that these estimates were prepared based on the most accurate available information at 2019 year-end, it is possible that future events may lead to a change in estimates for subsequent years. Under such circumstances, any changes will be made prospectively.

2.5 Business combinations

On August 1, 2016, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company), absorbed Amadeus IT Group S.A. (Absorbed Company). The merger was registered in the Commercial Registry of Madrid on August 2, 2016. As a consequence of the merger, the Absorbing and survivor Company from the merger process, Amadeus IT Holding, S.A. changed its corporate name to the Absorbed Company's name, Amadeus IT Group, S.A.

The merger consisted in absorbing and integrating the Absorbed Company into the Absorbing Company, where all of its equity elements will be passed on to the Absorbing Company, therefore the Absorbed Company disappeared without liquidating and all of its shares were transferred to the shareholders of the Absorbing Company.

In accordance with the article 86 of the Corporate Income Tax Act., the detail of the periods in which tangible and intangible assets were acquired by the Absorbed Company and transmitted to the Absorbing Company, and all the information required by the Spanish legislation in force, were included in the notes to the annual accounts for the year ended on December 31, 2016.

Likewise, in the year ended on July 31, 2006, the Company, formerly known as WAM Portfolio, S.A. Sociedad Unipersonal, took over Amadeus IT Group, S.A., subsequently adopting its company's corporate purpose and registered name. The equity elements of the companies involved in the merger process were measured by applying the market value thereto. All the information required by the Spanish legislation in force was included in the notes to the annual accounts for the year ended on July 31, 2006.

2.6 Changes in accounting principles

During 2019, there have not been any changes in the accounting principles applied by the Company.

2.7 Comparative information

For comparative information purposes, the Company presents together the balance sheet, the income statement, the statements of changes in equity, the statement of cash flows and the notes to the annual accounts for the years ended on December 31, 2019 and 2018.

The financial statements and the notes to the annual accounts are expressed in millions of euros (except the information which specifies a different unit).

The preparation, classification and aggregation of certain items in the annual accounts have been revised. Non-material reclassifications have been made accordingly so that the information can be comparable with the previous year and improves the comprehension of the annual accounts.

2.8 Aggregated captions

Certain items are presented in an aggregated format on the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, in order to facilitate their understanding. However, itemised information, when significant, has been included in the relevant notes.

2.9 Working capital

The Company presents negative working capital, which is a usual circumstance in the industry which the Company operates in and its financial structure. This situation does not present an obstacle for the normal development of its business.

2.10 Correction of errors

No significant errors have been detected during the preparation of the accompanying annual accounts, therefore, it has not been necessary to restate the amounts included in the annual accounts for the year 2018.

3. PROPOSED APPROPRIATION OF RESULTS

The Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of €1.30 per share carrying dividend rights, against 2019 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2019, is as follows:

Amount for appropriation:	Euros
Net profit for the year	643,440,023.06
	643,440,023.06
Appropriation to:	
Other reserves	82,791,056.26
Dividends	560,648,966.80
	643,440,023.06

On December 12, 2019, the Board of Directors of the Company agreed to distribute an interim dividend of €0.56 per existing share with dividend rights against profit for the year 2019. The dividend has been paid in full on January 17, 2020, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.74 per share with dividends rights.

In accordance with article 277 of the Spanish Capital Companies Act, the following table shows a summary for the provisional statement issued by the Directors to substantiate the Company has sufficient liquidity at that time to distribute the interim dividend:

	Millions of euros
Net Income after tax from January 1, through October 31, 2019	488.5
Mandatory appropriation to reserves for period 2019	-
Distributable income	488.5
Cash and cash equivalents at October 31, 2019	333.6
Net cash generated until December 2019	44.1
Unused credit facilities	1,009.0
Net cash generated from January 2020 until December 2020	(265.5)
Net cash surplus at December 31, 2020	1,121.2
Proposed interim dividend (maximum amount)	(241.5)
Net cash surplus after interim dividend distribution	879.7

4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement accounting standards applied by the Company in the preparation of the annual accounts are as follows:

4.1 Intangible assets

Intangible assets are initially measured at their acquisition or production cost, which is subsequently adjusted by the related accumulated amortization and, if applicable, by any impairment losses. The carrying amount is periodically reviewed and adjusted for any decrease in value, as described in Note 4.3. These assets are amortized during the course of their useful life. The assets included under this caption are the following:

_ Brands and trademarks: This caption includes brands and trademarks acquired by means of either a business combination (Note 2.5) or in separate acquisitions, valued at their acquisition cost. They are tested for impairment on an annual basis, or when signs of impairment occur.

  The Law 22/2015, dated July 20, on Accounts Auditing, establishes that intangible assets have a definite useful life, when the useful life of these assets could not be reliably estimated, they will be amortized over a 10 years period, unless any other regulatory change establishes a different period. Although the Company considers that the registered brands and trademarks have indefinite useful life, since January 1, 2016, it began to amortize them applying the straight-line method over a period of 10 years.

_ Goodwill: The goodwill is recognized as an asset when an onerous acquisition takes place within a business combination context (Note 2.5). Goodwill is assigned to the cash-generating unit to which the expected profit of the business combination will be allocated. At least once per year, an impairment test is done on these cash-generating units according to the methodology described in Note 4.3, and the relevant value adjustment would be recognized, if applicable.

  The Law 22/2015, dated July 20, on Accounts Auditing, establishes that intangible assets, and therefore the goodwill, have a definite useful life, when the useful life of these assets could not be reliably estimated, they will be amortized over a 10 years period, unless any other regulatory change establishes a different period. Although the Company considers that the registered goodwill has indefinite useful life, since January 1, 2016, it began to amortize it applying the straight-line method over a period of 10 years.

  Impairment losses included in the carrying amount of goodwill are not reversed in subsequent years.

_ Software: This caption includes the acquisition cost or cost of the rights to use software, as well as the cost of developing software applications, as incurred by the Company. These assets are capitalized once technical feasibility is established, where it is reasonably anticipated that the cost will be recovered through future benefits and when the cost of the assets can be reliably measured. Software is amortized by applying the straight-line method over 3 to 5 years. Software maintenance costs are charged to expense as incurred and recognized in the income statement.

_ Research and Development: Research expenditure, mainly related to research in connection with the evaluation and adoption of new technology, is recognized as an expense as incurred. Costs incurred on development projects, relating to the design and testing of new or improved products, are recognized as intangible assets when it is probable that the project will be a success, its commercial and technological feasibility being taken into consideration, and cost can be measured reliably and individually by project. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit for the Company over 2 to 20 years.

_ Intangible rights: Assets as included under this caption are as follows:

- Contractual relationships - This caption includes the contractual relationships with travel agencies and Amadeus system's users, as acquired through a business combination (Note 2.5), as well as capitalizable amounts related to travel agency incentives that can be recognized as an asset. These latter assets relate mainly to upfront payments made with the objective of increasing the number of clients, or to improve the loyalty of the customer portfolio. They are instrumented through agreements with a term that is always over a year, in which they commit to achieve certain economic objectives. The agreements include shortfall clauses applicable if those objectives are not met.

  Their useful life is determined by taking into consideration the contractual-legal rights, the renewal period and the technological lock-in period for these intangible assets. They are amortized against the income statement by applying the straight-line method over an estimated useful life, between 2 and 15 years, and tested for impairment to adjust the carrying amount to the achievement of the committed objectives.

  The incentives, services or discounts paid to travel agencies, which do not meet the proper requirements to be recognized as intangible fixed assets, are considered as prepaid expenses recognized in the income statement according to the length of the contract.

- Technology and content - This caption includes assets which are a combination of software elements and travel content, the latter obtained by the Company through its relationship with travel providers acquired either through a business combination (Note 2.5) or in separate acquisitions, measured at their acquisition cost. This combination allows the processing of travel transactions (bookings) between supply (travel providers) and demand (travel agencies) and it makes travel information available to both users through the Amadeus system.

  These assets are amortized against the income statement by applying the straight-line method over an estimated useful life from 5 to 20 years. IT solution technology and content assets are amortized over an estimated useful life of 20 years considering that the IT solution industry model is for the very long run. The estimated useful life of the main components of the distribution technology is 15 years, considering the status of the Amadeus reservation system, and the technological gap perceived by the Company over its main competitors.

4.2 Tangible assets

Tangible assets are initially measured at their acquisition cost or production cost and subsequently adjusted by the related accumulated amortization and, if any, by impairment losses. Their carrying amount is periodically reviewed and adjusted for any decrease in value as described in Note 4.3.

Repair and maintenance expenses concerning the different tangible fixed asset elements are recognized in the income statement for the year in which they are incurred. However, amounts invested to improve their capacity or efficiency, or to increase their useful life are added to the asset's value.

The Company amortizes the tangible assets by applying the straight-line method over the estimated useful life of the assets, as shown below:

	Years
Furniture and office equipment	5 – 15
Other tangible assets	3 – 5

4.3 Impairment of non-current assets

The carrying amount of significant non-current assets is reviewed periodically, to determine if there is any indication of impairment. If, as a result of this evaluation, the recoverable amount is lower than the net carrying amount, an impairment loss is recognized in the income statement, by reducing the carrying amount of the asset to its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using an appropriate risk adjusted discount rate.

4.4 Leases

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets are capitalized and a liability is recognized for an amount equivalent to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. The capitalized leased assets are amortized by applying the straight-line method over the periods of useful life.

Operating lease payments are recognized in the income statement as incurred throughout the term of the lease.

4.5 Financial instruments

4.5.1 Financial assets

Financial assets are initially measured at the fair value of the consideration given plus the directly attributable transaction costs.

Financial assets are classified in the balance sheet as current or non-current, depending on whether their maturity is less than, equal to or greater than twelve months.

The Company derecognizes a financial asset when it expires or when the rights to receive the cash flows associated with the asset have been transferred, and under the terms of an agreement, the risks and rewards associated with the asset have also been substantially transferred. Examples of the latter are commercial credits in factoring transactions where the Company has not retained any significant credit or interest risk.

On the other hand, the Company does not derecognize a financial asset and recognizes a financial liability in the amount of the consideration received, when a financial asset is transferred that substantially retains the risks and rewards associated with the property of the asset.

Interests and dividends received from financial assets, as accrued subsequently to the date of acquisition, are recognized as financial income in the income statement. Interests are recognized by applying the effective interest method and dividends are recognized once it is announced that the shareholder has the right to receive them. If distributed, dividends related to earnings generated prior to the date of acquisition are recognized by reducing the carrying amount of the investment.

Financial assets as held by the Company are classified as follows:

_ Loans and accounts receivable: Financial assets from the sale of goods and services within the Company's trade or those that, lacking a commercial substance, are not equity instruments or derivatives, their collection is a fixed or determinable amount, and they are not quoted on an active market. After initial recognition, they are measured at amortized cost by applying the effective interest method.

  Amortized cost is the acquisition cost of the financial asset or financial liability less principal repayments, and adjusted by the portion of the difference between the initial cost and the relevant repayment value at the due date as systematically charged to the income statement, following the effective interest method. In the case of financial assets, amortized cost also includes impairment value adjustments.

The effective interest method is the discount rate, which equals the value of a financial instrument to its total estimated cash flows for any concept throughout the remaining life of the asset.

Deposits and bonds are initially recognized at the amount paid to meet all contractual obligations.

If the maturity of these loans and accounts receivable is less than twelve months, these assets are recognized at their face value when the effect of not discounting the cash flows is not significant.

Impairment losses are allocated when, as a result of events occurred after initial recognition, a reduction or a delay in the estimated future cash flows could happen because of bad debt.

_ Held to maturity investments: They are non-derivative financial assets with determinable payments and fixed maturity, traded on an active market, which the Company has the intention and capacity to hold to maturity. Upon initial recognition, they are also measured at amortized cost.

Impairment losses are allocated when, as a result of events occurred after its initial recognition, a reduction or a delay in the estimated future cash flows could happen because of bad debt.

_ Financial assets held for trading: Financial assets held for trading are assets acquired to be sold in the short-term, or assets included in a portfolio with recent evidence of them being used for this purpose. This category includes financial derivatives which have not been designated as hedge. Financial assets held for trading are measured at fair value and the result of changes in fair value is recognized in the income statement.

_ Investments in Group companies, associates and joint ventures: Group companies are the companies under the Company's control, and associates are the companies over which the Company has a significant influence. Additionally, joint ventures are the companies over which the control is shared between one or more partners.

Investments in Group companies, associates and joint ventures are measured at cost less any accumulated impairment losses, if applicable. These value adjustments are the differences between the carrying amount of the investment and the recoverable amount, which is the higher of the fair value less the cost to sell, and the discounted value of the estimated future cash flows of the investment.

Since January 1, 2010, all the costs, such as legal or other professional fees, associated to the acquisition of a Group company implying the control over the company, are registered as an expense in the income statement.

Value adjustments for impairment and, as the case may be, their reversal are registered as expense or income, respectively, in the income statement. The limit of impairment reversal is the initial book value of the investment.

_ Available-for-sale financial assets: They are non-derivative financial assets or investments in equity instruments of other companies which have not been initially included in the previous categories. They are measured at fair value with gains and losses resulting from changes in the fair value recognized directly in equity, until the asset is derecognized or its value is impaired according to the Generally Accepted Accounting Principles in Spain. In such a case, any accumulated amounts registered in equity are then registered in the income statement.

The financial assets available-for-sale for which fair value cannot be determined with reliability are measured at cost less any accumulated impairment losses, if applicable.

4.5.2 Financial liabilities

The Company classifies its financial liabilities according to the agreed contractual obligations, provided that, according to their economic substance, they represent a direct or indirect contractual obligation for the Company.

The Company derecognizes financial liabilities when the obligations which generated them cease to exist.

The financial liabilities are classified in the balance sheet as current or non-current, depending on whether their maturity is less than, equal to or greater than twelve months.

- Debits and accounts payable: The Company's debits and accounts payable from the purchase of goods and services within trade operations are considered financial liabilities, as well as those that lacking a commercial substance cannot be considered financial derivatives.

  Debits and accounts payable are initially recognized at the fair value of the consideration received, adjusted by directly attributable transaction costs. Subsequently, these liabilities are measured at their amortized cost.

  Notwithstanding the above, debits generated by trade operations with maturity within one year and without a contractual interest rate are measured at nominal value, provided that the effect of not discounting the cash flows is not significant.

  In the case of the loans whose maturity is short-term, but whose long-term refinancing is assured if the Company decides so, and it is likely to happen through loan agreements available in the long-term, are classified as non-current liabilities.

4.5.3 Shareholders' equity instruments

A shareholders' equity instrument is any contract that evidences a residual share in the assets of the Company after all liabilities are deducted.

Equity instruments issued by the Company are recognized in equity by the amount received, net of transaction costs.

The shares and equity instruments are registered by reducing shareholders' equity for the value in consideration received in exchange, as well as the actual value of certain future commitments agreed during the current period. The result of buying, selling, issuing and cancelling shareholders' equity, is recognized directly in the caption 'Other reserves' in the equity, resulting in no effect, in the income statement, in any case.

4.5.4 Financial derivatives and hedge accounting

The Company uses derivative financial instruments to cover the risks derived from its activity, transactions and future cash flows. These risks are mainly linked to interest and exchange rate fluctuations.

For these financial instruments to be classified as hedge accounting, there is a formal designation and documentation of the hedging relationship. Likewise, the Company has to verify initially and periodically throughout their life, that the hedge relationship is highly effective in offsetting changes in the fair value or in the cash flows of the hedged amount (attributable to the hedged risk). That is, prospectively, an almost complete hedge and, retrospectively, a variation between 80% and 125% of the hedged item.

Derivatives are initially measured at the fair value of the given amount in the balance sheet and, subsequently, the necessary value adjustments are made so as to show their fair value each time. If the value adjustment is positive, it is registered under the caption 'Derivatives' in assets in the balance sheet, or in liabilities if it is negative. Gains or losses are recognized according to the type of hedge, as follows:

- Fair value hedges: Changes in the fair value of the hedging instrument and of the hedged asset or liability, as attributable to the hedged risk, are recognized in the income statement.
- Cash flow hedges: The effective portion of changes in the fair value of the hedging instrument is temporarily recognized in equity, in the income statement for the period in which the hedged element affects the result (profit or loss), except if the hedge relates to an expected transaction which leads to the recognition of a non-financial asset or liability, as well as equity instruments, in which case the amounts registered in equity will be included in the cost of the asset or liability at the time it is acquired or assumed. The portion considered ineffective is directly recognized in the income statement.

  Hedge accounting is discontinued when the hedging instrument is due, sold, finished, exercised, or when it ceases to meet the conditions for hedge accounting. Then, any accrued gains or losses related to the hedging instrument and recognized in equity are held there until the expected transaction takes place.

When the hedged transaction is not expected to take place, the accumulated net gains or losses recognized in equity are transferred to the income statement for the year.

The Company uses the discount of the expected cash flows as the fair value of the registered derivative financial instruments, on both spot and forward market conditions at year-end.

4.6 Foreign currency transactions

The Company uses the euro as its functional currency. Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction's date. Gains and losses resulting from the settlement of that transactions and from the valuation at year-end of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

4.7 Income taxes

Expense or income for Corporate Income Tax includes current tax expense or income and deferred tax expense or income.

Current tax is the amount that the Company satisfies as the result of profit tax settlements for a fiscal year. Tax deductions and other tax benefits, excluding withholding taxes and payments on account, and previous years' tax losses which can be offset against the current fiscal year, reduce the total amount of current tax.

Deferred tax expense or income relates to the recognition and cancelation of deferred tax assets and liabilities. These include temporary differences which are the amounts expected to be paid or recovered, as generated by the differences between the tax and book values of assets and liabilities, and the tax losses carried forward and the credits for tax deductions not fiscally applied. These amounts are recorded by applying to the temporary difference or tax credit, the tax rate at which they are expected to be recovered or settled.

As a general rule, deferred tax liabilities are recognized for all the taxable temporary differences. However, deferred tax assets are only registered if it is considered probable that the Company will obtain future tax profit to make them effective. At year-end, the deferred tax assets not registered in the balance sheet are measured, and they are recognized if they are likely to be recovered through future tax benefits. Likewise, deferred tax assets registered are reviewed, making the appropriate adjustments when there are doubts about their future recovery.

Deferred tax assets and liabilities, resulting from the transactions registered directly in equity, are also registered in equity. Value adjustments to deferred tax assets and liabilities due to changes in the tax rate are recognized according to their origin in the income statement or in equity.

4.8 Revenue and expenses recognition

Revenue and expenses are recognized according to the vesting principle, when the real flow of goods and services occurs, regardless of the time when the monetary or financial flow arising from them takes place. Income is measured at the fair value of the consideration received, less discounts and taxes.

The Company obtains distribution revenue for providing reservation services through its Amadeus system. Revenue from airline bookings is recognized based on the number of bookings done when the booking is made, net of cancellations made and provisions for future cancellations. Revenue from non-air bookings, mainly related to hotels and car rental, is recognized when the bookings are used by the final customer.

The Company generates, among others, revenue from direct sales made through certain airlines' direct sales offices, or web pages ('system users') connected to the Amadeus system. When the airlines receive payments related to their own inventory sales, they are registered as less revenue.

Additionally, the Company has certain content agreements and other marketing agreements with the airlines. As a result, the latter allows the Company to obtain information of routes, seats inventory and fares for flights that are sold within the territory covered by the agreements. The payments made to the airlines under these agreements are registered as less revenue.

Revenue derived from charges to customers on a transactional basis for the use of the IT solutions is recognized when the services are provided to the customers over the terms of the agreement. Users of these services have access to business services such as inventory management and passengers boarding.

Revenue obtained from customisation and implementation of IT solutions is recognized when the services are provided to the customers over the terms of the agreement.

Revenue for sales where the Company acts as an agent is recognized on a net basis, representing the amount of the commission received.

4.9 Provisions and contingencies

Provisions are recognized when there is a legal or implicit present obligation arising as a result of a past event, when the Company is likely to be required to settle the obligation and the amount of the obligation can be reliably estimated.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

Amounts recognized as a provision relate to the best estimate of the non-settled obligation at the date of the balance sheet, with the risks and uncertainties related to the obligation being taken into account. Contingent liabilities are not recognized in the financial statements, but are rather disclosed, unless the possibility of an outflow in settlement is considered to be remote.

4.10 Equity elements of an environmental nature

Elements used permanently by the Company to minimise the impact on the environment and for environmental protection and improvement, including reduction and elimination of future pollution, are registered under this caption.

Due to its activity, the Company does not have a significant environmental impact.

4.11 Pension plans and other related obligations

The Company has pension commitments with its employees. These commitments are fulfilled through an external pension plan, defined contribution employment system, and collective life insurance contracts, for all of the Company's employees.

Contributions made to defined contribution plans are registered in the income statement for the year, as incurred.

4.12 Share-based payments

The Company has certain share-based reward schemes in place for employees, as consideration for services rendered by them. Compensation expenses for services received are calculated as the fair value of the company's shares and are registered in the income statement during the vesting period against the corresponding provision. The settlement of these equity settled share-based payments is accounted for as the purchase of an equity instrument.

4.13 Transactions with related parties

The Company considers as related parties subsidiaries, associates and joint ventures, key management personnel and members of the Board of Directors as well as their close family members. Additionally, the Company also considers as related parties the significant shareholders, and the companies controlled by them, in case they exist.

The Company considers as key management personnel the members of the Executive Committee and the Internal Audit Director.

The Company carries out all its operations with related parties at market value. Additionally, transfer prices are adequately supported, so the Directors of the Company believe that there is no significant risk on this matter that may lead into future liabilities.

4.14 Current and non-current items

Current assets are those related to the operating cycle of the Company, that usually is considered a year, and also other assets which maturity, disposal or realization is expected to occur in the short-term since the year closing date, the available-for-sale financial assets except the financial derivatives which maturity date is over a year, and the cash or other cash equivalents. The assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are those related to the operating cycle of the Company, and also the available-for-sale financial liabilities, except the financial derivatives which maturity date is over a year, and, in general every liability which maturity or extinction will take place in the short-term. Otherwise, they are classified as non-current liabilities.

4.15 Indemnities

In accordance with the legislation in force, the Company is obliged to pay a compensation to those employees with whom, under certain conditions, it terminates its labor relations. Therefore, the compensations for lay-off that can be reasonably quantified are recorded as an expense in the year in which the dismissal decision is made.

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

5.1 Foreign exchange rate risk

The Company uses the Euro as its functional currency. As a result of the multinational orientation of its business, the Company is subject to foreign exchange rate risk derived from the fluctuations of different currencies. The Company's exchange rate hedging strategy aims to protect the EUR value of cash flows denominated in foreign currency. The instruments used to achieve this goal depend on the currency in which the operating cash flow to be hedged is denominated:

The strategy used to cover US Dollar (USD) exposures is based on the use of natural hedges and derivatives. This strategy aims at reducing the exposure created by the USD denominated net operating cash inflows of the Company with the USD payment of principal of the USD denominated debt and with derivatives. Although as of December 31, 2019, there is USD denominated debt with Group companies, this debt has not been designated as hedge instrument.

Aside from the USD, the main foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned short exposures, the Company enters into derivative contracts with financial entities, basically currency forwards, currency options and combinations of currency options.

5.2 Interest rate risk

The objective of the Company in terms of interest rate risk management is to reduce the volatility of the net interest flows payable. At December 31, 2019 and 2018, approximately 65.1% and 71.2%, respectively, of the Company's borrowings were at fixed interest rate. Given the high proportion of fixed rate debt as of December 2019 and 2018, no interest rate hedges were hedging the outstanding debt as of these dates.

During 2019 there has been a decrease in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This decrease is due to reduction both total amount of outstanding debt and the average time to maturity of the Company' debt. The fair value of the instruments is sensitive to the changes of the level of interest rates.

In the case of the floating interest rate debt, the spread payable on this debt is fixed and therefore its fair value is sensitive to changes in the level of interest rates.

5.3 Treasury shares price evolution risk

The Company has three different remuneration schemes for managers and employees which are referenced to Company's shares: the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the conditions of these plans, at their maturity, the beneficiaries will receive a number of shares, that for the plans granted, will depend on the achievement of certain performance conditions. The Company will use treasury shares to cover these remuneration schemes.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see Note 18.5) during 2020, 2021 and 2022.

The authorization was granted under the framework of a Share Buy-back Program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

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

5.5 Liquidity risk

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

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

Cash pooling agreements with most of the subsidiaries located in the Euro area.

Through bilateral treasury optimization agreements between the Company and its subsidiaries.

The Company monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by all the companies of the Group and consolidated in order to examine both the liquidity situation and prospects of the Group.

Additionally, as described in Note 14, the Company has access to a 'Revolving Credit Facility'. This facility has a notional of €1,000 million and can be used to cover working capital needs and general corporate purposes.

At December 31, 2019, this facility for a total amount of €1,000 million was fully unused. At December 31, 2018, no amount was used either.

5.6 Capital management

The Company manages its capital to ensure that the Group companies 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 Company bases its capital management decisions on the relationship between the earnings and free cash flows and its debt amount and debt service payments.

The credit rating granted by the agency Standard & Poor's Credit Market Service Europe Limited to the Company is 'BBB/A-2', with stable outlook. The credit rating granted to the Company by the agency Moody's Investors Service España, S.A. is 'Baa2', with stable outlook. The Company considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

Notes to the annual accounts (millions of euros)

6. INTANGIBLE ASSETS

Balances and movements of the items included under the 'Intangible assets' caption, for the year 2019, are as follows:

	December 31, 2018	Additions	Disposals	December 31, 2019
Cost				
Brands and trademarks	318.3	-	-	318.3
Goodwill	1,388.2	-	-	1,388.2
Software	30.2	2.1	-	32.3
Development costs	317.5	143.8	-	461.3
Intangible rights	1,259.6	54.3	-	1,313.9
Total	3,313.8	200.2	-	3,514.0
Accumulated amortization				
Brands and trademarks	(138.7)	(25.6)	-	(164.3)
Goodwill	(416.4)	(138.8)	-	(555.2)
Software	(21.1)	(5.2)	-	(26.3)
Development costs	(29.4)	(27.6)	-	(57.0)
Intangible rights	(1,057.7)	(104.0)	-	(1,161.7)
Total	(1,663.3)	(301.2)	-	(1,964.5)
Impairments				
Development costs	(1.0)	(10.0)	-	(11.0)
Intangible rights	(0.3)	(0.5)	-	(0.8)
Total	(1.3)	(10.5)	-	(11.8)
Net				
Brands and trademarks	179.6	(25.6)	-	154.0
Goodwill	971.8	(138.8)	-	833.0
Software	9.1	(3.1)	-	6.0
Development costs	287.1	106.2	-	393.3
Intangible rights	201.6	(50.2)	-	151.4
Total net intangible assets	1,649.2	(111.5)	-	1,537.7

Notes to the annual accounts (millions of euros)

Balances and movements of the items included under the 'Intangible assets' caption, for the year 2018, were as follows:

	December 31, 2017	Additions	Disposals	December 31, 2018
Cost				
Brands and trademarks	318.3	-	-	318.3
Goodwill	1,388.2	-	-	1,388.2
Software	24.2	6.0	-	30.2
Development costs	156.1	161.4	-	317.5
Intangible rights	1,223.7	38.1	(2.2)	1,259.6
Total	3,110.5	205.5	(2.2)	3,313.8
Accumulated amortization				
Brands and trademarks	(113.1)	(25.6)	-	(138.7)
Goodwill	(277.6)	(138.8)	-	(416.4)
Software	(15.0)	(6.1)	-	(21.1)
Development costs	(14.5)	(14.9)	-	(29.4)
Intangible rights	(967.6)	(92.3)	2.2	(1,057.7)
Total	(1,387.8)	(277.7)	2.2	(1,663.3)
Impairments				
Development costs	(1.0)	-	-	(1.0)
Intangible rights	-	(0.3)	-	(0.3)
Total	(1.0)	(0.3)	-	(1.3)
Net				
Brands and trademarks	205.2	(25.6)	-	179.6
Goodwill	1,110.6	(138.8)	-	971.8
Software	9.2	(0.1)	-	9.1
Development costs	140.6	146.5	-	287.1
Intangible rights	256.1	(54.5)	-	201.6
Total net intangible assets	1,721.7	(72.5)	-	1,649.2

The main intangible asset included under the 'Brands and Trademarks' caption is the 'Amadeus' brand. As it is explained in Note 4.1, since January 1, 2016, the Company began to amortize the brands applying the straight-line method over a period of 10 years.

Among others the Company has analyzed the following relevant factors when determining the useful life of the 'Amadeus' brand:

There are no expectations of the 'Amadeus' brand to be abandoned.

There is certain stability within the distribution industry since it is composed of few players worldwide and Amadeus has a solid market position.

Notes to the annual accounts (millions of euros)

The brand is allocated for the purpose of impairment testing, based on 'Amadeus' organizational structure and operations, to the cash-generating units that is expected to benefit from the brand. The net book value of the brand per reportable segment is set forth in the table below:

	Distribution	IT solutions	Total
Balance at December 31, 2017	180.6	24.6	205.2
Amortization	(22.5)	(3.1)	(25.6)
Balance at December 31, 2018	158.1	21.5	179.6
Amortization	(22.5)	(3.1)	(25.6)
Balance at December 31, 2019	135.6	18.4	154.0

This intangible asset does not generate cash inflows that are independent from other assets, and it is therefore tested for impairment as part of the cash-generating units to which it is allocated. The key assumptions used for the impairment tests as well as the methodology followed are described in Note 4.3 and in the goodwill impairment tests described below.

Under the 'Intangible assets - Goodwill' caption, the Company recognized the goodwill generated by the merger dated in July 31, 2006 described in Note 2.5, related to the excess value registered by the Absorbing company at equity value of the Absorbed company, once the values assigned to the identified assets had been deducted. As it is explained in Note 4.1, since January 1, 2016, the Company began to amortize the goodwill applying the straight-line method over a period of 10 years.

The goodwill is allocated for the purpose of impairment testing, based on 'Amadeus' organizational structure and operations, to the cash-generating units that are expected to benefit from the goodwill. The net book value of the goodwill per reportable segment is set forth in the table below:

	Distribution	IT solutions	Total
Balance at December 31, 2017	1,043.9	66.7	1,110.6
Amortization	(130.5)	(8.3)	(138.8)
Balance at December 31, 2018	913.4	58.4	971.8
Amortization	(130.5)	(8.3)	(138.8)
Balance at December 31, 2019	782.9	50.1	833.0

The Company tests the net book value of the goodwill for impairment annually or more frequently if there is any indicator that suggests that the net book value of the goodwill might be impaired. The goodwill is tested for impairment together with the assets that can be reasonably allocated to the cash-generating unit to which the goodwill has been allocated to.

During the year 2019, neither the composition of these cash-generating units, nor the impairment testing exercise, has been modified.

These assets include intangible assets with indefinite useful life, such as the 'Amadeus' brand, to the extent that they do not generate cash inflows that are separate from those of the cash-generating unit to which they have been allocated. The corporate assets that the Company operates are also taken into consideration when testing for impairment the cash-generating units.

Whenever the net book value of an asset exceeds its recoverable value, an impairment loss is recognized. This implies reducing the net book value of the asset to its recoverable amount, with the corresponding charge to the income statement in the 'Impairment and gains/(losses) on disposal of non-current assets' caption.

Notes to the annual accounts (millions of euros)

The goodwill recoverable amounts of the distribution and IT solutions cash-generating units is established from the fair value, which is calculated discounting future cash flows. In order to determine the fair value of each cash-generating unit, the following steps are followed:

For the purpose of the impairment test exercise, specific forecasts are developed for each cash-generating unit, which imply performing a cost allocation exercise for some concepts. These forecasts are developed from the available financial budgets and financial projections approved by the Management. The forecast developed for each cash-generating unit takes into account the Company's market position, the market environment and the market growth forecast.

Cash-flow forecast based on the above and discount rates are calculated after tax.

The present value of estimated future cash flows is obtained using an after-tax discount rate which takes into account the appropriate risk adjustments factors.

Regarding the 2019 impairment test exercise, the forecasts considered have been based on the Company's 2019-2022 Long-Term Plan (LTP). Unallocated costs have been allocated between the two cash-generating units (distribution and IT solutions) and additional forecasts have been developed for 2023-2024. These internal forecasts are based on external assumptions such as Growth Domestic Product published by the International Monetary Fund or air traffic growth published by IATA, among others. The Company uses past experience average contribution margin for the estimation of the Company's internal forecasts.

The discount rates and perpetuity growth rates, beyond the five-year forecasts applied to the cash flow projections in 2019 and 2018 for the different group of cash-generating units are as follows:

	December 31, 2019			December 31, 2018		
	Perpetuity growth rate	Post-tax discount rate	Pre-tax discount rate	Perpetuity growth rate	Post-tax discount rate	Pre-tax discount rate
Distribution	1.5%	7.4%	9.7%	1.5%	7.6%	10.4%
IT Solutions	2.5%	7.4%	9.2%	2.5%	7.6%	9.4%

For both cash-generating units, the forecasted revenues compound annual growth rate (CAGR) used for the impairment exercise, which did not result in impairment in any case, are set forth in the table below:

	December 31, 2019	December 31, 2018
	2020 – 2024 period	2019 - 2023 period
Base case	3.22% - 8.47%	5.29% - 8.32%
Optimistic case	4.22% - 10.47%	6.29% - 9.32%
Pessimistic case	2.22% - 7.47%	4.29% - 7.32%

Management considers that any reasonable deterioration of the key assumptions considered, which are the bases to calculate the value in use, would not result in the recoverable amount being lower than the respective unit's net book value amount.

The Company has carried out a review of the recoverable amount of the significant intangible assets, resulting an impairment in the years 2019 and 2018 amounting to €10.5 million and €0.3 million, respectively.

During 2019 and 2018, the Company has written off intangible rights for a total amount of €0.0 and €2.2 million whose net book value was nil and they were not expected to generate future economic profits.

At December 31, 2019 and 2018, there are fully amortized assets and still in use, amounting to €125.2 million and €94.8 million, respectively. Likewise, at December 31, 2019 and 2018 there are no significant right of use on intangible assets outside Spain.

Notes to the annual accounts (millions of euros)

7. TANGIBLE ASSETS

Balances and movements of the items included under the 'Tangible assets' caption, for year 2019, are as follows:

	December 31, 2018	Additions	Disposals	Valuation	December 31, 2019
Cost					
Furniture and office equipment	8.0	0.4	-	-	8.4
Other tangible fixed assets	9.4	1.2	-	-	10.6
Total	17.4	1.6	-	-	19.0
Accumulated amortization					
Furniture and office equipment	(3.4)	(0.8)	-	-	(4.2)
Other tangible fixed assets	(7.2)	(1.2)	-	-	(8.4)
Total	(10.6)	(2.0)	-	-	(12.6)
Net					
Furniture and office equipment	4.6	(0.4)	-	-	4.2
Other tangible fixed assets	2.2	-	-	-	2.2
Total net tangible asset	6.8	(0.4)	-	-	6.4

Balances and movements of the items included under the 'Tangible assets' caption, for year 2018, were as follows:

	December 31, 2017	Additions	Disposals	Valuation	December 31, 2018
Cost					
Furniture and office equipment	1.5	0.1	(0.1)	-	1.5
Other tangible fixed assets	14.7	1.9	(0.8)	0.1	15.9
Total	16.2	2.0	(0.9)	0.1	17.4
Accumulated amortization					
Furniture and office equipment	(0.6)	(0.1)	0.1	-	(0.6)
Other tangible fixed assets	(8.8)	(1.7)	0.5	-	(10.0)
Total	(9.4)	(1.8)	0.6	-	(10.6)
Net					
Furniture and office equipment	0.9	-	-	-	0.9
Other tangible fixed assets	5.9	0.2	(0.3)	0.1	5.9
Total net tangible asset	6.8	0.2	(0.3)	0.1	6.8

At December 31, 2019 and 2018 there are fully amortized assets and still in use, amounting to €7.7 million and €5.5 million, respectively. Likewise, at December 31, 2019 and 2018, total tangible assets outside Spain amounts to €2.8 million and €2.5 million, respectively, with an accumulated amortization of €1.7 million and €1.4 million, respectively.

Notes to the annual accounts (millions of euros)

8. LEASES

8.1 Financial lease

The Company has entered into several finance lease contracts, mainly hardware equipment, through which it uses the assets and it has contracted the obligations detailed below. The contracts in force do not take into account the impact of common expenses, increases by CPI nor future updates of rents contractually agreed.

The fees paid during 2019 and 2018 corresponding to these contracts amounts to €0.6 million and €0.6 million, respectively. At December 31, 2019 and 2018, the financial lease fees, in accordance with the contracts in force, are the following:

	Year 2019		Year 2018	
	Gross	Fair Value	Gross	Fair Value
2019	-	-	0.6	0.6
2020	0.6	0.6	0.4	0.4
2021	0.3	0.3	0.3	0.3
2022	0.2	0.2	0.1	0.1
2023	0.1	0.1	-	-
Total	1.2	1.2	1.4	1.4

8.2 Operating lease

The Company has entered into some operating lease contracts, mainly corresponding to its facilities in the Madrid offices. At December 31, 2019 and 2018, the operating lease fees, in accordance with the contracts in force, are the following:

	Year 2019	Year 2018
Less than a year	3.9	3.9
Between one and five years	13.9	14.3
More than five years	20.8	24.3
Total	38.6	42.5

9. FINANCIAL INVESTMENTS

9.1 Financial investments

The detail of the items included under the 'Financial investments' caption at December 31, 2019, is as follows:

	Available-for-sale financial assets	Hedge		Loans and accounts receivable		Total
	Non- current	Current	Non- current	Current	Non- current	
Equity instruments	10.2	-	-	-	-	10.2
Derivatives (Note 11)	-	9.3	3.7			13.0
Other financial assets	-	-	-	7.2	90.8	98.0
Total	10.2	9.3	3.7	7.2	90.8	121.2

Under the 'Loans and accounts receivable – Non-Current' caption, as of December 31, 2019 it is included the amount voluntary deposited by the Company regarding the litigation described in Note 16.5.

The detail of the items included under the 'Financial investments' caption at December 31, 2018, was as follows:

Notes to the annual accounts (millions of euros)

	Available-for-sale financial assets	Hedge		Loans and accounts receivable		Total
	Non-current	Current	Non-current	Current	Non-current	
Equity instruments	10.9	-	-	-	-	10.9
Derivatives (Note 11)	-	7.5	1.5	-	-	9.0
Other financial assets	-	-	-	0.2	65.0	65.2
Total	10.9	7.5	1.5	0.2	65.0	85.1

The variations of the assets included under the 'Available-for-sale financial assets' caption during the years 2019 and 2018, are as follows:

	Valued at cost		
	Investments with a shareholding less of 20%	Certificates of deposits	Total
Balance at December 31, 2017	4.3	3.9	8.2
Additions	2.7	-	2.7
Balance at December 31, 2018	7.0	3.9	10.9
Additions	1.1	-	1.1
Disposals	(1.8)	-	(1.8)
Balance at December 31, 2019	6.3	3.9	10.2

During the year 2019, the Company has acquired investments with a shareholding of less than 20% in different companies amounting to €1.1 million. In addition, certain investments with a shareholding of less than 20%, that were valued at €0.9 million have been sold, generating capital gains of €3.0 million. This amount is registered under the 'Gains/(losses) on disposal of financial instruments' (Note 18.4) caption in the income statement. Moreover, a valuation adjustment amounting €0.9 million has been recorded.

At December 31, 2019 and 2018, included under the 'Available-for-sale financial assets' caption, the Company held 3,579,518 certificates of deposit in SITA Inc N.V., as issued by Stichting, 'SITA Information Networking Computing Foundation,' and representing 3,579,518 shares in SITA Inc. N.V., amounting to €3.9 million.

The breakdown by due date of the assets under the 'Loans and accounts receivable' caption, at December 31, 2019, is as follows:

	2020	2021	2022	2023	2024 and subsequent years	Total
Loans and accounts receivable	7.2	52.4	1.6	9.6	27.2	98.0
Total	7.2	52.4	1.6	9.6	27.2	98.0

The assets included under the caption 'Loans and accounts receivable' have not suffered any impairment during the year 2019.

9.2 Financial investments in Group companies and joint ventures

The Group companies and joint ventures' shares do not quote on the stock market.

On May 31, 2019, the Company acquired 100% of the share capital of ICM Group Holdings Limited, composed by a group of companies, by an amount of €45.8 million. Its main activity consists of developing and commercializing computer systems, applications and IT solutions to the travel industry.

On August 28, 2019, with retroactive effect since January 1, 2019, the companies Amadeus Verwaltungs GmbH and Amadeus Data Processing GmbH were merged. The resulting company was named Amadeus Data Processing GmbH.

On September 19, 2019, the Company acquired 20% of the share capital of Refundit Ltd., by an amount of €4.5 million. Its main activity consists of developing and commercializing computer systems, applications and IT solutions to the travel industry.

On September 30, 2019, an increase of share capital was carried out in the company Amadeus Hellas Electronic Travel Information Services Societe Anonyme for €7.5 million. Additionally, at this date, a loan of €5.4 million was capitalized. The total investment in this company amounts to €26.0 million.

On October 1, 2019, an increase of share capital was carried out in the company Amadeus Americas, Inc. for €642.3 million. The total investment in this company amounts to €1,435.5 million.

On December 13, 2019, the company UFIS Airport Solutions AS, in which the Company owned a share capital of 100%, was liquidated. The net investment in this company amounted to €13.9 million. This operation has not had significant impact for the Company.

At December 31, 2019 and 2018, the Company performed an analysis of all the investments in the equity of Group companies and joint ventures in order to ascertain whether the recoverable amount of such investments is higher than the book value. For those investments where the fair value is below the net carrying amount, an impairment has been made in order to adjust the book value to its recoverable value.

To calculate the recoverable value of the Group companies and joint ventures, the Company has applied the following criteria as of December 31, 2019 and 2018:

Valuation multiples are derived from the cash generating units where each company is assigned.

In the cases where the net contribution is negative or the valuation obtained applying multiples is lower than the net book value, detailed forecasts are developed and discounted cash flow valuation is performed for such company.

At December 31, 2019 and 2018, the Company has registered accumulated value adjustments for impairment in investments in Group companies and joint ventures, amounting to €22.4 and €23.9 million, respectively.

Notes to the annual accounts (millions of euros)

The main information related to the investments in the Group companies and joint ventures at December 31, 2019, is as follows:

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Group companies										
Amadeus Airport IT GmbH	100%	-	-	0.2	2.0	2.2	-	4.7	-	-
Amadeus Albania sh.p.k	100%	-	-	-	0.4	0.4	-	0.2	-	-
Amadeus América S.A.	95%	5%	-	0.4	0.7	1.1	-	0.4	-	-
Amadeus Americas, Inc.	100%	-	31.2	65.9	1,496.1	1,593.2	-	1,435.5	-	-
Amadeus Argentina S.A.	95.50%	-	2.6	-	(4.4)	(1.8)	-	10.7	-	-
Amadeus Asia Limited	100%	-	1.0	5.9	18.4	25.3	-	1.0	-	-
Amadeus Austria Marketing GmbH	100%	-	2.8	0.9	1.4	5.1	-	3.0	-	-
Amadeus Benelux N.V.	100%	-	0.1	1.4	7.4	8.9	-	2.1	-	-
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	100%	-	-	1.4	8.3	9.7	-	9.6	-	-
Amadeus Bolivia S.R.L	100%	-	0.2	-	0.3	0.5	-	0.3	-	-
Amadeus Bosna d.o.o. za marketing Sarajevo	100%	-	-	0.1	0.8	0.9	-	0.3	-	-
Amadeus Brasil Ltda.	83.51%	-	16.6	(0.8)	(17.8)	(2.0)	-	18.6	-	(18.6)
Amadeus Bulgaria EOOD	55.01%	-	0.1	0.3	0.1	0.5	0.1	0.4	-	-
Amadeus Capital Markets, S.A., Sociedad Unipersonal	100%	-	0.3	-	-	0.3	-	0.2	-	-
Amadeus Central and West Africa S.A.	100%	-	1.6	(0.3)	(0.5)	0.8	-	2.4	-	-
Amadeus Content Sourcing S.A., Sociedad Unipersonal	100%	-	1.0	0.1	(0.1)	1.0	-	1.0	-	-
Amadeus Corporate Business, AG	100%	-	0.1	2.3	(27.0)	(24.6)	-	0.1	-	-
Amadeus Customer Center Americas S.A.	100%	-	0.4	0.1	0.9	1.4	-	0.3	-	-
Amadeus Czech Republic and Slovakia s.r.o.	100%	-	-	0.1	1.4	1.5	-	0.6	-	-

Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Data Processing GmbH	100%	-	-	111.4	124.7	236.1	90.0	385.4	-	-
Amadeus Eesti AS	100%	-	-	0.1	0.2	0.3	-	1.1	-	-
Amadeus Finance B.V.	100%	-	2.0	0.2	0.5	2.7	-	2.0	-	-
Amadeus France, S.A.	100%	-	0.1	3.0	0.5	3.6	3.2	135.0	-	-
Amadeus GDS LLP	100%	-	0.1	2.0	(1.4)	0.7	-	0.2	-	-
Amadeus GDS (Malaysia) Sdn. Bhd.	100%	-	0.2	0.3	1.2	1.7	-	0.2	-	-
Amadeus GDS Singapore Pte. Ltd.	100%	-	0.3	4.0	7.8	12.1	-	0.2	-	-
Amadeus Germany GmbH	100%	-	9.3	8.5	69.8	87.6	5.2	198.2	-	-
AMADEUSGLOBAL Ecuador S.A.	100%	-	0.2	0.1	0.2	0.5	-	-	-	-
Amadeus Global Travel Distribution Ltd.	100%	-	0.6	(1.3)	2.5	1.8	-	0.7	-	-
Amadeus Global Travel Israel Ltd.	100%	-	2.6	-	1.5	4.1	-	1.9	-	-
Amadeus GTD (Malta) Limited	100%	-	0.1	-	0.1	0.2	-	0.1	-	-
Amadeus GTD Southern Africa Pty. Ltd.	100%	-	0.6	0.5	3.2	4.3	-	0.6	-	-
Amadeus Hellas Electronic Travel Information Services Societe Anonyme	100%	-	18.6	(23.3)	5.6	0.9	-	26.0	-	-
Amadeus Hong Kong Ltd.	100%	-	0.5	5.4	1.4	7.3	1.7	0.5	-	-
Amadeus Hospitality Netherlands B.V.	100%	-	-	(4.8)	(3.2)	(8.0)	-	50.2	-	-
Amadeus Information Technology LLC	100%	-	0.3	0.3	2.7	3.3	-	0.6	-	-
Amadeus Integrated Solutions Pty Ltd.	100%	-	0.3	1.0	0.2	1.5	-	0.4	-	-
Amadeus IT Group Colombia S.A.S.	100%	-	0.3	0.3	2.1	2.7	-	2.6	-	-
Amadeus IT Pacific Pty. Ltd.	100%	-	30.0	3.3	18.8	52.1	-	18.8	-	-
Amadeus IT Services UK Limited	100%	-	1.6	11.2	(0.6)	12.2	8.6	5.5	-	-
Amadeus Italia S.p.A.	100%	-	2.0	0.1	0.6	2.7	1.1	3.7	-	-
Amadeus Japan K.K.	100%	-	2.8	0.4	2.4	5.6	-	2.5	-	-
Amadeus Korea, Ltd.	100%	-	0.1	0.2	1.0	1.3	-	0.1	-	-
Amadeus Lebanon S.A.R.L.	100%	-	0.1	(0.1)	0.2	0.2	-	0.1	-	-

Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Leisure IT GmbH	100%	-	0.1	5.5	17.0	22.6	-	61.8	-	-
Amadeus Macedonia DOOEL Skopje	100%	-	-	-	0.1	0.1	-	0.2	-	-
Amadeus Magyaroszag Kft	100%	-	-	0.1	0.7	0.8	-	0.5	-	-
Amadeus Marketing (Ghana) Ltd.	100%	-	-	0.1	(0.3)	(0.2)	-	0.3	-	-
Amadeus Marketing Ireland Ltd.	100%	-	0.4	-	0.2	0.6	-	0.4	-	-
Amadeus Marketing Nigeria Ltd.	100%	-	0.3	0.8	(0.3)	0.8	-	0.6	-	-
Amadeus Marketing Phils Inc.	100%	-	2.3	0.1	0.7	3.1	-	1.9	-	-
Amadeus Marketing Romania S.R.L.	100%	-	0.3	0.1	0.9	1.3	-	0.5	-	-
Amadeus Marketing (Schweiz) A.G.	100%	-	0.1	0.4	0.5	1.0	0.4	0.1	-	-
Amadeus México, S.A. de C.V.	98%	2%	-	-	2.0	2.0	-	3.6	-	-
Amadeus Paraguay S.R.L.	100%	-	-	-	0.4	0.4	-	0.1	-	-
Amadeus Perú, S.A.	100%	-	5.6	-	(2.1)	3.5	-	7.2	-	-
Amadeus Polska Sp. z o.o.	100%	-	5.7	0.3	(2.7)	3.3	-	5.5	-	-
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	100%	-	0.2	0.5	0.5	1.2	-	2.1	-	-
Amadeus S.A.S.	100%	-	23.0	353.9	1,094.7	1,471.6	185.0	7.7	-	-
Amadeus Scandinavia AB	100%	-	2.2	2.0	56.5	60.7	2.0	132.6	-	-
Amadeus Services Ltd.	100%	-	0.1	-	0.2	0.3	-	0.1	-	-
Amadeus Slovenija, d.o.o.	100%	-	0.3	-	0.6	0.9	0.3	0.8	-	-
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	100%	-	0.3	5.2	0.1	5.6	5.9	102.1	-	-
Amadeus Taiwan Co. Ltd.	100%	-	0.4	0.2	1.1	1.7	-	0.3	-	-
Amadeus Travel IMS, S.L.	95%		1.2	(1.1)	2.7	2.8	-	10.4	(2.5)	(2.5)
Amadeus Yemen Limited	100%	-	-	-	0.2	0.2	-	-	-	-
Content Hellas Electronic Tourism Services S.A.	100%	-	0.4	-	(0.3)	0.1	-	0.4	-	(0.4)
Enterprise Amadeus Ukraine	100%	-	0.5	2.4	3.3	6.2	-	0.5	-	-

Notes to the annual accounts (millions of euros)

amadeus

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
ICM Group Holdings Limited	100%	-	19.5	1.1	(15.0)	5.6	-	45.8	-	-
Navitaire LLC	100%	-	-	101.5	516.7	618.2	71.4	760.4	-	-
Navitaire Philippines Inc.	100%	-	2.5	0.9	1.7	5.1	-	2.7	-	-
PT Amadeus Technology Indonesia	99%	1%	1.4	-	0.1	1.5	-	1.6	-	-
Pyton Communication Services B.V.	100%	-	-	(1.1)	(1.4)	(2.5)	-	8.5	-	-
SIA Amadeus Latvija	100%	-	-	0.2	1.3	1.5	0.7	0.9	-	-
Sistemas de Distribución Amadeus Chile, S.A.	100%	-	0.5	-	1.3	1.8	-	1.1	-	-
Sistemas de Reservaciones CRS de Venezuela, C.A.	100%	-	-	-	-	-	-	0.9	(0.9)	(0.9)
UAB Amadeus Lietuva	100%	-	-	0.1	0.1	0,2	-	1.3	-	-
							375.6	3,490.9	(3.4)	(22.4)

Join ventures and associates

Amadeus Algerie S.A.R.L.	40%	-	0.1	0.1	2.9	3.1	-	0.1	-	-
Amadeus Egypt Computerized Reservation Services S.A.E.	100%	-	0.1	(0.2)	0.2	0.1	-	0.3	-	-
Amadeus Gulf L.L.C.	49%	-	0.2	0.9	2.1	3.2	-	0.1	-	-
Amadeus Libya Technical Services JV	25%	-	0.6	-	0.7	1.3	-	0.1	-	-
Amadeus Maroc S.A.S.	30%	-	0.7	(0.1)	0.5	1.1	-	0.2	-	-
Amadeus Qatar W.L.L.	40%	-	0.3	0.6	3.5	4.4	-	0.1	-	-
Amadeus Saudi Arabia Limited	95%	5%	0.5	8.6	7.9	17.0	-	0.4	-	-
Amadeus Sudani co. Ltd.	40%	-	-	(0.3)	(0.2)	(0.5)		0.1	-	-
Amadeus Syria Limited Liability	100%	-	-	(0.1)	0.2	0.1	-	0.2	-	-
Amadeus Tunisie S.A.	30%	-	0.2	11.6	0.2	12.0	1.7	0.1	-	-

Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Jordanian National Touristic Marketing Private Shareholding Company	50%	-	0.4	0.1	-	0.5	0.1	0.2	-	-
Refundit Ltd.	20%	-	-	0.6	5.7	6.3	-	4.5	-	-
							1.8	6.4	-	-
							377.4	3,497.3	(3.4)	(22.4)

10. TRADE ACCOUNTS RECEIVABLE AND PAYABLE

10.1 Doubtful debt provision, factoring and cancellation reserve

At December 31, 2019 and 2018, the Company has registered a value adjustment for possible impairment in accounts receivable from customers based on the risk involved in these receivables, amounting to €86.2 million and €72.4 million respectively.

As for credit risk, there is no significant concentration of this kind of risk related to customers.

Among other factors, the above mentioned credit risk is mitigated by the fact that most of the customers' accounts receivables and payables are settled through the clearing houses operated by International Air Transport Association (IATA) and Airlines Clearing House, Inc. (ACH). These two settlement systems ensure that cash inflows from customers will be settled at a certain fixed date, as well as credit risk is partially mitigated due to the fact that the members of the clearing houses are required to make deposits that would be used in the event of default.

The Company has several agreements signed with financial institutions to carry out non-recourse factoring transactions over a part of the accounts receivable resulting from its business. At December 31, 2019 and 2018, the Company has transferred €10.0 and €20.0 million respectively to financial institutions under these agreements.

At December 31, 2019 and 2018, the Company has registered a provision against accounts receivable, for future estimated cancellations of airline bookings, amounting to €38.7 million and €41.8 million respectively. Likewise, at December 31, 2019 and 2018, the Company has registered a provision reducing the accounts payable for distribution costs associated with cancellations, amounting to €18.1 million and €19.4 million, respectively.

10.2 Information regarding the average payment term to trade payables

The information required by the Additional Third Clause according to Law 15/2010, dated on July, 5 (modified by the final Second Clause according to Law 31/2014, dated on December 3) prepared according to the Resolution of the Accounting and Auditing Institute in Spain (ICAC) dated on January 29, 2016, regarding the information to be included within the notes to the annual accounts in relation to the average payment term to trade payables, is as follows:

	Year 2019 Days	Year 2018 Days
Average payment term to trade payables	26	23
Ratio of operations paid	27	23
Ratio of outstanding payments	6	24
	Millions of euros	Millions of euros
Total payments	1,311	1,347
Total outstanding payments	50	137

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

With the aim of presenting the information required by this Resolution it has been considered as accounts payable, those which by nature are trade payables with suppliers of goods and services and, therefore, are included under the 'Trade payables' caption in the current liabilities in the balance sheet and excluding trade payables with Group companies.

Notes to the annual accounts (millions of euros)

11. DERIVATIVE FINANCIAL INSTRUMENTS

The balances of derivatives financial instruments at December 31, 2019 and 2018, are as follows:

Type of derivative	December 31, 2019				December 31, 2018			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Exchange rate (11.1)	9.3	3.7	(28.1)	(6.0)	7.5	1.5	(19.3)	(14.5)
Total	9.3	3.7	(28.1)	(6.0)	7.5	1.5	(19.3)	(14.5)

11.1 Exchange rate derivatives

The detail of the open foreign currency contracts held by the Company with financial institutions at December 31, 2019, is as follows:

Financial assets

Type	Financial instrument	Currency	Maturity	Notional	Fair value		
					Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	54.9	(0.4)	1.5	1.1
			> 1 year	109.0	(0.6)	2.2	1.6
		Other non USD	< 1 year	102.5	1.0	3.6	4.6
			> 1 year	97.8	-	2.1	2.1
Trading Derivative	Forward	USD	< 1 year	224.5	2.5	-	2.5
		Other non USD	< 1 year	64.9	1.1	-	1.1
			Total		3.6	9.4	13.0
			Total non-current		(0.6)	4.3	3.7
			Total current		4.2	5.1	9.3

Financial liabilities

Type	Financial instrument	Currency	Maturity	Notional	Fair value		
					Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	310.4	14.5	12.3	26.8
			> 1 year	281.0	6.2	(0.6)	5.6
		Other non USD	< 1 year	14.8	0.1	0.4	0.5
			> 1 year	24.4	-	0.4	0.4
Trading Derivative	Forward	USD	< 1 year	20.8	0.4	-	0.4
		Other non USD	< 1 year	26.7	0.4	-	0.4
			Total		21.6	12.5	34.1
			Total non-current		6.2	(0.2)	6.0
			Total current		15.4	12.7	28.1

Notes to the annual accounts (millions of euros)

The detail of the open foreign currency contracts held by the Company with financial institutions at December 31, 2018, was as follows:

Financial assets

Type	Financial instrument	Currency	Maturity	Notional	Fair value		
					Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	99.4	(2.0)	4.3	2.3
			> 1 year	97.8	(0.5)	1.7	1.2
		Other non USD	< 1 year	46.5	0.2	0.6	0.8
			> 1 year	25.8	-	0.3	0.3
Trading Derivatives	Forward	USD	< 1 year	662.6	2.9	-	2.9
		Other non USD	< 1 year	25.6	1.5	-	1.5
			Total		2.1	6.9	9.0
			Total non-current		(0.5)	2.0	1.5
			Total current		2.6	4.9	7.5

Financial liabilities

Type	Financial instrument	Currency	Maturity	Notional	Fair value		
					Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	214.8	6.2	7.7	13.9
			> 1 year	181.7	3.2	10.5	13.7
		Other non USD	< 1 year	97.3	0.6	3.2	3.8
			> 1 year	71.2	-	0.8	0.8
Trading Derivatives	Forward	Other non USD	< 1 year	34.3	1.6	-	1.6
			Total		11.6	22.2	33.8
			Total non-current		3.2	11.3	14.5
			Total current		8.4	10.9	19.3

Trading Derivatives are instruments whose objective is to hedge the Company's exposure of foreign exchange. However, they are not assigned as accounting hedge since both the hedged item and the hedge instrument have symmetric effects.

11.2 Interest rate derivatives

At December 31, 2015, the Company had an interest rate derivative contract subscribed with the purpose of hedging the risk of a potential increase in the interest rates of the debt that was contracted during 2016 as part of the refinancing of the Eurobond issued by the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, with an amount of €750 million and due date in July 2016, which funds were fully transferred to the Company.

The notional amount of this interest rate derivative was €300 million and is being reduced according to the future debt amortization schedule.

Notes to the annual accounts (millions of euros)

On March 10, 2016, the Company cancelled this interest rate swap (IRS) contract and discontinued the hedging relationship for a total amount of €16.1 million, which was recognized temporarily in the equity and is charged to the income statement according to the hedged debt amortization schedule. The amount charged during the years 2019 and 2018 in the income statement has been €3.1 million, and €3.7 million, respectively.

The calendar of the realized impacts in the income statement of the remaining discontinued hedge instrument, is as follows:

2020	2021	Total
2.5	1.0	3.5

12. EQUITY AND SHAREHOLDERS' EQUITY

At December 31, 2018, the Company's share capital amounted to €4.4 million respectively, as represented by 438,822,506 ordinary shares with a nominal value of €0.01 per share, all of them of one single class, totally subscribed and paid.

On June 19, 2019 the General Shareholders' Meeting has agreed the reduction in the share capital of the company by 75,540.40 euros, by redeeming 7,554,070 treasury shares, acquired under the Share Buy-back Program approved by the Board of Directors on December 14, 2017. This capital reduction was registered at the Commercial Registry of Madrid on July 11, 2019.

As a result, as of December 31, 2019, the Company's share capital amounts to €4.3 million, as represented by 431,268,436 ordinary shares with a nominal value of €0.01 per shares, all of them of one single class, totally subscribe and paid.

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) and form part of the IBEX 35 index [AMS]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

At December 31, 2019 and 2018, the Company's shares are distributed as follows:

	December 31, 2019		December 31, 2018	
Shareholder	Shares	Voting rights	Shares	Voting rights
Free float (1)	430,745,967	99.88%	430,179,933	98.03 %
Treasury shares (2)	244,708	0.06%	8,214,289	1.87 %
Board of Directors (3)	277,761	0.06%	428,284	0.10 %
Total	431,268,436	100%	438,822,506	100.00 %

(1) Includes shareholders with significant equity stake on December 31, 2019 and 2018 reported to the National Commission of the Stock Exchange (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.

12.1 Legal reserve

According to the Spanish Capital Companies Act, 10% of the annual profit has to be transferred to a legal reserve until this reserve reaches no less than 20% of the share capital. The legal reserve can be used to increase the share capital of the Company, but the value remaining in the reserve must not be lower than 10% of the increased capital. Except for the aforementioned purpose, and as long as it does not exceed 20% of the share capital, this reserve will only be used to offset losses, provided that no other reserves are available for this purpose.

At December 31, 2019 and 2018, the legal reserve is fully established, amounting to €0.9 million.

12.2 Goodwill reserve

Until January 1, 2016, when the Law 22/2015, on July 20, of Accounts Auditing, was approved, every year's appropriation of results must include an addition to an unavailable reserve, as a result of the goodwill shown in the assets on the balance sheet. Therefore, a portion of the profit, equivalent to no less than 5% of the goodwill amount, was allocated for this purpose. In the event of lack of profit, or if the profit were insufficient, free distributable reserves could be applied.

Additionally, the Final Clause 13 of the law 22/2015, establishes that for the periods beginning on January 1, 2016, the goodwill reserve will be reclassified as a voluntary reserve of the Company and will be distributable in the amount that surpasses the value accounted for goodwill in the balance sheet. As of December 31, 2019 and 2018, the company has not yet reclassified any amount of the goodwill reserve to the other reserves.

On December 31, 2019 and 2018, the goodwill reserve registered by the Company amounts to €555.4 million.

12.3 Dividends distribution

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

The Company would be able to distribute dividends whenever the amount of the reserves is greater than the net book value of the research and development costs registered in the asset caption of the balance sheet.

On June 19, 2019, the Ordinary General Shareholders' Meeting of the Company approved the distribution of a final dividend against 2018 profit for the year, amounting to €1.175 per share, out of which an interim dividend of €0.51 per share with dividend rights was paid on January 17, 2019, for a total amount of €219.6 million. The total dividend amounts to €506.2 million.

Additionally, on December 12, 2019, the Company's Board of Directors proposed a fixed dividend distribution of 2019 profit for the year of an equivalent 50% of the consolidated net profit, reaching the maximum percentage of the dividend distribution policy. Consequently, an interim dividend distribution was approved against 2019 profit for the year, amounting to €0.56 per share with dividend rights, effective on January 17, 2020, for a total amount of €241.4 million, which has been registered in the 'Other current financial liabilities' caption.

12.4 Treasury shares

Balances and movements during the years 2019 and 2018, are as follows:

	Treasury shares	Millions of euros
As of December 31, 2017	1,069,252	18.5
Outstanding Share Buy-back Program	-	500.0
Total	1,069,252	518.5
Additions	7,554,070	-
Disposals	(408,137)	(6.3)
Disposals for exchange ratio – merger	(896)	(0.1)
As of December 31, 2018	8,214,289	512.1
Disposals	(415,463)	(6.5)
Disposals for exchange ratio – merger	(48)	-
Disposals for capital reduction	(7,554,070)	(500.0)
As of December 31, 2019	244,708	5.6

On June 19, 2019, the Company has amortized 7,554,070 treasury shares, that were acquired during the year 2018 under the aforementioned Share Buy-back Program, agreed by the Board of Directors on December 14, 2017. These shares, including the transaction fees, were included in the 'Other current financial liabilities' caption as of December 31, 2018.

During 2019 and 2018, 48 and 896 shares have been exchanged, therefore, there are still 75,702 and 75,750 shares pending to be exchanged by the former minority shareholders of the Absorbed Company, respectively, as a consequence of the merger described in Note 2.5.

In accordance with the legislation in force and the announcement of the exchange ratio, the shares of the Absorbed Company not presented in the exchange before the deadline, will be substituted by shares of the Absorbing Company and will be deposited for a three years period starting from the day of the deposit's constitution, all aforementioned complies with the exchange ratio foreseen in the article 117 of the Royal Decree 1/2010, July 2, by which the wording of the Spanish Capital Companies Act is approved and should act as proceeds.

Additionally, the Company has used the treasury shares portfolio held at December 31, 2019 and 2018, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers, and also the other Group companies remuneration programs (Note 18.5). During 2019, the Company delivered 415,460 shares to cover the remuneration schemes aforementioned.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see Note 18.5) during 2020, 2021 and 2022.

The authorization was granted under the framework of a Share Buy-back Program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

12.5 Additional paid-in capital

The changes in the balance of the 'Additional paid-in capital' caption include the impact of the amortized treasury shares described in the Note 12.4.

Notes to the annual accounts (millions of euros)

12.6 Other comprehensive income

The balances and movements of the items included under the caption 'Other comprehensive income' for the years 2019 and 2018, are as follows:

	Available-for-sale financial instruments	Cash flow hedge		Cumulative translation adjustments	Total
		Interest rate	Exchange rate		
Balance at December 31, 2017	0.1	(7.5)	16.1	-	8.7
Valuation	-	-	(40.7)	0.4	(40.3)
Valuation tax impact	-	-	10.2	-	10.2
Transfers to income statement	-	3.7	3.7	-	7.4
Transfers to income statement tax impact	-	(0.9)	(0.9)	-	(1.8)
Balance at December 31, 2018	0.1	(4.7)	(11.6)	0.4	(15.8)
Valuation	-	-	(0.2)	-	(0.2)
Valuation tax impact	-	-	0.1	-	0.1
Transfers to income statement	-	3.1	12.4	-	15.5
Transfers to income statement tax impact	-	(0.8)	(3.1)	-	(3.9)
Balance at December 31, 2019	0.1	(2.4)	(2.4)	0.4	(4.3)

13. PROVISIONS

Balances and movements of the items included under the 'Long-term provisions and Short-term provisions' captions, for the years 2019 and 2018, are as follows:

	Employees benefit obligations	Investments	Claims and litigations		Total
	Long-term	Long-term	Short-term	Long-term	
Balance at December 31, 2017	0.1	0.6	2.5	124.3	127.5
Additions	0.3	0.2	-	16.5	17.0
Disposals	-	-	-	(2.5)	(2.5)
Balance at December 31, 2018	0.4	0.8	2.5	138.3	142.0
Additions	0.1	-	0.7	24.8	25.6
Disposals	-	-	-	(10.5)	(10.5)
Balance at December 31, 2019	0.5	0.8	3.2	152.6	157.1

The caption 'Employees benefit obligations' includes different remuneration schemes granted to employees by the Company.

The caption 'Investments' mainly includes restoration obligations of the office buildings under operating leases where the Company carries out its operations.

The caption 'Claims and litigations' includes provisions to comply with offsetting and fiscal obligations for operating in certain territories which at the year-end are undetermined regarding their amount and settlement date (Note 16.5).

Notes to the annual accounts (millions of euros)

14. FINANCIAL DEBT

The detail of the captions 'Bonds and other securities' and 'Debts with financial institutions' at December 31, 2019 and 2018, is as follows:

	December 31, 2019	December 31, 2018
Long-term bonds	1,500.0	1,500.0
Amortization fees from bonds	(6.1)	(7.7)
Total bonds and other long-term securities	1,493.9	1,492.3
Long-term debts with financial institutions	62.5	127.5
Deferred arrangement fees	(1.8)	(2.4)
Total long-term debts with financial institutions	60.7	125.1
Short-term interest from bonds	3.4	3.5
Total bonds and other short-term securities	3.4	3.5
Short-term debts with financial institutions	65.0	65.0
Deferred arrangement fees	(0.1)	(0.1)
Interest payable, financial institutions	0.6	0.8
Interest payable, other financial expenses	0.4	0.3
Total short-term debts with financial institutions	65.9	66.0
Total financial debt	1,623.9	1,686.9

The breakdown of the debts with financial institutions at December 31, 2019 and 2018, is as follows:

			December 31, 2019		December 31, 2018	
Loans	Issue price	Maturity	Interest rate	Amount used	Interest rate	Amount used
Revolving loan 2018						
Revolving loan 2018		April 2023	EURIBOR +0.40%		EURIBOR +0.40%	-
European Investment Bank (EIB)						
Tranche A 2012		May 2021	2.936%	37.5	2.936%	62.5
Tranche B 2012		May 2021	3.237%	15.0	3.237%	25.0
Tranche A 2013		May 2022	2.038%	75.0	2.038%	105.0
Total European Investment Bank (EIB)				127.5		192.5
Bond issuance						
September 2018	100.00%	March 2022	EURIBOR +0.45%	500.0	EURIBOR +0.45%	500.0
September 2018	99.898%	September 2023	0.875%	500.0	0.875%	500.0
September 2018	99.761%	September 2026	1.5%	500.0	1.5%	500.0
Total bond issuance				1,500.0		1,500.0
Total				1,627.5		1,692.5

The agency Standard & Poor's Credit Market Service Europe Limited determined the credit rating for the three bond issuances at 'BBB'. The agency Moody's Investors Service España S.A. determined the credit rating for these issuances at 'Baa2', with stable outlook. Therefore, the ratings of both agencies stay within the category 'Investment grade'.

Notes to the annual accounts (millions of euros)

At December 31, 2019 and 2018, including the loans with Group companies, approximately 65.1% and 71.2% respectively, of the Company's outstanding debt is at fixed interest rate.

The Company is obliged to meet certain financial covenants, such as the ratio of total net debt to Group EBITDA and the ratio of Group EBITDA to the total net payable interest. At December 31, 2019 and 2018, the Company is in compliance with the aforementioned financial covenants.

a) Revolving Loan Facility

On April 27, 2018, the Company signed a revolving loan facility for a total amount of €1,000 million with a 5-year maturity, available for two more annual extensions at the end of its maturity date. This facility was structured under a 'club deal' with several financial institutions with the National Westminster Bank PLC as agent. This revolving loan facility is used as working capital and for other corporate purposes.

At the same time, the Company has cancelled a revolving loan facility of €1,000 million signed on March 5, 2015, from which only term A was available for €500 million, and the revolving loan facility signed on April 26, 2016 for €500 million.

At December 31, 2018 and 2019, there was no amount used from the revolving loan facility.

b) European Investment Bank (EIB)

On May 14, 2012, the European Investment Bank (EIB) granted to the Company, with an unsecured senior loan amounting to €200 million, with a 9 years maturity since May 24, 2012. The principal from this loan was used to finance the Research & Development investment activities for a variety of projects in the IT solutions area between 2012 and 2014.

This loan from the EIB has two tranches; a first tranche with a notional value of €150 million with repayments every six months starting in 2015 and a second tranche with a notional value of €50 million with repayments every six months starting in 2016. During the year 2019, €25 million have been repaid of the first tranche and €10 million of the second tranche.

On April 29, 2013, the European Investment Bank (EIB) granted the Company with a second unsecured senior loan amounting to €150 million, with a 9 years maturity since May 17, 2013.The principal from this loan was used to finance the Research & Development investment activities for a variety of projects in the Distribution area between 2013 and 2015. This second loan from the EIB has a single tranche with a notional value of €150 million with repayments every six months starting in 2017. During the year 2019, €30 million have been repaid of this loan.

The breakdown by due date of the debt with the European Investment Bank at December 31, 2019, is as follows:

Loans	2020	2021	2022	Total
Tranche A 2012	25.0	12.5	-	37.5
Tranche B 2012	10.0	5.0	-	15.0
Tranche A 2013	30.0	30.0	15.0	75.0
Total	65.0	47.5	15.0	127.5

As of December 31, 2019 and 2018, the fair value measurement of the European Investment Bank unsecured senior loan is €131.1 million and €199.5 million, respectively.

c) Bonds and other securities

On September 6, 2018, the Company issued three bonds for a total amount of €1,500 million euros, under the debt instruments issuance program, the 'Euro Medium Term Note Program' signed up by the Group company Amadeus Finance B.V in 2014, which the Company has joined in 2017.

The first issuance of €500 million with a 3.5 years maturity does not have an annual coupon rate. The second issuance of €500 million with a 5-year maturity, has an annual coupon rate of 0.875% and an issue price of 99.898% of its nominal value. The third bond was issued for €500 million with an 8-year maturity, an annual coupon rate of 1.5% and an issue price of 99.761% of its nominal value.

The issuance was formalized on September 18, 2018. The issue amount was allocated to the acquisition of TravelClick, Inc. and its group of companies, and other financing corporate purposes.

At December 31, 2019, the fair value of the bonds issued maturing in 2022, 2023 and 2026 amounts to €501.2 million (100.238% of its face value), €513.6 million (102.718% of its face value) and bonds issued in €537.2 million (107.446%) of its face value) respectively. These fair values have been calculated taking the quoted prices in active markets as a reference.

d) Debt guaranteed by the Company

- Euro Medium Term Note Program

In 2014, the Group company, Amadeus Finance B.V., signed up a debt instruments issuance program, the 'Euro Medium Term Note Program', by a maximum nominal amount of €2,400 million that can be issued in euros or any other currency. In 2015, the Group company, Amadeus Capital Markets, S.A.U., and in 2017 the Company, joined this program.

The Base Prospectus of the program was registered in the Financial Authority of Luxembourg, 'Luxembourg Commission de Surveillance du Secteur Financier', as the Luxembourg authority for admission to trading. Also, trading admission of the securities issuance under the Official List program was requested and the quoting in the Luxemburg's Stock Exchange.

In 2018, Amadeus Finance B.V and Amadeus Capital Markets, S.A., Sociedad Unipersonal increased the nominal amount of the 'Euro Medium Term Note Program' to €4,000 million. The Base Prospectus of the program was updated and approved by the 'Luxembourg Commission de Surveillance du Secteur Financier' (CSSF) on August 22, 2018. Also, an additional supplement was approved by the CSSF on September 4, 2018.

- Euro-Commercial Paper Program – ECP

Additionally, Amadeus Finance B.V., signed up in the year 2014 a short-term commercial paper issuance program called 'Euro-Commercial Paper Program – ECP'. The program was agreed by a maximum nominal amount of €500 million, on August 16, 2016 the program was extended up to €750 million, it can be issued in euros or any other currency, with different maturity dates, always less than 365 days.

The commercial paper issued under this program, will not be quoted in any securities market and will have 'STEP label', under the 'STEP Convention'.

Notes to the annual accounts (millions of euros)

The Company, as parent company of the Group, has subscribed, as guarantor the commercial paper and debt instruments programs. The structure of the securities listed on the secondary market guaranteed by the Company at December 31, 2019 and 2018, is as follows:

			December 31, 2019		December 31, 2018	
Debt	Value at issuance	Maturity	Interest rate	Amount used	Interest rate	Amount used
Bond issue						
November 2015 (1)	99.260%	November 2021	1.625%	500.0	1.625%	500.0
October 2016 (1)	99.785%	October 2020	0.125%	500.0	0.125%	500.0
May 2017 (1)(2)	99.932%	May 2019	-	-	0.0%	500.0
Total value of securities				1,000.0		1,500.0
Commercial paper issue						
Commercial paper (3)		Under 365 days	(0.360-0.180%)	580.0	(0.300-0.200%)	330.0
Total commercial paper				580.0		330.0
Total				1,580.0		1,830.0

(1) Debt issued by Amadeus Capital Markets, S.A, Sociedad Unipersonal.
(2) These bonds have been fully repaid on May 19th, 2019.
(3) Debt issued by Amadeus Finance B.V.

15. DEFERRED INCOME

Balances and movements of the 'Deferred income' captions during the years 2019 and 2018, are as follows:

	Current	Non-current	Total
Balance at December 31, 2017	62.4	285.6	348.0
Additions	-	45.3	45.3
Transfers to the income statement	(69.3)	-	(69.3)
Transfers	73.5	(73.5)	-
Balance at December 31, 2018	66.6	257.4	324.0
Additions	-	52.0	52.0
Transfers to the income statement	(77.1)	-	(77.1)
Transfers	78.3	(78.3)	-
Balance at December 31, 2019	67.8	231.1	298.9

The deferred income includes the portion of the cash received from customers for the implementation of 'Altéa Reservation', 'Altéa Departure Control' and 'e-commerce' units and was not recognized as ordinary income during the period.

The Company starts the recognition of revenue in the income statement when the migration has been completed (cut-over) and recognizes the revenue for these services during the period of the agreement.

Notes to the annual accounts (millions of euros)

16. PUBLIC ADMINISTRATIONS AND TAXATION

The Company pays Corporate Income Tax via the tax consolidation Regime (Tax Group 256/05), from which it is the parent company.

The Tax Consolidation Group is comprised of the following companies:

Parent company:

Amadeus IT Group, S.A.

Subsidiaries:

Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal

Amadeus Capital Markets, S.A., Sociedad Unipersonal

Amadeus Content Sourcing, S.A., Sociedad Unipersonal

Amadeus Travel IMS, S.L.

Travelclick Europe, S.L.

In 2016 the Company was involved in a merger process, described in Note 2.5, which is under the Chapter VII of Special Regime, Law 27/2014, November 27, for Corporate Income Tax.

16.1 Deferred tax assets and liabilities and current balances with Public Administrations

The breakdown of the deferred tax assets and the current debtor balances with Public Administrations, at December 31, 2019 and 2018 is as follows:

	December 31, 2019	December 31, 2018
Deferred tax assets		
Share-based payments	2.7	2.9
Non-current asset amortization	3.6	1.1
Doubtful debt provision	3.2	2.3
Cancellations provision	5.1	5.6
Cash flow hedge	4.4	7.5
Investment impairment adjustments	4.9	4.1
V.A.T. other countries provision	13.0	3.8
Other non-deductible expenses	4.0	4.6
Withholding tax and outstanding tax credits	116.1	101.3
Total deferred tax assets	157.0	133.2
Current debtors balances		
Tax Authorities of other countries, debtor for V.A.T.	0.7	0.8
Total current debtor balances	0.7	0.8
Total	157.7	134.0

The above mentioned deferred tax assets have been recognized in the balance sheet. The Directors of the Company consider that based on the estimated future benefits of the Tax Consolidation Group it is probable that these assets will be recovered.

Notes to the annual accounts (millions of euros)

The breakdown of the deferred tax liabilities and the current creditor balances with Public Administrations, at December 31, 2019 and 2018, is as follows:

	December 31, 2019	December 31, 2018
Deferred tax liabilities		
Purchase price allocation amortization	49.9	72.0
Cash flow hedge	2.7	2.0
Amortization of goodwill from investments	12.5	11.3
Other deferred taxes liabilities	0.1	0.1
Total deferred tax liabilities	65.2	85.4
Current creditor balances		
Tax Authorities, creditor for Corporate Income Tax	25.8	20.5
Tax Authorities, creditor for V.A.T.	7.2	0.3
Tax Authorities, creditor for other concepts	1.6	1.6
Social Security Authorities, creditors	1.8	1.2
Total current creditor balances	36.4	23.6
Total	101.6	109.0

The variation of deferred tax liability linked to the purchase price allocation amortization includes the revaluation of the amounts generated in previous years.

16.2 Reconciliation between the net result before tax and Corporate Income Tax base

The reconciliation between the net result before tax registered in the income statement and the Corporate Income Tax base for the year 2019, is as follows:

	Income statement		
	Increases	Decreases	Total
Net result before tax			789.3
Permanent differences	132.5	(377.9)	(245.4)
Exempt dividends received and other income	-	(377.9)	(377.9)
Amortization of goodwill	131.8	-	131.8
Others	0.7	-	0.7
Temporary differences	137.7	(0.9)	136.8
Arising in current year			
Doubtful debt provision	36.8	-	36.8
Share-based payments	-	(0.9)	(0.9)
Others	4.9	-	4.9
Arising in previous years			
Purchase price allocation amortization	87.9	-	87.9
Investment impairment adjustments	2.9	-	2.9
Others	5.2	-	5.2
Tax base before compensations			680.7
Tax Consolidation Group negative tax base compensation			(1.9)
Company tax base			678.8

According to Royal Legislative Decree 3/2016, of December 2, the temporary difference for impairment of investments includes the reversal of the impairment loss that was tax deductible in previous years and whose amount has not been significant.

Notes to the annual accounts (millions of euros)

The reconciliation between the net result before tax registered in the income statement and the Corporate Income Tax base for the year 2018, was as follows:

	Income statement		
	Increases	Decreases	Total
Net result before tax			756.6
Permanent differences	132.9	(334.6)	(201.7)
Exempt dividends received and other income	-	(334.6)	(334.6)
Amortization of goodwill	131.8	-	131.8
Others	1.1	-	1.1
Temporary differences	101.8	(19.3)	82.5
Arising in current year			
Doubtful debt provision	11.0	-	11.0
Share-based payments	2.5	-	2.5
Others	-	(1.5)	(1.5)
Arising in previous years			
Purchase price allocation amortization	87.9	-	87.9
Investment impairment adjustments	-	(17.8)	(17.8)
Others	0.4	-	0.4
Tax base before compensations			637.4
Tax Consolidation Group negative tax base compensation			-
Company tax base			637.4

The reconciliation between the income and expenses directly recognized in equity and the Corporate Income Tax base, for the years 2019 and 2018, is as follows:

	Income and expenses directly recognized in equity			
	Year 2019		Year 2018	
	Decreases	Total	Increases	Total
Income and expenses recognized in equity		15.3		(33.3)
Temporary differences	(15.3)	(15.3)	33.3	33.3
Arising in current year				
Cash flow hedge	(15.3)	(15.3)	33.3	33.3
Corporate Income Tax Base in equity		-		-

16.3 Tax recognized in equity

The detail of taxes directly recognized in equity at December 31, 2019, is as follows:

	Increases	Decreases	Total
Deferred tax			
Arising in current year			
Cash flow hedge	0.1	(3.9)	(3.8)
Total deferred tax	0.1	(3.9)	(3.8)
Total tax recognized in equity			(3.8)

Notes to the annual accounts (millions of euros)

The detail of taxes directly recognized in equity at December 31, 2018, was as follows:

	Increases	Decreases	Total
Deferred tax			
Arising in current year			
Cash flow hedge	10.2	(1.8)	8.4
Total deferred tax	10.2	(1.8)	8.4
Total tax recognized in equity			8.4

16.4 Reconciliation between the net result before tax and Corporate Income Tax expense

Reconciliation between the net result before tax and the Corporate Income Tax expense, for the years 2019 and 2018, is as follows:

	Year 2019	Year 2018
Net result before tax	789.3	756.6
Tax rate 25%	(197.3)	(189.2)
Permanent and temporary differences	51.4	45.8
Tax credits and others	-	(4.8)
Total Corporate Income Tax expense recognized in the income statement	(145.9)	(148.2)
Current tax	(179.0)	(192.9)
Deferred tax	33.1	44.7

16.5 Periods open to tax audit and tax audit procedures

According to the current legislation, taxes cannot be considered definitively settled until the filed tax forms are audited by the Tax Authorities, or until the four years statute of limitations ends.

At the year-end 2019, the Company is opened to tax audit (including those of the Absorbed Company; as a consequence of the merger described in the Note 2.5, all rights and obligations have been transferred to the Absorbing Company) for the last four years except for those taxes that have been subject to a partial or full audit which have concluded by signing the tax assessment under protest. The judicial appeal process has been initiated to the National Appellate Court.

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

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

In June 2015, the Company received a final decision from the Central Administrative Court (TEAC) rejecting cumulatively appeals regarding the tax assessment signed under protest relating to the Non-residents Income Tax for the year 2007. In July 2015, judicial appeal process had been initiated in the same court considering the resolution was not in line with the Law, insomuch as the allegations and/or proof (evidence) presented before the court in November 2013 were declared inexistent by omission that could turn out to be essential for the resolution of the claim. In January 2017, a resolution from the TEAC was received, rejecting the allegations submitted by the Company before it. In February 2017, the Company filed an appeal before the National Appellate Court. In September 2017, after the disclosure of the file, a claim has been registered to the National Appellate Court, and in November 2017 the statement of conclusions, pending execution at the year-end.

The Company has voluntarily deposited the amount required by the Tax Authorities until the resolution of this litigation (Note 9.1) and has registered the appropriate provisions in order to minimize its exposure in the event the final ruling from the Court does not result in its favor (Note 13). Therefore, and in any case, the resolution of this matter should not have any significant impact on the Company's financial situation.

Since 1999, the Company has been engaged in disputes with the Indian tax authorities in relation to an allegation that the distribution activities in that country qualify as a permanent establishment in India. On this basis, the Indian tax authorities claim that a portion of the revenue generated in respect of bookings made by travel agencies located in India should be subject to Indian tax.

There is a number of proceedings underway relating to the tax years between 1995 and 2016 at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities and before the Supreme Court. The resolution from the Delhi High Court dated on January 2010 concerning tax years from 1995 to 1998 concludes on the existence of permanent establishment, but without income liable to tax in India.

This resolution was also extended to the fiscal years from 1998 to 2006 (both inclusive). These decisions are under dispute before the Supreme Court. The Company has been advised that there is no provision under Indian law for sanctions to be imposed as a result of the ongoing proceedings.

Additionally, since 2006, the Indian tax authorities are of the opinion that the IT service agreement executed between the Company and an airline (both non-resident) may give rise to royalty payments and fees for technical services in India. As a result of this interpretation, a new tax claim is under dispute. The dispute has been extended on a yearly basis not only to a specific airline but to the Altea System in general for its operation in India.

The Company has registered the appropriate provisions in order to minimize its exposure in the event the final ruling from the Court does not result in its favor (Note 13).

Notes to the annual accounts (millions of euros)

17. FOREIGN CURRENCIES

The detail of the main balances and transactions in foreign currency, valuated at the year-end exchange rate and at the average exchange rate as of December 31, 2019 and 2018, respectively, is as follows:

	December 31, 2019	December 31, 2018
Assets		
Accounts receivable	225.1	203.5
Loans given	352.0	1,033.9
Other assets	135.4	181.5
Cash and cash equivalents	129.0	38.9
Liabilities		
Accounts payable	(411.6)	(401.2)
Loans received	(354.9)	(245.3)
Other liabilities	(86.7)	(15.3)

	2019	2018
Income statement		
Services rendered	1,455.8	1,417.4
Services received	(1,003.3)	(933.8)

The amount of exchange rate differences by financial instrument recognized in the income statement for the year 2019, is as follows:

	Transactions settled in the year	Outstanding balances	Total
Financial assets			
Loans to Group companies and joint ventures	48.0	(9.2)	38.8
Derivatives	29.8	8.7	38.5
Other financial assets	(4.0)	1.5	(2.5)
Total financial assets	73.8	1.0	74.8
Financial liabilities			
Debts with Group companies and joint ventures	(2.3)	(1.7)	(4.0)
Derivatives	(69.4)	(16.6)	(86.0)
Other financial liabilities	-	0.7	0.7
Total financial liabilities	(71.7)	(17.6)	(89.3)
Total	2.1	(16.6)	(14.5)

Notes to the annual accounts (millions of euros)

The amount of exchange rate differences by financial instrument recognized in the income statement for the year 2018, was as follows:

	Transactions settled in the year	Outstanding balances	Total
Financial assets			
Loans to Group companies and joint ventures	3.2	16.0	19.2
Derivatives	15.1	5.6	20.7
Other financial assets	13.9	4.5	18.4
Total financial assets	32.2	26.1	58.3
Financial liabilities			
Debts with Group companies and joint ventures	1.9	(8.0)	(6.1)
Derivatives	(59.5)	(9.7)	(69.2)
Other financial liabilities	-	2.0	2.0
Total financial liabilities	(57.6)	(15.7)	(73.3)
Total	(25.4)	10.4	(15.0)

18. REVENUES AND EXPENSES

18.1 Trade revenue

The Company operates in the travel industry and thus, events that may affect the industry could also have an impact on both the Company's operations and its financial position.

The segment information has been prepared in accordance how the segments are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance. The Company is organized into two operating segments on the basis of the different services offered:

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

IT solutions, where the Company offers a portfolio of technology solutions (primarily Altéa PSS) that automate mission-critical processes for travel providers. This segment generates revenues from the transactions processed in our platform, as well as from other non-transactional services.

The information regarding the operating segments during 2019 and 2018, is as follows:

Operating segment	Year 2019	Year 2018
Distribution	2,861.6	3,272.5
IT solutions	1,876.1	1,243.0
Total	4,737.7	4,515.5

Notes to the annual accounts (millions of euros)

The processing of bookings and sales of transactional IT solutions depends on complex IT systems, and on billions of transactions processed during each year. The classification of the trade revenues between transactional and non-transactional during 2019 and 2018, is as follows:

	Year 2019	Year 2018
Transactional revenue	4,201.7	4,009.9
Non-transactional revenue	536.0	505.6
Total	4,737.7	4,515.5

The following geographical distribution of the services provided during the year 2019 and 2018, is primarily based on the country where bookings were made. Regarding those bookings directly made by the offices and the airline websites that are directly connected to the Amadeus system, as well as the IT solutions services, the home country of the customers is the criteria applied.

Geographical market	Year 2019	Year 2018
Spain	154.0	169.8
European Union	1,548.7	1,563.7
O.E.C.D.	1,643.5	1,290.5
Rest of the world	1,391.5	1,491.5
Total	4,737.7	4,515.5

18.2 Personnel expenses

The breakdown of the 'Personnel expenses' for the years 2019 and 2018, is as follows:

	Year 2019	Year 2018
Salaries, wages and similar	94.4	88.4
Social benefits	33.0	28.1
Pension plan contributions	2.9	2.6
Other social costs	30.1	25.5
Total	127.4	116.5

18.3 Other operating expenses

The breakdown of the ´Other operating expenses´ caption includes distribution, product development, data processing, communications and administration expenses. The detail for the years 2019 and 2018, is as follows:

	Year 2019	Year 2018
Group companies	2,783.0	2,712.7
Joint ventures	150.8	141.5
Third parties	987.4	891.1
Total	3,921.2	3,745.3

Notes to the annual accounts (millions of euros)

18.4 Financial results

The detail of the financial income and expenses for the years 2019 and 2018, is as follows:

	Note	Year 2019	Year 2018
Financial income		424.7	356.8
From equity instruments		378.0	334.8
Dividends received from Group companies and joint ventures	9.2 & 19.1	377.4	334.3
Dividends received from third parties		0.6	0.5
From securities and other financial instruments		46.7	22.0
Loans to Group companies and joint ventures	19.1	46.4	20.9
Other financial income		0.3	1.1
Financial expenses		(43.9)	(40.0)
Debts with Group companies and joint ventures	19.1	(16.6)	(15.3)
Interest from debts		(16.0)	(14.5)
Arrangement fees amortization		(0.6)	(0.8)
Debts with third parties		(27.3)	(24.7)
Interest from debts with financial institutions		(4.2)	(5.9)
Interest from bonds		(12.4)	(3.6)
Interest from derivatives financial instruments – hedge		(3.1)	(3.7)
Arrangement fees amortization		(2.2)	(4.0)
Other financial expenses		(5.4)	(7.5)
Exchange rate differences	17	(14.5)	(15.0)
Impairment and gains/ losses on disposal of financial instruments		(23.5)	24.1
Impairment and losses		(38.5)	23.6
Gains / (losses) on disposal of financial instruments		15.0	0.5
Financial profit / (loss)		342.8	325.9

The financial income and expenses measured in application of the effective interest method. mainly relate to the financial income from securities and other financial instruments and to the financial expenses from debts with Group companies and joint ventures and financial institutions.

18.5 Share-based payments

The Company has the following reward schemes in place for managers and employees of the Company, as well as for employees of the Group , for which acquisition costs of the shares delivered are re-invoiced to the Group Companies that have employees subscribed to these reward schemes:

18.5.1 Performance Share Plan

The Performance Share Plan (PSP) consists of a contingent award of shares of the Company to certain management. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined performance objectives that relate to value creation in Amadeus as well as employee service requirements. The performance objectives relate to the relative shareholder return (TSR) and the adjusted basic earnings per share (EPS) growth. From PSP 2018 an additional performance objective is included related to pre-tax adjusted free cash flow (OCF) growth. The vesting period of each independent cycle is 3 years and no holding period applies.

Notes to the annual accounts (millions of euros)

This plan is considered as equity-settled. The fair value of the services received during the years ended as of December 31, 2019 and 2018, as consideration for the equity instruments granted, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €4.9 million and €7.5 million, respectively.

For PSP 2019, certain employees (mainly members of the executive committee) are subject to a post-vesting holding period of two years, restriction that has been taken into consideration when determining the fair value of the instruments granted (see PSP 2019 (II) as follows).

The detail of the shares allotted and fair value at grant date of the last four cycles of the PSP is set forth in the table below:

	PSP 2016	PSP 2017	PSP 2018	PSP 2019 (I)	PSP 2019 (II)
Total shares allotted at grant date (1)	111,880	99,695	74,970	33,890	44,035
Fair value of those instruments at grant date (€)	37.73	49.49	64.03	66.90	58.63
Dividend yield	1.59%	1.47%	1.24%	1.54%	1.54%
Expected volatility	22.37%	21.23%	19.06%	19.06%	22.09%
Risk free interest rate	0.00%	0.00%	0.00%	0.00%	0.05%

(1) This number of shares could increase up to double if all performance objectives are extraordinary.

During the year 2019, the PSP 2016 has been settled at the vesting date, implying that the Company transferred to the eligible employees 194,982 shares, due to the achievement of the performance objectives (200.00%), at a weighted average price of €68.70 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

During the year 2018, the PSP 2015 has been settled at the vesting date, implying that the Company transferred to the eligible employees 172,672 shares, due to the achievement of the performance objectives (200.00%), at a weighted average price of €74.72 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

18.5.2 Restricted Share Plan

The Restricted Share Plan (RSP) consists on the delivery of a given number of shares of the Company to certain employees on a non-recurring basis, after predetermined services requirements are met. The RSP beneficiaries must remain employed in a Group company during a determined period of time, which oscillates between 2 and 5 years.

This plan is considered as equity-settled. The fair value of the services received as consideration for the equity instruments granted, 6,772 and 7,025 shares during the years 2019 and 2018 is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.1 million and €0.1, respectively.

During the year 2019, certain RSP awards have been settled at vesting date, implying that the Company transferred to the eligible employees 2,325 shares in June at a weighted average price of €68.70 per share and 1,065 shares in November at a weighted average price of €71.80 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

During the year 2018, certain RSP awards have been settled at vesting date, implying that the Company transferred to the eligible employees 40 shares in May at a weighted average price of €66.72 per share and 969 shares in August at a weighted average price of €74.72 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

Notes to the annual accounts (millions of euros)

18.5.3 Share Match Plan

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

Under the terms of the SMP, the Company will grant the participants an additional share for every two purchased, provided if they hold the shares for a year after the purchase period has ended.

This plan is considered as equity-settled. The fair value of the services received as consideration for the equity instruments granted, 23,535 and 20,450 shares during the years 2019 and 2018, respectively, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.7 million and €0.4 million, respectively.

During the year 2019, the SMP 2017 has been settled according to the terms of the plan, implying that the Company transferred to the participants 8,138 shares, at a weighted average price of €73.88 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

During the year 2018, the SMP 2016 has been settled according to the terms of the plan, implying that the Company transferred to the participants 9,431 shares, at a weighted average price of €74.42 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

19.1 Transactions with related parties

The breakdown of transactions with related parties for the year 2019, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Services rendered	151.1	24.5	-	175.6
Other operating expenses	(2,783.0)	(150.8)	-	(2,933.8)
Interests from loans	46.4	-	-	46.4
Debt expenses	(16.6)	-	-	(16.6)
Dividends received	375.6	1.8	-	377.4
Dividends distributed	-	-	(0.8)	(0.8)
Remuneration	-	-	(18.3)	(18.3)
Total	(2,226.5)	(124.5)	(19.1)	(2,370.1)

Notes to the annual accounts (millions of euros)

The breakdown of transactions with related parties for the year 2018, was as follows:

	Group companies	Joint ventures	Other related parties	Total
Services rendered	163.3	28.8	-	192.1
Other operating expenses	(2,712.7)	(141.5)	-	(2,854.2)
Interests from loans	20.9	-	-	20.9
Debt expenses	(15.3)	-	-	(15.3)
Dividends received	329.7	4.6	-	334.3
Dividends distributed	-	-	(0.8)	(0.8)
Remuneration	-	-	(16.4)	(16.4)
Total	(2,214.1)	(108.1)	(17.2)	(2,339.4)

19.2 Balances with related parties

The breakdown of balances with related parties at December 31, 2019, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Long-term investments				
Equity instruments	3,468.5	6.4	-	3,474.9
Loans to companies	446.3	-	-	446.3
Trade debtors	40.0	2.6	-	42.6
Short-term investments				
Loans to companies	7.3	-	-	7.3
Interests from loans to companies	1.7	-	-	1.7
Cash-pooling	110.1	-	-	110.1
Dividends	0.2	1.9	-	2.1
Long-term debts	(497.9)	-	-	(497.9)
Short-term debts				
Debts with companies	(1,137.4)	-	-	(1,137.4)
Interests from debts with companies	(1.1)	-	-	(1.1)
Cash-pooling	(406.1)	-	-	(406.1)
Dividends	-	-	(0.3)	(0.3)
Trade creditors	(309.4)	(12.2)	-	(321.6)
Total	1,722.2	(1.3)	(0.3)	1,720.6

Notes to the annual accounts (millions of euros)

The breakdown of balances with related parties at December 31, 2018, was as follows:

	Group companies	Joint ventures	Other related parties	Total
Long-term investments				
Equity instruments	2,616.6	1.9	-	2,618.5
Loans to companies	1,046.2	-	-	1,046.2
Trade debtors	44.7	13.2	-	57.9
Short-term investments				
Loans to companies	282.3	-	-	282.3
Interests from loans to companies	14.1	-	-	14.1
Cash-pooling	145.6	-	-	145.6
Dividends	0.4	0.5	-	0.9
Long-term debts	(995.3)	-	-	(995.3)
Short-term debts				
Debts with companies	(1,088.8)	-	-	(1,088.8)
Interests from debts with companies	(1.8)	-	-	(1.8)
Cash-pooling	(85.0)	-	-	(85.0)
Dividends	-	-	(0.4)	(0.4)
Trade creditors	(347.7)	(47.0)	-	(394.7)
Total	1,631.3	(31.4)	(0.4)	1,599.5

19.2.1 Trade debtors and creditors

The breakdown of the 'Trade debtors' and 'Trade creditors' as of December 31, 2019 and 2018, is as follows:

	December 31, 2019	December 31, 2018
Debtors		
For taxes	1.6	2.2
For other concepts	41.0	55.7
Total	42.6	57.9
Creditors		
For taxes	(0.5)	-
For other concepts	(321.1)	(394.7)
Total	(321.6)	(394.7)

As of December 31, 2019 and 2018, the captions 'Group companies, debtor for taxes' and 'Group companies, creditors for taxes' include the estimated credit and debit that the Company has with the companies included in the Tax Consolidation Group, related to the Corporate Income Tax.

As of December 31, 2019 and 2018, the captions 'Group companies, debtor for other concepts' and 'Group companies, creditors for other concepts' include the different transactions that the Company has with the companies that form the Amadeus Group for agreements in application of the transfer pricing policies.

19.2.2 Loans to Group companies

The detail of loans to Group companies at December 31, 2019, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Central and West Africa S.A.	EUR	0.7	0.18%	20/06/2020
Content Hellas Electronic Tourism Services S.A.	EUR	0.2	0.73%	05/11/2022
Amadeus Corporate Business, AG	EUR	63.7	0.52%	08/04/2022
Amadeus Corporate Business, AG	EUR	31.8	0.73%	02/11/2021
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	EUR	4.0	0.42%	01/07/2021
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	EUR	3.0	0.45%	01/12/2020
Amadeus Polska Sp. z o.o.	EUR	2.0	0.31%	05/10/2021
Amadeus Albania sh.p.k	EUR	0.1	0.74%	15/01/2020
Amadeus Travel IMS	EUR	2.5	0.44%	22/03/2021
UFIS Airport Solutions (Thailand) Ltd.	USD	2.4	3.38%	14/04/2021
Amadeus Bolivia S.R.L.	USD	0.1	2.59%	18/04/2022
Amadeus GDS LLP	USD	1.0	3.51%	01/03/2022
Amadeus GDS Singapore Pte. Ltd.	USD	9.9	2.91%	01/02/2022
Amadeus Americas, Inc.	USD	320.0	5.08%	01/10/2026
Amadeus Argentina S.A.	USD	1.2	3.44%	27/08/2021
Amadeus Argentina S.A., Sucursal Uruguay	USD	2.3	3.36%	06/05/2020
Amadeus Perú S.A.	USD	2.1	2.62%	14/12/2021
Amadeus Perú S.A.	USD	3.1	2.67%	02/10/2021
Amadeus Marketing (Ghana) Ltd.	USD	0.5	3.62%	21/01/2022
Amadeus GTD Southern Africa Pty. Ltd.	USD	1.3	3.54%	20/07/2022
Amadeus Ecuador	USD	0.5	2.91%	19/07/2022
Amadeus Integrated Solutions Pty Ltd.	USD	1.2	3.58%	01/03/2020
		453.6		

As of September 10, 2019, the capitalization of the loan that the company had with the Group company Amadeus Hellas Travel Information Services Societe Anonime for an amount of 12.9 million euros was carried out (Note 9).

As of October 1, 2019, the capitalization of the loan that the company had with the Group company Amadeus Americas Inc. for an amount of 642.3 million euros was carried out (Note 9).

19.2.3 Debts with Group companies

The detail of debts with Group companies at December 31, 2019, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Finance B.V.	EUR	581.1	(0.11)%	15/01/2020
Amadeus Capital Markets, S.A.U.	EUR	499.2	0.25%	06/10/2020
Amadeus Capital Markets, S.A.U.	EUR	497.9	1.81%	17/11/2021
Amadeus Capital Markets, S.A.U.	EUR	0.1	0.00%	05/05/2020
Amadeus Slovenija, d.o.o.	EUR	0.6	0.00%	12/04/2020
Amadeus IT Pacific Pty. Ltd.	AUD	41.2	2.02%	09/01/2020
Amadeus Scandinavia AB	SEK	11.0	0.00%	09/01/2020
Amadeus Norway AS	NOK	1.7	0.80%	09/01/2020
Amadeus Denmark A/S	DKK	2.5	0.00%	09/01/2020
Total		1,635.3		

During 2015, the Group company Amadeus Finance B.V., made several issuances of commercial paper in the Euromarket. At December 31, 2019 and 2018, Amadeus Finance B.V. had outstanding commercial paper by an amount of €581.1 million and €330.5 million, respectively. The Company subscribed these agreements as guarantor. Amadeus Finance B.V. transferred the amount received in the issuances, net of related expenses, to the Company through a loan contract. The contract is registered under the 'Short-term debts with Group companies' caption.

Financial expenses for the years 2019 and 2018 derived from the aforementioned loans, amounting to €(0.7) million and €(0.6) million, respectively, are included in the income statement under 'Interest from debts with Group companies' caption.

On November 10, 2015, the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, under the debt issuance Euro Medium Term Note Program, issued bonds in the Euromarket for a total of €500 million. This company transferred the amount received, net of related expenses, to the Company, through a loan contract.

As of December 31, 2019, the amortized cost of this loan amounts €497.9 million, including the principal of €498.3 million and the arrangement fees of €0.4 million. This loan has a yearly interest rate of 1.64187% payable annually. Additionally, it includes an implicit interest rate of 0.17228% to be capitalized annually. This loan is registered under the 'Long-term debts with Group companies' caption.

On September 29, 2016, the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, issued bonds in the Euromarket for a total of €500 million. This company transferred the amount received, net of related expenses, to the Company, through a loan contract.

As of December 31, 2019, the amortized cost of this loan amounts €499.2 million, including the principal of €499.4 million and the arrangement fees of €0.2 million. This loan has a yearly interest rate of 0.12559% payable annually. Additionally, it includes an implicit interest rate of 0.11973% to be capitalized annually. This loan is registered under the 'Short-term debts with Group companies' caption.

As of May 12, 2017 the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, issued bonds in the Euromarket for a total of €500 million. This company transferred the amount received, net of related expenses, to the Company, through a loan contract. The loan was paid on May 19, 2019.

Financial expenses for the years 2019 and 2018 derived from the aforementioned loans with Amadeus Capital Markets, S.A., Sociedad Unipersonal, amounting to €10.9 million and €11.5 million, respectively, are registered in the income statement under the 'Interest from debts with Group companies' caption.

19.3 Board of Directors and Key Management remuneration

The position of Member of the Board of Directors is remunerated in accordance with the Company's Bylaws. The remuneration consists of a fixed remuneration to be determined by the General Shareholders' Meeting before the relevant financial year ends.

The remuneration to which the Chief Executive Officer may be entitled despite of their 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 decided by the General Shareholders' Meeting held on June 21, 2018, for a period of 3 years (2019, 2020 and 2021).

On June 19, 2019 and June 21, 2018, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2019 and 2018, with a limit of €1,746 thousand and €1,426 thousand, respectively, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's Bylaws. The Board of Directors of the Company may agree an unequal remuneration scheme distribution. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment received by the members of the Board of Directors in 2019 and 2018, is as follows:

In thousands of euros	Year 2019		Year 2018	
Board members	Cash	In kind	Cash	In kind
José Antonio Tazón García	312	2	303	2
Guillermo de la Dehesa Romero	147	-	158	-
Luis Maroto Camino	35	-	35	-
Roland Busch	-	-	53	-
Willian Connelly	49	-	-	-
Clara Furse	163	-	145	-
Pilar García Ceballos-Zúñiga	116	-	102	-
Stephan Gemkow	93	-	48	-
Pierre-Henri Gourgeon	116	-	113	-
Nicolas Huss	93	-	91	-
Peter Kuerpick	116	-	59	-
Francesco Loredan	116	-	113	-
Josep Piqué Camps	49	-	-	-
Marc Verspyck	-	-	53	-
David Webster	156	-	149	-
Total	1,561	2	1,422	2

As of December 31, 2019 and 2018, the Key Management personnel includes 9 and 8 members, respectively.

During the year ended December 31, 2019, the amounts accrued to the Key Management in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share-based payments amounted to €5,283 thousand, €361 thousand, €523 thousand and €5,324 thousand, respectively (€4,342 thousand, €283 thousand, €500 thousand and €4,890 thousand, respectively, during the year ended December 31, 2018).

Notes to the annual accounts (millions of euros)

Additionally, the amounts accrued to the Chief Executive Officer in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share-based payments amounted to €1,983 thousand, €91 thousand, €187 thousand and €2,985 thousand, respectively (€1,688 thousand, €46 thousand, €183 thousand and €3,084 thousand respectively for the year ended December 31, 2018).

19.4 Directors' information regarding situations of conflict of interests

As of December 31, 2019, neither any of the members of the Board of Directors nor any other person related to them, in accordance with the Spanish Capital Companies Act, have reported to the Board of Directors any direct or indirect conflicting situation with the interests of the Company.

19.5 Other information related to the Board of Directors and Key Management

As of December 31, 2019 and 2018, investment held by the members of the Board of Directors in the share capital of the Company, is as follows:

Board members	Shares	
	December 31, 2019	December 31, 2018
José Antonio Tazón García	205,000	255,000
Luis Maroto Camino	72,360	172,883
David Webster	1	1
Pierre-Henri Gourgeon	400	400
Total	277,761	428,284
Voting rights	0.06440%	0.09760%

The number of shares in the capital of the Company held by the members of the Key Management at December 31, 2019 is 294,216 shares. The number of shares in the capital of the Company held by the members of the Key Management at December 31, 2018 was 273,692 shares.

19.6 Financial structure

As mentioned in Note 1, the Company belongs to the Amadeus Group. Companies belonging to the Group, at December 31, 2019 and 2018, are detailed in the appendix attached to these annual accounts.

20. OTHER INFORMATION

20.1 Auditors' fees

The fees for the annual accounts auditing services in millions of euros and other services rendered by the auditor's firm Ernst and Young S.L for the 2019 period and the auditor's firm Deloitte, S.L for the 2018 period, and other firms related thereto, are as follows:

	Year 2019	Year 2018
Auditing	0.9	0.7
Other audit related services	0.3	0.2
Total auditing and related services	1.2	0.9
Tax advice	-	0.3
Other services	0.2	0.2
Total professional services	0.2	0.5
Total	1.4	1.4

20.2 Number of employees

The average number of employees and Board of Directors members of the Company during 2019 and 2018, is 1.012 and 976, respectively. Distribution by category and gender, is as follows:

	Year 2019		Year 2018	
	Female	Male	Female	Male
Board of Directors	2	11	2	9
Key Management and Vice Presidents	3	10	3	7
Directors	12	32	11	30
Managers	215	203	195	191
Disabled managers	1	-	1	-
Rest of personnel	300	215	304	215
Rest of disabled personnel	6	2	6	2

The number of employees and Board of Directors members of the Company as of December 31, 2019 and 2018, is 1,035 and 1,005, respectively. Distribution by category and gender, is as follows:

	December 31, 2019		December 31, 2018	
	Female	Male	Female	Male
Board of Directors	2	11	2	9
Key Management and Vice Presidents	3	9	3	8
Directors	12	32	12	30
Managers	223	218	207	195
Disabled managers	1	-	1	-
Rest of personnel	304	213	301	229
Rest of disabled personnel	5	2	6	2

Notes to the annual accounts (millions of euros)

20.3 Off–balance sheet commitments

At December 31, 2019 and 2018, the Company has guarantees issued to cover certain obligations entered into by Group companies and received from third parties, as per the following detail:

	December 31, 2019	December 31, 2018
Other guarantees and bank guarantees	25.1	28.6
Guarantees over office buildings and equipment	10.0	10.0
Bank guarantees on commercial contracts	1.4	1.3
Total	36.5	39.9

At December 31, 2019 and 2018 the guarantees undertaken by the Company, in the form of comfort letters, amount to €1.9 and €1.8 million, respectively.

21. ENVIRONMENTAL INFORMATION

Given its activity, the Company has no responsibilities, expenses, assets, liabilities or contingencies of an environmental nature that may have a significant impact on its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the current notes to the annual accounts.

22. SUBSEQUENT EVENTS

As of the date of issuance of the annual accounts no significant subsequent events have occurred after the reporting period which might affect the Company and that should be included in these notes to the annual accounts.

Notes to the annual accounts (millions of euros)

APPENDIX

The subsidiaries of the Company as of December 31, 2019 and 2018 are:

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Group companies							
Amadeus Airport IT Americas, Inc. (4)	Inc.	U.S.A.	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	Software development	100%	100%	21.04.15
Amadeus Airport IT GmbH	GmbH	Germany	Berghamer Str. 6 85435, Erding-Aufhasen.	Software development	100%	100%	11.06.12
Amadeus Albania sh.p.k	sh.p.k.	Albania	Bulevardi Deshmoret e Kombit, Tirana.	Distribution	100%	100%	15.04.16
Amadeus América S.A. (5)	Sociedad Anónima	Argentina	Ingeniero Enrique Butty 240, 4° piso. C.A.B.A. CP 1001AFB.	Regional support	100%	100%	28.04.00
Amadeus Americas, Inc.	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Regional support	100%	100%	17.04.95
Amadeus Argentina S.A.	Sociedad Anónima	Argentina	Ingeniero Enrique Butty 240, 4° piso. C.A.B.A. CP 1001AFB.	Distribution	95.50%	95.50%	06.10.97
Amadeus Asia Limited	Limited	Thailand	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Regional support	100%	100%	24.11.95
Amadeus Austria Marketing GmbH	GmbH	Austria	Dresdnerstrasse 91/C1/4, 1200 Wien.	Distribution	100%	100%	13.02.88
Amadeus Benelux N.V.	N.V.	Belgium	Medialaan, 30. Vilvoorde 1800.	Distribution	100%	100%	11.07.89

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	Anonim Şirketi	Turkey	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Software development	100%	100%	03.04.13
Amadeus Bolivia S.R.L.	S.R.L.	Bolivia	Equipetrol Norte. Calle J. Edificio "Rolea Center" Piso 1. Oficinas E&D. Santa Cruz.	Distribution	100%	100%	14.03.02
Amadeus Bosna d.o.o. za marketing Sarajevo	d.o.o.	Bosnia and Herzegovina	Midhat Karic Mitke 1, 71000 Sarajevo.	Distribution	100%	100%	01.06.01
Amadeus Brasil Ltda.	Limited	Brasil	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Distribution	83.51%	83.51%	30.06.99
Amadeus Bulgaria EOOD	Limited	Bulgaria	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Distribution	55.01%	55.01%	17.11.98
Amadeus Capital Markets, S.A., Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Financial activities	100%	100%	28.04.08
Amadeus Central and West Africa S.A.	S. A.	Ivory Coast	7, Avenue Nogues 08 BPV 228 Abidjan 01.	Distribution	100%	100%	03.10.01
Amadeus Content Sourcing, S.A., Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Intermediation	100%	100%	11.06.14
Amadeus Corporate Business, AG	AG	Germany	Berghamer Strasse 6. D-85435. Erding. Munich.	Holding of shares	100%	100%	01.04.14

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Customer Center Americas S.A.	Sociedad Anónima	Costa Rica	Oficentro La Virgen II.Torre Prisma, Piso 5, Pavas, San José.	Regional support	100%	100%	29.06.09
Amadeus Czech Republic and Slovakia s.r.o.	s.r.o.	Czech Rep	Meteor Centre Office Park Sokolovská 100 / 94 Praha 8 - Karlin 186 00.	Distribution	100%	100%	19.09.97
Amadeus Data Processing GmbH (6)	GmbH	Germany	Berghamer Strasse 6. D-85435. Erding. Munich.	Data processing	100%	100%	15.04.88
Amadeus Denmark A/S (7)	A/S	Denmark	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Distribution	100%	100%	31.08.02
Amadeus Eesti AS	AS	Estonia	Tuukri 19. 10152 Tallinn.	Distribution	100%	100%	27.12.13
Amadeus Finance B.V.	B.V.	The Netherlands	De Entrée 99, 1101 HE Amsterdam.	Financial activities	100%	100%	23.10.14
Amadeus France, S.A.	S.A.	France	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	Distribution	100%	100%	27.04.98
Amadeus GDS LLP	LLP	Kazakhstan	48, Auezov Str., 4th floor, 050008, Almaty.	Distribution	100%	100%	08.01.02
Amadeus GDS (Malaysia) Sdn. Bhd.	Sdn. Bhd.	Malaysia	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Distribution	100%	100%	02.10.98
Amadeus GDS Singapore Pte. Ltd.	Pte. Ltd.	Singapore	1 Wallich Street #27-00 Guoco Tower, Singapore 078881.	Distribution	100%	100%	25.02.98

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Germany GmbH	GmbH	Germany	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Distribution	100%	100%	07.08.99
AMADEUSGLOBAL Ecuador S.A.	Sociedad Anónima	Ecuador	República del Salvador N35-126 y Portugal, Edificio Zanté; piso 2 oficina 206, Quito.	Distribution	100%	100%	12.01.96
Amadeus Global Operations Americas, Inc. (4)	Inc.	U.S.A.	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	Data processing	100%	100%	10.02.15
Amadeus Global Travel Distribution Ltd.	Limited	Kenya	P.O. Box 6680-00100, 14, Riverside off Riverside Drive, Grosvenor suite 4A, 4th Floor, Nairobi.	Distribution	100%	100%	03.07.03
Amadeus Global Travel Israel Ltd.	Limited	Israel	14 Ben Yehuda St. 61264, Tel Aviv.	Distribution	100%	100%	23.03.00
Amadeus GTD (Malta) Limited	Limited	Malta	Birkirkara Road. San Gwann. SGN 08.	Distribution	100%	100%	17.02.04
Amadeus GTD Southern Africa Pty. Ltd.	Pty. Limited	South Africa	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	Distribution	100%	100%	01.01.03
Amadeus Hellas Electronic Travel Information Services Societe Anonyme	S.A.	Greece	Sygrou Ave. 157. 17121 N. Smyrni – Athens.	Distribution	100%	100%	02.02.93
Amadeus Honduras, S.A. (4)	Sociedad Anónima	Honduras	Edificio El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel - Local B. Av. Circunvalación. San Pedro Sula.	Distribution	100%	100%	17.03.98

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Hong Kong Ltd.	Limited	China	3/F, Henley Building nº 5 Queen's Road. Central Hong Kong.	Distribution	100%	100%	21.08.03
Amadeus Hospitality Americas, Inc. (4)	Inc.	U.S.A.	75 New Hampshire Ave, Portsmouth NH 03801.	Distribution and Software development	100%	100%	05.02.14
Amadeus Hospitality Asia Pacific Pte. Ltd. (4)	Limited	Singapore	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Distribution and Software development	100%	100%	05.02.14
Amadeus Hospitality Netherlands B.V.	B.V.	The Netherlands	Chasséveld 15-G 4811 DH Breda.	Distribution and Software development	100%	100%	21.07.15
Amadeus Hospitality UK Limited (4)	Limited	U.K.	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	Distribution and Software development	100%	100%	05.02.14
Amadeus Information Technology LLC	Limited Liability	Russia	M. Golovin line 5, 2nd floor 107045, Moscow.	Distribution	100%	100%	28.03.08
Amadeus Integrated Solutions Pty Ltd.	Limited	South Africa	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	Distribution	100%	100%	30.08.11
Amadeus IT Group Colombia S.A.S.	Limitada	Colombia	Carrera 11 No. 84 - 09 6° piso Edificio Torre Amadeus, Bogotá.	Distribution	100%	100%	25.07.02
Amadeus IT Pacific Pty. Ltd.	Pty. Limited	Australia	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Distribution	100%	100%	18.11.97

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus IT Services UK Limited	Limited	U.K.	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	Distribution and Software development	100%	100%	13.07.88
Amadeus Italia S.p.A.	Societá per Azioni	Italy	Via Morimondo, 26. 20143 Milano.	Distribution	100%	100%	18.12.92
Amadeus Japan K.K.	K.K.	Japan	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Distribution	100%	100%	01.01.05
Amadeus Korea, Ltd	Limited	Republic of Korea	Kyobo Securities Building-Youldo 10F. Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	Software development and software definition	100%	100%	14.11.11
Amadeus Lebanon S.A.R.L.	S.A.R.L.	Lebanon	Gefinor Centre P.O. Box 113-5693 Beirut.	Distribution	100%	100%	07.05.09
Amadeus Leisure IT GmbH	GmbH	Germany	Carlo-Schmid-Straße 12 52146 Würselen/ Aachen.	Software development	100%	100%	27.09.06
Amadeus Macedonia DOOEL Skopje	d.o.o.	Macedonia	Gradski Zid, Blok 4/8, 1000 Skopje.	Distribution	100%	100%	15.04.16
Amadeus Magyaroszag Kft	Korlatolf Felelossegu Tarsasag	Hungary	1075 Budapest. Madách Imre út 13-14. Budapest.	Distribution	100%	100%	13.10.93
Amadeus Marketing (Ghana) Ltd.	Limited	Ghana	12 Quarcoo Lane, West Airport Residential Area, Accra.	Distribution	100%	100%	14.11.00
Amadeus Marketing Ireland Ltd.	Limited	Ireland	65 Charlemont Street Dublin 2.	Distribution	100%	100%	20.06.01
Amadeus Marketing Nigeria Ltd.	Limited	Nigeria	26, Ladipo Bateye Street, G.R.A., Ikeja, Lagos.	Distribution	100%	100%	18.05.01

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Marketing Phils Inc.	Inc.	Philippines	36th Floor, LKG Tower Ayala Avenue, Makati City.	Distribution	100%	100%	09.06.97
Amadeus Marketing Romania S.R.L.	S.R.L.	Romania	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Distribution	100%	100%	22.01.03
Amadeus Marketing (Schweiz) A.G.	A.G.	Switzerland	Pfingstweidstrasse 60. Zurich CH 8005.	Distribution	100%	100%	14.06.94
Amadeus México, S.A. de C.V. (8)	Sociedad Anónima	Mexico	Pº de la Reforma nº 265, Piso 11. Col. Cuauhtemoc 06500 México D.F.	Distribution	100%	100%	13.02.95
Amadeus North America Inc. (4)	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Distribution	100%	100%	28.04.95
Amadeus Norway AS (7)	AS	Norway	Post boks 6645, St Olavs Plass, NO-0129 Oslo.	Distribution	100%	100%	31.08.02
Amadeus Paraguay S.R.L.	S.R.L.	Paraguay	Luis Alberto de Herrera 195 esquina Fulgencio Yegros. Edificio Inter Express - Piso 2, Oficina 202, Asunción.	Distribution	100%	100%	13.03.95
Amadeus Perú S.A.	Sociedad Anónima	Peru	Víctor Andrés Belaunde, 147. Edificio Real 5, Oficina 902. San Isidro, Lima.	Distribution	100%	100%	12.10.95
Amadeus Polska Sp. z o.o.	Sp. z o.o.	Poland	ul. Domaniewska 49, Warsaw 26-672.	Distribution	100%	100%	17.12.92
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	Anonim Şirketi	Turkey	Barbaros Plaza İş Merkezi. Dikilitaş Mah. Emirhan Cad. No:113 Kat:18 34349 Istanbul.	Distribution	100%	100%	11.05.94

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus S.A.S.	Société par Actions Simplifiée	France	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	Software development and software definition	100%	100%	02.05.88
Amadeus Scandinavia AB	Limited	Sweden	Hälsingegatan 49 6tr, Box 660 SE-113 84 Stockholm.	Distribution	100%	100%	31.08.02
Amadeus Services Ltd. (9)	Limited	U.K.	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	Software development	100%	100%	20.07.00
Amadeus Slovenija, d.o.o.	d.o.o.	Slovenia	Dunajska 122, 1000 Ljubljana.	Distribution	100%	100%	15.04.16
Amadeus Software Labs India Private Limited (10)	Limited	India	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	Software development and software definition	100%	100%	21.02.12
Amadeus Software Technology (Shanghai) CO., Ltd. (4)	Limited	China	1709 You You International Plaza, No.76 Pujian Road, Pudong New Area 200127 Shanghai.	Distribution and software development	100%	100%	05.02.14
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Edificio Iris, Ribera del Loira 4-6, 28042, Madrid.	Distribution	100%	100%	23.09.98
Amadeus Taiwan Co. Ltd.	Limited by shares	Taiwan	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Distribution	100%	100%	10.07.08
Amadeus Travel IMS, S.L.	S.L.	Spain	Paseo Isabel La Católica, 6, 50009, Zaragoza.	Software development	95%	95%	14.05.15

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Verwaltungs GmbH (6)	GmbH	Germany	Unterreut 6. 76135 Karlsruhe.	Holding of shares	-	100%	21.06.05
Amadeus Yemen Limited (9)	Limited	Yemen	Al-Zubairi Street. Aman Tower Building – 6th Floor. Sana'a.	Distribution	100%	100%	31.10.08
Argo IT Tecnologia S.A. (11)	Sociedad Anónima	Brasil	Rua do Paraiso, No. 148, planta 13, Sao Paulo, Estado de Sao Paulo.	Computer consulting	70%	70%	24.10.18
Bratys Development Srl (4)	Srl	Romania	3 Zarii Street, 5th District Bucharest.	Information technology	100%	100%	04.10.18
Content Hellas Electronic Tourism Services S.A.	Limited Liability Company	Greece	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Distribution	100%	100%	14.09.09
Digital Alchemy, LLC. (4)	LLC.	U.S.A.	8721 Airport Freeway Suite 200, N. Richland Hills, Texas.	Data processing and Information technology	100%	100%	04.10.18
Enterprise Amadeus Ukraine	Limited Liability Company	Ukraine	Podil Plaza business center 30, Spasska street. 04070 Kyiv.	Distribution	100%	100%	22.10.04
ICM Airport Technics Australia Pty. Ltd. (12)	Pty. Ltd.	Australia	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Installation of industrial machinery and equipment	100%	-	31.05.19
ICM Airport Technics LLC. (12)	LLC.	U.S.A.	4001 Kennett Pike, Suite 302, DE 19807, Wilmington.	Installation of industrial machinery and equipment	100%	-	31.05.19

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
ICM Airport Technics Singapore Pte. Ltd. (12)	Limited	Singapore	80 Airport Boulevard, #04-21, Changi Airport Terminal 1, 819642, Singapore.	Installation of industrial machinery and equipment	100%	-	31.05.19
ICM Airport Technics UK Ltd. (12)	Limited	U.K.	Aruna House, 2 Kings Road, Haslemere, Surrey, GU27 2QA, United Kingdom.	Installation of industrial machinery and equipment	100%	-	31.05.19
ICM Australia Holdings Ltd. (12)	Ltd.	Australia	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Holding of shares	100%	-	31.05.19
ICM Group Holdings Limited	Limited	China	15 Queen's Road Central, Edinburgh Tower, 21st floor, The Landmark, Hong Kong.	Holding of shares	100%	-	31.05.19
i:FAO AG (13)	AG	Germany	Clemensstrasse 9 60487, Frankfurt am Main.	Holding of shares	90.02%	90.02%	25.06.14
i:FAO Bulgaria EOOD (13)	EOOD	Bulgaria	Antim Tower, Level 15, 2 Kukush Street, 1309 Sofia.	Software development	90.02%	90.02%	25.06.14
i:FAO Group GmbH (13)	GmbH	Germany	Clemensstrasse 9, 60487 Frankfurt am Main.	Distribution and Software development	90.02%	90.02%	25.06.14
Latinoamérica Soluciones Tecnológicas SPA (14)	SPA	Chile	Isidora Goyenechea 2939 P/10, Las Condes, Santiago de Chile.	Distribution	100%	100%	21.02.14
Navitaire LLC.	LLC.	U.S.A.	333 South Seventh Street Suite 1800, 55402 Minneapolis.	Software development	100%	100%	26.01.16

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Navitaire Philippines Inc.	Inc.	Philippines	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila.	Software development	100%	100%	26.01.16
NMTI Holdings, Inc. (4)	Inc.	U.S.A.	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	Holding of shares	100%	100%	05.02.14
Private Enterprise "Content Ukraine" (15)	Limited Liability Company	Ukraine	Podil Plaza business center 30, Spasska street. 04070 Kyiv.	Distribution	100%	100%	23.08.06
PT Amadeus Technology Indonesia (16)	Limited Liability Company	Indonesia	UOB Plaza Floor 39, Unit 2, Jl. M.H. Thamrin No. 10, Jakarta 10230.	Distribution	100%	100%	23.02.17
Pyton Communication Services B.V.	B.V.	The Netherlands	Building Videolab. Torenallee 20. 5617 BC Eindhoven.	Distribution and Software development	100%	100%	30.06.98
Pyton Communication Services Deutschland GmbH (17)	GmbH	Germany	Kölner Straße 7A D - 51789 Lindlar.	Software development	100%	100%	21.08.15
SIA Amadeus Latvija	SIA	Latvia	8 Audeju Street, LV-1050 Riga.	Distribution	100%	100%	31.08.02
Sistemas de Distribución Amadeus Chile, S.A.	Sociedad Anónima	Chile	Marchant Pereira No 221, piso 11. Comuna de Providencia, Santiago de Chile.	Distribution	100%	100%	06.05.08

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Sistemas de Reservaciones CRS de Venezuela, C.A.	C.A.	Venezuela	Av. Francisco de Miranda, Edif. Parque Cristal, Torre Este, Piso 3, Ofic 3 - 7A, Urb. Los Palos Grandes, Cod. Postal 1060, Caracas.	Distribution	100%	100%	14.11.95
The Rubicon Group, LLC. (4)	LLC.	U.S.A.	101 Marietta Street, Suite 3525, Atlanta GA 30303.	Information technology	100%	100%	04.10.18
Travel Audience, GmbH (18)	GmbH	Germany	Elsenstraße 106 12435 Berlin.	E-Commerce	100%	100%	23.11.11
TravelClick Asia Pty (4)	Pty.	Australia	291 Coventry Street. Melbourne, Australia 3205.	Distribution	100%	100%	04.10.18
TravelClick Canada (4)	Inc.	Canada	1306 Wellington Street West Suite 300 & 500 Otawa, Ontario K1Y 4R1.	Distribution	100%	100%	04.10.18
TravelClick Europe, S.L. (4)	Sociedad Limitada	Spain	Via Augusta, 117. Barcelona, 08006.	Distribution	100%	100%	04.10.18
TravelClick France, Eurl. (4)	Eurl.	France	12 Rue de la Chaussee D'Antin 75009, Paris.	Distribution	100%	100%	04.10.18
TravelClick, Inc. (4)	Inc.	U.S.A.	55 W 46th St 27th floor. New York, NY 10036.	Distribution and Software development	100%	100%	04.10.18
TravelClick Singapore Pte. Ltd (4)	Limited	Singapore	8 Kallang Avenue #12-05, APERIA Tower 1 Singapore 339509.	Distribution	100%	100%	04.10.18
UAB Amadeus Lietuva	UAB	Lithuania	Olimpieciu 1A-9B, LT-09200, Vilnius.	Distribution	100%	100%	31.08.02
UFIS Airport Solutions AS (19)	AS	Norway	Cort Adelers gate 17, 0254 Oslo.	Holding of shares	-	100%	24.01.14

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
UFIS Airport Solutions Holding Ltd. (20) (21)	Limited	Thailand	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Holding of shares	49%	49%	24.01.14
UFIS Airport Solutions (Thailand) Ltd. (20) (22)	Limited	Thailand	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Software development	74%	74%	24.01.14
UFIS Airport Solutions Pte. Ltd. (19) (23)	Limited	Singapore	300 Beach Road #14-06, The Concourse, Singapore 199555.	Software development	-	100%	24.01.14
Vedaleon Technologies Pty. Ltd. (12)	Pty. Ltd.	Australia	4 Rayville Avenue, Torquay VIC 3228, Australia.	Software development	100%	-	31.05.19
Videopolis, S.A.S. (4)	Société par Actions Simplifiée	France	8 place du Marché, Neuilly Sur Seine, 92200.	Information technology and Distribution	100%	100%	04.10.18
Videopolis.com, S.A. (4)	Société par Actions	Belgium	Avenue Louise 523, 1050 Bruxelles.	Information technology	100%	100%	04.10.18
Zdirect, Inc. (4)	Inc.	U.S.A.	4712 Oleander Drive Myrtle Beach SC 29577.	Information technology	100%	100%	04.10.18
Zdirect.Biz Canada, Inc. (4)	Inc.	Canada	6 Hamilton Avenue North, Suite 206, K1Y 4R1 Ottawa, ON.	Software development and Information technology	100%	100%	04.10.18

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Joint ventures and associates							
Amadeus Algerie S.A.R.L.	S.A.R.L.	Algeria	06, Rue Ahcéne Outaleb "les Mimosas" Ben Aknoun.	Distribution	40%	40%	27.08.02
Amadeus Egypt Computerized Reservation Services S.A.E. (24)	S.A.E.	Egypt	Units 81/82/83 Tower A2 at Citystars. Cairo.	Distribution	100%	100%	28.03.05
Amadeus Gulf L.L.C.	Limited Liability Company	United Arab Emirates	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	Distribution	49%	49%	27.12.03
Amadeus Libya Technical Services JV	Limited Liability Company	Libya	Abu Kmayshah ST. Alnofleen Area. Tripoli.	Distribution	25%	25%	08.10.09
Amadeus Maroc S.A.S.	S.A.S.	Morocco	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Distribution	30%	30%	30.06.98
Amadeus Qatar W.L.L.	W.L.L.	Qatar	Al Darwish Engineering W.W.L. Building nº 94 "D" Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Distribution	40%	40%	03.07.01
Amadeus Saudi Arabia Limited (24) (25)	Limited	Saudi Arabia	3rd Floor, Diner's Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Distribution	100%	100%	06.05.04

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Sudani co. Ltd.	Limited	Sudan	Street 3, House 7, Amarat. Khartoum 11106.	Distribution	40%	40%	21.09.02
Amadeus Syria Limited Liability (24)	Limited	Syria	Shakeeb Arslan Street Diab Building, Ground Floor. Abu Roumaneh, Damascus.	Distribution	100%	100%	04.12.08
Amadeus Tunisie S.A.	Société Anonyme	Tunisia	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Distribution	30%	30%	06.09.99
Jordanian National Touristic Marketing Private Shareholding Company	Limited	Jordan	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Amman.	Distribution	50%	50%	19.05.04
Qivive GmbH (9) (26)	GmbH	Germany	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Information technology	33.33%	33.33%	26.02.03
Refundit Ltd.	Limited	Israel	30ª Gruner Dov. Street, Tel Aviv-Yaffo, 694827 Israel.	Software Development	20%	-	19.09.19

(1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
(2) Unless otherwise stated, all share percentages are direct.
(3) In the case of various investments or capital increases, the date of acquisition or creation refers to the first one.
(4) The share percentage in these companies is held through Amadeus Americas, Inc.
(5) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(6) On August 28, 2019, with retroactive effect since January 1, 2019, the companies Amadeus Verwaltungs GmbH and Amadeus Data Processing GmbH were merged. The resulting company was named Amadeus Data Processing GmbH.
(7) The share percentage in these companies is held through Amadeus Scandinavia AB.
(8) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(9) These companies are in the process of being liquidated.
(10) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
(11) The share percentage in this company is held through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(12) The share percentage in these companies is held through ICM Group Holdings Limited.
(13) The share percentage in these companies is held through Amadeus Corporate Business, AG.
(14) The share percentage in this company is held through Sistemas de Distribución Amadeus Chile, S.A.
(15) The share percentage in this company is held through Enterprise Amadeus Ukraine.
(16) The share percentage in this company is 99% direct and 1% indirect, through Amadeus Asia Limited.
(17) The share percentage in this company is held through Pyton Communication Services B.V.
(18) The share percentage in these companies is held through Amadeus Leisure IT GmbH.
(19) This company has been liquidated during 2019.
(20) The control of these companies is held through Amadeus Asia Limited.
(21) The Company controls 79.35% of the voting rights of this company.
(22) The share percentage in this company is 49% indirect, through Amadeus Asia Limited and 25% indirect, through UFIS Airport Solutions Holding Ltd. The Group controls 89.47% of the voting rights of this company.
(23) The share percentage in this company was held through UFIS Airport Solutions AS.
(24) Although the share percentage in this company is 100%, the Company has no control over them as there are some Board members named by airlines with veto rights for some relevant decisions, which prevent having control. There are no restrictions for transferring funds.
(25) The share percentage in this company is 95% direct and 5% indirect, through Pyton Communication Services, B.V.
(26) The share percentage in this company is held through Amadeus Germany GmbH.

Amadeus IT Group, S.A.

Directors' Report for the year ended December 31, 2019

amadeus

DIRECTORS'REPORT OF AMADEUS IT GROUP, S.A.

Given the structure and operative processes of Amadeus Group, the Management considers that the Group Directors' Report shows a more adequate overview of the Group activity than the standalone financial information of Amadeus IT Group, S.A. The aforementioned report is part of the consolidated annual accounts.

1. INTRODUCTION

The management team continued its focus on strengthening the value proposition for our clients. On one side, securing the most comprehensive content for our travel agency subscribers and on the other, widening our global reach via market share gains and building our product portfolio and functionalities, both in the distribution and the IT solutions businesses. We continue to invest in order to maintain our technology leadership position and our competitive edge and aim to strengthen our leadership position in all of our businesses whilst expanding our reach, particularly in our new initiatives in the IT solutions businesses.

The following are some selected business highlights for 2019:

1.1 Air distribution

- During 2019, we signed 47 new contracts or renewals of content agreements with airlines, including, easyJet and the low-cost carrier Thai Lion Air. Subscribers to Amadeus' inventory can access more than 110 low cost carriers (LCCs) and hybrid carriers' content worldwide.
- In August, Southwest announced a distribution agreement as a result of which travel managers and travel management companies will be able to book, change, and modify reservations through the Amadeus Travel Platform. This agreement further builds on our relationship with the carrier following its migration to Altéa in 2017.
- In April, we announced that FCM Travel Solutions, the flagship global business travel division of Flight Centre Travel Group, would start using the new NDC-enabled Amadeus Selling Platform Connect interface, and will make NDC bookings through it. In July we launched Amadeus Travel API, an NDC-enabled solution providing travel agencies worldwide access to new airline content and fares via an NDC connectivity. Travel agencies including Travix, AERTiCKET, American Express Global Business Travel, BCD Travel, House of Travel and integrated tourism group TUI are early adopters of this new API.
- In August, we deepened our partnership with United Airlines by developing, testing and bringing to market new content offerings, such as United Airlines' new Corporate Bundles and Dynamic Bundled Fares. That month, we also announced that American Express Global Business Travel and American Airlines, both partners of our NDC [X] program, had processed live bookings using American's NDC-enabled content through the new Amadeus Travel API. Lastly, in October we announced that Amadeus Selling Platform Connect now allows travel sellers to shop, order, pay and service airline travel offers via an NDC connectivity.
- The trend towards increased personalization remains strong within the travel industry, as travelers demand more tailored offers and services. Our merchandizing solutions for the travel agency channel are one of the options we offer our customers to meet this demand. During 2019, 24 airlines had signed up for Amadeus Fare Families (of which 11 have implemented the solution) and 10 had contracted Amadeus Airline Ancillary Services (of which 8 have implemented it, including Shanghai Airlines in the fouth quarter of 2019).

1.2 IT Solutions

1.2.1 Airline IT

- At the close of 2019, 216 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 208 had implemented them.
- Etihad Airways contracted Altéa Departure Control System Flight Management during the first quarter of 2019 to improve productivity, better manage capacity and reduce costs. In July, Azerbaijan Airlines signed for the full Altéa suite and also for Revenue Management solutions. Also that month, Bangkok Airways migrated to Altéa. The carrier implemented the Reservation, Inventory, Ticketing and Departure Control modules.
- We have renewed and expanded our longstanding technology partnership with the Lufthansa Group (LHG). Through this agreement, Lufthansa, Austrian Airlines, Brussels Airlines, Swiss International Air Lines and Air Dolomiti will continue to rely on the Altéa Passenger Service System. Eurowings will continue to rely on New Skies. In addition to the renewed solutions, LHG has contracted an array of new services which are set to transform the way the airline group serves its customers — both online and at the airport – including shopping solutions, Amadeus Instant Search (that improves the returns of the airline's Search Optimisation Engine (SEO) to convert more" lookers" into " bookers"), Real-time Ticketing Feed, Amadeus Sales Watcher and Amadeus Airport Companion App (to increase flexibility while dealing with disruption at the airport).
- Our upselling and crosselling efforts continued. In April, All Nipon Airways (ANA) announced that it had implemented Amadeus Airline Cloud Availability. The carrier is now able to boost customer conversion because its offers are consistent across all sales channels, while having a cost-effective way to distribute content dynamically.
- Also in April, Qatar Airways signed up for additional functionality to improve its revenue optimization: Amadeus Altéa Revenue Availability with Active Valuation (RAAV) and Amadeus Altéa Booking Intelligence. In May, LATAM Airlines Group signed a multi-year agreement to implement two components of the Amadeus Sky Suite by Optym: SkyMAX and SkySYM, enabling LATAM to optimize their flight schedules. During the last quarter, Norwegian signed up for Amadeus Passenger Recovery.

1.2.2 Hospitality

- We continued expanding our portfolio of customers in this segment. American hotel chain Coast Hotels contracted Travelclick's iHotelier and business intelligence solutions, which will be implemented across its almost 40 properties.
- During the last part of the year, World Trade Center Boston & Seaport Hotel and the Australian chain Crown hotels and its 7 properties renewed their contract and implemented the most advanced version of our Amadeus Sales & Event Management solution. This solution helps hotels deliver exciting, engaging events, underpinned by excellent customer services and operational efficiency. Welk Resorts Group opted for Single Media Agency for 3 of its properties.
- In September, we expanded our strategic alliance with Marriott International. The company will recommend its more than 7,000 properties across 132 countries and territories to use TravelClick's Travel Agent GDS Advertising, Agency360 and Rate360 to drive additional revenue and improve profitability.
- We also continue enhancing our hotel content offering through the Amadeus system. In April, we announced a landmark partnership with Booking.com. Through this agreement, Booking.com's content will now be available on the Amadeus Travel Platform, and travel sellers will directly benefit from an increase of 30% in the accommodation options made available through Amadeus. Travel sellers will be able to access the new content in the coming months through multiple points of sale including Amadeus Selling Platform Connect and, for corporate bookers, through Amadeus cytric Travel & Expense.

_ Additionally, we partnered with Agoda, one of the world's fastest growing online travel agents, to extend our hospitality content offer. Now, all of Agoda's pre-paid hotel content, a total of 150,000 properties, will be available to travel agents through Amadeus at the same price as Agoda's website.

1.2.3 Airport IT

_ In 2019, we had important milestones in our Airport IT business. Skyserv, Greece's leading independent ground handler, contracted and implemented Altéa Departure Control System for Ground Handlers for its 37 airports. Following the implementation, Skyserv is now able to manage load control operations centrally from a single location, allowing greater efficiency and ensuring more punctuality and a better experience for travelers.

_ We also grew our footprint in the United States last year, with several customers signing up for Amadeus Extended Airline System Environment (EASE), including Eagle County Airport (Colorado), Kelowna International Airport (Canada), South Bend International Airport (Indiana), Santa Barbara Airport (California) and Daytona International Airport (Florida).

_ Our upselling efforts in this segment also continued. In December, Perth Airport, a customer of Amadeus' ACUS since 2015, signed up for ICM's Hybrid Auto Bag Drop units and check-in kiosks, along with ICM's common use self-service platform. The hybrid functionality means passengers can check-in and drop their bags independently, or the same units can be switched to full-service mode and staffed for conventional check-in. The airport will also implement Amadeus Passenger Verification.

_ In June, we completed the acquisition of ICM Airport Technics. 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.

1.2.4 Rail

_ In March, Ctrip and Amadeus announced a new distribution agreement through which Ctrip customers from anywhere in the world will be able to book and pay for tickets from Renfe, the Spanish rail operator, in their own language and currency.

_ Also in March, Deutsche Bahn unveiled its new booking engine, developed in partnership with Amadeus, to enable passengers to book rail journeys across Europe in one place. Thanks to this new engine, Deustche Bahn's customers can now buy cross border trips outside of Germany on bahn.de, bahn.com and via our mobile app DB Navigator.

1.2.5 Payments

_ In May, we launched Amadeus B2B Wallet Partner Pay in partnership with Elavon and Mastercard. This new solution allows agencies to pay using an airline branded virtual card, reducing the cost of payments by up to 70% compared to existing methods. Thai Airways and Swedish travel agency Select Travel were the pilot customers.

_ In June, Ypsilon, one of the largest aggregators of low cost carriers (LCC) content, integrated Amadeus' B2B Wallet Solution within its booking platform to simplify agent payments to LCC. By integrating Amadeus' B2B Wallet solution, agents can now automatically generate a virtual card quickly and simply within the Ypsilon booking flow. Each virtual card is unique to each individual booking making reconciliation simple whilst reducing fraud.

1.3 Other announcements

- In October, Sylvain Roy was appointed new Head of Technology, Platforms & Engineering (TPE), replacing Dietmar Fauser. In his new role, Sylvain will be responsible for delivering consistently stable and reliable platforms across all of Amadeus' businesses, with a strong focus on continuing to automate operations and drive innovation within Amadeus' cloud-based architecture. Sylvain has joined Amadeus' Executive Committee.
- In December, Amadeus was once more recognized as a key R&D investor within Europe. According to the European Commission 2018 Industrial R&D scorecard, Amadeus is the leading investor in R&D within the travel sector in Europe, and second in the software industry.

2. ECONOMIC RESULTS

2.1 Results of operations

2.1.1 Operating revenue

Trade revenue for the year ended December 31, 2019 was €4,737.7 million, while for the same twelve-month period ended December 31, 2017 was €4,515.5 million, which represents an increase of 4.9%.

The Company's revenue comes mainly from the distribution and IT solutions areas.

Revenue from the Distribution area was €2,861.6 million for the year ended December 31, 2019 which represents a 60.4% of the total trade revenue. The amount of this kind of revenue registered in the same twelve-month period ended December 31, 2018 amounted to €3,272.5 million, with a decrease of 12.6%.

Revenue from the IT Solutions area was €1,876.1 million for the year ended December 31, 2019 which represents a 39.6% of the total trade revenue. The amount of this kind of revenue registered in the same twelve-month period ended December 31, 2018 amounted to €1,243.0 million, with an increase of 50.9%.

The total air travel agency bookings net of cancellations registered in the year ended December 31, 2019 was 580.4 versus 580.2 million bookings registered the same twelve-month period ended December 31, 2018, with a variation of 0.0%

2.1.2 Operating expenses

Operating expenses for the year ended December 31, 2019 amounted to €4,441.9 million, while for the same twelve-month period ended December 31, 2018 were €4,251.2 million, which represents an increase of 4.5%.

The most significant amounts are the distribution fees distribution, product development, data processing, communications and administration expenses. During the year ended December 31, 2019 these fees amounted to €3,921.2 million, whereas for the same period ended December 31, 2018 were €3,745.3 million, registering an increase of 4.7%.

Operating expenses, other than the ones mentioned above, include mainly the following concepts:

- Personnel expenses (salaries and social costs), that for the year ended December 31, 2019 amounted to €127.4 million, whereas for the same twelve-month period ended December 31, 2018 amounted to €116.5 million, registering an increase of 9.4%.
- Amortization expenses, which passed from €279.5 million for the year ended December 31, 2018 to €303.2 million for the year ended December 31, 2019, registering an increase of 8.5%.
- External services expenses, which include, among others, general and administrative expenses, central activities of publicity, public relations and conventions, as well as consultancy services. External services expenses for the year ended December 31, 2019 amounted to €68.8 million whereas for the same twelve-month period ended December 31, 2018 were €98.6 million, registering a decrease of 30.2%.

2.1.3 Operating profits and net results

Operating profit increased from €430.7 million for the twelve-month period ended December 31, 2018, to €446.5 million for the same period ended December 31, 2019, registering an increase of 3.7%.

Finally, during financial year ended December 31, 2019 the Company has registered a net profit after taxes amounting to €643.4 million, whereas for same twelve-month period ended December 31, 2018, the net profit after taxes amounted to €608.4 million.

2.2 Headcount

From a year-end perspective, the Amadeus staff and Board of Directors members as at December 31, 2019 amounted to 1,035 FTEs, whereas for 2018 amounted to 1,005 FTEs. The average FTEs during 2019 amounted to 1,012, while for 2018 amounted to 976, registering an increase of 3.7%.

3. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

3.1 Foreign exchange rate risk

The Company uses the Euro as its functional currency. As a result of the multinational orientation of its business, the Company is subject to foreign exchange rate risk derived from the fluctuations of different currencies. The Company's exchange rate hedging strategy aims to protect the EUR value of cash flows denominated in foreign currency. The instruments used to achieve this goal depend on the currency in which the operating cash flow to be hedged is denominated:

- The strategy used to cover US Dollar (USD) exposures is based on the use of natural hedges and derivatives. This strategy aims at reducing the exposure created by the USD denominated net operating cash inflows of the Company with the USD payment of principal of the USD denominated debt and with derivatives. Although as of December 31, 2019, there is USD denominated debt with Group companies, this debt has not been designated as hedge instrument.
- Aside from the USD, the main foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned short exposures, the Company enters into derivative contracts with financial entities, basically currency forwards, currency options and combinations of currency options.

3.2 Interest rate risk

The objective of the Company in terms of interest rate risk management is to reduce the volatility of the net interest flows payable. At December 31, 2019 and 2018, approximately 65.1% and 71.2%, respectively, of the Company's borrowings were at fixed interest rate. Given the high proportion of fixed rate debt as of December 2019 and 2018, no interest rate hedges were hedging the outstanding debt as of these dates.

In 2019 there has been a reduction in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This decrease has been basically produced by the reduction on the amount of debt outstanding, basically due to maturities, and to the shorter average life of the outstanding debt.

In the case of the floating interest rate debt, the spread payable on this debt is fixed and therefore its fair value is sensitive to changes in the level of interest rates.

3.3 Treasury shares price evolution risk

The Company has three different remuneration schemes for managers and employees which are referenced to Company's shares: The Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the conditions of these plans, at their maturity, the beneficiaries will receive a number of shares, that for the plans granted, will depend on the achievement of certain performance conditions. The Company will use treasury shares to cover this remuneration schemes.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see Note 18.5) during 2020, 2021 and 2022.

The authorization was granted under the framework of a Share Buy-back Program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72.0 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

3.4 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.

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

The credit risk of Amadeus' customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date and mitigate the credit risk partially 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 our credit risk.

3.5 Liquidity risk

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

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

- A cash pooling agreement with most of the subsidiaries located in the Euro area.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

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

Additionally, the Company has access to a 'Revolving Credit Facility'. This facility has a notional of €1,000 million and can be used to cover working capital needs and general corporate purposes.

At December 31, 2019, this facility for a total amount of €1,000 million were fully unused.

3.6 Capital management

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

The Company bases its capital management decisions on the relationship between the earnings and free cash flows and its debt amount and debt service payments.

The credit rating granted by the agency Standard & Poor's Credit Market Service Europe Limited to the Company is 'BBB'. The credit rating granted to the Company by the agency Moody's Investors Service España, S.A. is 'Baa2', with stable outlook.

The Company considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

4. EXPECTED BUSINESS EVOLUTION

4.1 Macroeconomic environment

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the evolution of the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

This year, the Coronavirus outbreak in China will likely have an impact on global GDP and air traffic. It is too early to understand the duration and severity.

In January 2020, prior to the Coronavirus outbreak, the IMF updated its World Economic Outlook. Following the synchronized slowdown of economic growth seen in 2019, they estimate a slight recovery in 2020, with forecasted global economic growth of 3.3% (vs. 2.9% in 2019). However, they also caution this projected recovery is not worldwide and has risks.

- Growth in the advanced economies is projected to decline slightly (1.6% in 2020 vs. 1.7% in 2019), mainly driven by a slowdown expected in the United States (2.0% in 2020, vs. 2.3% in 2019), somewhat offset by an increase in the Euro Zone (1.3% in 2020 vs. 1.2% in 2019).
- This means all the projected recovery is expected to come from the emerging markets and developing economies, which are estimated to grow by 4.4% in 2020 (vs. 3.7% in 2019). This is driven by recoveries or shallower recessions in stressed emerging markets, such as Turkey, Argentina, and Iran, and also by recoveries in countries where growth slowed significantly in 2019 such as Brazil, Mexico, India, Russia, and Saudi Arabia.

Despite the slight acceleration of world GDP expected in 2020, IATA forecast air traffic to grow at a similar rate than in 2019. IATA have forecasted an expansion of by 4.1%[1] in 2020 (vs. 4.2% in 2019). All regions are expected to perform positively: Africa (4.9%), Asia-Pacific (4.8%), Middle-East (2.5%), Latin America (4.3%), North America (3.8%) and Europe (3.8%).

[1] IATA Airline Industry Economic Performance - December 2019

4.2 Amadeus strategic priorities and expected business evolution in 2020

Amadeus is a leading technology provider for the travel industry. Amadeus has built commercial relationships with players across the industry, including airlines, travel agencies, hotels and airports, among others, and across the globe (with presence in more than 190 countries). Amadeus has invested consistently over the years to have a unique technology offering. Having market leading technology allows us to serve our customers better, to customize more efficiently and to continue innovating.

In Distribution, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In Airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs. Additionally, we expect growth to come from our new businesses, including Hospitality, Airport IT and Payments, as we further progress in each of them.

In 2020, we expect to continue evolving positively. In Distribution, we expect to maintain our leadership position, supported by our sustained investment in R&D and focus on innovation, global footprint, local market understanding and travel industry expertise.

In Airline IT, our PSS business will continue to expand as we implement our upcoming, contracted migrations, while also benefiting from the full-year impact of the 2019 customer implementations such as Air Canada. This is despite the full-year negative impact from several airline customers that ceased or suspended operations during 2019. Beyond the PSS business, we continue to invest on enhancing and expanding our solutions portfolio in order to sustain our upselling activity, with particular focus on the areas of merchandising, personalization, revenue optimization, digitalization, and disruption management.

In Hospitality, 2019 saw a solid performance, with a double-digit growth giving us a good foundation to deliver growth in the coming years. During 2020, we will continue to progress in seamlessly integrating our offering, to reap the synergies and address the opportunity we have to cross-sell across our technology stack, creating a hospitality leader that provides a broad range of innovative solutions to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2020, Amadeus will continue to invest in R&D to support long-term growth through new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which is to develop an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

Amadeus has a proven track record of operating a solid and resilient business model that results in consistent cash generation, allowing for sustained investment in R&D and innovation, as well as for shareholder remuneration, while maintaining a flexible capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 18% and we have complemented this with share repurchases.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development (R&D) is core to the company's strategy and key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Company is continuously investing in its systems, including the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The group has 16 development centers, including 3 regional centers and the central development sites in Nice and Bangalore.

During the year ended December 31, 2019, Amadeus expensed €396.7 million for R&D activities and capitalized €591.6 million (before deducting any incentives), which compares to €323.4 million and €573.0 million, respectively, in 2018.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers.

In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

6. TREASURY SHARES

On June 19, 2019, the Company has amortized 7,554,070 treasury shares, that were acquired during the year 2018 under the aforementioned Share Buy-back Program, agreed by the Board of Directors on December 14, 2017. These shares, including the transaction fees, were included in the 'Other current financial liabilities' caption as of December 31, 2018.

During 2019 and 2018, 48 and 896 shares have been exchanged, therefore, there are still 75,702 and 75,750 shares pending to be exchanged by the former minority shareholders of the Absorbed Company, respectively, as a consequence of the merger described in Note 2.5.

In accordance with the legislation in force and the announcement of the exchange ratio, the shares of the Absorbed Company not presented in the exchange before the deadline, will be substituted by shares of the Absorbing Company and will be deposited for a three years period starting from the day of the deposit's constitution, all aforementioned complies with the exchange ratio foreseen in the article 117 of the Royal Decree 1/2010, July 2, by which the wording of the Spanish Capital Companies Act is approved and should act as proceeds.

Additionally, the Company has used the treasury shares portfolio held at December 31, 2019 and 2018, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers, and also the other Group companies remuneration programs (Note 18.5). During 2019, the Company delivered 415,460 shares to cover the remuneration schemes aforementioned.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see Note 18.5) during 2020, 2021 and 2022.

The authorization was granted under the framework of a Share Buy-back Program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72.0 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

7. SUBSEQUENT EVENTS

As of the date of issuance of the annual accounts no significant subsequent events have occurred after the reporting period which might affect the Company.

8. NON-FINANCIAL INFORMATION

The non-financial information is included in the Consolidated Directors' Report, which is part of the consolidated annual accounts of Amadeus Group, in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the Commercial Registry of Madrid.

9. CORPORATE GOVERNANCE ANNUAL REPORT AND COMPLEMENTARY INFORMATION

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website www.cnmv.es.

BOARD OF DIRECTORS

Members of the Board of Director on the date when the annual accounts and the Directors' Report were prepared.

CHAIRMAN

José Antonio Tazón García

VICE-CHAIRMAN

Guillermo de la Dehesa Romero

EXECUTIVE DIRECTOR

Luis Maroto Camino

DIRECTORS

Clara Furse

David Webster

Francesco Loredan

Josep Piqué Camps

Nicolas Huss

Peter Kuerpick

Pierre-Henri Gourgeon

Pilar García Ceballos-Zúñiga

Stephan Gemkow

William Connelly

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2020

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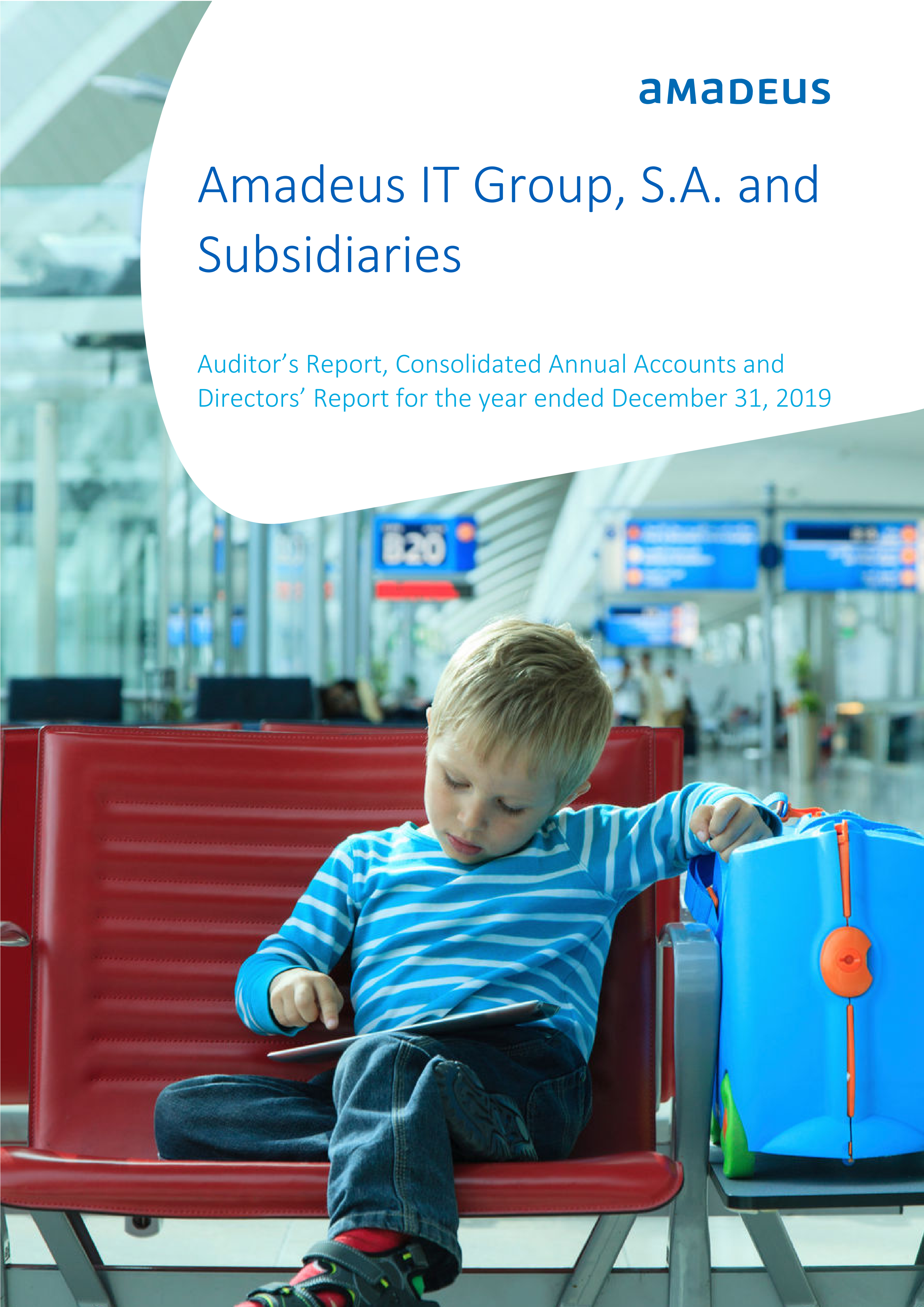
Amadeus IT Group, S.A. and Subsidiaries

Auditor's Report, Consolidated Annual Accounts and Directors' Report for the year ended December 31, 2019



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Amadeus IT Group, S.A. and Subsidiaries

Auditors' Report for the year ended December 31, 2019

Building a better
working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel.: 902 365 456
Fax.: 915 727 300
ey.com

AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of AMADEUS IT GROUP, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2019, the Consolidated statement of financial position, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the consolidated statement of cash flow, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2019 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Revenues from contracts with customers

Description

At year ended 2019, the Group has registered in the Consolidated statement of comprehensive income 5,570.1 million euros corresponding to Revenue from contracts with customers, which correspond to the recognition of travel bookings and sales and services of IT Solutions.

Revenues involve a high number of transactions and complex IT Systems are used. We have considered this matter a key audit matter due to the magnitude of the amounts recorded and its high dependence on IT environments. In particular, we have considered that revenues may contain errors because a relevant IT System may be improperly configured, so that the fees and revenues associated with them are incorrectly calculated; that there are losses of data in the process of transferring them from the operating systems to the financial information systems; or that unauthorized changes occur in the relevant systems.

The information related to the revenue recognition criteria is included in Note 4.2.8 of the attached annual accounts.

Our response

Our audit procedures include, among others, the following:

- Understanding of the processes established by Group Management related to the access to applications and data, as well as changes and developments in the relevant programs and systems related to revenue recognition, including the evaluation of the design, implementation and performance of the operating of the effectiveness of the relevant controls.
- Involvement of our IT specialists in carrying out tests on the relevant controls related to access to applications and data, as well as changes and developments in the relevant programs and IT Systems.
- Performing analytical procedures consisting of a review of the evolution of billing cycles, as well as an analysis of correlations between the associated accounts.
- Performing tests of detail on a sample of the transactions that have generated income in the year. In addition, we have verified that the price allocation process is carried out in accordance with the billing rules defined in the contracts.
- Identification and examination of significant manual entries in the revenue accounts.
- We assessed the adequacy of the disclosures included in the consolidated annual accounts of the year in accordance with the applicable financial information regulatory framework.

Capitalization and measurement of Technology and content

Description	At year ended 2019, the Company has registered under "Intangible assets" of the Consolidated statement of financial position, 2.843.1 million euros corresponding to Technology and content, included in Note 8 of the notes attached. Assets capitalizations requires management judgment to evaluate their measurement and recognition. Additionally, their recoverable value is conditioned by the existence of possible impairments, which depends on the result of complex estimates that require the application of criteria and assumptions by Group management. We have considered this matter a key audit matter because of the significance of the amounts and the inherent complexity in determining the key assumptions considered and the variation of the assumptions made in the estimation process. The information related to the criteria applied by Group Management and the main assumptions used in the determination of impairment of the assets corresponding to development costs are included in Note 4.2.3 of the attached consolidated annual accounts.
Our response	Our audit procedures include, among others, the following: ▶ Understanding of the processes established by Group Management related to the registration and evaluation of development expenses, including the evaluation of the design, implementation and performance of the operating of the effectiveness of the relevant controls ▶ Performing tests of detail on a sample of capitalized projects during the year. Through the information provided by Group management, the review of technical information and business plans related to the selected projects, we have verified whether the capitalized costs can be classified as capitalized expenses. Additionally, for a selection of costs, we have verified that they are activatable and that the amounts have been capitalized correctly verifying evidences such as invoices or personnel expenses incurred among others. ▶ Evaluated the main assumptions and methodology used by the Group to test the development costs for impairment. ▶ We assessed the adequacy of the disclosures included in the consolidated annual accounts of the year in accordance with the applicable financial information regulatory framework.

Other questions

On February 27, 2019 other auditors issued their audit report on the 2018 consolidated annual accounts, in which they expressed an unmodified opinion.

Other information: consolidated directors´ report

Other information refers exclusively to the 2019 consolidated directors´ report, the preparation of which is the responsibility of the Parent Company's Directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors´ report. Our responsibility for the information contained in the consolidated directors´ report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to the non-financial information statement, as well as certain information included in the Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the consolidated management report or where applicable, that the consolidated directors´ report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.

b. A general level applicable to the remaining information included in the consolidated directors´ report, which requires us to evaluate and report on the consistency of said information in the consolidated annual accounts, based on knowledge of the Group obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated directors´ report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the consolidated directors´ report, and that the remaining the information contained therein is consistent with that provided in the 2019 consolidated annual accounts and their content and presentation are in conformity with applicable regulations.

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

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 27, 2020.

Term of engagement

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

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

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

February 27, 2020

Amadeus IT Group, S.A. and Subsidiaries

Consolidated Annual Accounts for the year ended December 31, 2019

Consolidated statement of financial position (millions of euros)

ASSETS	Note	December 31, 2019	December 31, 2018
Goodwill	7	3,661.5	3,598.0
Patents, trademarks, licenses and others		330.6	338.3
Technology and content		2,843.1	2,710.7
Contractual relationships		1,014.1	1,044.8
Intangible assets	8	4,187.8	4,093.8
Land and buildings		68.6	71.3
Data processing hardware and software		251.7	253.6
Other property, plant and equipment		111.8	108.3
Property, plant and equipment	9	432.1	433.2
Right of use assets	10	336.4	351.2
Investments accounted for using the equity method	11	30.5	14.3
Other non-current financial assets	12	92.0	108.8
Non-current derivative financial assets	12 and 21	3.7	1.5
Deferred tax assets	22	37.4	19.9
Other non-current assets	14	176.6	138.3
Total non-current assets		8,958.0	8,759.0
Trade account receivables	12	529.5	498.2
Current income tax assets	22	61.2	43.5
Other current financial assets	12	11.3	10.0
Current derivative financial assets	12 and 21	9.3	7.5
Other current assets	14	267.8	249.3
Cash and cash equivalents	12 and 25	564.0	562.6
Total current assets		1,443.1	1,371.1
TOTAL ASSETS		10,401.1	10,130.1

Consolidated statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	December 31, 2019	December 31, 2018 Restated
Share Capital		4.3	4.4
Additional paid-in capital		141.5	634.4
Retained earnings and reserves		2,623.3	2,153.7
Treasury shares		(5.4)	(511.3)
Profit for the year attributable to owners of the parent		1,113.1	1,002.4
Unrealized gains / (losses) reserve		(94.3)	(107.9)
Equity attributable to owners of the parent		3,782.5	3,175.7
Non-controlling interests		14.6	16.0
Equity	16	3,797.1	3,191.7
Non-current provisions	18	26.8	29.5
Non-current debt	12 and 17	2,328.2	2,898.1
Non-current derivative financial liabilities	12 and 21	6.0	14.5
Other non-current financial liabilities	12	1.0	15.3
Deferred tax liabilities	22	751.1	759.0
Non-current contract liabilities	13	245.7	271.3
Non-current income tax liabilities	22	137.6	126.7
Other non-current liabilities	14	137.3	130.9
Total non-current liabilities		3,633.7	4,245.3
Current provisions	18	8.4	10.5
Current debt	12 and 17	1,245.5	986.9
Other current financial liabilities	12	11.1	8.5
Dividend payable	3, 12 and 16	241.4	219.6
Current derivative financial liabilities	12 and 21	28.1	19.3
Trade accounts payables	12	801.2	846.2
Current income tax liabilities	22	47.2	41.7
Current contract liabilities	13	238.6	221.5
Other current liabilities	14	348.8	338.9
Total current liabilities		2,970.3	2,693.1
TOTAL EQUITY AND LIABILITIES		10,401.1	10,130.1

Consolidated statement of comprehensive income (millions of euros)

Continuing operations	Note	December 31, 2019	December 31, 2018
Revenue	6 and 13	5,570.1	4,935.7
Cost of revenue		(1,429.5)	(1,206.9)
Personnel and related expenses		(1,543.2)	(1,382.1)
Depreciation and amortization	8, 9 and 10	(773.2)	(635.5)
Other operating expenses		(348.8)	(318.4)
Operating income	6	1,475.4	1,392.8
Financial income		1.6	2.0
Interest expense	24	(42.0)	(37.9)
Other financial expenses	24	(10.3)	(8.8)
Exchange gains / (losses)		(8.3)	(9.5)
Financial expense, net		(59.0)	(54.2)
Other income / (expense)		(10.0)	(2.3)
Profit before income taxes		1,406.4	1,336.3
Income tax expense	22	(306.0)	(336.8)
Profit after taxes		1,100.4	999.5
Share in profit of associates and joint ventures accounted for using the equity method	11	12.8	3.0
PROFIT FOR THE YEAR		1,113.2	1,002.5
Attributable to owners of the parent		1,113.1	1,002.4
Attributable to non-controlling interests		0.1	0.1
Earnings per share basic and diluted [in euros]	23	2.58	2.33
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses)	16	(18.9)	3.4
Changes in the fair value of equity investments at fair value through other comprehensive income (FVTOCI)	16	1.7	0.6
Items that may be reclassified to profit or loss:			
Cash flow hedges	16	6.3	(29.3)
Exchange differences on translation of foreign operations	16	20.2	58.9
OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE YEAR		9.3	33.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,122.5	1,036.1
Attributable to owners of the parent		1,122.4	1,036.0
Attributable to non-controlling interests		0.1	0.1

Consolidated statement of changes in equity (millions of euros)

	Note	Share capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains / (losses) reserves	Non-controlling interests	Total
Balance at December 31, 2017 as previously reported		4.4	624.1	1,659.6	(517.1)	1,002.9	(137.9)	13.0	2,649.0
Adjustment from adoption of IFRS 9, net of tax		-	-	(3.9)	-	(0.2)	(3.6)	-	(7.7)
Balance at January 1, 2018 Restated		4.4	624.1	1,655.7	(517.1)	1,002.7	(141.5)	13.0	2,641.3
Total comprehensive income for the year		-	-	-	-	1,002.4	33.6	0.1	1,036.1
Complementary dividend	16	-	-	(284.5)	-	-	-	-	(284.5)
Interim dividend payable	16	-	-	(219.6)	-	-	-	-	(219.6)
Treasury shares acquisition	16 and 20	-	-	-	(8.8)	-	-	-	(8.8)
Treasury shares disposal	16 and 20	-	(10.7)	0.6	14.6	-	-	-	4.5
Recognition of share-based payment	20	-	21.2	-	-	-	-	-	21.2
De-recognition of non-controlling interests	16	-	-	(1.2)	-	-	-	(1.0)	(2.2)
Additional non-controlling interests arising on the acquisition of a subsidiary	16	-	-	-	-	-	-	4.1	4.1
Transfer to retained earnings		-	-	1,002.7	-	(1,002.7)	-	-	-
Other changes in equity		-	(0.2)	-	-	-	-	(0.2)	(0.4)
Balance at December 31, 2018		4.4	634.4	2,153.7	(511.3)	1,002.4	(107.9)	16.0	3,191.7

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 year 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 year		-	-	-	-	1,113.1	9.3	0.1	1,122.5
Complementary dividend	16	-	-	(286.6)	-	-	-	-	(286.6)
Interim dividend payable	16			(241.4)	-	-	-	-	(241.4)
Share capital reduction	16	(0.1)	(500.0)	0.1	500.0	-	-	-	-
Treasury shares acquisition	16 and 20	-	-	-	(10.1)	-	-	-	(10.1)
Treasury shares disposal	16 and 20		(12.9)	0.6	16.0	-	-	-	3.7
Recognition of share-based payment	20	-	20.0	-	-	-	-	-	20.0
Additional non-controlling interests arising on the acquisition of a subsidiary	16	-	-	-	-	-	-	(0.5)	(0.5)
Transfer to retained earnings		-	-	1,002.4		(1,002.4)	-	-	-
Other changes in equity		-	-	(5.5)	-	-	4.3	(1.0)	(2.2)
Balance at December 31, 2019		4.3	141.5	2,623.3	(5.4)	1,113.1	(94.3)	14.6	3,797.1

See the accompanying notes to the consolidated annual accounts

Consolidated statement of cash flows (millions of euros)

	Note	December 31, 2019	December 31, 2018
Operating income		1,475.4	1,392.8
Depreciation and amortization	8, 9 and 10	773.2	635.5
Depreciation and amortization included in capitalization	6	(16.2)	(14.8)
Operating income adjusted before changes in working capital and taxes paid		2,232.4	2,013.5
Trade accounts receivable		(17.9)	(112.5)
Other current assets		5.2	(73.5)
Trade accounts payable		(59.4)	123.9
Other current liabilities		23.2	155.2
Other non-current liabilities		(46.2)	(92.4)
Taxes paid		(335.3)	(287.6)
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		1,802.0	1,726.6
Payments for property, plant and equipment		(93.5)	(108.5)
Payments for intangible assets		(642.6)	(609.7)
Net cash outflow on acquisition of subsidiaries and associates	11 and 15	(46.1)	(1,312.9)
Interest received		1.0	2.5
Payments to acquire financial assets		(12.7)	(20.6)
Loans to third parties		(10.0)	-
Cash proceeds collected from derivative agreements		25.7	12.0
Cash proceeds paid for derivative agreements		(65.1)	(47.7)
Proceeds on sale of financial assets		4.8	1.3
Dividends received		0.9	4.3
Proceeds obtained from disposal of non-current assets		0.6	1.0
CASH FLOWS USED IN INVESTING ACTIVITIES		(837.0)	(2,078.3)
Payments to acquire non-controlling interests in subsidiaries		-	(2.2)
Proceeds from borrowings	25	912.0	2,418.4
Repayments of borrowings	25	(1,227.2)	(965.0)
Interest paid	25	(36.5)	(23.5)
Dividends paid to owners of the parent	16	(506.2)	(494.3)
Payments to acquire treasury shares	16	(10.1)	(508.8)
Payments of lease liabilities and others	25	(102.0)	(91.2)
CASH FLOWS GENERATED /(USED) IN FINANCING ACTIVITIES		(970.0)	333.4
Effect of exchange rate changes on cash and cash equivalents		4.2	1.0
NET DECREASE IN CASH AND CASH EQUIVALENTS		(0.8)	(17.3)
Cash and cash equivalents net at the beginning of year	25	561.8	579.1
Cash and cash equivalents net at the end of year	25	561.0	561.8

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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 consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), which are effective as of December 31, 2019, and other provisions of the applicable financial reporting framework. The accompanying consolidated annual accounts were obtained from the accounting records of the Company and its subsidiaries and show the true and fair view of the Group's equity, financial position, results and cash flows for the year.

The consolidated annual accounts were authorized for issue by the Board of Directors of the Company on February 27, 2020. The Directors expect that these consolidated annual accounts will be approved at the General Shareholders' Meeting without modification. The annual accounts for the year 2018 were approved at the General Shareholders' Meeting held on June 19, 2019.

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

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

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

The Group presented negative working capital in the years ended as of December 31, 2019 and 2018, which given the industry in which the Group operates and its financial structure, is not an unusual circumstance, and does not present an impediment for the normal development of its business.

2.1.2 Use of estimates

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

- Estimated recoverable amounts used for impairment testing purposes (notes 7, 8, 9 and 10)
- Amortization period for non-current non-financial assets (note 4)
- Pension and post-retirement benefits (note 14)
- Income tax liabilities (note 4 and 22)
- Expected credit losses (note 4 and 12)
- Share-based payments (note 20)
- Business combinations (note 15)

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

2.2 Comparison of information

For comparison purposes, the Group presents, together with the amounts included in the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows at and for the years ended December 31, 2019 and 2018, comparative information in the notes when it is relevant to understand the consolidated annual accounts for the current year.

The presentation and classification of certain line items of the consolidated annual accounts has been revised and comparative information has been reclassified accordingly. The main reclassification in comparative information refers to the presentation of uncertain income tax positions as “Non-current income tax liabilities” instead of as “Other non-current liabilities” in accordance with the IFRS Interpretation Committee decision explained in an agenda decision issued on September 25, 2019. The reclassification amounts to €126.7 million (note 22).

2.3 Consolidation scope

The Appendix to these consolidated annual accounts lists the subsidiaries, associates and joint-ventures in which the Group has direct or indirect interests as of December 31, 2019 and 2018. The changes in the consolidation scope are the following:

- On December 13, 2019, the fully owned subsidiary UFIS Airport Solutions AS has been liquidated.
- On September 19, 2019 the Group has acquired, through Amadeus IT Group, S.A. a significant influence in Refundit, Ltd. with the purchase of 20% of the shares and it is accounted for using the equity method.

Notes (millions of euros)

- On August 2019, with retroactive effective date as at January 1, 2019, Amadeus Data Processing, GmbH has been merged into Amadeus Verwaltungs, GmbH. The resulting entity is renamed as Amadeus Data Processing, GmbH. Both entities were previously fully owned by Amadeus.
- On May 31, 2019, the Group has acquired the 100% of ownership in ICM Holdings, Limited and its group of companies (“ICM”) (see note 15).
- On March 18, 2019, the fully owned subsidiary UFIS Airport Solutions Pte, Ltd. has been liquidated.
- On November 2018, the fully owned subsidiary CRS Amadeus America, S.A. has been liquidated.
- On November 2018, with retroactive effective date as at January 1, 2018, Gestour, S.A.S. has been merged into Amadeus France, S.A. Both entities were previously fully owned by Amadeus.
- On October 24, 2018, after receiving the necessary regulatory approval, the Group has acquired, through its subsidiary Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal, the 70% ownership of Argo IT Tecnología, S.A., and its group of entities (“Argo IT”). The Group controls Argo IT and fully consolidates this group of entities since that date (see note 15).
- On October 4, 2018, after receiving the necessary regulatory approval, the Group has acquired, through its subsidiary Amadeus Americas, Inc. the 100% ownership of Project Dwight Ultimate Parent Corporation and its group of companies (“TravelClick”). The Group controls TravelClick and fully consolidates this group of entities since that date (see note 15).
- On March 22, 2018, the Group has acquired additional 70.12% shares of Amadeus Travel IMS, S.L. (formerly Hiberus Travel IO Solutions, S.L.) (“Hiberus”). After this share acquisition, the Group owns 95% of the shares of the entity and controls the company, so the Group is fully consolidating the entity since that date. Before that date, in May 2015, the Group had previously acquired a 24.88% interest in that entity and it was accounted for using the equity method (see note 15).
- On March 8, 2018, the fully owned subsidiary Traveltainment UK, Ltd. has been liquidated.
- On January 1, 2018, Amadeus Revenue Integrity, Inc. has been merged into Amadeus North America, Inc. Both entities were previously fully owned by Amadeus.

3. PROPOSED APPROPRIATION OF THE PARENT COMPANY´S RESULT

The Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of €1.30 per share carrying dividend rights, against 2019 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2019, is as follows:

	Euros
Amount for appropriation:	
Net profit for the year	643,440,023.06
Appropriation to:	
Other reserves	82,791,056.26
Dividends	560,648,966.80
	643,440,023.06

On December 12, 2019, the Board of Directors of the Company has agreed to distribute an interim dividend of €0.56 per existing share with dividend rights against profit for the year 2019. The dividend has been paid in full on January 17, 2020, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.74 per share with dividends rights.

In accordance with article 277 of the Spanish Capital Companies Act, the following table shows a summary of the provisional statement to substantiate the Company has sufficient liquidity at that time to distribute the interim dividend:

	Millions of euros
Net Income after tax from January 1, through October 31, 2019	488.5
Mandatory appropriation to reserves	-
Distributable income	488.5
Cash and cash equivalents at October 31, 2019	333.6
Net cash generated until December 2019	44.1
Unused credit facilities	1,009.0
Net cash forecasted from January 2020 until December 2020	(265.5)
Net cash surplus at December 31, 2020	1,121.2
Proposed interim dividend (maximum amount)	(241.5)
Net cash surplus after interim dividend distribution	879.7

4. ACCOUNTING POLICIES

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

The Group has applied the following standards, amendments and interpretations issued and endorsed by the EU for the first time for the annual reporting period commencing January 1, 2019:

- Prepayment features with negative compensation – Amendments to IFRS 9
- Long-term interest in associates and joint ventures – Amendments to IAS 28
- Annual improvements to IFRS Standards 2015-2017 Cycle
- Plan amendment, curtailment and settlement – Amendments to IAS 19
- Interpretation on Uncertainty over income tax treatments (IFRIC 23)

The amendments above did not have any impact on the amounts recognized in prior or current periods. The IFRIC 23 interpretation required reclassification of the uncertain income tax positions from other non-current liabilities to non-current income tax liabilities, as disclosed in note 2.

Certain new accounting standards have been published that are not mandatory for December 31, 2019 reporting period, some of them have not yet been endorsed by the EU and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

4.2 Significant accounting policies

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

4.2.1 Principles of consolidation and investments in associates and joint ventures

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

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

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

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

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

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

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

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

4.2.2 Foreign currency transactions

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

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

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

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

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

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

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

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

4.2.4 Intangible assets

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

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

- "Patents, trademarks, licenses and others" includes the net cost of acquired brands and trademarks either by means of business combinations or in separate acquisitions. When an acquired brand is deemed to contribute to the Group net cash inflows indefinitely, it is not amortized but annually tested for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In all other cases brands are amortized over their expected useful lives. This caption also includes the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions. Useful lives of finite brands, patents and licenses range from 3 to 26 years.
- "Technology and content" relate to assets acquired through business combinations, separate acquisitions or internally generated software. These assets are the combination of software elements and travel content, the latter being obtained by Amadeus through its contractual relationships with travel providers. This combination allows the processing of travel transactions (bookings) between supply (travel providers) and demand (travel agencies), and it makes the travel information available to users through the Amadeus System. It also includes the development technology of the IT Solutions, software applications, developments to provide customers with ongoing access to certain services and certain customization of software controlled by the Group and developed for airlines, that are recognized as an intangible asset once the technical feasibility of completing the asset is demonstrated, it is reasonably anticipated that the asset will generate future economic benefits and the cost of the assets can be measured reliably. Useful lives for the main components of the GDS technology has been estimated in 15 years due to the status of Amadeus reservation system and the technological gap perceived by the company over competitors. Useful life of Amadeus IT technology, mainly Altéa and New Skies, has been estimated in 20 years in accordance with the longer term of the IT Industry model. The developments to provide customers with ongoing access to certain services and the software customization developed for certain airlines is amortized over an estimated useful life of between 3 to 20 years that usually coincides with the estimated duration of the contracts.

Notes (millions of euros)

The research and development costs expensed for the year ended December 31, 2019, amounted to €396.7 million (€323.4 million, 2018). The development costs that have been capitalized for the year ended December 31, 2019, amounted to €591.6 million (€573.0 million, 2018).

The Group receives tax incentives on research and development costs incurred from the French Tax Authorities (Research Tax Credit). These incentives are in substance government grants and are recognized when there is reasonable assurance that the Group will comply with the relevant conditions and the grant in the form of a reduced tax liability will be received. The total amount of government grants received from the French Tax Authorities is €23.0 million for the year ended December 31, 2019, (€19.7 million, 2018). The Group has elected to present the government grants related to capitalized development as a deduction in calculating the carrying amount of the intangible asset amounting to €17.4 million in 2019 (€14.0 million in 2018); and to present the government grant related to research expenses as a deduction under "Other operating expenses" caption in the consolidated statement of comprehensive income amounting to €5.6 million in 2019 (€5.7 million in 2018).

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

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

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

4.2.5 Property plant and equipment

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

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

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

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

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

4.2.6 Leases

The Group early adopted IFRS 16 as at January 1, 2018.

The Group recognizes a right of use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments during the lease term in all lease contracts. On first time adoption the Group elected to measure the initial right of use asset at an amount equal to the lease liability as of January 1, 2018 for all the existing operating lease contracts. In respect to the lease contracts that had been recognized as finance leases in accordance with IAS 17, the Group elected to measure the rights of use and lease liabilities at their carrying amount.

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

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

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

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

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

4.2.7 Pension and other post-retirement obligations

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

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

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

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

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

4.2.8 Revenue from contracts with customers

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

Significant services and methods of revenue recognition

- Stand-ready series revenue recognition

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

Revenues from airline reservations are recorded at the time the reservation is made, net of estimated future cancellations. Cancellations from the final customer are quite infrequent and permitted up to the time of the use of the reservation. The cancellation reserve is calculated monthly based on historical cancelation rate. The calculation is made by dividing the number of cancellations net of re-bookings at month end by the inventory of unused bookings at the beginning of the month.

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

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

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

- Other revenue recognition patterns

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

Contract liabilities

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

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

Consideration payable to a customer

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

4.2.9 Employee share-based payments

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

4.2.10 Financial instruments

Financial assets

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

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

_ Impairment

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

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

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

- Accounts receivable from "no risk" customers, mainly refers to invoices settled by clearing houses. For these balances, it is assumed that there is no risk of default as the counterparty for the Group is the clearing house and it guarantees the payment of its commitments through its deposit requirement procedures for all clients that have debtor positions.
- Accounts receivable from customers classified as "high risk" for complying with the Group's definition of default or presenting evidence of impairment mentioned above. They are fully provisioned.
- Accounts receivable from "low risk" customers and not included in the previous categories.

The provision matrix applicable for accounts receivables from "low risk" customers is the following:

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

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

Hedge accounting

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

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

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

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

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

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

_ Cash flow hedges

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

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

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

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

_ No hedge accounting relationship

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

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

5.1 Foreign exchange risk

As a result of the multinational orientation of its business, the Group is subject to foreign exchange risks derived from the fluctuations of various currencies. The main objective of the Group's foreign exchange hedging strategy is to reduce the volatility of the countervalue in euros of the consolidated cash flows measured in different currencies. The instruments used to achieve this goal depend on the foreign currency of the operating cash flow to be hedged:

Notes (millions of euros)

- The strategy to minimize US Dollar (USD) exchange rate exposures is based on the use of natural hedges and derivative instruments. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the payment in USD of the principal amount outstanding of the USD denominated debt. Neither as of December 31, 2019, nor as of December 31, 2018, there was USD denominated debt.
- Aside from the risk on USD, there are foreign exchange risks derived from expenses denominated in a variety of foreign currencies mainly in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). A natural hedge strategy is not available in these cases; therefore the Group engages into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options to hedge a significant portion of the aforementioned short exposures (net expenses).

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

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

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

- Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not.[1]
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[2].
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology for a 95% confidence level.

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

		December 31, 2019			December 31, 2018
2020 CFaR	2021 CFaR	2022 CFaR	2019 CFaR	2020 CFaR	2021 CFaR
(10.7)	(38.2)	(87.6)	(10.3)	(38.1)	(90.0)

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

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

Notes (millions of euros)

As of the end of 2019, CFaR levels calculated for the next three years are similar or even lower than at the end of 2018. The main reason is that the higher risk arising from larger US Dollar exposures expected is compensated by larger hedging positions and lower prevailing foreign exchange implicit volatilities used in the calculation.

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

5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 31, 2019 approximately 67% (77%, 2018) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 31, 2019, and 2018.

The sensitivity of fair value of Amadeus debt to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2019, and 2018, is set forth in the table below:

	December 31, 2019		December 31, 2018	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	8.0	(8.1)	10.5	(10.5)
Total	(8.0)	(8.1)	10.5	(10.5)

In 2019 there has been a reduction in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This decrease has been basically produced by the reduction on the amount of debt outstanding, basically due to maturities, and to the shorter average life of the outstanding debt.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) amounting to €8.1 million at December 31, 2019 (€10.5 million, 2018).

5.3 Treasury shares price evolution risk

As of December 31, 2019, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,340,000 shares and a minimum of 300,000 shares, approximately. It is Amadeus intention to make use of treasury shares to settle these plans at their maturity.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see note 20) during 2020, 2021 and 2022

The authorization was granted under the framework of a share buy-back program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72.0 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

Within the context of the general authorization of October 10, 2019, the governing body of Amadeus S.A.S. will approve its specific share buy-back program (total or partial) for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd. up to a maximum of 350,000 ordinary shares, representing 0.08% of the share capital of the Company. This specific share buy-back programs will cover the obligations of these two companies arising from share-based plans (see note 20) during 2020.

5.4 Credit risk

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

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

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

5.5 Liquidity risk

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

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

- Three different cash pooling agreements. One with most of the subsidiaries located in the Euro area; another one in US Dollars for the US subsidiaries and another one in British Pounds for the UK subsidiaries.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

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

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2019 and 2018 is described in note 17.

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facility as detailed in note 17. The facility has a notional of €1,000.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2019, and 2018, this facility was fully unused and thus €1,000.0 million can be used to cover the liquidity needs of the Group.

Finally, Amadeus has a Multi-Currency European Commercial Paper (ECP) program amounting to €750.0 million. This program can be used for raising short term financing. As of December 31, 2019, €580.0 million of this program were in use (€330.0 million, 2018).

5.6 Capital management

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

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

Notes (millions of euros)

The net financial debt as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
Total non-current debt	2,328.2	2,898.1
Total current debt	1,245.5	986.9
Total debt	3,573.7	3,885.0
(-) Cash and cash equivalents	(564.0)	(562.6)
Total net financial debt	3,009.7	3,322.4

The Group's debt is rated by Standard & Poor's and Moody's as Investment Grade (BBB/A-2" and "Baa2", respectively, with stable outlook both for Standard & Poor's and Moody's). Both agencies keep a credit rating of the debt as "Investment Grade". The Group considers that the ratings awarded would allow access to the markets, if necessary, on reasonable terms.

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

The dividend policy also establishes the approval, within the last quarter of the year, of an interim dividend related to the results of each financial period, to be paid in the month of January of the following year.

6. 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, 2018.

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

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

Notes (millions of euros)

Information regarding the Group's operating segments and the reconciliation of the measure of profit or loss to the consolidated statement of comprehensive income as of December 31, 2019, and 2018, are set forth in the table below:

	December 31, 2019			December 31, 2018		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	3,130.6	2,439.5	5,570.1	3,004.3	1,931.4	4,935.7
Contribution	1,405.5	1,569.1	2,974.5	1,380.7	1,327.1	2,707.8

The main reconciling items correspond to:

	December 31, 2019	December 31, 2018
Revenue	5,570.1	4,935.7
Contribution	2,974.5	2,707.8
Net indirect cost (1)	(742.1)	(694.3)
Depreciation and amortization (2)	(757.0)	(620.7)
Operating income	1,475.4	1,392.8

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

(2) Includes the reclassification of certain depreciation and amortization capitalized costs in the amount of €16.2 million for the period ended December 31, 2019 (€14.8 million, 2018).

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

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

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

	December 31, 2019	December 31, 2018
EMEA	2,947.9	2,807.3
Asia & Pacific	1,134.8	1,094.4
America	1,487.4	1,034.0
Revenue	5,570.1	4,935.7

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

	December 31, 2019	December 31, 2018
USA	1,067.3	653.8
Germany	457.4	467.5
France	285.2	289.7
Spain	181.0	185.7

Notes (millions of euros)

Non-current assets by geographic area for the year ended December 31, 2019 and 2018, are set forth in the table below:

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

December 31, 2018	Europe				Other		PPA Assets	Total
	Spain	France	Germany	Other	USA & Canada	Rest of the world		
Intangible Assets	409.6	1,697.5	116.3	13.3	1,291.0	35.7	530.4	4,093.8
PP&E	6.7	63.0	281.6	17.2	38.1	26.6	-	433.2
Right of use assets	48.8	91.1	72.4	44.8	54.2	39.9	-	351.2
Investments in associates	-	-	-	-	-	14.3	-	14.3
Total	465.1	1,851.6	470.3	75.3	1,383.3	116.5	530.4	4,892.5

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

7. GOODWILL

The reconciliation of the carrying amount of goodwill for the years ended as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
Carrying amount at the beginning of the year	3,598.0	2,714.2
Additions due to acquisitions of subsidiaries (note 15)	41.5	593.5
Adjustments during the measurement period	(2.1)	-
Transfers (note 15)	(3.6)	251.3
Exchange rate adjustments	27.7	39.0
Carrying amount at the end of the year	3,661.5	3,598.0

"Additions due to acquisitions of subsidiaries" for the year ended December 31, 2019, relates to the goodwill arisen from the acquisitions of ICM. For the year ended December 31, 2018, it relates to the goodwill arisen from the acquisitions of TravelClick, Argo IT and Hiberus.

"Transfers" for the year ended December 31, 2019, relates to the completion of the purchase price allocation exercise for the business combination of Argo IT (TravelClick and Hiberus purchase price allocation for the year ended December 31, 2018).

"Exchange rate adjustments" for the year ended December 31, 2019 and 2018, mainly relates to the US Dollar – Euro evolution.

Notes (millions of euros)

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

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

	December 31, 2019	December 31, 2018
Distribution	2,004.8	2,008.7
TravelClick	855.1	840.7
IT Services	801.6	748.6
Carrying amount	3,661.5	3,598.0

The Group monitors goodwill for internal management purposes at groups of 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 recoverable amount of the three groups of CGUs has been determined based on a value in use calculation with the same methodology. That calculation uses cash flow projections based on financial budgets approved by management covering a 3-year period, the 2020-2022 Long Term Plan (LTP) plus additional forecasts developed for 2023-2024. Cash flows beyond that five-year period have been extrapolated using the growth rates disclosed on the table below. The growth rates used do not exceed the long-term average rates for the markets in which the three groups of CGUs operate.

These internal forecasts are based on external assumptions such as Growth Domestic Product published by the International Monetary Fund, air traffic growth published by IATA, among others. The Group uses its previous experience of the average contribution margin for the estimation of internal forecasts.

The discount rates and perpetuity growth rates (beyond the five-year forecasts) applied to the cash flow projections in 2019 and 2018 for the different group of CGUs are as follows:

	December 31, 2019			December 31, 2018		
	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%	7.4%	9.7%	1.5%	7.6%	10.4%
TravelClick	2.5%	7.8%	9.6%	2.5%	8.2%	10.0%
IT Services	2.5%	7.4%	9.2%	2.5%	7.6%	9.4%

Notes (millions of euros)

The compound annual growth rate (CAGR) of forecasted revenues used for the impairment exercise, which did not result in any case of impairment, are set forth in the table below:

	December 31, 2019 2020-2024 period	December 31, 2018 2019-2023 period
Base case	3.22% - 8.93%	5.29% - 8.32%
Optimistic case	4.22% - 10.47%	6.29% - 9.32%
Pessimistic case	2.22% - 7.93%	4.29% - 7.32%

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.

8. INTANGIBLE ASSETS

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the items included under the "Intangible assets" caption is set forth in the table below:

Gross Value	Patents, trademarks, licenses and others	Technology and content	Contractual relationships	Total
December 31, 2017	446.9	4,255.1	906.8	5,608.8
Additions	13.0	-	53.7	66.7
Additions of Software internally developed	-	559.0	-	559.0
Retirements and disposals	(1.3)	(25.4)	(14.9)	(41.6)
Transfers	(16.0)	140.4	265.1	389.5
Additions due to acquisition of subsidiaries	22.3	49.0	227.0	298.3
Exchange rate adjustments	0.7	13.5	25.4	39.6
December 31, 2018	465.6	4,991.6	1,463.1	6,920.3
Additions	6.7	1.2	64.2	72.1
Additions of Software internally developed	-	574.2	-	574.2
Retirements and disposals	(8.2)	(9.9)	(12.6)	(30.7)
Transfers	-	2.5	2.7	5.2
Additions due to acquisition of subsidiaries	1.0	-	1.8	2.8
Exchange rate adjustments	0.5	8.4	19.3	28.2
December 31, 2019	465.6	5,568.0	1,538.5	7,572.1

Notes (millions of euros)

Accumulated depreciation and Impairment	Patents, trademarks, licenses and others	Technology and content	Contractual relationships	Total
December 31, 2017	(112.4)	(1,943.6)	(348.5)	(2,404.5)
Amortization charge	(15.7)	(349.7)	(80.6)	(446.0)
Impairment losses charged to profit or loss	-	(9.2)	(0.3)	(9.5)
Retirements and disposals	1.0	25.4	13.7	40.1
Exchange rate adjustments	(0.2)	(3.8)	(2.6)	(6.6)
December 31, 2018	(127.3)	(2,280.9)	(418.3)	(2,826.5)
Amortization charge	(15.6)	(405.5)	(125.1)	(546.2)
Impairment losses charged to profit or loss	-	(27.8)	(1.3)	(29.1)
Retirements and disposals	8.2	-	12.4	20.6
Exchange rate adjustments	(0.3)	(10.7)	7.9	(3.1)
December 31, 2019	(135.0)	(2,724.9)	(524.4)	(3,384.3)
Carrying amount at December 31, 2018	338.3	2,710.7	1,044.8	4,093.8
Carrying amount at December 31, 2019	330.6	2,843.1	1,014.1	4,187.8

"Patents, trademarks, licenses and others" caption includes intangible assets with indefinite useful life with a carrying value of €293.2 million as of December 31, 2019 and 2018, that mainly relates to the Amadeus brand. It has been estimated that the Amadeus brand will contribute to the Group net cash inflows indefinitely. Among the different factors considered in reaching this conclusion, the following matters should be highlighted:

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

The Amadeus brand has been allocated to the group of CGUs of Distribution and of IT Services (€257.8 million and €35.4 million respectively for 2019 and 2018) based on the relative present value of the royalty savings in each of them. The brand does not generate cash inflows that are independent from other assets and is, therefore, tested for impairment at the level of the group of CGUs at which it can be allocated. The key assumptions used for the impairment tests as well as the methodology followed is described in note 7.

During 2019 and 2018 the Group reported certain impairment losses in relation to products that will not deliver the expected economic benefits, due to either unforeseen additional efforts required to deliver the customer's needs, or to a downwards reassessment of the expected demand. From the total impairment expense for the year ended December 31, 2019, €22.4 million (€9.2 million, 2018) corresponds to the IT Solutions segment and €6.7 million (€0.3 million, 2018) to the Distribution segment.

The transfers under "Patents, trademarks, licenses and others", "Technology and Content" and "Contractual Relationships" captions relate to the completion of the purchase price allocation exercise of Argo IT acquisition for the year ended December 31, 2019 and to TravelClick and Hiberus acquisitions.

In the year ended December 31, 2019, the additions due to acquisitions of subsidiaries mainly relate to the assets of ICM. In 2018 they were related to the assets of TravelClick, Argo IT and Hiberus (see note 15).

Notes (millions of euros)

9. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the items included under the caption "Property, plant and equipment" caption is set forth in the table below:

Gross Value	Land & buildings	Data processing hardware & software	Other property, plant and equipment	Total
December 31, 2017	219.2	689.8	251.0	1,160.0
Reclassification to right of use assets (note 10)	(80.4)	(53.8)	(9.1)	(143.3)
January 1, 2018	138.8	636.0	241.9	1,016.7
Additions	0.7	126.0	36.5	163.2
Retirements and disposals	-	(60.2)	(10.3)	(70.5)
Transfers	(0.3)	8.2	0.2	8.1
Additions due to acquisition of subsidiaries	-	10.2	1.8	12.0
Exchange rate adjustments	-	0.4	-	0.4
December 31, 2018	139.2	720.6	270.1	1,129.9
Additions	0.1	107.3	22.7	130.1
Retirements and disposals	-	(37.2)	(29.1)	(66.3)
Transfers	(0.1)	6.1	0.2	6.2
Additions due to acquisition of subsidiaries	-	-	0.6	0.6
Exchange rate adjustments	-	2.8	2.2	5.0
December 31, 2019	139.2	799.6	266.7	1,205.5

Accumulated depreciation and Impairment	Land & buildings	Data processing hardware & software	Other property, plant and equipment	Total
December 31, 2017	(71.3)	(451.8)	(157.1)	(680.2)
Reclassification to right of use assets (note 10)	6.1	30.8	5.4	42.3
January 1, 2018	(65.2)	(421.0)	(151.7)	(637.9)
Depreciation charge	(2.7)	(97.2)	(18.9)	(118.8)
Retirements and disposals	-	58.5	9.2	67.7
Transfers		(7.3)	-	(7.3)
Exchange rate adjustments	-	-	(0.4)	(0.4)
December 31, 2018	(67.9)	(467.0)	(161.8)	(696.7)
Depreciation charge	(2.7)	(109.9)	(20.5)	(133.1)
Retirements and disposals	-	36.8	28.3	65.1
Transfers	-	(6.2)	-	(6.2)
Exchange rate adjustments	-	(1.6)	(0.9)	(2.5)
December 31, 2019	(70.6)	(547.9)	(154.9)	(773.4)

Carrying amount at December 31, 2018	71.3	253.6	108.3	433.2
Carrying amount at December 31, 2019	68.6	251.7	111.8	432.1

Additions to the "Data processing hardware & software" caption for the year ended December 31, 2019, mainly relate to the data processing hardware and software acquired for the data processing center in Erding (Germany) amounting to €71.6 million (€93.0 million, 2018).

The "Other property, plant and equipment" caption includes building installations, furniture and fittings, and miscellaneous. The additions related to this caption as of December 31, 2019, and 2018, are related to furniture and building installations renewals of the Group.

Notes (millions of euros)

During the year ended December 31, 2019, the additions due to acquisitions of subsidiaries mainly relate to assets of ICM. During 2018 they related to assets of TravelClick, Argo IT and Hiberus (see note 15).

The amount of expenditure in assets under construction recognized in the carrying amount of property, plant and equipment for the year ended December 31, 2019, is €2.2 million (€6.3 million, 2018).

10. LEASES

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the items included under the caption of "Right of use assets" is set forth in the table below:

	Land & buildings	Data processing hardware & software	Data centers	Other property, plant and equipment	Total
Carrying amount as of December 31, 2017	-	-	-	-	-
Reclassification from finance leases of property, plant and equipment	74.3	23.0	-	3.7	101.0
Operating leases (First application IFRS 16)	250.5	-	3.4	-	253.9
Carrying amount at January 1, 2018	324.8	23.0	3.4	3.7	354.9
Additions	39.6	15.4	-	0.2	55.2
Additions due to acquisition of subsidiaries	3.7	-	-	-	3.7
Depreciation charge	(46.6)	(12.7)	(0.8)	(1.1)	(61.2)
Transfers	-	(0.8)	-	-	(0.8)
Exchange rate adjustments	(0.5)	-	(0.1)	-	(0.6)
Carrying amount at December 31, 2018	321.0	24.9	2.5	2.8	351.2
Additions	30.3	12.9	2.1	0.1	45.4
Additions due to acquisition of subsidiaries	0.9	-		-	0.9
Depreciation charge	(49.1)	(14.0)	(0.7)	(1.0)	(64.8)
Retirements and disposals	(0.6)	-		-	(0.6)
Transfers	-	0.1		-	0.1
Exchange rate adjustments	4.2	-	-	-	4.2
Carrying amount at December 31, 2019	306.7	23.9	3.9	1.9	336.4

Additions to "Land & buildings" for the year ended December 31, 2019, mainly relate to the new contracts signed for office buildings in Japan and Philippines (additions in 2018 corresponded to office buildings in France and USA).

During the year ended December 31, 2019, the additions due to acquisitions of subsidiaries mainly relate to the assets of ICM. During 2018 they related to assets of TravelClick (note 15).

Lease liabilities are detailed in note 17 and interest expenses on them are disclosed in note 24.

As at December 31, 2019, there are commitments for leases for an amount of €32.8 million (€32.8 million, 2018). These commitments refer to the leasing of offices which the Group will begin to use in future years, when the right of use asset and the corresponding lease liability will be recorded.

The total cash outflow for leases for the year ended December 31, 2019 amounts to €64.0 million (€58.1 million in 2018).

Notes (millions of euros)

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The reconciliation of the carrying amount for the years ended December 31, 2019 and 2018, of the items included under the "Investments accounted for using the equity method" caption is set forth in the table below:

	Investments accounted for using the equity method
Carrying amount at December 31, 2017	17.5
Share in profit of associates and joint ventures accounted for using the equity method	3.0
Distribution of dividends	(4.5)
Change in scope of consolidation	(2.6)
Exchange rate adjustments	0.9
Carrying amount at December 31, 2018	14.3
Share in profit of associates and joint ventures accounted for using the equity method	12.8
Distribution of dividends	(1.8)
Additions to investments	4.5
Exchange rate adjustments	0.7
Carrying amount at December 31, 2019	30.5

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

The "Share in profit of associates and joint ventures accounted for using the equity method" caption for the year ended December 31, 2019 and 2018 is presented net of taxes at the respective shareholder level.

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

The "Changes in scope of consolidation" for the year ended December 31, 2018, corresponds to the acquisition of control in Hiberus in March 2018 (see note 2).

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

	December 31, 2019	December 31, 2018
Total assets	103.5	94.3
Total liabilities	55.5	77.7
Net assets	48.0	16.6
Investments accounted for using the equity method	30.5	14.3
Total revenue	150.3	143.9
Profit for the year	20.8	7.8
Share in profit of associates and joint ventures accounted for using the equity method	12.8	3.0

Notes (millions of euros)

12. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

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

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		80.8	11.2	-	-	92.0
Non-current derivative Financial assets	21	-	-	3.7	-	3.7
Total non-current financial assets		80.8	11.2	3.7	-	95.7
Trade accounts receivable		529.5	-	-	-	529.5
Other current financial assets		11.3	-	-	-	11.3
Current derivative financial assets	21	-	-	7.9	1.4	9.3
Cash and cash equivalents	25	564.0	-	-	-	564.0
Total current financial assets		1,104.8	-	7.9	1.4	1,114.1
Non-current debt	17 and 25	2,328.2	-	-	-	2,328.2
Non-current derivative financial liabilities	21 and 25	-	-	6.0	-	6.0
Other non-current financial liabilities		1.0	-	-	-	1.0
Total non-current financial liabilities		2,329.2	-	6.0	-	2,335.2
Current debt	17 and 25	1,245.5	-	-	-	1,245.5
Other current financial liabilities		11.1	-	-	-	11.1
Dividend payable	3 and 16	241.4	-	-	-	241.4
Current derivative financial liabilities	21 and 25	-	-	28.1	-	28.1
Trade accounts payable		801.2	-	-	-	801.2
Total current financial liabilities		2,299.2	-	28.1	-	2,327.3

The Group's classification of financial assets and liabilities as of December 31, 2018, is set forth in the table below:

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		97.8	11.0	-	-	108.8
Non-current derivative financial assets	21	-	-	1.5	-	1.5
Total non-current financial assets		97.8	11.0	1.5	-	110.3
Trade accounts receivable		498.2	-	-	-	498.2
Other current financial assets		10.0	-	-	-	10.0
Current derivative financial assets	21	-	-	4.6	2.9	7.5
Cash and cash equivalents	25	562.6	-	-	-	562.6
Total current financial assets		1,070.8	-	4.6	2.9	1,078.3
Non-current debt	17 and 25	2,898.1	-	-	-	2,898.1
Non-current derivative financial liabilities	21 and 25	-	-	14.5	-	14.5
Other non-current financial liabilities		-	-	-	15.3	15.3
Total non-current financial liabilities		2,898.1	-	14.5	15.3	2,927.9
Current debt	17 and 25	986.9	-	-	-	986.9
Other current financial liabilities		8.5	-	-	-	8.5
Dividend payable	3 and 16	219.6	-	-	-	219.6
Current derivative financial liabilities	21 and 25	-	-	19.0	0.3	19.3
Trade accounts payable		846.2	-	-	-	846.2
Total current financial liabilities		2,061.2	-	19.0	0.3	2,080.5

The Group's non-derivative financial liabilities (except for current and non current debt disclosed in note 17) by maturity as of December 31, 2019, is set in the table below:

Notes (millions of euros)

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

The Group's non-derivative financial liabilities (except for current and non current debt disclosed in note 17) by maturity as of December 31, 2018, is set in the table below:

		Current	Non-current				
	December 31, 2018	2019	2020	2021	2022	2023 and beyond	Total non-current
Other non-current financial liabilities	15.3	-	15.3	-	-	-	15.3
Other current financial liabilities	8.5	8.5	-	-	-	-	-
Dividend payable	219.6	219.6	-	-	-	-	-
Trade accounts payable	846.2	846.2	-	-	-	-	-
Total other financial liabilities	1,089.6	1,074.3	15.3	-	-	-	15.3

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

12.1 Fair value measurements disclosures

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

		December 31, 2019		December 31, 2018	
	Note	Level 2	Level 3	Level 2	Level 3
Foreign currency forward		3.7	-	1.5	-
Non-current derivative financial assets	21	3.7	-	1.5	-
Foreign currency forward		7.9	-	4.6	-
Foreign currency forward and options held for trading		1.4	-	2.9	-
Current derivative financial assets	21	9.3	-	7.5	-
Foreign currency forward		6.0	-	14.5	-
Non-current derivative financial liabilities	21	6.0	-	14.5	-
Foreign currency forward		28.1	-	19.0	-
Foreign currency forward and options held for trading		-	-	0.3	-
Current derivative financial liabilities	21	28.1	-	19.3	-
Contingent consideration at fair value	15	-	-	-	15.3

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

Notes (millions of euros)

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

There were no transfers between levels of fair value hierarchy during the years ended December 31, 2019, and 2018.

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

There is no fair value categorized as level 3 as of December 31, 2019. As of December 31, 2018, level 3 included an amount of €15.3 million corresponding to a contingent consideration in the acquisition of Amadeus Hospitality Netherlands BV. During the period this amount has been early settled resulting an impact in Other income/ (expense) of €12.0 million (see note 15).

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as of December 31, 2019, and 2018, except for the following financial liabilities:

	December 31, 2019			December 31, 2018		
	Carrying amount	Fair Value	% of face value	Carrying amount	Fair Value	% of face value
Bonds	2,500.0	2,567.1	102.7%	3,000.0	3,003.4	100.1%
European Investment Bank	126.6	131.1	103.6%	190.6	199.5	104.7%

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

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

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

The reconciliation of the ECL provision for the year 2019 and 2018 is the following:

	December 31, 2019	December 31, 2018
Carrying amount at the beginning of the year	88.6	80.3
Additional expected credit losses	42.8	23.4
Write-offs	(5.5)	(7.3)
Unused reversed amounts	(5.8)	(8.3)
Translation changes	0.1	0.5
Carrying amount at the end of the year	120.2	88.6

Notes (millions of euros)

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

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

As of December 31, 2018, the breakdown of the carrying amount and ECL provision of "Trade account receivables" is set forth in the table below:

	December 31, 2018					
Trade account receivables	Not due	Due up to 3 months	Due 3 to 6 months	Due 6 to 12 months	Due more than 12 months	Total
No risk customers	268.4	-	-	-	0.4	268.8
High risk customers (fully provisioned)	0.4	2.2	1.7	2.8	49.7	56.8
Rest of customers	101.1	93.3	20.0	38.6	8.2	261.2
Total gross	369.9	95.5	21.7	41.4	58.3	586.8
High risk customers provision	(0.4)	(2.2)	(1.7)	(2.8)	(49.7)	(56.8)
Provision (rest of customers)	(0.4)	(1.9)	(2.0)	(19.3)	(8.2)	(31.8)
Total provisions	(0.8)	(4.1)	(3.7)	(22.1)	(57.9)	(88.6)
Total net balance	369.1	91.4	18.0	19.3	0.4	498.2

The Group has non-recourse factoring agreements with financial institutions over a part of the trade receivables. As of December 31, 2019, the Group has transferred €10.0 million to financial institution under these factoring arrangements (€20.0 million, 2018). The average interest rates for these transactions were 0.30% for the year ended December 31, 2019 (0.62%, 2018).

Accounts receivable are recorded net of a cancellation reserve, and accounts payable are recorded net of the reduction in distribution costs derived from cancellations €38.7 million as of December 31, 2019 (€41.8million in 2018) and €18.1 million (€19.4 million, 2018) respectively.

12.3 Trade payables Directive

Pursuant to the Spanish legislation in force, the disclosures related to the Directive on trade payables as of December 31, 2019 and 2018 for the Spanish subsidiaries is set forth in the table below:

	December 31, 2019	December 31, 2018
	Days	Days
Average payment term to trade payables	26	23
Ratio of operations paid	27	23
Ratio of outstanding payments	7	27
	Millions of euros	Millions of euros
Total payments	1,380.1	1,380.6
Total outstanding payments	50.8	140.0

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

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

13. REVENUE

13.1 Disaggregation of revenue from contracts with customers

All the revenues booked by the Group under the "Revenue" caption come from contracts with customers. The Group derives revenue from the rendering of services over time in the markets and segments is disclosed in note 6.

A disaggregation of revenue is the following:

	December 31, 2019	December 31, 2018
Stand ready obligation(1) Distribution	3,130.6	3,004.3
Stand ready obligation(2) IT Solutions	1,669.0	1,531.9
Subscription and other services IT Solutions	770.5	399.5
Revenue	5,570.1	4,935.7

(1) GDS platform

(2) Altéa and New Skies

Notes (millions of euros)

13.2 Contract liabilities

The breakdown of the contract liabilities for the years ended December 31, 2019 and 2018, is set forth in the table below:

	Non-current contract liabilities	Current contract liabilities	Total
Carrying amount at December 31, 2017	299.1	117.8	416.9
Additions	50.8	237.0	287.8
Additions due to acquisitions	-	72.2	72.2
Revenue recognized in the period	(0.9)	(287.4)	(288.3)
Transfers	(78.0)	78.0	-
Translation changes	0.3	3.9	4.2
Carrying amount at December 31, 2018	271.3	221.5	492.8
Additions	63.2	372.5	435.7
Additions due to acquisitions	-	1.8	1.8
Revenue recognized in the period	(0.4)	(448.6)	(449.0)
Transfers	(88.7)	88.7	-
Translation changes	0.3	2.7	3.0
Carrying amount at December 31, 2019	245.7	238.6	484.3

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

The “Additions due to acquisitions” mainly relates to the acquisition of ICM Group during the year ended December 31, 2019 (TravelClick acquisition in 2018).

14. OTHER ASSETS AND LIABILITIES

14.1 Other assets and liabilities

The breakdown of other assets as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
Taxes receivable – non income tax (note 22)	119.7	114.3
Other	56.9	24.0
Other non-current assets	176.6	138.3
Prepaid expenses	189.8	191.7
Taxes receivable – non income tax (note 22)	71.9	54.5
Other	6.1	3.1
Other current assets	267.8	249.3
Total other assets	444.4	387.6

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

Taxes receivable – non income tax include VAT receivables and other tax receivables (as detailed in note 22).

The breakdown of other liabilities as of December 31, 2019 and 2018, is set forth in the table below:

Notes (millions of euros)

	December 31, 2019	December 31, 2018 restated
Defined benefit plan liabilities	112.0	81.6
Other non-current liabilities	25.3	49.3
Total other non-current liabilities	137.3	130.9
Taxes payable – non income tax (note 22)	42.5	30.9
Other public institutions payable	54.5	59.3
Employee related accrual and others	251.8	248.7
Total other current liabilities	348.8	338.9
Total other liabilities	486.1	469.8

Taxes payable - non income tax include VAT payables and other tax payables (as detailed in note 22).

Other public institutions payable include mainly social costs payable.

Employee related accrual and others include amounts payable to the Group's employees, mainly for variable remuneration and accruals for holidays, the increase is partly derived from the increase in the number of employees (as detailed in note 24).

14.2 Pension and post-retirement benefits

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

The amounts related to defined benefit plans recognized in the consolidated statement of financial position as of December 31, 2019 and 2018, are set forth in the table below:

	December 31, 2019	December 31, 2018
Present value of Funded Defined Benefit Obligation	117.0	95.0
Fair value of plan assets	(85.0)	(69.7)
Funded Status	32.0	25.3
Present value of Unfunded Defined Benefit Obligation	80.0	56.3
Net liability in the consolidated statement of financial position	112.0	81.6

The Group recognizes in equity all actuarial gains and losses in the period in which they occur. As a result, in 2019, actuarial losses of €18.9 million (pre-tax €25.0 million) were recognized through the consolidated statement of comprehensive income. In 2018 actuarial gains of €2.7 million (pre-tax €3.5 million) were recognized in the consolidated statement of comprehensive income. See details in note 16.

Notes (millions of euros)

The defined benefit plan amounts recognized in the consolidated statement of comprehensive income at December 31, 2019 and 2018, are set forth in the table below:

	December 31, 2019	December 31, 2018
Service cost	8.8	7.6
Net interest on the net defined benefit liability (note 24)	2.2	1.9
Immediate recognition of loss arising during the year	(1.0)	(0.2)
Administration expenses	0.6	0.5
Total charge recognized in profit or loss	10.6	9.8
(Gain) / loss due to demographic assumptions	(0.2)	(0.2)
(Gain) / loss due to financial assumptions	24.8	(8.6)
(Gain) / loss due to experience	8.0	1.4
Assets (gain) / loss on plan assets	(7.6)	3.9
Total re-measurements recognized in other comprehensive income	25.0	(3.5)
Total	35.6	6.3

As of December 31, 2019 and 2018, balances and movements of the items included under defined benefit plan liability are set forth in the table below:

	December 31, 2019	December 31, 2018
Carrying amount at the beginning of the year	81.6	79.6
Employer contributions	(8.9)	(5.4)
Total charge recognized in profit and loss	10.6	9.8
Total re-measurements recognized in other comprehensive income	25.0	(3.5)
Exchange rate (gain) / loss	1.0	1.1
Transfers	2.7	-
Carrying amount at the end of the year	112.0	81.6

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

	December 31, 2019	December 31, 2018
Defined benefit obligation at beginning of the year	151.3	148.1
Net current service cost	8.8	7.6
Interest cost	5.0	4.1
Net benefit paid	(6.3)	(3.9)
Actual taxes paid	0.6	0.5
(Gain) / loss due to demographic assumptions	(0.2)	(0.2)
(Gain) / loss due to financial assumptions	24.8	(8.9)
(Gain) / loss due to experience	8.0	1.6
(Gain) / loss due to exchange rate changes	3.3	2.4
Immediate recognition of loss arising during the year	(1.0)	(0.2)
Acquisition / Divestiture	-	0.2
Transfers	2.7	-
Defined benefit obligation at end of the year	197.0	151.3

Notes (millions of euros)

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

	December 31, 2019	December 31, 2018
Fair value of plan assets at beginning of the year	69.7	68.5
Employer contributions	8.9	5.4
Interest income on plan assets	2.8	2.2
Net benefits paid	(6.3)	(3.9)
Actuarial gain / (loss) on plan assets	7.6	(3.8)
Gain / (loss) due to exchange rate changes	2.3	1.3
Fair value of plan assets at end of the year	85.0	69.7

The best estimate of contributions expected to be paid into the defined benefit plan in the next annual financial year is €5.7 million.

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

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

As of December 31, 2018, the weighted average asset allocation per pension plan and by asset category is set forth in the table below:

	France Pension Plan	France Ret. Indemnity	United Kingdom	U.S.A.	India	Philippines	Navitaire Philippines	Taiwan
Cash and cash equivalents	-	-	-	-	-	8%	8%	-
Equity Securities	-	-	25%	40%	-	9%	53%	54%
Debt Securities	-	-	36%	44%	-	83%	38%	23%
Real Estate	-	-	-	6%	-	-	-	-
Asset held by insurance company	100%	100%	-	-	-	-	-	-
Other	-	-	39%	10%	100%	-	1%	23%
Total	100%	100%	100%	100%	100%	100%	100%	100%

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

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

	December 31, 2019	December 31, 2018
Use to determine the defined benefit obligation at end of the year and profit and loss charge for new financial year:		
Discount rate	2.26%	3.20%
Underlying consumer price inflation	2.01%	2.09%
Rate of future compensation increases	3.29%	3.25%
Rate of pension increases	2.22%	2.07%
Use to determine profit and loss charge for the current financial year:		
Discount rate	3.14%	2.78%
Underlying consumer price inflation	2.05%	2.11%
Rate of future compensation increases	3.16%	3.16%
Rate of pension increases	1.92%	2.21%

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

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

Millions of euros	December 31, 2019		December 31, 2018	
	Increase 25bps	Decrease 25bps	Increase 25bps	Decrease 25bps
Discount rate for Obligations	(7.9)	(7.9)	(5.8)	5.9
Salary rate	4.0	4.0	3.0	(2.9)

The expense for defined contribution plans amounted to €56.4 million for the years ended December 31, 2019 (€52.5 million, 2018).

15. BUSINESS COMBINATIONS

15.1 Business combinations during present year

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

	December 31, 2019
Cash paid	45.8
Recognized amounts of identifiable assets acquired and liabilities assumed	(4.3)
Net excess purchase price from currents transactions (note 7)	41.5

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

	December 31, 2019
Cash paid for current transactions	45.8
Net cash on deferred consideration from prior periods	1.2
Cash acquired as a result of current acquisition	(5.8)
Net cash invested in subsidiaries	41.2

The net cash paid on deferred consideration from prior periods includes a payment of €3.3 million relating to the early settlement of the contingent consideration outstanding from the acquisition of Amadeus Hospitality Netherlands BV, as explained in note 12.

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

Notes (millions of euros)

	ICM
Acquisition-related costs (pre-tax)	1.1

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

	ICM
Revenue	16.5
Profit net of taxes	0.3

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

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

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

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

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

The Group has engaged an independent valuation company that is in the process of determining the fair value, at the acquisition date, of identifiable assets acquired and the liabilities assumed. The valuation report will be finalized before the end of the measurement period. The Group does not expect 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:

	ICM		
	Carrying amounts at acquisition date	Provisional fair value adjustments to purchase value	Provisional fair value of net assets acquired
Goodwill	6.9	(6.9)	-
Intangible assets	2.8	-	2.8
Right of use assets	0.6	-	0.6
Deferred tax assets	2.4	-	2.4
Other non-current assets	0.6	-	0.6
Total non-current assets	13.3	(6.9)	6.4
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
Other non-current liabilities	0.5	-	0.5
Deferred tax liabilities	0.9	-	0.9
Total non-current liabilities	1.4	-	1.4
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	11.2	(6.9)	4.3
Consideration transferred	45.8		45.8
Excess purchase price	34.6		41.5

These provisional values have been estimated considering the carrying values at ICM accounting records as of acquisition date homogenized and adjusted to comply with the Group's accounting policies. No assessment on the fair value of intangibles assets such as ICM Brand, customer relationships, technology, etc., nor its corresponding impact on deferred taxes has been performed as of year-end, since the Group will rely on the valuation report of a third-party expert. The Group does not expect a material impact on the carrying amount of net assets, only transfers from the excess purchase price of €41.5 million to other asset's categories.

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

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

15.2 Business combinations during preceding year

The main impacts of business combinations on the consolidated statement of financial position as of December 31, 2018, are set forth in the table below:

	December 31, 2018
Cash paid	1,355.3
Non-controlling interests	4.1
Recognized amounts of identifiable assets acquired and liabilities assumed	(765.8)
Net excess purchase price from currents transactions (note 7)	593.6
Allocation of fair value of net assets acquired (note 7)	251.3
Net additions to Goodwill at acquisition date	844.9

Notes (millions of euros)

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of December 31, 2018, is set forth in the table below:

	December 31, 2018
Cash paid for current transactions	1,354.5
Cash adjustments on prior transactions	(2.0)
Cash acquired as a result of current acquisition	(39.6)
Net cash invested in subsidiaries	1,312.9

The total acquisition-related costs for the year ended December 31, 2018, were recognized as an expense under the “Other operating expenses”, “Personnel and related expenses” and “Interest expense” captions 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:

	December 31, 2018	
	TravelClick	Argo IT & Hiberus
Acquisition-related costs (pre-tax)	19.5	0.4
Financing-related costs (pre-tax)	4.1	-

The amount of Revenue and Profit / (loss) net of taxes that the business combinations contributed to the Group since acquisition and were included in the consolidated statement of comprehensive income for the year ended December 31, 2018, is set forth in the table below:

	TravelClick	Argo IT & Hiberus
Revenue	78.5	4.9
Profit / (loss) net of taxes	(0.8)	(0.4)

If the business combinations had been consolidated as of January 1, 2018, the pro-forma Group’s consolidated statement of comprehensive income for the reporting period would show additional Revenue and Profit net of taxes for the period as set forth in the table below:

	Amadeus Pro-forma	TravelClick	Argo IT & Hiberus
Revenue	5,183.5	241.8	6.0
Profit net of taxes	1,003.1	0.1	0.4

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

During the year ended December 31, 2018, the main business combinations were the following:

_ TravelClick

On October 4, 2018, after receiving all the necessary regulatory approvals, the Group acquired, indirectly through its subsidiary Amadeus Americas Inc., 100% of the voting rights of Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"). Since that date, the Group started consolidating TravelClick. TravelClick, a leading provider of technology to the hotel industry, is based in New York City (USA) and has 1,100 employees worldwide. TravelClick operates in 176 countries, partners with over 25,000 customers around the globe, from independent properties to chain hotels, management companies and other travel businesses. Its business lines are Reservations, Business Intelligence, Media, Guest Management and Web & Video.

The purchase accounting for the business combination of TravelClick has been completed in 2019. The provisional fair values of assets acquired, and liabilities assumed were based on the draft valuation performed by a recognized independent valuation expert. The final signed report was received during the second quarter of 2019. The only change on the report, as compared with the draft version used, related to the total consideration transferred and consequently goodwill was the only asset impacted. The Group does not expect that the goodwill will be deductible for income tax purposes.

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

			TravelClick
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Goodwill	553.9	(553.9)	-
Intangible assets	295.7	386.2	681.9
Property, plant and equipment	11.8	-	11.8
Right of use assets	3.7	-	3.7
Other non-current assets	0.7	-	0.7
Total non-current assets	865.8	(167.7)	698.1
Trade account receivables	61.8	-	61.8
Income tax receivables	0.2	-	0.2
Other current assets	10.9	-	10.9
Cash and cash equivalents	38.6	-	38.6
Total current assets	111.5	-	111.5
Non-current debt	1.7	-	1.7
Deferred tax liabilities	63.7	97.3	161.0
Other non-current liabilities	0.7	-	0.7
Total non-current liabilities	66.1	97.3	163.4
Current debt	2.0	-	2.0
Trade and other payables	37.8	-	37.8
Current contract liabilities	79.6	(15.9)	63.7
Other current liabilities	30.5	4.7	35.2
Total current liabilities	149.9	(11.2)	138.7
Net identifiable assets acquired	761.3	(253.8)	507.5
Consideration transferred	1,334.5		1,334.5
Goodwill resulting from the acquisition	573.2		827.0

The intangible assets identified in the acquisition of TravelClick were customer relationships, technology and tradename. The impact of the adjustments in the "Current contract liabilities" caption resulted in not recognizing revenues that would have been booked at stand-alone entity level. €7.7 million would have been recognized in 2019 and €8.2 million in 2018. This was a one-off adjustment and it is not related to a deterioration of TravelClick operational performance.

Residual goodwill 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	65.4
Allowance for credit losses	(3.6)
Fair value of receivables	61.8

_ Hiberus

On March 22, 2018, the Group acquired an additional 70.12% share on Amadeus Travel IMS, S.L. (formerly Hiberus Travel IO Solutions, S.L.). Hiberus is a leading provider of inventory management systems and packaging capabilities for tour operators, travel agencies and event management companies.

As of December 31, 2018, a gain of €0.1 million was recorded under Other income / (expense) as a result of remeasuring to fair value the previously held equity interest in the acquiree. After this share acquisition, the Group owns 95% of the voting shares of the entity and controls the entity and therefore it is fully consolidated since that date. The total consideration transferred amounted to €10.5 million and as a result of the business combination an excess purchase price of €6.8 million was initially recognized under the Goodwill caption.

As of December 31, 2018, the purchase accounting for the business combination of Hiberus was completed. The fair values of assets acquired, and liabilities assumed were based on a valuation report performed by a recognized independent valuation expert dated at the end of 2018, identifying as assets technology and contractual relationships resulting a remaining goodwill amounting to €4.4 million.

_ Argo IT

On October 24, 2018, after receiving all the necessary regulatory approvals, the Group acquired, indirectly through its subsidiary Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal, the 70% ownership of Argo IT Tecnológicas S.A., and its group of companies. With this acquisition, the Group controls the entity and therefore it is fully consolidated since that date. The total consideration transferred amounted to €8.5 million and as a result of the business combination an excess purchase price of €12.0 million was recognized under the caption Goodwill.

As of December 31, 2019, the purchase accounting for the business combination of Argo IT was completed. The fair values of assets acquired, and liabilities assumed were based on a valuation report performed by a recognized independent valuation expert dated during the second quarter of 2019, identifying as assets technology and contractual relationships resulting a remaining goodwill amounting to €7.2 million.

16. EQUITY

16.1 Share Capital

As of December 31, 2019 the Company's share capital amounts to €4.3 million (€4.4 million as of December 31, 2018) as represented by 431,268,436 ordinary shares (438,822,506 ordinary shares as of December 31, 2018) with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

On June 19, 2019, the General Shareholders' Meeting agreed the reduction in the share capital of the Company by 75,540.70 euros, by redeeming 7,554,070 treasury shares, acquired under a Share Buy-back Programme approved by the Board of Directors on December 14, 2017.This capital reduction was registered at the Commercial Registry of Madrid on July 11, 2019.

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

As of December 31, 2019 and 2018, the Company's shares were held as set forth in the table below:

	December 31, 2019		December 31, 2018	
Shareholder	Shares	%	Shares	%
Free float (1)	430,745,967	99.88%	430,179,933	98.03%
Treasury shares (2)	244,708	0.06%	8,214,289	1.87%
Board of Directors (3)	277,761	0.06%	428,284	0.10%
Total	431,268,436	100 %	438,822,506	100 %

(1) Includes shareholders with significant equity stake on December 31, 2019 and 2018, 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.

16.2 Additional paid-in capital

The changes in the balance of the "Additional paid in capital" caption include, apart from the capital reduction amounting to €500.0 million, the recognition and settlement of the share-based payments considered as equity-settled (note 20). The fair value of the amounts received during year ended December 31, 2019, as consideration for the equity instruments granted, amounts to €20.0 million (€21.2 million, 2018) offset by the settlement of the Performance Share Plan, Restricted Share Plan and Share Match Plan cycles by €12.9 million (€10.7 million, 2018).

16.3 Retained earnings and reserves

The balance on these accounts represents the accumulated retained earnings of the Group before the profit for the year and after the dividend distribution, as well as reserves that are statutorily required.

16.4 Dividends

On June 19, 2019, the General Shareholders' Meeting agreed to distribute a gross dividend of €1.175 per ordinary share, out of which an interim dividend of €0.51 per share was paid in full on January 17, 2019, for a total amount of €219.6 million. The total dividend amounts to €506.2 million.

Additionally, on December 12, 2019, the Company's Board of Directors proposed a fixed dividend distribution of 2019 profit for the year of an equivalent 50% of the consolidated net profit, this way reaching the maximum percentage of the dividend distribution policy of the Company. Consequently, an interim dividend distribution has been approved against 2019 profit of the year, amounting to €0.56 per share with dividend rights, paid on January 17, 2020, for a total amount of €241.4 million.

The Parent Company is able to distribute dividends whenever the amount of the reserves is greater than the net book value of the development costs registered in the statement of financial position.

16.5 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2017	1,069,252	517.1
Acquisitions	7,674,365	8.8
Retirements	(529,328)	(14.6)
Carrying amount at December 31, 2018	8,214,289	511.3
Acquisitions	144,582	10.1
Retirements	(560,093)	(16.0)
Share capital reduction	(7,554,070)	(500.0)
Carrying amount at December 31, 2019	244,708	5.4

On December 14, 2017, the Board of Directors of the Company agreed a Share buy-back program for the purchase of ordinary shares of the Company subject to a capped maximum amount of aggregate total consideration of €1,000 million and a maximum of 25,000,000 shares, representing 5.69% of the share capital of the Company.

The execution of the program was structured in a first non-cancellable tranche amounting €500 million, during 15 months (from January 1, 2018, to March 31, 2019) with a minimum purchase period of 9 months; and a second tranche amounting €500 million, during 12 months (from April 1, 2019 to March 31, 2020) cancellable under Company judgement if circumstances required it. On October 11, 2018, the Board of Directors agreed to cancel the second tranche.

The purpose of the acquisition of shares under that program basis was to reduce the share capital of the Company, after the agreement of the General Shareholders' Meeting.

On December 6, 2018, the Share Buy-back and Programme terminated. 7,554,070 shares were acquired under this programme by a total amount of €500.0 million (including transaction fees amounting to €2.8 million). These shares have been amortized as a consequence of the reduction in share capital agreed by the General Shareholders' Meeting on June 19, 2019, mentioned above.

The rest of the shares, 144,582 shares (120,295 shares, 2018) have been acquired by the Group for the settlements of the Performance Share Plan (PSP), Share Match Plan (SMP) and Restricted Share Plan (RSP).

During the year 2019, the Group has settled employee share-based plans and therefore transferred 560,042 shares (528,432 shares, 2018) to employees, and has delivered 48 shares (896 shares, 2018) to the former Amadeus IT Group, S.A. minority shareholders in relation to the exchange ratio established in the Merger Plan between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. occurred in 2016.

The historical cost for treasury shares retired (primarily for the settlement of the PSP, RSP and SMP, as detailed in note 20), is deducted from the "Additional paid-in capital" caption of the consolidated statement of financial position.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see note 20) during 2020, 2021 and 2022.

The authorization was granted under the framework of a share buy-back program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72.0 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

Within the context of the general authorization of October 10, 2019, the governing body of Amadeus S.A.S. will approve its specific share buy-back program (total or partial) for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd. up to a maximum of 350,000 ordinary shares, representing 0.08% of the share capital of the Company. This specific share buy-back programs will cover the obligations of these two companies arising from share-based plans (see note 20) during 2020.

16.6 Unrealized gains / (losses) reserve

The reconciliation of the carrying amount for the years ended as of December 31, 2019 and 2018, of components of the unrealized gains/(losses) reserve are set forth in the table below:

Notes (millions of euros)

	Cash-flow hedges					
	Exchange rates hedges	Interest rate swaps	Actuarial gains and losses	Changes in the fair value of equity investment at FVOCI	Exchange differences on translation of foreign operations	Total
Balance at December 31, 2017	16.2	(7.7)	(33.4)	-	(113.0)	(137.9)
Adjustment from adoption of IFRS 9, net of tax	(3.6)	-	-	-	-	(3.6)
Balance at January 1, 2018 restated	12.6	(7.7)	(33.4)	-	(113.0)	(141.5)
Changes in fair value	(45.6)	-	3.5	0.8	58.9	17.6
Tax effect of changes in fair value	11.4	-	(0.8)	(0.2)	-	10.4
Transfer to consolidated statement of financial position	(1.1)	-	0.9	-	-	(0.2)
Tax effect of transfer to consolidated statement of financial position	0.3	-	(0.2)	-	-	0.1
Transfers to income and expense	3.7	3.8	-	-	-	7.5
Tax effect of transfers to income and expense	(0.9)	(0.9)	-	-	-	(1.8)
Balance at December 31, 2018	(19.6)	(4.8)	(30.0)	0.6	(54.1)	(107.9)
Changes in fair value	(7.1)	-	(25.0)	(0.8)	20.2	(12.7)
Tax effect of changes in fair value	1.8	-	6.1	0.2	-	8.1
Transfers to income and expense	12.4	3.1	-	-	-	15.5
Tax effect of transfers to income and expense	(3.1)	(0.8)	-	-	-	(3.9)
Derecognition of equity investment at FVTOCI	-	-	-	3.1	-	3.1
Tax effect of derecognition of equity investment at FVTOCI	-	-	-	(0.8)	-	(0.8)
Other changes in equity	-	-	4.3	-	-	4.3
Balance at December 31, 2019	(15.6)	(2.5)	(44.6)	2.3	(33.9)	(94.3)

The "Cash-flow hedges" corresponds mainly to a reserve used to recognize the changes in fair value, net of taxes, of certain effective hedge instruments held by the Group to cover foreign exchange and interest rate risks, as detailed in note 21.

The "Actuarial gains and losses" corresponds to a reserve used to recognize all of the actuarial gains and losses for the period of all the Group's defined benefit plans. The actuarial gains and losses comprise mainly the effects of the changes in actuarial assumptions as detailed in note 14.

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

Notes (millions of euros)

16.7 Non-controlling interests

There were no significant variations in non-controlling interest during 2019.

During the year 2018, the Group acquired indirectly through its subsidiary Amadeus Corporate Business AG, additional 1.13% shares of i:FAO AG and its group of companies ("i:FAO"). The Group derecognized the non-controlling interest at its carrying amount and the difference with the fair value of the transaction price that amounted to €2.1 million in 2018 as a reduction of retained earnings. As of December 31, 2019, and 2018, the Group owns 90.02% of the shares of the entity.

In relating to Argo IT and Hiberus acquisitions in 2018 (note 15), the Group elected to recognize the non-controlling interests at fair value as of acquisition date, the fair value amounted to €3.6 million and 0.5 million, respectively.

17. CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of financial debt as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
Bonds	2,000.0	2,500.0
Deferred financing fees on Bonds	(8.1)	(12.2)
European Investment Bank (EIB)	61.6	125.6
Deferred financing fees on Revolving loan facility	(1.8)	(2.4)
Other debt with financial institutions	0.9	1.1
Lease liabilities	275.6	286.0
Total non-current debt	2.328.2	2,898.1
Bonds	500.0	500.0
European Investment Bank (EIB)	65.0	65.0
European Commercial Paper (ECP)	580.0	330.0
Other deferred financing fees	(0.7)	(0.3)
Accrued interest	5.6	5.5
Other debt with financial institutions	30.3	22.9
Lease liabilities	65.3	63.8
Total current debt	1,245.5	986.9
Total debt	3,573.7	3,885.0

As of December 31, 2019, approximately 67% (77% in December 31, 2018) of the Groups' outstanding interest-bearing debt is at fixed rate of interest. The reduction in the ratio of debt at fixed rate as compared to previous year is mainly due to the increase in the amount of Euro Commercial Paper (ECP) issued and the maturity of a fixed rate bond with a notional of €500.0 million during 2019.

The Group is required to meet two financial covenants, for the European Investment Bank senior loans and for the Revolving loan facilities, calculated on the basis of (i) the ratio of total Net Debt to EBITDA, and (ii) the ratio of EBITDA to Net Interest Payable. As of December 31, 2019 and 2018, the Group complies with the aforementioned financial covenants.

Notes (millions of euros)

17.1 Bonds

The movement of the Group's bond issues for the years ended December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019		December 31, 2018	
	Current	Non-current	Current	Non-current
Carrying amount at the beginning of the year	500.0	2,500.0	-	1,500.0
New issues	-	-	-	1,500.0
Transfers	500.0	(500.0)	500.0	(500.0)
Repayments	(500.0)	-	-	-
Carrying amount at the end of the year	500.0	2,000.0	500.0	2,500.0

The details of the bonds as at December 31, 2019, are as follows:

Bond	Company	Bourse	Issuance date	Maturity date	Amount	Annual coupon	Issue price (of nominal)	Purpose
Senior Fixed rate instrum.	Amadeus Capital Markets, S.A.	Luxembourg	November 10, 2015	November 30, 2021	500.0	1.625%	99.260%	Navitaire acquisition
Euro Medium Term Note Program	Amadeus Capital Markets, S.A.	Luxembourg	September 29, 2016	October 31, 2020	500.0	0.125%	99.785%	Repay financial indebtedness of the Group
Euro Medium Term Note Program	Amadeus IT Group, S.A.	Luxembourg	September 18, 2018	September 18, 2023	500.0	0.875%	99.898%	TravelClick acquisition (note 15)
Euro Medium Term Note Program	Amadeus IT Group, S.A.	Luxembourg	September 18, 2018	September 18, 2026	500.0	1.500%	99.761%	TravelClick acquisition (note 15)
Euro Medium Term Note Program	Amadeus IT Group, S.A.	Luxembourg	September 18, 2018	March 31, 2022	500.0	Euribor + 0.450% (*)	100.000%	TravelClick acquisition (note 15)
					2,500.0			

(*) the coupon is quarterly in this case

The three Eurobonds issued on September 18, 2018, by Amadeus IT Group, S.A. for a total value of €1,500.0 million had the purpose to partially acquire TravelClick (see note 15) and for other general corporate purpose needs.

On May 19, 2019, the Group has repaid the bond under the denominated "Senior Fixed Rate Instruments" issued on May 19, 2017, through its subsidiary Amadeus Capital Markets, S.A. (Sociedad Unipersonal) amounting to €500.0 million. .

17.2 European Investment Bank (EIB)

The Group has been granted by the European Investment Bank with two unsecured loans in 2012 and 2013. Both loans have a repayment schedule every six months. The breakdown of the conditions and reconciliation with the carrying amount as of December 31, 2019, is the following:

Notes (millions of euros)

EIB Loan	Grant date	Amount	Repayment starts	Carrying amount	Repayments 2019	Repayments 2018	Purpose
EIB Loan 2012	May 14, 2012	200.0	(*)	63.1	(35.0)	(35.0)	R&D activities IT Solutions segment
EIB Loan 2013	April 29, 2013	150.0	Nov-2017	63.5	(30.0)	(30.0)	R&D activities Distribution segment
				126.6	(65.0)	(65.0)	

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

The cash flows resulting from the loans have been discounted at the market interest rate, determined by reference to the market conditions that existed as the origination date of the loans, and interest rates charged for similar debt instruments.

17.3 Revolving Loan Facility

On August 8, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility which secured the acquisition of TravelClick. It was never disposed of and, on September 18, 2018, the Group cancelled this facility and replaced it by the abovementioned three new Eurobonds. The Group paid and recognized through the consolidated statement of comprehensive income transaction costs by an amount of €0.5 million.

On April 27, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility. This facility has a maturity of five years that could be extended for two additional years. The transaction costs ("Deferred financing fees") amounted to €1.8 million (€2.7 million as of December 31, 2018). Neither as of December 31, 2019, nor as of December 31, 2018, the Group has disposed of this facility.

At the same date, the Group cancelled the Facility A of the Revolving Credit Facility signed on March 5, 2015, amounting to €500.0 million and the Revolving Credit Facility signed on April 26, 2016 amounting to €500.0 million. The corresponding deferred financing fees of the cancelled Revolving Credit Facilities were fully recognized through the consolidated statement of comprehensive income in 2018 by an amount of €2.5 million.

17.4 Euro-Commercial Paper programme (ECP)

The Group, through its subsidiary Amadeus Finance B.V., formalized a short-term commercial paper issuance program (Euro-Commercial Paper Program - ECP) for a maximum amount of up to €750.0 million. This program is guaranteed by Amadeus IT Group, S.A. The securities that are issued under the program have the following basic characteristics, among others, on the occasion of each issue: a) may be issued in euros or in any other currency and may have different expiration dates (not exceeding 364 days), b) may accrue interest at a fixed or variable interest rate; and c) are Governed by English law.

During the year 2019, the Group has issued Euro Commercial Paper (ECP) net of interests by a total amount of €912.0 million (€930.0 million, 2018). The total commercial paper repaid during the year amounts to €662.0 million (€900.0 million, 2018).

Notes (millions of euros)

17.5 Maturity analysis

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

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

The Group's financial debt by maturity as of December 31, 2018, is set in the table below:

		Current	Non-current				
	December 31, 2018	2019	2020	2021	2022	2023 and beyond	Total non-current
Bonds	3,000.0	500.0	500.0	500.0	500.0	1,000.0	2,500.0
EIB	192.5	65.0	65.0	47.5	15.0	-	127.5
ECP	330.0	330.0	-	-	-	-	-
Accrued interests	5.5	5.5	-	-	-	-	-
Other debt with financial institutions	23.9	22.8	1.1	-	-	-	1.1
Leases	349.8	63.8	52.0	40.9	35.1	158.0	286.0
Total debt payable	3,901.7	987.1	618.1	588.4	550.1	1,158.0	2,914.6
Non-current Deferred financing fees	(14.6)						
Current Deferred financing fees	(0.2)						
Remaining fair value adjustment on EIB loan	(1.9)						
Total debt	3,885.0						

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

18. PROVISIONS

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the items included under the "Non-current provisions" caption is set forth in the table below:

	Employee liability	Claims and litigations	Other provisions	Total
Carrying amount at December 31, 2017	1.1	25.9	2.4	29.4
Additions	0.7	0.3	3.2	4.2
Additions due to acquisitions	-	0.7	-	0.7
Payments	(0.6)	(0.1)	(0.1)	(0.8)
Unused reversed amounts	-	(2.7)	(0.2)	(2.9)
Transfers	-	-	(0.1)	(0.1)
Translation changes	(0.1)	(0.9)	-	(1.0)
Carrying amount at December 31, 2018	1.1	23.2	5.2	29.5
Additions to the provision	0.3	0.3	(0.4)	0.2
Payments	(0.1)	(1.9)	-	(2.0)
Unused reversed amounts	-	(0.8)	(0.1)	(0.9)
Translation changes	(0.1)	(0.1)	0.2	-
Carrying amount at December 31, 2019	1.2	20.7	4.9	26.8

The obligations covered by "Claims and litigations" relates to the best estimate of the final compensation that would be required to settle claims with third parties and the provisions to fulfil certain compensating obligations in territories where the Group operates.

The "Other provisions" is mainly related to the restoration obligations of office buildings where the Group carries out its operations. The timing of the outflows is expected to occur in the long term and up to the amounts the obligations are provided for.

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of "Current provisions" caption is set in the table below:

	Millions of euros
Carrying amount at December 31, 2017	12.3
Additions to the provision	0.2
Additions due to acquisitions	0.3
Payments	(0.4)
Unused reversed amounts	(1.9)
Carrying amount at December 31, 2018	10.5
Additions to the provision	0.9
Transfers	(3.0)
Carrying amount at December 31, 2019	8.4

Within the "Current provisions" caption, it is included a provision amounted to €6.8 million (€6.8 million, 2018), for amounts which could become payable to a bank, in accordance with a comfort letter, in connection with loans granted by this bank to Qivive GmbH, an associate company.

19. RELATED PARTIES BALANCES AND TRANSACTIONS

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

As of December 31, 2019 and 2018, there are neither shareholders nor entities with significant influence considered related parties.

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

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

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

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

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

The Group's transactions and balances with the related parties (in thousands of euros) as of December 31, 2018, are set forth in the tables below:

	December 31, 2018		
Consolidated statement of comprehensive income	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	-	110,123	110,123
Personnel and related expenses	19,882		19,882
Total expenses	19,882	110,123	130,005
Dividends from associates	-	4,537	4,537
Revenue	-	28,823	28,823
Total income	-	33,360	33,360

Consolidated statement of financial position	December 31, 2018		
	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	473	473
Trade accounts receivable	-	13,188	13,188
Interim dividend payable (1)	416	-	416
Trade accounts payable	-	46,977	46,977

(1) During the year 2018 the dividends paid to Board members and key management amounted to €913 thousand.

19.1 Board of Directors

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

At the meetings held on June 19, 2019 and June 21, 2018, 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 2019 with a limit of €1,746 thousand and a limit €1,426 thousand for the 2018 period respectively, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's bylaws. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment (in thousands of euros) received by the members of the Board of Directors in 2019 and 2018 is set forth in the table below:

Board Members		Year 2019		Year 2018	
		Payment in cash	Payment in kind	Payment in cash	Payment in kind
José Antonio Tazón	President	312	2	303	2
Guillermo de la Dehesa	Vice-Chairman	147	-	158	-
Luis Maroto	Executive Director	35	-	35	-
Roland Busch	Director	-	-	53	-
William Connelly	Director	49	-	-	-
Clara Furse	Director	163	-	145	-
Pilar García	Director	116	-	102	-
Stephan Gemkow	Director	93	-	48	-
Pierre–Henri Gourgeon	Director	116	-	113	-
Nicolas Huss	Director	93	-	91	-
Peter Kuerpick	Director	116	-	59	-
Francesco Loredan	Director	116	-	113	-
Josep Piqué	Director	49	-	-	-
Marc Verspyck	Director	-	-	53	-
David Webster	Director	156	-	149	-
Total		1,561	2	1,422	2

At December 31, 2019 and 2018, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	December 31, 2019	December 31, 2018
Name	Shares	Shares
José Antonio Tazón	205,000	255,000
Luis Maroto	72,360	172,883
David Webster	1	1
Pierre–Henri Gourgeon	400	400

At December 31, 2019, neither any of the members of the Board of Directors nor any other person related to them, in accordance with the Spanish Capital Companies Act has reported to the Board of Directors any direct or indirect conflict situation with the interest of the Company.

During the year ended December 31, 2019, and 2018, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions are the following (in thousands of euros):

	December 31, 2019	December 31, 2018
Compensation in cash (salary and bonus)	1,983	1,688
Compensation in kind	91	46
Pension plan and collective life insurance policies	187	183
Share based payments	2,985	3,084
Total	5,246	5,001

19.2 Key Management Compensation

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

	December 31, 2019	December 31, 2018
Compensation in cash (salary and bonus)	6,665	5,886
Compensation in kind	608	466
Pension plan and collective life insurance policies	714	646
Share based payments	6,132	6,430
Total	14,119	13,428

Key management consist of 13 members for the year ended December 31, 2019 (11 members as at December 31, 2018).

The reconciliation of the number of shares held by the Group Key Management at December 31, 2019 and 2018, is set forth in the table below:

	Shares
December 31, 2017	387,280
Additions	51,750
Disposals	(52,589)
December 31, 2018	386,441
Additions	65,195
Disposals	(71,326)
December 31, 2019	380,310

Notes (millions of euros)

20. SHARE-BASED PAYMENTS

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

20.1 Performance Share Plan (PSP)

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

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

This plan is an equity-settled share-based payment transaction under IFRS 2 and, accordingly, the fair value of services received during the years ended as of December 31, 2019 and 2018, as consideration for the equity instruments granted, has impacted "Personnel and related expenses" caption in the consolidated statement of comprehensive income in an amount of €11.6 million (€16.0 million, 2018) against Additional paid-in capital.

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

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

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

	PSP 2016	PSP 2017	PSP 2018	PSP 2019 (I)	PSP 2019 (II)
Total shares allotted at grant date (1)	277,785	259,200	173,930	123,500	49,050
Fair value of the instruments at grant date (2)	€ 37.73	€ 49.49	€ 64.03	€ 66.90	€58.63
Dividend yield	1.59%	1.47%	1.24%	1.54%	1.54%
Expected volatility	22.37%	21.23%	19.06%	19.06%	22.09%
Risk free interest rate	-	-	-	-	0.05%

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

The detail of the changes and settlement in the Group's PSP for the years 2019 and 2018, is set forth in the table below:

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

December 31, 2018	PSP 2015	PSP 2016	PSP 2017	PSP 2018	Total (1)
Outstanding shares at beginning of the year	205,622	249,247	247,295	-	702,164
Shares allotted during the period	-	-	-	173,930	173,930
Forfeiture during the period	(3,726)	(15,108)	(16,260)	(4,468)	(39,562)
Settlement of plan at vesting date	(201,896)	-	-	-	(201,896)
Outstanding shares at end of the year	-	234,139	231,035	169,462	634,636
Performance objectives	200%				
Shares transferred to employees (2)	403,358				
Weighted average price	€ 74.41				
Impact in Additional paid-in capital (millions of €)	(7.5)				

(1) This number of shares could increase up to double if the Group's performance in all performance objectives is extraordinary.
(2) The Group used treasury shares to settle these share-based payments (as detailed in note 16).

20.2 Restricted Share Plan (RSP)

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

This plan is an equity-settled share-based payment transaction under IFRS 2. The fair value of services received during the years ended as of December 31, 2019 and 2018, as consideration for the equity instruments granted (amounting to 54,449 shares in 2019 and 69,300 shares, respectively), has impacted "Personnel and related expenses" caption in the consolidated statement of comprehensive income in an amount of €1.3 million (€0.9 million, 2018) against Additional paid-in capital.

The detail of RSP awards settled during 2019 and 2018 is set forth in the table below:

	December 31, 2019	December 31,2018
Shares transferred to employees (1)	10,523	30,931
Weighted average price	€ 69.99	€ 69.06
Impact in Additional paid-in capital (millions of €)	(0.1)	(0.3)

(1) The Group used treasury shares to settle these share-based payments (as detailed in note 16).

20.3 Share Match Plan (SMP)

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

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

This plan is an equity-settled share-based payment transaction under IFRS 2. The fair value of services received during the years ended as of December 31, 2019 and 2018, as consideration for the equity instruments granted (amounting to 245,723 shares and 227,054 shares, respectively) has impacted "Personnel and related expenses" caption in the consolidated statement of comprehensive income in an amount of €7.1 million (€4.3 million, 2018) against Additional paid-in capital.

The detail of SMP awards settled during 2019 and 2018 is set forth in the table below:

	December 31, 2019	December 31,2018
	SMP 2017	SMP 2016
Shares transferred to employees (1)	92,537	96,944
Weighted average price	€ 73.13	€ 74.39
Impact in Additional paid-in capital (millions of €)	(2.9)	(2.9)

(1) The Group used treasury shares to settle these share-based payments (as detailed in note 16).

21. DERIVATIVE FINANCIAL INSTRUMENTS

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

As of December 31, 2019 and 2018, the fair values of assets and liabilities of derivative financial instruments are set forth in the table below (see note12):

	December 31, 2019				December 31, 2018			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Foreign currency forward	7.9	3.7	28.1	6.0	4.6	1.5	19.0	14.5
Total derivative financial instruments designated as hedge	7.9	3.7	28.1	6.0	4.6	1.5	19.0	14.5
Foreign currency forward	1.4	-	-	-	2.9	-	0.3	-
Total derivative instruments held for trading	1.4	-	-	-	2.9	-	0.3	-
Total	9.3	3.7	28.1	6.0	7.5	1.5	19.3	14.5

As of December 31, 2019 and 2018, the maturity of the notional amount of the Group's derivative financial assets and liabilities is set forth in the table below:

Notes (millions of euros)

	December 31, 2019				December 31, 2018			
	2020	2021	2022 and beyond	Total	2019	2020	2021 and beyond	Total
Foreign currency forward (cash flow hedges of exchange rates)	786.3	396.7	135.6	1,318.6	1,158.3	315.4	69.6	1,543.3
Total derivative financial instruments designated as hedge	786.3	396.7	135.6	1,318.6	1,158.3	315.4	69.6	1,543.3
Foreign currency forward	13.2	-	-	13.2	13.5	-	-	13.5
Total derivative instruments held for trading	13.2	-	-	13.2	13.5	-	-	13.5
Total	799.5	396.7	135.6	1,331.8	1,171.8	315.4	69.6	1,556.8

There was no ineffectiveness to be recorded from net investments in foreign entity hedges.

21.1 Cash flow hedges of interest rates

During the year ended 2019, the Group did not sign any new interest rate swaps (IRS) contracts, to hedge the Group's exposure to interest rate changes by fixing most of the interest amounts to be paid in coming years.

On March 10, 2016 the Group cancelled an IRS contract and discontinued the hedging relationship. Accordingly, the pre-tax impact of the IRS in other comprehensive income of €16.1 million will be transferred to the consolidated statement of comprehensive income until 2021, in line with the maturity calendar of the debt that was being hedged. The amount transferred in 2019 amounted to €3.1 million (€3.8 million, 2018).

21.2 Cash flow hedges of exchange rates

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

Regarding currency derivatives held, for the year ended December 31, 2019, a loss of €7.1 million (€5.3 million net of taxes) has been charged to other comprehensive income. A loss of €45.6 million (€34.2 million net of taxes) was charged to other comprehensive income for the year ended December 31, 2018.

The FX contract agreements signed by the Group in 2018 to hedge the total amount of TravelClick, Inc. acquisition against the US dollar – Euro exchange rate fluctuation generated a gain of €1.1 million (€0.8 million net of taxes) when the acquisition was finally completed on October 4, 2018. Those gains were booked against the hedged item, reducing the investment in TravelClick.

22. TAXATION

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

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

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

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

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

Since 1999, the Company has been engaged in disputes with the Indian tax authorities in relation to an allegation that the distribution activities in that country qualify as a permanent establishment in India. On this basis, the Indian tax authorities claim that a portion of the revenue generated in respect of bookings made by travel agencies located in India should be subject to Indian tax. There are a number of proceedings underway relating to the tax years between 1995 and 2016 at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities and before the Supreme Court. The resolution from the Delhi High Court dated on January 2010 concerning tax years from 1995 to 1998 concludes on the existence of permanent establishment, but without income subject to tax in India. This resolution was also extended to the fiscal years from 1998 to 2006 (both inclusive). These decisions are under dispute before the Supreme Court. The Company has been advised that there is no provision under Indian law for sanctions to be imposed as a result of the ongoing proceedings.

Additionally, since 2006, the Indian tax authorities are of the opinion that the IT service agreement executed between the Company and an airline (both non-resident) may give rise to royalty payments and fees for technical services in India. As a result of this interpretation, a new tax claim is under dispute. The dispute has been extended on a yearly basis not only to a specific airline but to the Altea System in general for its operation in India.

The Company has registered the appropriate liabilities in order to minimize its exposure in the event the final ruling from the Court does not result in its favor.

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

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

Notes (millions of euros)

Spanish Tax Consolidation Group has included in 2019 two more companies as a consequence of M&A transactions. It is formed by the following companies:

Parent company: Amadeus IT Group, S.A.

Subsidiaries:

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

The income tax expense for the years ended on December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
Current	322.4	358.0
Deferred	(16.4)	(21.2)
Total Income taxes	306.0	336.8

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018
	%	%
Statutory income tax rate in Spain	25.0	25.0
Effect of different tax rates	2.2	1.6
Tax Credits	(5.8)	(1.2)
Other permanent differences	0.8	-
Subtotal	22.2	25.4
Purchase price allocation impact	(0.4)	(0.2)
Effective income tax rate	21.8	25.2

As of December 31, 2019, the main difference between the statutory income tax rate in Spain and the effective income tax rate is mainly explained by the tax credits related to the modifications of the patent box regime (IP box) in France this year. As of December 31, 2018, the main difference mainly corresponded to the effect of different tax rates within the Group.

Notes (millions of euros)

The detail of tax receivables and payables as of December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019	December 31, 2018 Restated
Tax receivable current and non-current		
Current income tax assets	61.2	43.5
VAT (note 14)	64.9	65.6
Other taxes receivable (note 14)	126.7	103.2
Total	252.8	212.3
Tax payable current and non-current		
Income tax payable	47.2	41.7
VAT (note 14)	11.5	7.7
Non-current income tax liabilities	137.6	126.7
Other taxes payable (note 14)	31.0	23.2
Total	227.3	199.3

The "Non-current income tax liabilities" caption corresponds to uncertain tax positions for income tax. The separation of these tax positions in the consolidated statement of financial position arises from the application of IFRC 23. The balance in 2018 in the table above has been restated (see note 2).

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

Assets	December 31, 2018	Net charged to income statement	Charged to equity	Additions due to Acquisitions (Note 15)	Transfers	Translation changes	December 31, 2019
Unused tax losses	3.7	0.5	-	-	-	0.9	5.1
Net cancellation reserve	5.9	-	-	-	-	-	5.9
Bad debt provision	7.6	13.1	-	0.7	-	-	21.4
Hedge accounting	10.9	-	8.8	-	-	-	19.7
Employees benefits	34.0	(0.9)	6.1	0.8	-	0.2	40.2
Unrealized gains - foreign currency and financial instruments	3.2	(0.1)	-	-	-	0.2	3.3
Tax audit	10.6	-	-	-	-	-	10.6
Other	15.1	3.1	-	1.0	-	0.7	19.9
Subtotal	91.0	15.7	14.9	2.4	-	2.1	126.1
Netting	(71.1)	-	-	-	(17.6)	-	(88.7)
Total	19.9	15.7	14.9	2.4	(17.6)	2.1	37.4

Notes (millions of euros)

Liabilities	December 31, 2018	Net charged to income statement	Charged to equity	Additions due to Acquisitions (Note 15)	Transfers	Translation changes	December 31, 2019
Provision for decline in value of investments	10.5	-	-	-	-	-	10.5
Depreciation and amortization	447.2	17.2	-	-	-	1.0	465.4
Purchase Price Allocation	358.8	(17.5)	-	-	-	-	341.3
Hedge accounting	9.2	-	8.4	-	-	-	17.6
Other	4.4	(0.3)	-	0.9	-	-	5.0
Subtotal	830.1	(0.6)	8.4	0.9	-	1.0	839.8
Netting	(71.1)	-	-	-	(17.6)	-	(88.7)
Total	759.0	(0.6)	8.4	0.9	(17.6)	1.0	751.1

The Group's deferred tax balances as of December 31, 2018, are set forth in the table below:

Assets	December 31, 2017	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2018
Unused tax losses	4.4	(0.7)	-	-	-	-	3.7
Net cancellation reserve	5.9	-	-	-	-	-	5.9
Bad debt provision	7.3	0.3	-	-	-	-	7.6
Hedge accounting	3.4	-	7.5	-	-	-	10.9
Employees benefits	29.9	5.3	(0.8)	-	0.3	(0.7)	34.0
Tax audit	10.6	-	-	-	-	-	10.6
Unrealized gains - foreign currency and financial instruments	2.1	0.4	-	(0.3)	-	1.0	3.2
Other	13.5	1.1	(0.1)	0.4	0.2	-	15.1
Subtotal	77.1	6.4	6.6	0.1	0.5	0.3	91.0
Netting	(52.1)	-	-		(19.0)	-	(71.1)
Total	25.0	6.4	6.6	0.1	(18.5)	0.3	19.9

Liabilities	December 31, 2017	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2018
Provision for decline in value of investments	10.5	-	-	-	-	-	10.5
Depreciation and amortization	367.8	13.6	-	63.4	0.6	1.8	447.2
Purchase Price Allocation	289.8	(29.2)	-	-	98.1	0.1	358.8
Hedge accounting	9.1	-	0.1	-	-	-	9.2
Other	2.8	0.8	-	-	-	0.8	4.4
	680.0	(14.8)	0.1	63.4	98.7	2.7	830.1
Netting	(52.1)	-	-	-	(19.0)	-	(71.1)
Total	627.9	(14.8)	0.1	63.4	79.7	2.7	759.0

The expiration date of unused tax losses and credits for which no deferred tax asset has been recognized in the consolidated annual accounts, mainly due to the uncertainty of their recoverability as of December 31, 2019 and 2018, is set forth in the table below:

Year(s) of expiration	December 31, 2019	December 31, 2018
From 1 to 5 years	0.6	0.4
More than 5 years	1.6	2.0
Unlimited	24.6	20.5
Total	26.8	22.9

23. EARNINGS PER SHARE

The reconciliation of the weighted average number of shares and diluted weighted average number of outstanding shares as of December 31, 2019 and 2018 is set forth in the table below:

	December 31, 2019		December 31, 2018	
	Ordinary shares (Note 16)	Weighted average number of ordinary shares	Ordinary shares (Note 16)	Weighted average number of ordinary shares
Total shares issued	431,268,436	435,242,083	438,822,506	438,822,506
Treasury shares	(244,708)	(4,429,238)	(8,214,289)	(8,454,980)
Total shares outstanding	431,023,728	430,812,845	430,608,217	430,367,526

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year, excluding ordinary shares purchased by the Group and held as treasury shares. The dilutive earnings per share is calculated including the ordinary shares outstanding to assume conversion of a potentially dilutive ordinary shares. Any potential dilutive effect of the treasury shares to match the share-based payments did not have a significant effect in the ratio and, therefore, basic and diluted earnings per share are equal in both 2019 and 2018.

The calculation of basic and diluted earnings per share (rounded to two digits) for the year ended December 31, 2019 and 2018 is set forth in the table below:

Basic and diluted earnings per share			
December 31, 2019		December 31, 2018	
Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)	Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)
1,113.1	2.58	1,002.4	2.33

24. ADDITIONAL INFORMATION

24.1 Commitments

The Group guarantees for the year ended December 31, 2019, and 2018, are set forth in the table below:

	December 31, 2019	December 31, 2018
Other guarantees and bank guarantees	25.3	28.8
Guarantees over office buildings and equipment	10.5	10.4
Bank guarantees on commercial contracts	10.2	8.8
Total	46.0	48.0

As of December 31, 2019, the Group has short-term commitments to acquire property, plant and equipment for €15.3 million (€15.2 million, 2018).

Notes (millions of euros)

24.2 Interest expense and other financial expenses

The "Interest expense" for the year ended December 31, 2019 and 2018, mainly corresponds to the borrowings detailed in note 17. The breakdown is set forth in the table below:

	December 31, 2019	December 31, 2018
Bonds	21.1	12.4
European Investment Bank	5.3	7.3
European Commercial Paper	(1.3)	(1.2)
Interest from derivative instruments	3.1	3.7
Other debt with financial institutions	0.1	0.1
Lease liabilities	7.5	6.8
Subtotal	35.8	29.1
Deferred financing fees	4.6	7.1
Bank commissions, fees and other expenses	1.6	1.7
Interest expense	42.0	37.9

The breakdown of "Other financial expenses" caption for the year ended December 31, 2019, and 2018 is set forth in the table below:

	December 31, 2019	December 31, 2018
Net interest on the Net Defined Benefit liability (note 14)	2.2	1.9
Interest expense on Tax	3.9	5.8
Others	4.2	1.1
Other financial expenses	10.3	8.8

24.3 Employee distribution

The employee distribution by category and gender for the year ended December 31, 2019 and 2018, is set forth in the table below:

	December 31, 2019			December 31, 2018		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-presidents/Vice-presidents	4	22	26	3	23	26
Group Directors	34	133	167	32	131	163
Managers	1,321	2,713	4,034	1,173	2,438	3,611
Disabled managers	24	29	53	20	27	47
Staff	5,466	7,903	13,369	4,727	7,062	11,789
Disabled Staff	57	83	140	58	81	139
TravelClick employees	-	-	-	635	510	1,145
TOTAL	6,906	10,883	17,789	6,648	10,272	16,920

The average employee distribution by category and gender for the year ended December 31, 2019 and 2018, is set forth in the table below:

Notes (millions of euros)

	December 31, 2019			December 31, 2018		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-presidents/Vice-presidents	4	24	28	4	24	28
Group Directors	34	131	165	31	135	166
Managers	1,237	2,557	3,794	1,164	2,414	3,578
Disabled managers	23	29	52	18	25	43
Staff	5,075	7,408	12,483	4,645	6,878	11,523
Disabled Staff	57	80	137	56	79	135
TravelClick employees	-	-	-	159	128	287
TOTAL	6,430	10,229	16,659	6,077	9,683	15,760

The Group has already homogenized the categories of TravelClick employees to match the distribution for the rest of the Group.

24.4 Auditing services

The fees for annual accounts auditing services and other services rendered by the current audit firm (EY) international organization for the year ended December 31, 2019, and the fees for the year ended December 31, 2018, rendered by Deloitte, the former audit firm, are set forth in the table below:

	December 31, 2019	December 31, 2018
Auditing	1.9	2.5
Other assurance services	0.4	0.4
Tax advice	0.3	0.7
Other services	0.6	0.6
Total	3.2	4.2

25. CASH FLOWS

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

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

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

The reconciliation of the "Cash and cash equivalents net" caption of the consolidated statement of cash flows and the "Cash and cash equivalents" caption of the consolidated statement of financial position as of December 31, 2019 and 2018, is set forth in the table below:

Notes (millions of euros)

	December 31, 2019	December 31, 2018
Cash on hand and balances with banks	505.7	549.0
Short-term investments	58.3	13.6
Cash and cash equivalents	564.0	562.6
Bank overdrafts	(3.0)	(0.8)
Cash and cash equivalents net	561.0	561.8

As of December 31, 2019, the Group has maintained short-term money market investments with an average yield rate in US Dollars investments of 2.49% (2.11%, 2018). As of December 31, 2018 additionally the Group maintained short-term money market investments with a nil average yield rate for EUR investments and short-term money market investments Australian Dollars with an average yield rate of 1.52%.

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

The table below details changes in the Group's financial liabilities arising from financing activities, including both cash and non-cash changes during the year ended December 31, 2019, and 2018:

			Non-cash changes					
	December 31, 2018	Cash Flows from financing activities	Transfers	Leases and others	Fair value adjust-ments (note 21)	Accrued interest	Other changes	December 31, 2019
Non-current debt	2,898.1	-	(619.3)	43.9	-	-	5.5	2,328.2
Non-current derivative financial liabilities	14.5	-		-	(8.5)	-	-	6.0
Current debt	986.9	(453.7)	619.3	59.2	-	32.7	1.1	1.245.5
Current derivative financial liabilities	19.3	-	-	-	8.8	-	-	28.1
Total	3,918.8	(453.7)	-	103.1	0.3	32.7	6.6	3,607.8

			Non-cash changes					
	December 31, 2017	Cash Flows from financing activities	Transfers	Leases and others	Fair value adjust-ments (note 21)	Accrued interest	Other changes	December 31, 2018
Non-current debt	1,755.1	1,489.1	(584.4)	229.2	-	-	9.1	2,898.1
Non-current derivative financial liabilities	1.1	-	-	-	13.4	-	-	14.5
Current debt	396.1	(150.4)	584.4	124.1	-	25.3	7.4	986.9
Current derivative financial liabilities	7.2	-	-	-	12.1	-	-	19.3
Total	2,159.5	1,338.7	-	353.3	25.5	25.3	16.5	3,918.8

26. SUBSEQUENT EVENTS

Amadeus completed the acquisition of Optym's Sky business on January 31, 2020 through its subsidiary Amadeus North America Inc. The transaction 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 Sky Suite Products" acquired 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.

The initial purchase price amounts to 40 million US Dollar. The transaction price includes different earn-out scenarios based on annual qualified net revenues for the years 2022 and 2023 and on qualified new sales between closing and December 31, 2023. The amount of contingent consideration recognized as of the acquisition date amounts to 15 million US Dollar.

The main assets acquired consist of the software and contractual relationships linked to the Sky Suite Products acquired. Cash, bank accounts, tax assets and all accounts receivable have been excluded, as well as any liabilities to the extent related to the excluded assets. The Group is on the process of engaging a valuation company to help us on the determination of the fair values of the assets acquired and that is why as of the date of issuance of these consolidated annual accounts the Group has not completed the initial accounting for the carved-out business acquired.

Acquisition related costs amounting to €0.6 million have been recorded as expenses under "Other operating expenses" in 2019.

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Amadeus Airport IT Americas, Inc. (3)	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	U.S.A.	Software development	100%	100%
Amadeus Airport IT GmbH	Berghamer Str. 6 85435, Erding-Aufhasen.	Germany	Software development	100%	100%
Amadeus Albania sh.p.k.	Bulevardi Deshmoret e Kombit, Tirana.	Albania	Distribution	100%	100%
Amadeus América S.A. (4)	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Regional support	100%	100%
Amadeus Americas, Inc.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	U.S.A.	Regional support	100%	100%
Amadeus Argentina S.A.	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Distribution	95.50%	95.50%
Amadeus Asia Limited	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Thailand	Regional support	100%	100%
Amadeus Austria Marketing GmbH	Dresdnerstrasse 91/C1/4, 1200 Wien.	Austria	Distribution	100%	100%
Amadeus Benelux N.V.	Medialaan, 30. Vilvoorde 1800.	Belgium	Distribution	100%	100%
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Turkey	Software development	100%	100%
Amadeus Bolivia S.R.L..	Equipetrol North. J Street. Building “Rolea Center” 1st floor. Suites E&D. Santa Cruz.	Bolivia	Distribution	100%	100%
Amadeus Bosna d.o.o. za marketing Sarajevo	Midhat Karic Mitke 1, 71000 Sarajevo	Bosnia and Herzegovina	Distribution	100%	100%
Amadeus Brasil Ltda.	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Brazil	Distribution	83.51%	83.51%
Amadeus Bulgaria EOOD	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Bulgaria	Distribution	55.01%	55.01%
Amadeus Capital Markets, S.A., Sociedad Unipersonal	Salvador de Madariaga, 1. 28027 Madrid	Spain	Financial activities	100%	100%
Amadeus Central and West Africa S.A.	7, Avenue Nogues 08 BPV 228 Abidjan 01	Ivory Coast	Distribution	100%	100%
Amadeus Content Sourcing, S.A., Sociedad Unipersonal	Salvador de Madariaga 1, 28027, Madrid	Spain	Intermediation	100%	100%
Amadeus Corporate Business, AG	Berghamer Straße 6, 85435 Erding-Aufthausen	Germany	Holding of shares	100%	100%
Amadeus Customer Center Americas S.A.	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Costa Rica	Regional support	100%	100%
Amadeus Czech Republic and Slovakia s.r.o.	Meteor Centre Office Park. Sokolovská 100 / 94 Praha 8 – Karlin 186 00.	Czech Republic	Distribution	100%	100%
Amadeus Data Processing GmbH (5)	Berghamer Strasse 6. D-85435. Erding. Munich.	Germany	Data processing	100%	100%
Amadeus Denmark A/S (6)	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Denmark	Distribution	100%	100%
Amadeus Eesti AS	Tuukri 19. 10152 Tallinn.	Estonia	Distribution	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Amadeus Finance B.V.	De Entrée 99 1101 HE Amsterdam.	The Netherlands	Financial activities	100%	100%
Amadeus France S.A.	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	100%	100%
Amadeus GDS LLP	48 Auezov Str,m 4th floor, 050008, Almaty.	Kazakhstan	Distribution	100%	100%
Amadeus GDS (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Malaysia	Distribution	100%	100%
Amadeus GDS Singapore Pte. Ltd.	1 Wallich Street 27-00 Guoco Tower Singapore 078881	Singapore	Distribution	100%	100%
Amadeus Germany GmbH	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Germany	Distribution	100%	100%
Amadeus Global Ecuador S.A.	República del Salvador N35- 126 and Portugal, Zanté Building; 2nd floor Suite 206, Quito.	Ecuador	Distribution	100%	100%
Amadeus Global Operations Americas Inc. (3)	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	U.S.A.	Data processing	100%	100%
Amadeus Global Travel Distribution Ltd.	P.O. Box 6680-00100 14,Riverside off Riverside Drive Grosvenor suite 4A, 4th Floor, Nairobi.	Kenya	Distribution	100%	100%
Amadeus Global Travel Israel Ltd.	14 Ben Yehuda St. 61264 Tel Aviv.	Israel	Distribution	100%	100%
Amadeus GTD (Malta) Limited	Birkirkara Road. San Gwann. SGN 08.	Malta	Distribution	100%	100%
Amadeus GTD Southern Africa Pty Ltd.	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	100%	100%
Amadeus Hellas Electronic Travel Information Service Single Member Societe Anonyme	Sygrou Ave. 157. 17121 N. Smyrni Athens.	Greece	Distribution	100%	100%
Amadeus Honduras, S.A. (3)	Building El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel Local B. Av. Circunvalación. San Pedro Sula.	Honduras	Distribution	100%	100%
Amadeus Hong Kong Ltd.	3/F, Henley Building nº 5 Queens' Road. Central Hong Kong.	China	Distribution	100%	100%
Amadeus Hospitality Americas, Inc (3)	75 New Hampshire Ave, Portsmouth NH 03801.	U.S.A.	Distribution and software development	100%	100%
Amadeus Hospitality Asia Pacific Pte. Ltd (3)	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Singapore	Distribution and software development	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Amadeus Hospitality Netherlands B.V.	Chasséveld 15G 4811 DH Breda.	The Netherlands	Distribution and software development	100%	100%
Amadeus Hospitality UK Ltd. (3)	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	U.K.	Distribution and software development	100%	100%
Amadeus Information Technology LLC	M. Golovin line 5, 2nd floor 107045, Moscow.	Russia	Distribution	100%	100%
Amadeus Integrated Solutions Pty Ltd.	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	100%	100%
Amadeus IT Group Colombia S.A.S.	Carrera 11 No. 84 - 09 6° floor Building Amadeus Tower, Bogotá.	Colombia	Distribution	100%	100%
Amadeus IT Pacific Pty. Ltd.	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Australia	Distribution	100%	100%
Amadeus IT Services UK Limited	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	U.K.	Distribution and software development	100%	100%
Amadeus Italia S.P.A.	Via Morimondo, 26, 20143 Milano.	Italy	Distribution	100%	100%
Amadeus Japan K.K.	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Japan	Distribution	100%	100%
Amadeus Korea, Ltd	Kyobo Securities Building-Youldo 10F, Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	South Korea	Software development and software definition	100%	100%
Amadeus Lebanon S.A.R.L.	Gefinor Centre P.O. Box 113-5693 Beirut.	Lebanon	Distribution	100%	100%
Amadeus Leisure IT GmbH	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Germany	Software development	100%	100%
Amadeus Macedonia DOOEL Skopje	Gradski Zid, Blok 4/8, 1000 Skopje.	Macedonia	Distribution	100%	100%
Amadeus Magyaroszag Kft	1075 Budapest. Madách Imre út 13-14. Budapest.	Hungary	Distribution	100%	100%
Amadeus Marketing (Ghana) Ltd.	12 Quarcoo Lane, West Airport Residential Area. Accra.	Ghana	Distribution	100%	100%
Amadeus Marketing Ireland Ltd.	65 Charlemont Street Dublin 2.	Ireland	Distribution	100%	100%
Amadeus Marketing Nigeria Ltd.	26, Ladipo Bateye Street. G.R.A., Ikeja, Lagos.	Nigeria	Distribution	100%	100%
Amadeus Marketing Phils Inc.	36th Floor, LKG Tower Ayala Avenue, Makati City.	Philippines	Distribution	100%	100%
Amadeus Marketing Romania S.R.L.	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Romania	Distribution	100%	100%
Amadeus Marketing (Schweiz) AG	Pfingstweidstrasse 60. Zurich CH 8005.	Switzerland	Distribution	100%	100%
Amadeus México, S.A. de C.V. (7)	Pº de la Reforma nº 265, 11th floor. Col. Cuauhtemoc 06500 Ciudad de México	Mexico	Distribution	100%	100%
Amadeus North America Inc. (3)	3470 Northwest 82 Ave., Suite 1000, Miami, Florida 33122.	U.S.A.	Distribution	100%	100%
Amadeus Norway AS (6)	Post boks 6645, St Olavs Plass, No-0129 Oslo.	Norway	Distribution	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Amadeus Paraguay S.R.L.	Luis Alberto de Herrera 195 esquina Fulgencio Yegros Inter Express Building- 2nd floor, Suite 202, Asunción.	Paraguay	Distribution	100%	100%
Amadeus Perú S.A.	Víctor Andrés Belaunde, 147. Real 5 Building, Suite 902. San Isidro, Lima.	Peru	Distribution	100%	100%
Amadeus Polska Sp. z o.o.	ul. Domaniewska 49, Warsaw 26-672.	Poland	Distribution	100%	100%
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	Barbados Square Iş Merkezi.Dikilitaş Mah. Emirhan Cad. No: 113 Kat:18 34349 Istanbul.	Turkey	Distribution	100%	100%
Amadeus S.A.S.	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	France	Software development and software definition	100%	100%
Amadeus Scandinavia AB	Hälsingegatan 49 6tr, Box 6602, SE-113 84 Stockholm.	Sweden	Distribution	100%	100%
Amadeus Services Ltd. (8)	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	U.K.	Software development	100%	100%
Amadeus Slovenija, d.o.o.	Dunajska 122, 1000 Ljubljana.	Slovenia	Distribution	100%	100%
Amadeus Software Labs India Private Limited (9)	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	India	Software development and software definition	100%	100%
Amadeus Software Technology (Shangai) CO., Ltd (3)	1709 You You International Plaza, No. 76 Pujian Road, Pudong New Area 200127 Shanghai.	China	Distribution and software development	100%	100%
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Iris Building, Ribera del Loira 4-6 28042, Madrid.	Spain	Distribution	100%	100%
Amadeus Taiwan Co. Ltd.	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Taiwan	Distribution	100%	100%
Amadeus Travel IMS, S.L.	Paseo Isabel La Católica 6 - Zaragoza	Spain	Software development	95%	95%
Amadeus Verwaltungs GmbH (5)	Unterreut 6. 76135 Karlsruhe.	Germany	Holding of shares	-	100%
Amadeus Yemen Limited (8)	Al-Zubariri Street. Aman Tower Building 6th floor. Sana'a.	Yemen	Distribution	100%	100%
Argo IT Tecnologia S.A. (10)	Rua do Paraiso, No. 148, planta 13, Estado de Sao Paulo	Brazil	Software Development	70%	70%
Bratys Development (3)	3 Zarii Street, 5th District Bucharest	Romania	Information Technology	100%	100%
Content Hellas Electronic Tourism Services S.A.	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Greece	Distribution	100%	100%
Digital Alchemy, LLC. (3)	8721 Airport Freeway Suite 200, N. Richland Hills, Texas	U.S.A.	Data processing and information technology	100%	100%
Enterprise Amadeus Ukraine	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
ICM Airport Technics Australia Pty. Ltd. (11)	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Australia	Installation of industrial machinery and equipment	100%	-
ICM Airport Technics LLC (11)	4001 Kennett Pike, Suite 302, DE 19807, Wilmington, United States.	U.S.A.	Installation of industrial machinery and equipment	100%	-
ICM Airport Technics Singapore Pte. Ltd. (11)	80 Airport Boulevard, #04-21, Changi Airport Terminal 1, 819642, Singapore.	Singapore	Installation of industrial machinery and equipment	100%	-
ICM Airport Technics UK Ltd. (11)	Aruna House, 2 Kings Road, Haslemere, Surrey, GU27 2QA, United Kingdom.	U.K.	Installation of industrial machinery and equipment	100%	-
ICM Australia Holdings Ltd. (11)	Unit 1, 12 Lord Street Lakes Business park, NSW 2019, Botany, Australia.	Australia	Holding of shares	100%	-
ICM Group Holdings Limited	15 Queen’s Road Central, Edinburgh Tower, 21st floor, The Landmark, Hong Kong.	China	Holding of shares	100%	-
i:FAO AG (12)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Holding of shares	90.02%	90.02%
i:FAO Bulgaria EOOD (12)	Antim Tower, Level 15 -2 Kukush Street, 1309 Sofia.	Bulgaria	Software development	90.02%	90.02%
i:FAO Group GmbH (12)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Distribution and software development	90.02%	90.02%
Latinoamérica Soluciones Tecnológicas SPA (13)	Isidora Goyenechea 2939 P/10, Las Condes, Santiago de Chile.	Chile	Distribution	100%	100%
Navitaire LLC	333 South Seventh Street Suite 1800, 55402 Minneapolis.	U.S.A.	Software development	100%	100%
Navitaire Philippines Inc.	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila	Philippines	Software development	100%	100%
NMTI Holdings, Inc. (3)	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	U.S.A	Holding of shares	100%	100%
Private Enterprise "Content Ukraine" (14)	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100%	100%
PT Amadeus Technology Indonesia (15)	UOB Square floor 39, Unit 2, Jl. M. H. Thamrin No. 10, Jakarta 10230.	Indonesia	Distribution	100%	100%
Pyton Communication Services B.V.	Schatbeurderlaan 10, Postbus 6002 AC Weert,	The Netherlands	Distribution and software development	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Pyton Communication Services Deutschland GmbH (16)	Kölner Straße 7A D - 51789 Lindlar.	Germany	Software development	100%	100%
SIA Amadeus Latvija	8 Audeju Street, LV-1050 Riga.	Latvia	Distribution	100%	100%
Sistemas de Distribución Amadeus Chile, S.A.	Marchant Pereira No 221, 11th floor. Comuna de Providencia, Santiago de Chile.	Chile	Distribution	100%	100%
Sistemas de Reservaciones CRS de Venezuela, C.A.	Av. Francisco de Miranda, Parque Cristal Building, East Tower, Floor 3, Suite 3 - 7A, Urb. Los Palos Grandes, 1060, Caracas.	Venezuela	Distribution	100%	100%
The Rubicon Group (3)	101 Marietta Street, Suite 3525, Atlanta GA 30303	U.S.A.	Information Technology	100%	100%
Travel Audience, GmbH (17)	Elsenstraße 106 12435 Berlin.	Germany	E-commerce	100%	100%
TravelClick Asia Pty (3)	291 Coventry Street Melbourne, 3205	Australia	Distribution	100%	100%
TravelClick, Canada (3)	1306 Wellington Street West Suite 300 & 500 Otawa, Ontario K1Y 4R1	Canada	Distribution	100%	100%
TravelClick Europe S.L., Sociedad Unipersonal (3)	Via Augusta, 117 - 08006 Barcelona.	Spain	Distribution	100%	100%
TravelClick France, Eurl. (3)	12 Rue de la Chaussee D'Antin - 75009 Paris	France	Distribution	100%	100%
TravelClick, Inc (3)	55 W 46th St 27th floor New York, NY 10036	U.S.A.	Distribution and Software development	100%	100%
TravelClick Singapore Pte. Ltd (3)	8 Kallang Avenue #12-05, Aperia (Tower 1) Singapore 339509	Singapore	Distribution	100%	100%
UAB Amadeus Lietuva	Olimpieciu 1A-9B, LT-09200, Vilnius.	Lithuania	Distribution	100%	100%
UFIS Airport Solutions AS (18)	Cort Adelers gate 17, 0254 Oslo.	Norway	Holding of shares	-	100%
UFIS Airport Solution Holding Ltd. (19) (20)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Holding of shares	49%	49%
UFIS Airport Solutions (Thailand) Ltd. (19) (21)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Software development	74%	74%
UFIS Airport Solutions Pte Ltd (18) (22)	300 Beach Road #14-06, The Concourse, Singapore 199555.	Singapore	Software development	-	100%
Vedaleon Technologies Pty. Ltd. (11)	4 Rayville Avenue, orquay VIC 3228, Australia	Australia	Software development	100%	-
Videopolis, S.A.S. (3)	8 place du Marché Neuilly Sur Seine - 92200	France	Distribution and Information technology	100%	100%

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Videopolis.com, S.A. (3)	Avenue Louise 523 1050 Bruxelles	Belgium	Information Technology	100%	100%
Zdirect, Inc. (3)	4712 Oleander Drive Myrtle Beach -SC 29577	U.S.A.	Information Technology	100%	100%
Zdirect.Biz Canada Inc. (3)	6 Hamilton Avenue North, Suite 206, K1Y 4R1 Ottawa, Ontario	Canada	Software development and Information Technology	100%	100%

Joint ventures companies and Associates	Registered Address	Country	Activity	Investment December 31, 2019 (%) (1) (2)	Investment December 31, 2018 (%) (1) (2)
Amadeus Algerie S.A.R.L	06, Rue Ahcéne Outaleb « les Mimosas »Ben. Aknoun.	Algerie	Distribution	40%	40%
Amadeus Egypt Computerized Reservation Services S.A.E. (23)	Units 81/82/83 Tower A2 at Citystars. Cairo.	Egypt	Distribution	100%	100%
Amadeus Gulf L.L.C.	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	United Arabian Emirates	Distribution	49%	49%
Amadeus Libya Technical Services JV	Abu Kmayshah st. Alnofleen Area, Tripoli.	Libya	Distribution	25%	25%
Amadeus Maroc S.A.S.	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Morocco	Distribution	30%	30%
Amadeus Qatar W.L.L.	Al Darwish Engineering W.W.L. Building nº 94 "D" Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Qatar	Distribution	40%	40%
Amadeus Saudi Arabia Limited (23) (24)	3rd Floor, Diner's Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Saudi Arabia	Distribution	100%	100%
Amadeus Sudani co. Ltd.	Street 3, House 7, Amarat. Khartoum 11106.	Sudan	Distribution	40%	40%
Amadeus Syria Limited Liability (23)	Shakeeb Arslan Street Diab Building, Ground Floor Abu Roumaneh, Damascus.	Syria	Distribution	100%	100%
Amadeus Tunisie S.A.	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Tunisia	Distribution	30%	30%
Jordanian National Touristic Marketing Private Shareholding Company	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Aman.	Jordan	Distribution	50%	50%
Qivive GmbH (8) (25)	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Germany	Information technology	33.33%	33.33%
Refundit Ltd.	30ª Gruner Dov. Street, Tel Aviv-Yaffo, 694827 Israel.	Israel	Software Development	20%	-

(1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
(2) Unless otherwise stated, all participations are direct.
(3) The participation in these companies is held through Amadeus Americas, Inc.
(4) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(5) On August 2019, with retroactive effective date as at January 1, 2019, Amadeus Data Processing GmbH has been merged into Amadeus Verwaltungs GmbH. The resulting entity has been renamed Amadeus Data Procesing GmbH. Both entities were previously fully owned by Amadeus.
(6) The participation in these companies is held through Amadeus Scandinavia AB.
(7) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(8) These companies are in the process of being liquidated.
(9) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
(10) The participation in this company is held through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal
(11) The participation in these companies is held through ICM Group Holding Limited.
(12) The participation in these companies is held through Amadeus Corporate Business, AG.
(13) The participation in this company is held through Sistemas de Distribution Amadeus Chile, S.A.
(14) The participation in this company is held through Enterprise Amadeus Ukraine.
(15) The participation in this company is 99% direct and 1% indirect through Amadeus Asia Limited.
(16) The participation in this company is held through Pyton Communication Services B.V.
(17) The participation in these companies is held through Amadeus Leisure IT GmbH.
(18) This company has been liquidated during 2019.
(19) The control of these companies is held through Amadeus Asia Limited.
(20) The Company controls 79.35% of the voting rights of this company.
(21) The Group hold a 49.0% of the shares through Amadeus Asia Ltd. And 25.0% through UFIS Airport Solutions Holding Ltd. The Group controls 89.47% of the voting rights.
(22) The participation in this company is held through UFIS Airport Solutions AS.
(23) Although there is a 100% interest in these companies, the Company has no control over them as there are some Board members named by airlines with veto rights for some relevant decisions, which prevent having control. There are no restrictions for transferring funds.
(24) The share percentage in this company is 95% direct and 5% indirect, through Pyton Communication Services, B.V.
(25) The participation in this company is held through Amadeus Germany GmbH

Amadeus IT Group, S.A. and Subsidiaries

Directors' report for the year ended December 31, 2019

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1 Summary

1.1 Introduction

Full Year 2019 highlights (year ended December 31, 2019)

- In Distribution, our travel agency bookings grew 0.5%, to 646.6 million.
- In IT Solutions, our passengers boarded increased 7.5%, to 1,993.7 million.
- Revenue grew by 12.8%[1], to €5,577.9 million.
- EBITDA increased by 10.0%[1], to €2,245.3 million.
- Adjusted profit2 increased by 13.4%[1], to €1,270.2 million.
- Free Cash Flow was €1,044.8 million[3], increasing 5.7% (8.1%[3] increase pre-tax).
- Net financial debt[4] was €2,758.4 million at December 31, 2019 (1.23 times last-twelve-month EBITDA[4]).

Amadeus ended the year with a positive evolution through the fourth quarter, delivering 2019, Revenue, EBITDA and Adjusted Profit growth of 12.8%[1], 10.0%[1], and 13.4%[1], respectively. This positive evolution was supported by the operating performances of our Distribution and IT Solutions segments, TravelClick's acquisition (acquired on October 4, 2018) and positive foreign exchange effects. Our performance took place in the context of a sound financial structure, with leverage closing at 1.23 times last-twelve month EBITDA, supported by free cash flow generation of €1,044.8 million[3], a 8.1% pre-tax increase relative to 2018.

In Distribution, during the fourth quarter of 2019 we continued to secure and expand content for our subscribers by renewing or signing content agreements with 17 carriers, reaching a total of 47 in the year 2019. In January 2020, we announced a new distribution agreement with Air India resulting from which travel sellers in India will have access to the airline's international content, while travel sellers in the rest of the world will have access to the full range of Air India's content, both domestic and international. Also, in February 2020, we announced that Japan Airlines will implement Amadeus Altéa NDC and integrate its NDC content into the Amadeus Travel Platform.

Despite a weak industry this year, in 2019, our Distribution travel agency bookings grew by 0.5%, of which, our TA air bookings remained flat relative to 2018. Excluding India, Amadeus TA air bookings grew 2.7%. Our volume growth was supported by an enhancement in our global competitive position[5] expanding by 0.3 p.p. (by 1.0 p.p. excluding India). In 2019, Amadeus had market share gains across regions, with the exception of Asia-Pacific. In Asia-Pacific, in December 2018, Air India cancelled its distribution agreement with Amadeus and, in April 2019, Jet Airways ceased operations. In 2019, Distribution revenue grew 4.2%, supported by volume growth, average revenue per booking expansion, double-digit growth in Payments Distribution and positive foreign exchange effects.

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[1] Adjusted to exclude TravelClick's acquisition related costs (amounting to €9.4 million and €19.5 million in 2019 and 2018, respectively, before taxes) and PPA effects (which reduced revenue and EBITDA by €7.8 million and €3.6 million, respectively, in 2019, and by €8.2 million and €7.7 million, respectively, in 2018. Adjusted profit is not impacted by PPA effects). For full details, please see section 3.1 on TravelClick's acquisition and impacts.

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

[3] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs of €14.4 million and €4.8 million, paid in 2019 and 2018, respectively, and TravelClick's acquisition financing related fees of €8.2 million, paid in 2018. For full details, please see section 3.1 on TravelClick's acquisition and impacts.

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

[5] Competitive position as defined in section 3.

IT Solutions revenue grew 26.2%[1] in 2019. This evolution was driven by (i) high single-digit growth in Airline IT solutions, (ii) a continued expansion in our new businesses, delivering double-digit revenue growth, (iii) the consolidation of TravelClick and (iv) positive foreign exchange effects. Our Passengers Boarded increased by 8.9% in the quarter and by 7.5% in the year. This growth was driven by (i) customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, as well as, Philippine Airlines, Bangkok Airways, Flybe, Air Canada and Air Europa in 2019) and (ii) organic growth of 6.4%. Passengers Boarded growth in 2019 was negatively impacted by the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018. Our Airline IT business was also impacted by an unsually high number of airline bankruptcies taking place in 2019, such as Germania, bmi Regional, Avianca Brasil, Avianca Argentina, Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France. Excluding these airline customers ceasing or suspending operations (which combined had approximately 30 million passengers boarded annually), our Passengers Boarded growth was 10.5% in the fourth quarter and 8.5% in the year.

During the fourth quarter, Air Canada completed its migration to the Altéa Reservations and Inventory modules and also implemented Amadeus Anytime Merchandizing and Amadeus Customer Experience Management. Our Airline IT customer base continued to expand. TAAG Angola signed for the full Altéa suite and Amadeus Revenue Integrity. Norwegian signed for Amadeus Passenger Recovery. Korean Air contracted for some of our disruption related solutions. Chinese carriers Sichuan Airlines and Xiamen Airlines, both, signed for additional functionality within our Digital suite and SriLankan Airlines contracted for Amadeus Group Manager. Russian carrier S7 Airlines contracted and implemented Amadeus Loyalty. Fiji Airways contracted for Amadeus Revenue Management, Amadeus Revenue Accounting and Amadeus Revenue Integrity, among others.

We also continued to expand our customer bases in our non-air businesses. In Hospitality, U.S. hotel chain Coast Hotels contracted TravelClick's iHotelier and business intelligence solutions. Welk Resorts Group and hotel St Giles London contracted for Single Media Agency. World Trade Center Boston & Seaport Hotel as well as, the Australian chain Crown hotels, renewed and implemented the most advanced Amadeus Sales & Event Management solution.

During the quarter, in Airport IT, Perth Airport, a customer of Amadeus Airport Common Use Service since 2015, signed for ICM's Hybrid Auto Bag Drop units and check-in kiosks, along with ICM's local platform to serve the kiosks. Perth airport will also implement Amadeus Passenger Verification. We continued to grow our footprint in the U.S. Nashville International Airport (Tennessee), Daytona Beach International Airport (Florida) and Fort Lauderdale-Hollywood International Airport (Florida) contracted for our solutions.

A sustained and consistent investment in technology has been key to our success. In 2019, our investment in R&D amounted to 17.3% of revenue. It was dedicated to supporting our mid to long-term growth, through: portfolio expansion and new customer implementations; our internal digitalization and transformational projects to better integrate newly acquired businesses and enhance our performance; and additionally, our system performance optimization and our continued shift to next-generation technologies and cloud architecture.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Full year 2019[1]	Full year 2018[1]	Change
Operating KPI			
TA air bookings (m)	580.4	580.2	0.0%
Non air bookings (m)	66.2	63.0	5.1%
Total bookings (m)	646.6	643.2	0.5%
Passengers boarded (m)	1,993.7	1,853.9	7.5%
Financial results			
Distribution revenue	3,130.6	3,004.3	4.2%
IT Solutions revenue	2,447.3	1,939.7	26.2%
Revenue	5,577.9	4,943.9	12.8%
Distribution contribution	1,405.4	1,380.7	1.8%
IT Solutions contribution	1,577.9	1,352.4	16.7%
Contribution	2,983.3	2,733.1	9.2%
EBITDA	2,245.3	2,040.6	10.0%
EBITDA margin (%)	40.3%	41.3%	(1.0 p.p.)
Profit for the year	1,161.6	1,031.9	12.6%
Adjusted profit[2]	1,270.2	1,120.1	13.4%
Adjusted EPS (euros)[3]	2.95	2.60	13.3%
Cash flow			
Capital expenditure	736.1	718.2	2.5%
Free cash flow[4]	1,044.8	988.9	5.7%
Indebtedness[5]	**Dec 31,2019**	**Dec 31,2018**	**Change**
Net financial debt	2,758.4	3,074.0	(315.6)
Net financial debt/LTM EBITDA	1.23x	1.47x	

[1]Adjusted to exclude TravelClick's acquisition related costs (amounting to €9.4 million and €19.5 million in 2019 and 2018, respectively, before taxes) and PPA effects (which (i) reduced revenue and EBITDA by €7.8 million and €3.6 million, respectively, in 2019, and by €8.2 million and €7.7 million, respectively, in 2018, and (ii) increased amortization expense by €51.6 million and €12.2 million in 2019 and 2018, respectively. Adjusted profit is not impacted by PPA effects). For full details, please see section 3.1 on TravelClick's acquisition and impacts.

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

[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. Adjusted to exclude TravelClick's acquisition related costs of €14.4 million and €4.8 million, paid in 2019 and 2018, respectively, and TravelClick's acquisition financing related fees of €8.2 million, paid in 2018 (for full details, please see section 3.1 on TravelClick's acquisition and impacts). Also, 2019 free cash flow was impacted by an increase in taxes paid in the first quarter of 2019. Excluding TravelClick's acquisition related costs and financing related fees, pre-tax free cash flow increased by 8.1%.

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

Directors' Report for the year ended December 31, 2019 (millions of euros)

2 Operating Review

2.1 Recent business highlights

Air Distribution

- During 2019, we signed 47 new contracts or renewals of content agreements with airlines, including, easyJet and the low-cost carrier Thai Lion Air. Subscribers to Amadeus' inventory can access more than 110 low cost carriers (LCCs) and hybrid carriers' content worldwide.
- In August, Southwest announced a distribution agreement as a result of which travel managers and travel management companies will be able to book, change, and modify reservations through the Amadeus Travel Platform. This agreement further builds on our relationship with the carrier following its migration to Altéa in 2017.
- At the beginning of 2020, we signed a new distribution agreement with Air India resulting from which travel sellers in India will have access to the airline's full international content, while travel sellers in the rest of the world will have access to the full range of Air India's content, both domestic and international.
- Last year, we made important progress in our efforts to make NDC a reality for the industry. We reached important milestones for our NDC-X program, thanks to the launch of new solutions and to new contracts both with airlines and travel sellers. In April, we announced that FCM Travel Solutions, the flagship global business travel division of Flight Centre Travel Group, would start using the new NDC-enabled Amadeus Selling Platform Connect interface, and will make NDC bookings through it. In July we launched Amadeus Travel API, an NDC-enabled solution providing travel agencies worldwide access to new airline content and fares via an NDC connectivity. Travel agencies including Travix, AERTiCKET, American Express Global Business Travel, BCD Travel, House of Travel and integrated tourism group TUI are early adopters of this new API.
- In August, we deepened our partnership with United Airlines by developing, testing and bringing to market new content offerings, such as United Airlines' new Corporate Bundles and Dynamic Bundled Fares. That month, we also announced that American Express Global Business Travel and American Airlines, both partners of our NDC [X] program, had processed live bookings using American's NDC-enabled content through the new Amadeus Travel API. Lastly, in October we announced that Amadeus Selling Platform Connect now allows travel sellers to shop, order, pay and service airline travel offers via an NDC connectivity.
- The trend towards increased personalization remains strong within the travel industry, as travelers demand more tailored offers and services. Our merchandizing solutions for the travel agency channel are one of the options we offer our customers to meet this demand. During 2019, 24 airlines had signed up for Amadeus Fare Families (of which 11 have implemented the solution) and 10 had contracted Amadeus Airline Ancillary Services (of which 8 have implemented it, including Shanghai Airlines in the fouth quarter of 2019).

Number of customers (at December 31, 2019)	Implemented	Contracted
Amadeus Ancillary Services	132	157
Amadeus Fare Families	78	101

The total figures for both solutions were impacted by the bankruptcy and cease of operations of several customer airlines.

Airline IT

- At the close of 2019, 216 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 208 had implemented them.
- Etihad Airways contracted Altéa Departure Control System Flight Management during the first quarter of 2019 to improve productivity, better manage capacity and reduce costs. In July, Azerbaijan Airlines signed for the full Altéa suite and also for Revenue Management solutions. Also that month, Bangkok Airways migrated to Altéa. The carrier implemented the Reservation, Inventory, Ticketing and Departure Control modules.
- We have renewed and expanded our longstanding technology partnership with the Lufthansa Group (LHG). Through this agreement, Lufthansa, Austrian Airlines, Brussels Airlines, Swiss International Air Lines and Air Dolomiti will continue to rely on the Altéa Passenger Service System. Eurowings will continue to rely on New Skies. In addition to the renewed solutions, LHG has contracted an array of new services which are set to transform the way the airline group serves its customers — both online and at the airport – including shopping solutions, Amadeus Instant Search (that improves the returns of the airline's Search Optimisation Engine (SEO) to convert more" lookers" into " bookers"), Real-time Ticketing Feed, Amadeus Sales Watcher and Amadeus Airport Companion App (to increase flexibility while dealing with disruption at the airport).
- Our upselling and crosselling efforts continued during last year. In April, All Nipon Airways (ANA) announced that it had implemented Amadeus Airline Cloud Availability. The carrier is now able to boost customer conversion because its offers are consistent across all sales channels, while having a cost-effective way to distribute content dynamically.
- Also in April, Qatar Airways signed up for additional functionality to improve its revenue optimization: Amadeus Altéa Revenue Availability with Active Valuation (RAAV) and Amadeus Altéa Booking Intelligence. In May, LATAM Airlines Group signed a multi-year agreement to implement two components of the Amadeus Sky Suite by Optym: SkyMAX and SkySYM, enabling LATAM to optimize their flight schedules. During the last quarter, Norwegian signed up for Amadeus Passenger Recovery.
- In January 2020, Amadeus completed the acquisition of Sky Suite, the airline network planning software business of Optym. 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.

Hospitality

- We continued expanding our portfolio of customers in this segment. American hotel chain Coast Hotels contracted Travelclick's iHotelier and business intelligence solutions, which will be implemented across its almost 40 properties.
- During the last part of the year, World Trade Center Boston & Seaport Hotel and the Australian chain Crown hotels and its 7 properties renewed their contract and implemented the most advanced version of our Amadeus Sales & Event Management solution. This solution helps hotels deliver exciting, engaging events, underpinned by excellent customer services and operational efficiency. Welk Resorts Group opted for Single Media Agency for 3 of its properties.
- In September, we expanded our strategic alliance with Marriott International. The company will recommend its more than 7,000 properties across 132 countries and territories to use TravelClick's Travel Agent GDS Advertising, Agency360 and Rate360 to drive additional revenue and improve profitability.
- We also continue enhancing our hotel content offering through the Amadeus system. In April, we announced a landmark partnership with Booking.com. Through this agreement, Booking.com's content will now be available on the Amadeus Travel Platform, and travel sellers will directly benefit from an

increase of 30% in the accommodation options made available through Amadeus. Travel sellers will be able to access the new content in the coming months through multiple points of sale including Amadeus Selling Platform Connect and, for corporate bookers, through Amadeus cytric Travel & Expense.

- Additionally we partnered with Agoda, one of the world's fastest growing online travel agents, to extend our hospitality content offer. Now, all of Agoda's pre-paid hotel content, a total of 150,000 properties, will be available to travel agents through Amadeus at the same price as Agoda's website.

Airport IT

- In 2019, we had important milestones in our Airport IT business. Skyserv, Greece's leading independent ground handler, contracted and implemented Altéa Departure Control System for Ground Handlers for its 37 airports. Following the implementation, Skyserv is now able to manage load control operations centrally from a single location, allowing greater efficiency and ensuring more punctuality and a better experience for travelers.
- We also grew our footprint in the United States last year, with several customers signing up for Amadeus Extended Airline System Environment (EASE), including Eagle County Airport (Colorado), Kelowna International Airport (Canada), South Bend International Airport (Indiana), Santa Barbara Airport (California) and Daytona International Airport (Florida).
- Our upselling efforts in this segment also continued. In December, Perth Airport, a customer of Amadeus' ACUS since 2015, signed up for ICM's Hybrid Auto Bag Drop units and check-in kiosks, along with ICM's common use self-service platform. The hybrid functionality means passengers can check-in and drop their bags independently, or the same units can be switched to full-service mode and staffed for conventional check-in. The airport will also implement Amadeus Passenger Verification.
- In June, we completed the acquisition of ICM Airport Technics. 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.

Rail

- In March, Ctrip and Amadeus announced a new distribution agreement through which Ctrip customers from anywhere in the world will be able to book and pay for tickets from Renfe, the Spanish rail operator, in their own language and currency.
- Also in March, Deutsche Bahn unveiled its new booking engine, developed in partnership with Amadeus, to enable passengers to book rail journeys across Europe in one place. Thanks to this new engine, Deustche Bahn's customers can now buy cross border trips outside of Germany on bahn.de, bahn.com and via our mobile app DB Navigator.

Payments

- In May, we launched Amadeus B2B Wallet Partner Pay in partnership with Elavon and Mastercard. This new solution allows agencies to pay using an airline branded virtual card, reducing the cost of payments by up to 70% compared to existing methods. Thai Airways and Swedish travel agency Select Travel were the pilot customers.
- In June, Ypsilon, one of the largest aggregators of low cost carriers (LCC) content, integrated Amadeus' B2B Wallet Solution within its booking platform to simplify agent payments to LCC. By integrating Amadeus' B2B Wallet solution, agents can now automatically generate a virtual card quickly and simply within the Ypsilon booking flow. Each virtual card is unique to each individual booking making reconciliation simple whilst reducing fraud.

Other announcements

- In October, Sylvain Roy was appointed new Head of Technology, Platforms & Engineering (TPE), replacing Dietmar Fauser. In his new role, Sylvain will be responsible for delivering consistently stable and reliable platforms across all of Amadeus' businesses, with a strong focus on continuing to automate operations and drive innovation within Amadeus' cloud-based architecture. Sylvain has joined Amadeus' Executive Committee.
- In December, Amadeus was once more recognized as a key R&D investor within Europe. According to the European Commission 2018 Industrial R&D scorecard, Amadeus is the leading investor in R&D within the travel sector in Europe, and second in the software industry.

2.2 Key ongoing R&D projects

As a leading technology provider to the travel industry, Amadeus undertakes significant R&D activities. In 2019, Amadeus committed 17.3% of its Group revenue to R&D, which primarily focused on:

- New product development and portfolio expansion:
  - Ongoing efforts for NDC industrialization. Investments related to the development of our platform to combine content from different sources (existing technology, NDC and content from aggregators and other sources), ensuring easy adoption in the marketplace with minimal disruption.
  - Investment in the Amadeus Suites for airlines, including the Amadeus Offer Suite (which includes enhanced shopping, retailing and merchandizing tools, as well as revenue management solutions), the Amadeus Order Suite (which includes solutions within Passenger Service Systems and payments, among others) and the Amadeus Digital Experience Suite (including digital commerce solutions).
  - For travel agencies, meta-search engines and corporations, including efforts linked to our cloud-based new-generation selling platform.
  - For the hospitality industry: continued efforts devoted to the evolution of our hospitality platform to integrate our offering, resources dedicated to the development of our modular and combined central reservation system and property management system and further enhancements to our sales and catering technology stack.
  - Continued development and evolution of our Airport IT and Payments portfolios.
- Customer implementations and services:
  - Implementation efforts related to PSS implementations (including Air Canada), as well as to our upselling activity (such as Revenue Management and Merchandizing, e-commerce and personalization, among others).
  - Implementation of Distribution solutions for airlines, travel agencies, and corporations, including, among others, our search and shopping solutions.
  - Implementation of customers to our Hospitality, Airport IT and Payments businesses.
- Cross-area technology investment:
  - Continued shift to next-generation technologies and cloud services, which provides a flexible and powerful framework for massive deployment and distributed operations of very large transactional and data traffic.

- The application of new technologies, such as artificial intelligence and machine learning, to our product portfolio.
- System performance projects to deliver the highest possible reliability, availability, as well as service and security levels to our customer base.
- Internal digitalization and transformational projects to better integrate newly acquired businesses and enhance our performance. Projects related to our overall infrastructure and processes to improve efficiency and flexibility.

3 Presentation of financial information

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

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

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

- Segment contribution is defined as the segment revenue less operating costs plus capitalizations directly allocated to the segment. A reconciliation to EBITDA is included in section 5.3.
- EBITDA corresponds to Operating income plus D&A expense. A reconciliation to the financial statements is included in section 6.1.5.
- The reconciliation of Operating income is included in the Group income statement included in section 6.1.
- 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 6.1.8.
- 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 6.2.5.

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.

When we refer to our competitive position, we take into account our travel agency air bookings in relation to the travel agency 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.

3.1 TravelClick acquisition

On October 4, 2018, Amadeus acquired Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"), a U.S.-based leading global provider of technology and business solutions to the hospitality industry. The acquisition price amounted to USD 1,520 million. The acquisition was 100% debtfinanced. On September 18, 2018 Amadeus undertook three Eurobond issues for an aggregate amount of €1,500 million, which were partly used to finance TravelClick's acquisition (see section 6.1.1 for more detail). The acquisition was structured through a USD-denominated intercompany loan, hedged by Amadeus. The foreign exchange differences of the loan and its hedge impact our non-operating foreign exchange gains and losses in the Group income statement. The hedging also impacts the non-operating cash flows caption in the Group cash flow statement.

The results of TravelClick ("TC") were consolidated into Amadeus' books from October 4, 2018. TravelClick is reported, as part of our IT Solutions segment (except for TravelClick's indirect costs, which have been allocated to Indirect costs).

As a consequence of TravelClick's acquisition, the following non-recurring effects have been accounted for in 2019:

- TravelClick's integration related costs, incurred in 2019, amounting to €9.4 million (before taxes), of which €6.4 million were paid in the period.
- Also, acquisition related costs amounting to €8.0 million, which were incurred in the fourth quarter of 2018, were paid in 2019.
- A purchase price allocation exercise in relation to the consolidation of TravelClick into Amadeus' books was carried out in the fourth quarter of 2018. As a consequence of such PPA exercise, the following effects (before taxes) arose in 2019: (i) a reduction in revenue and in personnel and other operating expenses amounting to €7.8 million and €4.3 million, respectively, derived from the adjustment to fair value of certain operating liabilities, resulting in a negative impact of €3.6 million to EBITDA (the effects on revenue and other operating expenses from TravelClick's PPA exercise will not impact 2020); and (ii) an additional amortization expense of €51.6 million, increasing the total group amortization expense.

TravelClick's acquisition related effects described above (acquisition related costs and PPA effects) impacted our group results and cash generation, in particular our IT Solutions and Group revenue, IT Solutions contribution, Group EBITDA, Operating income, Profit, Adjusted profit, EPS, adjusted EPS and free cash flow in 2019.

Also, the following non-recurring effects associated with TravelClick's acquisition were accounted for in 2018 (for full details, see section 3.2 of our 2018 Management Review):

- TravelClick's acquisition and integration related costs, amounting to €19.5 million (before taxes), of which €4.8 million were paid in 2018.
- As a consequence of the TravelClick's PPA exercise: (i) a reduction in revenue and in personnel and other operating expenses amounting to €8.2 million and €0.6 million, respectively, resulting in a negative impact of €7.7 million to EBITDA, and (ii) an additional amortization expense of €12.2 million.
- TravelClick's acquisition financing related fees amounting to €8.2 million, paid in 2018.

For clarification, in the following tables we display (i) Amadeus Group figures, and (ii) Amadeus Group figures excluding non-recurring effects associated with TravelClick's acquisition (acquisition related costs, as well as PPA effects).

The financial results displayed in sections 5 "Operating and financial performance by segment" and 6.1 "Group income statement" are presented excluding the 2018 and 2019 non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

	(A)		(B)	(A+B)	
2019 segment reporting (€millions)	Amadeus + TC	Change vs. 2018	Acquisition related costs & PPA	2019 Results	Change vs. 2018
Distribution					
Revenue	3,130.6	4.2%	0.0	3,130.6	4.2%
Net operating costs	(1,725.2)	6.3%	0.0	(1,725.2)	6.3%
Contribution	1,405.4	1.8%	0.0	1,405.4	1.8%
Contribution margin	44.9%	(1.1 p.p.)		44.9%	(1.1 p.p.)
IT Solutions					
Revenue	2,447.3	26.2%	(7.8)	2,439.5	26.3%
Net operating costs	(869.4)	48.0%	(1.0)	(870.3)	44.0%
Contribution	1,577.9	16.7%	(8.8)	1,569.1	18.2%
Contribution margin	64.5%	(5.2 p.p.)		64.3%	(4.4 p.p.)
Indirect costs					
Net indirect costs	(738.0)	6.6%	(4.1)	(742.1)	6.9%
EBITDA	2,245.3	10.0%	(12.9)	2,232.4	10.9%
EBITDA margin	40.3%	(1.0 p.p.)		40.1%	(0.7 p.p.)

	(A)		(B)	(A+B)	
2019 income statement and cash flow (€millions)	Amadeus + TC	Change vs. 2018	Acquisition related costs & PPA	2019 Results	Change vs. 2018
Income statement					
Group revenue	5,577.9	12.8%	(7.8)	5,570.1	12.9%
Cost of revenue	(1,429.5)	18.4%	0.0	(1,429.5)	18.4%
Personnel expenses	(1,539.9)	11.9%	(3.3)	(1,543.2)	11.7%
Other operating expenses	(347.0)	13.4%	(1.8)	(348.8)	9.5%
Dep. and amortization	(721.6)	15.8%	(51.6)	(773.2)	21.7%
Operating income	1,539.9	7.5%	(64.5)	1,475.4	5.9%
Net financial expense	(59.0)	8.9%	0.0	(59.0)	8.9%
Other income (expense)	(10.0)	n.m.	0.0	(10.0)	n.m.
Profit before income taxes	1,470.9	6.9%	(64.5)	1,406.4	5.2%
Income taxes	(322.1)	(7.1%)	16.1	(306.0)	(9.1%)
Profit after taxes	1,148.8	11.6%	(48.4)	1,100.4	10.1%
Share in profit assoc/JV	12.8	n.m.	0.0	12.8	n.m.
Profit for the period	1,161.6	12.6%	(48.4)	1,113.2	11.0%
EPS (€)	2.70	12.4%	(0.11)	2.58	10.9%
Adjusted profit	1,270.2	13.4%	(7.2)	1,263.1	14.3%
Adjusted EPS (€)	2.95	13.3%	(0.02)	2.93	14.2%
Cash flow statement					
Free cash flow	1,044.8	5.7%	(14.4)	1,030.4	5.6%

Q4 2019 income statement and cash flow (€millions)	(A) Amadeus + TC	Change vs. 2018	(B) Acquisition related costs & PPA	(A+B) 2019 Results	Change vs. 2018
Income statement					
Distribution revenue	735.8	1.5%	0.0	735.8	1.5%
IT Solutions revenue	605.5	13.1%	0.0	605.5	13.1%
Group revenue	1,341.3	6.4%	0.0	1,341.3	7.1%
Cost of revenue	(346.9)	4.4%	0.0	(346.9)	4.4%
Personnel expenses	(394.0)	7.6%	(0.1)	(394.1)	5.8%
Other operating expenses	(114.8)	7.8%	0.1	(114.7)	(3.6%)
Dep. and amortization	(190.6)	7.7%	(13.0)	(203.6)	7.6%
Operating income	295.1	6.1%	(13.1)	282.0	18.0%
Net financial expense	(15.4)	(41.2%)	0.0	(15.4)	(41.2%)
Other income (expense)	(21.5)	n.m.	0.0	(21.5)	n.m.
Profit before income taxes	258.2	2.4%	(13.1)	245.1	15.2%
Income taxes	(30.2)	(44.8%)	3.3	(26.9)	(40.0%)
Profit after taxes	228.0	15.5%	(9.8)	218.2	29.9%
Share in profit assoc/JV	8.7	n.m.	0.0	8.7	n.m.
Profit for the period	236.7	19.7%	(9.8)	226.9	34.8%
EPS (€)	0.55	20.0%	(0.02)	0.53	35.2%
EBITDA	481.5	6.4%	(0.1)	481.4	13.1%
EBITDA margin	35.9%	0.0 p.p.		35.9%	1.9 p.p.
Adjusted profit	277.7	18.9%	(1.6)	276.1	26.3%
Adjusted EPS (€)	0.64	19.2%	0.00	0.64	26.5%
Cash flow statement					
Free cash flow	224.8	24.4%	(3.7)	221.1	27.2%

2018 segment reporting (€millions)	(A) Amadeus + TC	(B) Acquisition related costs & PPA	(A+B) 2018 Results
Distribution			
Revenue	3,004.3	0.0	3,004.3
Net operating costs	(1,623.6)	0.0	(1,623.6)
Contribution	1,380.7	0.0	1,380.7
Contribution margin	46.0%		46.0%
IT Solutions			
Revenue	1,939.7	(8.2)	1,931.4
Net operating costs	(587.2)	(17.1)	(604.3)
Contribution	1,352.4	(25.3)	1,327.1
Contribution margin	69.7%		68.7%
Indirect costs			
Net indirect costs	(692.5)	(1.8)	(694.3)
EBITDA	2,040.6	(27.1)	2,013.5
EBITDA margin	41.3%		40.8%

2018 income statement and cash flow (€millions)	(A) Amadeus + TC	(B) Acquisition related costs & PPA	(A+B) 2018 Results
Income statement			
Group revenue	4,943.9	(8.2)	4,935.7
Cost of revenue	(1,206.9)	0.0	(1,206.9)
Personnel expenses	(1,375.7)	(6.4)	(1,382.1)
Other operating expenses	(305.9)	(12.5)	(318.4)
Dep. and amortization	(623.3)	(12.2)	(635.5)
Operating income	1,432.2	(39.4)	1,392.8
Net financial expense	(54.2)	0.0	(54.2)
Other income (expense)	(2.3)	0.0	(2.3)
Profit before income taxes	1,375.7	(39.4)	1,336.3
Income taxes	(346.7)	9.9	(336.8)
Profit after taxes	1,028.9	(29.4)	999.5
Share in profit assoc/JV	3.0	0.0	3.0
Profit for the period	1,031.9	(29.4)	1,002.5
EPS (€)	2.40	(0.07)	2.33
Adjusted profit	1,120.1	(14.9)	1,105.2
Adjusted EPS (€)	2.60	(0.03)	2.57
Cash flow statement			
Free cash flow	988.9	(12.9)	976.0

Q4 2018 income statement and cash flow (€millions)	(A) Amadeus + TC	(B) Acquisition related costs & PPA	(A+B) 2018 Results
Income Statement			
Distribution revenue	724.9	0.0	724.9
IT Solutions revenue	535.2	(8.2)	527.0
Group revenue	1,260.1	(8.2)	1,251.9
Cost of revenue	(332.2)	0.0	(332.2)
Personnel expenses	(366.2)	(6.4)	(372.6)
Other operating expenses	(106.5)	(12.5)	(119.0)
Dep. and amortization	(177.0)	(12.2)	(189.2)
Operating income	278.3	(39.4)	238.9
Net financial expense	(26.2)	0.0	(26.2)
Other income (expense)	0.1	0.0	0.1
Profit before income taxes	252.2	(39.4)	212.8
Income taxes	(54.7)	(9.9)	(44.8)
Profit after taxes	197.4	(29.4)	168.0
Share in profit assoc/JV	0.3	0.0	0.3
Profit for the period	197.7	(29.4)	168.3
EPS (€)	0.46	(0.07)	0.39
EBITDA	452.6	(27.1)	425.5
EBITDA margin	35.9%		34.0%
Adjusted profit	233.5	(14.9)	218.6
Adjusted EPS (€)	0.54	(0.03)	0.51
Cash flow statement			
Free cash flow	180.7	(6.8)	173.9

3.2 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 will be carried out before the end of the first half 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 35%-45% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs[6] are denominated in many currencies different from the Euro, including the US Dollar, which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

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

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

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

Given that 35-45% of our net free cash flow is 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.

Both in the fourth quarter and in the full year 2019, foreign exchange fluctuations had a positive impact on both revenue and EBITDA and a negative impact on costs.

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.

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

At December 31, 2019, 33% of our total financial debt[7] (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 300,000 shares and a maximum of 1,340,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

5 Operating and financial performance by segment

As indicated in section 3.1, the financial results displayed in section 5 "Operating and financial performance by segment" are presented excluding the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

Segment Reporting (€millions)	Full year 2019	Full year 2018	Change
Distribution revenue	3,130.6	3,004.3	4.2%
IT Solutions revenue	2,447.3	1,939.7	26.2%
Group Revenue	5,577.9	4,943.9	12.8%
Distribution contribution	1,405.4	1,380.7	1.8%
IT Solutions contribution	1,577.9	1,352.4	16.7%
Total Contribution	2,983.3	2,733.1	9.2%
Net indirect costs	(738.0)	(692.5)	6.6%
EBITDA	2,245.3	2,040.6	10.0%
EBITDA Margin (%)	40.3%	41.3%	(1.0 p.p.)

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

5.1 Distribution

Distribution (€millions)	Full year 2019	Full year 2018	Change
Operating KPI			
TA air competitive position[1]	44.0%	43.7%	0.3 p.p.
TA bookings (m)	646.6	643.2	0.5%
Financial results			
Revenue	3,130.6	3,004.3	4.2%
Operating costs	(1,810.6)	(1,696.7)	6.7%
Capitalizations	85.3	73.0	16.8%
Net Operating costs	(1,725.2)	(1,623.6)	6.3%
Contribution	1,405.4	1,380.7	1.8%
As % of Revenue	44.9%	46.0%	(1.1 p.p.)

[1] Competitive position as defined in section 3.

5.1.1 Evolution of Amadeus bookings

Operating KPI	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
TA air booking industry growth	(1.2%)	1.1%		(0.9%)	2.9%	
TA air competitive position[1]	44.8%	44.8%	0.0 p.p.	44.0%	43.7%	0.3 p.p.
TA air bookings (m)	133.4	135.3	(1.5%)	580.4	580.2	0.0%
Non air bookings (m)	16.9	16.2	4.4%	66.2	63.0	5.1%
Total bookings (m)	150.2	151.5	(0.8%)	646.6	643.2	0.5%

[1] Competitive position as defined in section 3.

Travel agency air booking industry

In the fourth quarter of 2019, the travel agency air booking industry contracted by 1.2%. All regions but North America and Central, Eastern and Southern Europe reported industry declines. The Western European industry deteriorated further in the quarter, compared to previous quarters, impacted by macroeconomic effects, bankruptcies and strikes (particularly affecting markets such as United Kingdom, Germany, France and Italy). The industry in Asia-Pacific continued to report negative growth, impacted by a number of effects, including the India situation and the fires in Australia. Middle East and Africa and Latin America contracted in the quarter, facing adverse geopolitical tension in several countries (such as Lebanon, Yemen, Chile and Bolivia). In turn, the North American industry reported modest growth.

In 2019, the travel agency air booking industry declined by 0.9% whereas, excluding India, it remained broadly flat. North America and Central, Eastern and Southern Europe were the growing regions. In contrast, Western Europe, Asia-Pacific and Middle East and Africa showed a contraction, impacted by the effects mentioned above. Latin America had a broadly stable performance in the period.

Amadeus bookings

In 2019, Amadeus travel agency air bookings remained broadly stable vs. previous year. Excluding the Indian market, Amadeus' global air bookings grew by 2.7%. Amadeus bookings outperformed the industry evolution, supported by market share expansion across regions, except for Asia-Pacific. Excluding India, Amadeus' global competitive position[8] expanded by 1.0 p.p. in the full-year period. Amadeus bookings reported high growth in Latin America, Central, Eastern and Southern Europe and, most notably, in North America. Amadeus bookings in Western Europe reported growth, on the back of robust market share gains and despite the industry contraction (affected by macroeconomic effects, bankruptcies and strikes). Amadeus bookings in Asia-Pacific and Middle East and Africa, impacted by the industry booking decline, showed a contraction. Amadeus Asia-Pacific bookings were also impacted by Air India's cancellation of our distribution agreement at the end of 2018[9], and by the cessation of operations of Jet Airways in April 2019.

In the fourth quarter of 2019, Amadeus travel agency air bookings declined by 1.5%, impacted by India. Excluding India, Amadeus' global air bookings grew by 1.3% in the quarter. Amadeus air bookings grew in all regions, except for Western Europe, Asia-Pacific and Middle East and Africa. Despite market share gains in the regions, Amadeus bookings in Western Europe and in Middle East and Africa declined, impacted by the industry contraction.

Amadeus TA air bookings (millions)	Full year 2019	% of Total	Full year 2018	% of Total	Change
Western Europe	193.4	33.3%	191.7	33.0%	0.9%
North America	118.6	20.4%	108.1	18.6%	9.7%
Asia-Pacific	103.9	17.9%	121.2	20.9%	(14.3%)
Middle East and Africa	69.8	12.0%	71.9	12.4%	(2.9%)
Central, Eastern and Southern Europe	53.2	9.2%	48.9	8.4%	8.7%
Latin America	41.4	7.1%	38.3	6.6%	8.1%
Amadeus TA air bookings	580.4	100.0%	580.2	100.0%	0.0%

Amadeus' non air bookings increased by 5.1% in 2019 vs. prior year, driven by several products, including hotel, rail and car bookings.

5.1.2 Revenue

Distribution Revenue (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Revenue	735.8	724.9	1.5%	3,130.6	3,004.3	4.2%

In 2019, 4.2% distribution revenue growth resulted from (i) an increase in bookings of 0.5%, (ii) an expansive average revenue per booking, supported by booking mix (from a higher weight of both, global bookings over total air bookings, and hotel bookings over total bookings) and customer renegotiations, (iii) high double-digit growth delivered by our payments distribution business, and (iv) positive foreign exchange effects.

In the fourth quarter of 2019, distribution revenue increased by 1.5% vs. the same period of 2018. Fourth-quarter revenue growth decelerated vs. previous quarters, due to (i) a 0.8% reduction in booking volumes, as explained in section 5.1.1 above, (ii) a softer, double-digit, growth rate delivered by our payments distribution

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[8] Competitive position as defined in section 3.

[9] A new distribution agreement between Amadeus and Air India was announced on January 6, 2020.

business in the period compared to previous quarters, and (iii) a smaller impact from positive foreign exchange effects.

5.1.3 Contribution

In 2019, contribution increased by 1.8% to €1,405.4 million, representing 44.9% of revenue. Contribution growth resulted from an increase in revenue of 4.2%, as explained in section 5.1.2 above, and a 6.3% increase in net operating costs, which mainly resulted from (i) 0.4% higher booking volumes, (ii) a unitary distribution cost expansion, mainly resulting from an increase in our average unitary incentive fee for travel agencies, mostly due to competitive pressure, (iii) double-digit growth in commissions paid to travel agencies for the use of our distribution payments solutions, driven by the strong business performance, and (iv) negative foreign exchange effects.

5.2 IT Solutions

IT Solutions (€millions)	Full year 2019	Full year 2018	Change
Operating KPI			
Passengers boarded (m)	1,993.7	1,853.9	7.5%
Financial results			
Revenue	2,447.3	1,939.7	26.2%
Operating costs	(1,133.9)	(838.5)	35.2%
Capitalizations	264.5	251.3	5.3%
Net Operating costs	(869.4)	(587.2)	48.0%
Contribution	1,577.9	1,352.4	16.7%
As % of Revenue	64.5%	69.7%	(5.2 p.p.)

5.2.1 Evolution of Amadeus Passengers boarded

Passengers boarded (millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Organic growth[1]	474.8	447.3	6.1%	1,922.2	1,806.8	6.4%
Non organic growth[2]	22.3	9.3	139.0%	71.4	47.2	51.4%
Total passengers boarded	497.1	456.6	8.9%	1,993.7	1,853.9	7.5%

[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 2018 and 2019 migrations, partly offset by the effects from (i) airlines ceasing or suspending operations and (ii) the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018.

In the fourth quarter of 2019, Amadeus passengers boarded grew by 8.9% to 497.1 million, driving a full-year growth of 7.5%. Growth in 2019 resulted from:

- Organic growth of 6.4%.
- The positive impact from customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar, in 2018, and Philippine Airlines, Bangkok Airways, Flybe, Air Canada and Air Europa, in 2019).
- The negative impact from (i) airline customers ceasing or suspending operations, including Germania and bmi Regional (both in February 2019), Avianca Brasil (in May 2019), Avianca Argentina (in June 2019), and

Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France (all in September 2019), and (ii) the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018.

- Excluding airlines ceasing or suspending operations, Amadeus passengers boarded grew 10.5% in the fourth quarter of 2019, and 8.5% in the full-year period.

During 2019, 60.0% of our passengers boarded were generated outside of Europe. The evolution of Amadeus passengers boarded both in Europe and in Latin America was negatively impacted by the airlines ceasing or suspending operations in the period, and the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018.

Passengers boarded (millions)	Full year 2019	% of Total	Full year 2018	% of Total	Change
Western Europe	660.7	33.1%	624.3	33.7%	5.8%
Asia-Pacific	645.2	32.4%	594.3	32.1%	8.6%
North America	269.9	13.5%	247.0	13.3%	9.3%
Middle East and Africa	148.8	7.5%	138.1	7.5%	7.7%
Central, Eastern & Southern Europe	137.1	6.9%	111.5	6.0%	23.0%
Latin America	132.0	6.6%	138.8	7.5%	(4.9%)
Passengers boarded	1,993.7	100.0%	1,853.9	100.0%	7.5%

5.2.2 Revenue

IT Solutions Revenue (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Revenue	605.5	535.2	13.1%	2,447.3	1,939.7	26.2%

IT Solutions revenue increased by 13.1% in the fourth quarter of 2019, resulting from (i) a low double-digit airline IT revenue growth, on the back of volume growth and a higher average revenue per PB, and (ii) double-digit growth delivered by our new businesses.

In 2019, revenue increased by 26.2%, as a result of (i) a high single-digit airline IT revenue growth, supported by higher PB volumes and an expansive unitary revenue, (ii) double-digit growth delivered by our new businesses (excluding TravelClick), and (iii) the consolidation of TravelClick from October 4, 2018.

IT Solutions Revenue (€millions)	Full year 2019	Full year 2018	Change
IT transactional revenue	1,506.8	1,380.7	9.1%
Direct distribution revenue	151.5	137.8	10.0%
Airline services and hospitality IT revenue	789.0	421.2	87.3%
Revenue	2,447.3	1,939.7	26.2%

IT transactional revenue[10]

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

IT transactional revenue increased by 9.1% in 2019, driven by:

- Airline IT transactional revenue growth, resulting from (i) PB volume expansion, as explained in section 5.2.1, and (ii) an expansive airline IT transactional revenue per PB, supported by upselling activity (including solutions such as revenue management, disruption management, merchandizing and personalization and revenue accounting), and despite the negative impact from an increasing weight of low-cost and hybrid carriers.
- The positive contribution from the airport IT and payments IT businesses.

Direct distribution revenue

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

Revenue from direct distribution increased by 10.0%, driven by booking volume growth and the positive performance of several solutions, such as Amadeus Customs.

Airline services and hospitality IT revenue

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

Airline services and hospitality IT revenue increased by 87.3% in 2019, highly impacted by the consolidation of TravelClick. Excluding TravelClick, this revenue line grew at a double-digit rate, driven by an increase in revenue from services provided to airlines, and double-digit growth delivered by hospitality IT. Both hospitality IT excluding TravelClick, and TravelClick standalone grew at a double-digit growth rate.

5.2.3 Contribution

In 2019, contribution expanded by 16.7%, amounting to €1,577.9 million. This positive performance was the combination of 26.2% revenue growth, as explained in section 5.2.2 above, and 48.0% increase in our net operating costs. Growth in net operating costs was highly impacted by the consolidation of TravelClick. Excluding TravelClick, underlying growth in net operating costs resulted from:

- Higher personnel-related expenses, driven by the reinforcement of our commercial teams to better support the expansion of our product offering and customer base, as well as, increased R&D expenditure dedicated to our airline IT portfolio evolution and expansion and to our new businesses, coupled with growth in unit personnel cost.
- An increase in several cost lines, such as bad debt provisions, which by nature may show a more volatile behavior per quarter.
- A lower capitalization ratio, impacted by project mix.
- Negative foreign exchange effects.

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

5.3 EBITDA

In the fourth quarter of 2019, EBITDA amounted to €481.5 million, a 6.4% increase vs. the fourth quarter of 2018. EBITDA growth resulted from a higher contribution from our Distribution and IT Solutions businesses, an increase in net indirect costs and the TravelClick consolidation effect. EBITDA growth was positively impacted by foreign exchange effects. EBITDA margin was 35.9% in the period, in line with the fourth quarter of last year.

In 2019, EBITDA increased by 10.0% to €2,245.3 million. EBITDA growth resulted from the increase in the Distribution and IT Solutions contributions, partly offset by an increase in net indirect costs. EBITDA growth was positively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). In the full-year period, EBITDA margin declined by 1.0 p.p. to 40.3%, impacted by (i) the TravelClick consolidation, (ii) a decrease in the Group capitalization ratio, and (iii) a double-digit growth rate delivered by our distribution payments business, a lower margin business. Excluding the impact from these effects, EBITDA margin was broadly stable.

Net indirect costs increased by 6.6% in 2019 vs. 2018, mainly driven by increased resources in our corporate functions to support our business expansion, the addition of TravelClick's indirect costs and negative foreign exchange effects.

Indirect costs (€millions)	Full year 2019	Full year 2018	Change
Indirect costs	(972.4)	(932.0)	4.3%
Indirect capitalizations & RTC[1]	234.4	239.5	(2.1%)
Net indirect costs	(738.0)	(692.5)	6.6%

[1] Includes the Research Tax Credit (RTC).

6 Consolidated financial statements

As indicated in section 3.1, the financial results displayed in section 6.1 "Group income statement" are presented excluding the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

6.1 Group income statement

Income Statement (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Revenue	1,341.3	1,260.1	6.4%	5,577.9	4,943.9	12.8%
Cost of revenue	(346.9)	(332.2)	4.4%	(1,429.5)	(1,206.9)	18.4%
Personnel expenses	(394.0)	(366.2)	7.6%	(1,539.9)	(1,375.7)	11.9%
Other operating expenses	(114.8)	(106.5)	7.8%	(347.0)	(305.9)	13.4%
D&A expense	(190.6)	(177.0)	7.7%	(721.6)	(623.3)	15.8%
Operating income	295.1	278.3	6.1%	1,539.9	1,432.2	7.5%
Net financial expense	(15.4)	(26.2)	(41.2%)	(59.0)	(54.2)	8.9%
Other income (expense)	(21.5)	0.1	n.m.	(10.0)	(2.3)	n.m.
Profit before income tax	258.2	252.2	2.4%	1,470.9	1,375.7	6.9%
Income taxes	(30.2)	(54.7)	(44.8%)	(322.1)	(346.7)	(7.1%)
Profit after taxes	228.0	197.4	15.5%	1,148.8	1,028.9	11.6%
Share in profit from associates and JVs	8.7	0.3	n.m.	12.8	3.0	n.m.
Profit for the period	236.7	197.7	19.7%	1,161.6	1,031.9	12.6%
EPS (€)	0.55	0.46	20.0%	2.70	2.40	12.4%
Key financial metrics						
EBITDA	481.5	452.6	6.4%	2,245.3	2,040.6	10.0%
EBITDA margin (%)	35.9%	35.9%	0.0 p.p.	40.3%	41.3%	(1.0 p.p.)
Adjusted profit[1]	277.7	233.5	18.9%	1,270.2	1,120.1	13.4%
Adjusted EPS (€)[2]	0.64	0.54	19.2%	2.95	2.60	13.3%

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

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

6.1.1 Revenue

In the fourth quarter of 2019, revenue amounted to €1,341.3 million, growing 6.4% vs. prior year. In 2019, revenue increased by 12.8% to €5,577.9 million. Revenue growth resulted from:

- A 4.2% increase in Distribution revenue in 2019, as detailed in section 5.1.2.
- A 26.2% increase in IT Solutions in 2019, as detailed in section 5.2.2.

In 2019, revenue growth was impacted by the TravelClick consolidation and positive foreign exchange effects.

Revenue (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Distribution	735.8	724.9	1.5%	3,130.6	3,004.3	4.2%
IT Solutions	605.5	535.2	13.1%	2,447.3	1,939.7	26.2%
Revenue	1,341.3	1,260.1	6.4%	5,577.9	4,943.9	12.8%

6.1.2 Cost of revenue

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

In the fourth quarter of 2019, cost of revenue amounted to €346.9 million, 4.4% higher than in the same period of 2018. In the full-year period, cost of revenue grew by 18.4%, highly impacted by the consolidation of TravelClick. Cost of revenue was also negatively impacted by foreign exchange effects across the year.

Excluding TravelClick and foreign exchange effects, cost of revenue grew at a mid single-digit rate in 2019, mainly as a result of (i) our distribution payments solutions high growth in the period, generating double-digit growth in commissions paid to travel agencies, and (ii) a unitary distribution cost expansion, driven by an increase in our average unitary incentive fee for travel agencies, mostly due to competitive pressure.

6.1.3 Personnel and related expenses and other operating expenses

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

Our combined operating expenses cost line, representing both Personnel expenses and Other operating expenses, increased by 7.6% in the fourth quarter of 2019, vs. prior year. In 2019, this combined cost line grew 12.2%, highly impacted by the consolidation of TravelClick. Growth in our fixed cost base resulted from:

- A 11% increase in average FTEs (permanent staff and contractors), mainly due to (i) the addition of TravelClick's employees, (ii) higher resources devoted to R&D (see further details in sections 2.2 and 6.3.2), and (iii) the expansion of our commercial teams and customer support units to support the ongoing customer implementations and commercial activities. Excluding TravelClick, Amadeus FTEs grew by 4% in the full-year period.
- Growth in unit personnel cost, as a result of our global salary increase.
- A negative impact from foreign exchange effects.

Personnel + Other op. expenses (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Personnel + Other operating expenses	(508.7)	(472.7)	7.6%	(1,886.9)	(1,681.6)	12.2%

6.1.4 Depreciation and amortization

Depreciation and amortization was 15.9% higher in 2019 vs. 2018. In particular, ordinary D&A grew by 14.6%, driven by a higher amortization of intangible assets, as capitalized development expenses on our balance sheet started being amortized in parallel with the associated project or contract revenue recognition. Also, an increase in depreciation expense related to hardware and software acquired, and the consolidation of TravelClick, contributed to the increase in ordinary D&A in the year.

In 2019, impairment losses amounted to €29.2 million, and were mostly related to (i) specific developments and implementation efforts carried out for customers that have either cancelled contracts, suspended or ceased operations, and (ii) investments related to new solutions or technology which did not or will not deliver the expected benefits.

Depreciation & Amort. (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Ordinary D&A	(158.9)	(143.3)	10.9%	(592.1)	(516.5)	14.6%
Amortization derived from PPA	(25.2)	(24.2)	4.1%	(100.3)	(97.3)	3.1%
Impairments	(6.5)	(9.5)	(31.1%)	(29.2)	(9.5)	n.m.
D&A	(190.6)	(177.0)	7.7%	(721.6)	(623.3)	15.8%
Capitalized D&A[1]	4.2	2.6	61.5%	16.2	14.8	9.5%
D&A post-capitalizations	(186.4)	(174.4)	6.9%	(705.4)	(608.5)	15.9%

[1] Included within the Other operating expenses caption in the Group income statement. D&A is capitalized when the related asset is used for a software internally developed project which related costs are capitalized.

6.1.5 EBITDA and Operating income

In the fourth quarter of 2019, operating income grew by 6.1%, driving 7.5% growth in 2019. Operating income growth resulted from EBITDA expansion, partly offset by higher D&A charges.

In 2019, EBITDA increased by 10.0% to €2,245.3 million. EBITDA growth resulted from the positive contributions of Distribution and IT Solutions, as well as the TravelClick consolidation effect, partly offset by an increase in net indirect costs. EBITDA growth was positively impacted by foreign exchange effects. In 2019, EBITDA margin declined by 1.0 p.p. to 40.3%, impacted by (i) the TravelClick consolidation, (ii) a decrease in the Group capitalization ratio, and (iii) a double-digit growth rate delivered by our distribution payments business, a lower margin business. Excluding the impact from these effects, EBITDA margin was broadly stable.

In the fourth quarter of 2019, EBITDA amounted to €481.5 million, a 6.4% increase vs. the fourth quarter of 2018. EBITDA growth was supported by positive foreign exchange effects. EBITDA margin was 40.3% in the fourth quarter, in line with the fourth quarter of last year.

Operating income – EBITDA (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Operating income	295.1	278.3	6.1%	1,539.9	1,432.2	7.5%
D&A expense	190.6	177.0	7.7%	721.6	623.3	15.8%
Capitalized D&A	(4.2)	(2.6)	61.5%	(16.2)	(14.9)	9.5%
EBITDA	481.5	452.6	6.4%	2,245.3	2,040.6	10.0%
EBITDA margin (%)	35.9%	35.9%	0.0 p.p.	40.3%	41.3%	(1.0 p.p.)

6.1.6 Net financial expense

Net financial expense increased by €4.8 million, or 8.9%, in 2019. Interest expense grew by €4.1 million or 10.8%, as a consequence of a higher amount of average gross debt outstanding, compared to 2018, driven by TravelClick's acquisition.

Net financial expense (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Financial income	0.5	0.3	66.7%	1.6	2.0	(20.0%)
Interest expense	(10.7)	(11.6)	(7.8%)	(42.0)	(37.9)	10.8%
Other financial expenses	(3.9)	(3.2)	21.9%	(10.3)	(8.8)	17.0%
Exchange gains (losses)	(1.3)	(11.7)	(88.9%)	(8.3)	(9.5)	(12.6%)
Net financial expense	(15.4)	(26.2)	(41.2%)	(59.0)	(54.2)	8.9%

6.1.7 Income taxes

Income taxes amounted to €322.1 million in 2019, 7.1% lower than 2018. The income tax rate for 2019 was 21.9%, a decrease vs. 24.1% reported in the first nine months of 2019, and 25.2% reported in 2018. This decrease was mostly driven by recent changes in tax regulation, mainly in France (the new French Patent Box Regime), resulting in an increase in tax deductions expected for the year, associated with R&D. Income taxes declined by 44.8% in the fourth quarter of 2019, impacted by the reduction in the income tax rate for the year associated with the above mentioned effect.

6.1.8 Profit for the period. Adjusted profit

Reported profit amounted to €1,161.6 million in 2019, a 12.6% increase vs. the same period of 2018. After adjusting for (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-operating items, adjusted profit increased by 13.4% to €1,270.2 million in 2019.

Reported-Adj. profit (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Reported profit	236.7	197.7	19.7%	1,161.6	1,031.9	12.6%
Adjustments						
Impact of PPA[1]	18.4	19.2	(4.4%)	71.9	71.6	0.4%
Impairments[1]	4.7	7.1	(33.2%)	22.2	7.1	n.m.
Non-operating FX[2]	1.1	9.4	(88.4%)	6.6	7.7	(14.0%)
Other non-op. items[2]	16.8	0.0	n.m.	7.9	1.7	n.m.
Adjusted profit	277.7	233.5	18.9%	1,270.2	1,120.1	13.4%

[1] After tax impact of accounting effects derived from purchase price allocation exercises and impairment losses.
[2] After tax impact of non-operating exchange gains (losses) and other non-operating income (expense).

6.1.9 Earnings 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 2019, our reported EPS increased by 12.4% to €2.70 and our adjusted EPS by 13.3% to €2.95.

Earnings per share	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Weighted average issued shares (m)	431.3	438.8		435.0	438.8	
Weighted average treasury shares (m)	(0.2)	(8.2)		(4.2)	(8.5)	
Outstanding shares (m)	431.0	430.6		430.8	430.4	
EPS (€)[1]	0.55	0.46	20.0%	2.70	2.40	12.4%
Adjusted EPS (€)[2]	0.64	0.54	19.2%	2.95	2.60	13.3%

[1] EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

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

6.2 Statement of financial position (condensed)

Statement of financial position (€millions)	Dec 31,2019	Dec 31,2018	Change
Intangible assets	4,187.8	4,093.8	94.0
Goodwill	3,661.5	3,598.0	63.5
Property, plant and equipment	432.1	433.2	(1.1)
Right of use assets	336.4	351.2	(14.8)
Other non-current assets	340.2	282.8	58.0
Non-current assets	8,958.0	8,759.0	199.0
Current assets	879.1	808.5	70.6
Cash and equivalents	564.0	562.6	1.4
Total assets	10,401.1	10,130.1	271.0
Equity	3,797.1	3,191.7	605.4
Non-current debt	2,328.2	2,898.1	(569.9)
Other non-current liabilities	1,305.5	1,347.2	(41.7)
Non-current liabilities	3,633.7	4,245.3	(611.6)
Current debt	1,245.5	986.9	258.6
Other current liabilities	1,724.8	1,706.2	18.6
Current liabilities	2,970.3	2,693.1	277.2
Total liabilities and equity	10,401.1	10,130.1	271.0
Net financial debt (as per financial statements)	3,009.7	3,322.4	312.7

6.2.1 Intangible assets

This caption principally includes the cost of acquisition or development, as well as the excess purchase price allocated to, patents, trademarks and licenses[11], technology and content[12] and contractual relationships[13], net of amortization.

Intangible assets amounted to €4,187.8 million at December 31, 2019, an increase of €94.0 million vs. December 31, 2018. This increase was mainly the result of the combination of the following effects: (i) additions of internally developed software (+€574.2 million) and acquired assets (+€72.0 million), (ii) amortization charges and impairment losses (-€575.3 million) and (iii) foreign exchange effects (+€25.1 million).

6.2.2 Goodwill

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

Goodwill amounted €3,661.5 million as of December 31, 2019. Goodwill increased by €63.5 million in 2019, mainly due to ICM's acquisition (see section 3.2) and exchange rate adjustments.

6.2.3 Property, plant and equipment (PP&E)

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

PP&E amounted to €432.1 million at December 31, 2019, a decrease of €1.1 million vs. December 31, 2018. This decrease was mainly the result of the following effects: (i) additions (+€130.1 million), mostly related to data processing hardware and software acquired for our data processing center in Erding (Germany), (ii) depreciation charges (-€133.1 million), and (iii) foreign exchange effects (+€2.5 million).

6.2.4 Equity, Share capital

As of December 31, 2019 the share capital of our Company was represented by 431,268,436 shares with a nominal value of €0.01 per share.

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

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

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

6.2.5 Financial indebtedness

Indebtedness[1] (€millions)	Dec 31, 2019	Dec 31, 2018	Change
Long term bonds	2,000.0	2,500.0	(500.0)
Short term bonds	500.0	500.0	0.0
European Commercial Paper	580.0	330.0	250.0
EIB loan	127.5	192.5	(65.0)
Other debt with financial institutions	31.1	24.0	7.1
Obligations under finance leases	83.7	90.1	(6.4)
Financial debt	3,322.4	3,636.6	(314.2)
Cash and cash equivalents	(564.0)	(562.6)	(1.4)
Net financial debt	2,758.4	3,074.0	(315.6)
Net financial debt / LTM EBITDA	1.23x	1.47x	
Reconciliation with financial statements			
Net financial debt (as per financial statements)	3,009.7	3,322.4	(312.7)
Interest payable	(5.7)	(5.5)	(0.2)
Deferred financing fees	10.6	14.9	(4.3)
EIB loan adjustment	0.9	1.9	(1.0)
Operating lease liabilities	(257.1)	(259.7)	(2.6)
Net financial debt (as per credit facility agreements)	2,758.4	3,074.0	(315.6)

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

Net financial debt, as per our credit facility agreements' terms, amounted to €2,758.4 million at December 31, 2019 (representing 1.23x times last-twelve-month EBITDA).

The main changes to our debt in 2019 were:

- The amortization of €500 million bonds issued in May 2017, which reached maturity in May 2019.
- The increase in the use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €250.0 million.
- The repayment of €65.0 million related to our European Investment Bank loan.

On April 27, 2018 Amadeus executed a new €1,000 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes. On the same date, Amadeus cancelled both the Facility A of the Revolving Credit Facility, signed on March 5, 2015, and the Revolving Credit Facility signed on April 26, 2016, each of them amounting to €500.0 million. The new revolving facility remained undrawn at December 31, 2019.

Reconciliation with net financial debt as per our financial statements

Under our credit facility agreements' terms, financial debt (i) does not include the accrued interest payable (€5.7 million at December 31, 2019) which is treated as financial debt in our financial statements, (ii) 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 set-up of new credit agreements and amount to €10.6 million at December 31, 2019),

(iii) 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 (€0.9 million at December 31, 2019), and (iv) 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 €257.1 million at December 31, 2019.

6.3 Group cash flow[14]

Consolidated Statement of Cash Flows (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
EBITDA	481.4	425.5	13.1%	2,232.4	2,013.5	10.9%
Change in working capital	54.2	121.0	(55.2%)	(95.2)	0.7	n.m.
Capital expenditure	(192.1)	(212.0)	(9.4%)	(736.1)	(718.2)	2.5%
Pre-tax operating cash flow	343.5	334.5	2.7%	1,401.1	1,296.0	8.1%
Taxes paid	(108.9)	(142.5)	(23.6%)	(335.3)	(287.6)	16.6%
Interest & financial fees paid	(13.4)	(18.1)	(26.0%)	(35.4)	(32.4)	8.9%
Free cash flow	221.1	173.9	27.2%	1,030.4	976.0	5.6%
Equity investment	4.1	(1,305.9)	n.m.	(46.2)	(1,315.1)	n.m.
Non-operating items	2.0	(26.4)	n.m.	(51.6)	(48.7)	5.9%
Debt payment	(238.2)	(253.1)	(5.9%)	(417.3)	1,373.8	n.m.
Cash to shareholders	0.0	(237.5)	n.m.	(516.3)	(1,003.2)	(48.5%)
Change in cash	(11.0)	(1,649.0)	n.m.	(0.9)	(17.2)	(94.5%)
Cash & cash equivalents, net[1]						
Opening balance	571.7	2,210.9		561.8	579.1	
Closing balance	561.0	561.8		561.0	561.8	

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

In 2019, Amadeus Group free cash flow amounted to €1,030.4 million, 5.6% higher than in 2018, impacted by an increase in taxes paid in the first quarter of 2019. Free cash flow was also impacted by non-recurring costs related to TravelClick's acquisition, amounting to €14.4 million, paid in 2019, and €12.9 million, paid in 2018. Excluding these non-recurring costs paid in relation to TravelClick's acquisition, pre-tax free cash flow increased by 8.1%.

In the fourth quarter of 2019, Amadeus Group free cash flow amounted to €221.1 million, an increase of 27.2% vs. the same period of 2018. Excluding non-recurring costs paid in relation to TravelClick's acquisition, both in the fourth quarter of 2019 and 2018, free cash flow increased by 24.4%. See section 3.1 for further explanation about TravelClick's acquisition effects.

6.3.1 Change in working capital

In 2019, the change in working capital deteriorated by €96.0 million vs. previous year. The change in working capital, both in 2019 and 2018, was impacted by TravelClick's acquisition related effects (see section 3.1 for further explanation about TravelClick's acquisition effects). Excluding TravelClick's acquisition related effects, the change in working capital in 2019 deteriorated by €72.2 million, mainly resulting from: (i) payments, amounting to €34.3 million, advanced from January 2020 to December 2019, due to scheduled changes in accounting and payment systems during January 2020 in several countries, which interrupted the payment flows for a period of time during the January month, (ii) an increase in advanced payments related to

[14] Figures as reported, not adjusted to exclude TravelClick's acquisition related effects.

customer renegotiations, and (iii) timing differences in some payments and collections, partly related to VAT reimbursements.

6.3.2 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.

In the fourth quarter of 2019, capex declined by €19.9 million, or 9.4%, vs. the same period of 2018, mainly driven by (i) a reduction in software capitalizations, resulting from a decrease in R&D investment in the period, coupled with a decline in the capitalization ratio, and (ii) lower signing bonuses paid.

In 2019, capex amounted to €736.1 million, an increase of €17.9 million, or 2.5%, vs. previous year. As a percentage of revenue, capex decreased by 1.3 p.p. to 13.2%. The growth in capex in 2019 was driven by:

- A €32.9 million, or 5.4% increase in capex in intangible assets, as a result of higher capitalizations from software development (driven by the increase in R&D investment, as explained below, coupled with a lower capitalization ratio), the TravelClick consolidation effect and an increase in signing bonuses paid.
- A €15.0 million, or 13.8% decline in capex in property, plant and equipment.

It is important to note that a large part of our R&D capitalizations do not have any revenue associated at this stage (particularly in the case of new diversification initiatives), or are investments for projects that will produce revenue during the life of the contracts, on average 10 to 15 years in Airline IT and 3 to 5 in Distribution, thereby affecting the capex as a percentage of revenue ratio.

Capital Expenditure (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
Capital Expenditure in intangible assets	163.0	181.0	(9.9%)	642.6	609.7	5.4%
Capital Expenditure PP&E	29.1	31.0	(6.1%)	93.5	108.5	(13.8%)
Capital Expenditure	192.1	212.0	(9.4%)	736.1	718.2	2.5%
As % of Revenue	14.3%	16.9%	(2.6 p.p.)	13.2%	14.6%	(1.3 p.p.)

R&D investment

In the fourth quarter of 2019, R&D investment (including both capitalized and non-capitalized expense) declined by 0.1%, compared to the same period of previous year, mainly due to a reduction in the efforts devoted to some internal performance enhancement projects, coupled with an increase in research tax credits.

In 2019, R&D investment increased by 10.1% vs. prior year. As a percentage of revenue, R&D investment amounted to 17.3%, in line with previous year. Growth in R&D investment in the full-year period resulted from:

- Increased resources to enhance and expand our product portfolio (including efforts related to NDC, shopping and digital solutions, etc.).

- Efforts dedicated to our new businesses, particularly to Hospitality (including the consolidation effect of TravelClick) and payments.
- Investment focused on cloud services and the continued enhancement of our overall infrastructure and processes to enhance efficiency, flexibility, availability and security.

See section 2.2 for further detail on our R&D projects.

It should be noted that a significant part of our research and development costs are linked to activities which are subject to capitalization. The intensity of the development activity and the different stages in the ongoing projects have an effect on the capitalization ratio in any given quarter, thereby impacting the level of operating expenses that are capitalized on our balance sheet.

R&D investment (€millions)	Oct-Dec 2019	Oct-Dec 2018	Change	Full year 2019	Full year 2018	Change
R&D investment[1]	253.2	253.5	(0.1%)	965.3	876.7	10.1%
As % of Revenue	18.9%	20.3%	(1.4 p.p.)	17.3%	17.8%	(0.4 p.p.)

[1] Net of Research Tax Credit (RTC). R&D investment for the first three quarters of 2019 has been adjusted to include an additional amount of €4.0 million of RTC. As a result, R&D investment amounted to €712.1 million in the first nine months of 2019.

6.3.3 Taxes paid

Cash taxes increased by €47.7 million, or 16.6%, in 2019 vs. previous year, mainly due to (i) no reimbursements from taxes paid in previous years in 2019, compared to reimbursements received from previous years in 2018 (mainly in the first quarter), and (ii) higher taxes paid in several countries from previous years, driven by increases in profits before taxes. Cash tax savings in France as a result of an increase in tax deductions expected for the year, associated with R&D (as a consequence of recent changes in tax regulation), partly offset these effects.

6.3.4 Interest and financial fees paid

Interest payments under our debt arrangements amounted to €35.4 million in 2019, €2.9 million or 8.9% higher than in 2018. This increase was mostly due to a higher amount of average gross debt, compared to 2018, driven by TravelClick's acquisition.

6.3.5 Equity investments

Equity investments amounting to €46.2 million in 2019 and €1,315.1 in 2018 mainly related to ICM's and TravelClick's acquisitions, respectively, as detailed in section 3.2.

6.3.6 Non-operating items

In 2019, cash outflow from non-operating items amounted to €51.6 million, and mostly responded to hedging costs and results, mainly in relation to a USD-denominated intercompany loan, linked to TravelClick's acquisition. See section 3.1 for details on TravelClick's acquisition.

6.3.7 Cash to shareholders

In 2019, the cash outflow to shareholders, amounting to €516.3 million, mainly corresponds to the payment of the ordinary dividend of €1.175 per share (gross) on the 2018 profit, as detailed in section 7.3.

Directors' Report for the year ended December 31, 2019 (millions of euros)

7 Investor information

7.1 Capital stock. Share ownership structure

At December 31, 2019, Amadeus' capital stock amounted to €4,312,684.36, represented by 431,268,436 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of December 31, 2019 is as described in the table below:

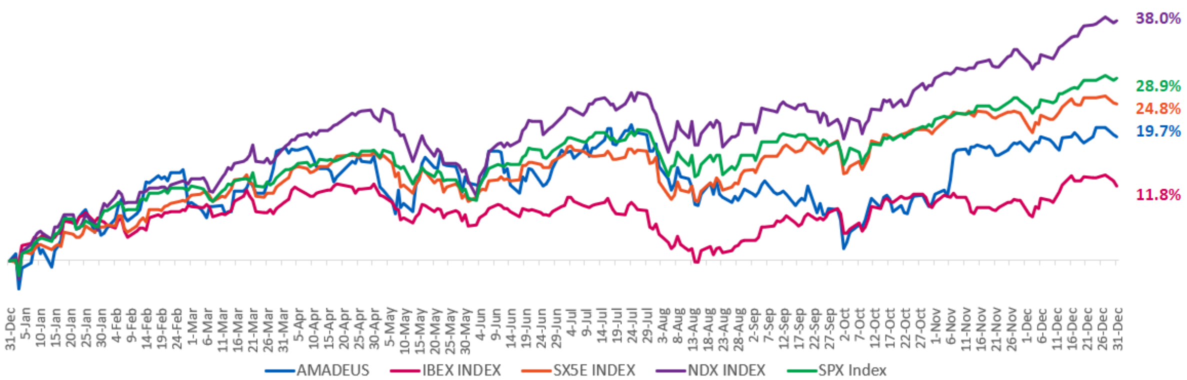
Shareholders	Shares	% Ownership
Free float	430,745,967	99.88%
Treasury shares[1]	244,708	0.06%
Board members	277,761	0.06%
Total	431,268,436	100.00%

[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 December 10, 2018, Amadeus announced it had completed the share repurchase program approved by the Board of Directors of Amadeus on December 14, 2017, upon reaching the maximum investment under the first tranche (€500 million) of the share repurchase program (the second tranche of the program had been cancelled, following TravelClick's acquisition on October 4, 2018). Under the program, Amadeus acquired 7,554,070 shares (representing 1.721% of Amadeus share capital).

The share capital reduction through the amortization of the treasury shares was approved by the General Shareholders Meeting on June 19, 2019 and registered with the Commercial Registry of Madrid on July 11, 2019.

7.2 Share price performance in 2019



Key trading data

Number of publicly traded shares (# shares)	431,268,436
Share price at December 31, 2019 (in €)	72.80
Maximum share price in 2019 (in €) (July 24, 2019)	73.88
Minimum share price in 2019 (in €) (January 3, 2019)	58.06
Market capitalization at December 31, 2019 (in € million)	31,396
Weighted average share price in 2019 (in €)[1]	68.36
Average Daily Volume in 2019 (# shares)	1,417,902

[1] Excluding cross trade

7.3 Shareholder remuneration

At the General Shareholders' Meeting, held on June 19, 2019, our shareholders approved a final 2018 gross dividend of €1.175 per share, representing a 3.5% increase vs. the 2017 dividend and 50% of our reported Profit, adjusted to exclude TravelClick acquisition related effects. An interim dividend of €0.51 per share (gross) was paid in full on January 17, 2019 and a complementary dividend of €0.665 per share (gross) was paid on July 12, 2019.

On December 12, 2019 the Board of Directors of Amadeus proposed a 50% pay-out ratio for the 2019 dividend.

In June 2020, the Board of directors will submit to the General Shareholders' Meeting for approval a final gross dividend of €1.30 per share, representing a 10.6% increase vs. the 2018 dividend and a 50% of the reported Profit. An interim dividend of €0.56 per share (gross) was paid in full on January 17, 2020. Based on this, the proposed appropriation of the 2019 results included in our 2019 audited consolidated financial statements includes a total amount of €560.6 million corresponding to dividends pertaining to the financial year 2019.

8 Other additional information

8.1 Expected Business Evolution

8.1.1 Macroeconomic environment

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the evolution of the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

This year, the Coronavirus outbreak in China will likely have an impact on global GDP and air traffic. It is too early to understand the duration and severity.

In January 2020, prior to the Coronavirus outbreak, the IMF updated its World Economic Outlook . Following the synchronized slowdown of economic growth seen in 2019, they estimate a slight recovery in 2020, with forecasted global economic growth of 3.3% (vs. 2.9% in 2019). However, they also caution this projected recovery is not worldwide and has risks

- Growth in the advanced economies is projected to decline slightly (1.6% in 2020 vs. 1.7% in 2019), mainly driven by a slowdown expected in the United States (2.0% in 2020, vs. 2.3% in 2019), somewhat offset by an increase in the Euro Zone (1.3% in 2020 vs. 1.2% in 2019).

- This means all the projected recovery is expected to come from the emerging markets and developing economies, which are estimated to grow by 4.4% in 2020 (vs. 3.7% in 2019). This is driven by recoveries or shallower recessions in stressed emerging markets, such as Turkey, Argentina, and Iran, and also by recoveries in countries where growth slowed significantly in 2019 such as Brazil, Mexico, India, Russia, and Saudi Arabia.

Despite the slight acceleration of world GDP expected in 2020, IATA forecast air traffic to grow at a similar rate than in 2019. IATA have forecasted an expansion of by 4.1%[15] in 2020 (vs. 4.2% in 2019). All regions are expected to perform positively: Africa (4.9%), Asia-Pacific (4.8%), Middle-East (2.5%), Latin America (4.3%), North America (3.8%) and Europe (3.8%).

8.1.2 Amadeus strategic priorities and expected business evolution in 2020

Amadeus is a leading technology provider for the travel industry. Amadeus has built commercial relationships with players across the industry, including airlines, travel agencies, hotels and airports, among others, and across the globe (with presence in more than 190 countries). Amadeus has invested consistently over the years to have a unique technology offering. Having market leading technology allows us to serve our customers better, to customize more efficiently and to continue innovating.

In Distribution, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In Airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs. Additionally, we expect growth to come from our new businesses, including Hospitality, Airport IT and Payments, as we further progress in each of them.

In 2020, we expect to continue evolving positively. In Distribution, we expect to maintain our leadership position, supported by our sustained investment in R&D and focus on innovation, global footprint, local market understanding and travel industry expertise.

In Airline IT, our PSS business will continue to expand as we implement our upcoming, contracted migrations, while also benefiting from the full-year impact of the 2019 customer implementations such as Air Canada. This is despite the full-year negative impact from several airline customers that ceased or suspended operations during 2019. Beyond the PSS business, we continue to invest on enhancing and expanding our solutions portfolio in order to sustain our upselling activity, with particular focus on the areas of merchandising, personalization, revenue optimization, digitalization, and disruption management.

In Hospitality, 2019 saw a solid performance, with a double-digit growth giving us a good foundation to deliver growth in the coming years. During 2020, we will continue to progress in seamlessly integrating our offering, to reap the synergies and address the opportunity we have to cross-sell across our technology stack, creating a hospitality leader that provides a broad range of innovative solutions to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2020, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which is to develop an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

[15] IATA Airline Industry Economic Performance - December 2019

Amadeus has a proven track record of operating a solid and resilient business model that results in consistent cash generation, allowing for sustained investment in R&D and innovation, as well as for shareholder remuneration, while maintaining a flexible capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 18% and we have complemented this with share repurchases.

In December 2019, the Amadeus Board of Directors proposed a 50% 2019 dividend pay-out target ratio. Accordingly, our Board of Directors will submit a final gross dividend of €1.30 per share - representing an increase of 10.6% over 2018 - for approval to our General Shareholders' Meeting in June 2020.

8.2 Research and Development Activities

Research and development (R&D) is core to the company's strategy and key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Group is continuously investing in its systems, including the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The group has 16 development centers, including 3 regional centers and the central development sites in Nice and Bangalore.

During the year ended December 31, 2019, Amadeus expensed €396.7 million for R&D activities and capitalized €591.6 million (before deducting any incentives), which compares to €323.4 million and €573.0 million, respectively, in 2018.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

8.3 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2019 and 2018, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2017	1,069,252	517.1
Acquisitions	7,674,365	8.8
Retirements	(529,328)	(14.6)
Carrying amount at December 31, 2018	8,214,289	511.3
Acquisitions	144,582	10.1
Retirements	(560,093)	(16.0)
Share capital reduction	(7,554,070)	(500.0)
Carrying amount at December 31, 2019	244,708	5.4

8.4 Financial Risks

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

8.4.1 Foreign exchange rate risk

As a result of the multinational orientation of its business, the Group is subject to foreign exchange risks derived from the fluctuations of various currencies. The main objective of the Group's foreign exchange hedging strategy is to reduce the volatility of the countervalue in euros of the consolidated cash flows measured in different currencies. The instruments used to achieve this goal depend on the foreign currency of the operating cash flow to be hedged:

- The strategy to minimize US Dollar (USD) exchange rate exposures is based on the use of natural hedges and derivative instruments. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the payment in USD of the principal amount outstanding of the USD denominated debt. Neither as of December 31, 2019, nor as of December 31, 2018, there was USD denominated debt.
- Aside from the risk on USD, there are foreign exchange risks derived from expenses denominated in a variety of foreign currencies mainly in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). A natural hedge strategy is not available in these cases; therefore the Group engages into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options to hedge a significant portion of the aforementioned short exposures (net expenses).

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

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

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

- Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[16]
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[17].

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

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

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

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

December 31, 2019			December 31, 2018		
2020 CFaR	2021 CFaR	2022 CFaR	2019 CFaR	2020 CFaR	2021 CFaR
(10.7)	(38.2)	(87.6)	(10.3)	(38.1)	(90.0)

As of the end of 2019, CFaR levels calculated for the next three years are similar or even lower than at the end of 2018. The main reason is that the higher risk arising from larger US Dollar exposures expected is compensated by larger hedging positions and lower prevailing foreign exchange implicit volatilities used in the calculation.

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

8.4.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 31, 2019 approximately 67% (77%, 2018) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 31, 2019, and 2018.

The sensitivity of fair value of Amadeus debt to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2019, and 2018, is set forth in the table below:

	December 31, 2019		December 31, 2018	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	8.0	(8.1)	10.5	(10.5)
Total	(8.0)	(8.1)	10.5	(10.5)

In 2019 there has been a reduction in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This decrease has been basically produced by the reduction on the amount of debt outstanding, basically due to maturities, and to the shorter average life of the outstanding debt.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) amounting to €8.1 million at December 31, 2019 (€10.5 million, 2018).

8.4.3 Treasury shares price evolution risk

As of December 31, 2019, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,340,000 shares and a minimum of 300,000 shares, approximately. It is Amadeus intention to make use of treasury shares to settle these plans at their maturity.

On October 10, 2019, the Board of Directors of the Company authorized the acquisition from the Stock Market up to a maximum of 1,250,000 ordinary shares of the Company (treasury shares) to meet obligations arising from share-based plans (see note 20) during 2020, 2021 and 2022

The authorization was granted under the framework of a share buy-back program to be implemented in 2020 for all Group companies, except for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd., subject to a capped maximum amount of €72.0 million and a maximum of 900,000 ordinary shares, representing 0.21% of the share capital of the Company.

Within the context of the general authorization of October 10, 2019, the governing body of Amadeus S.A.S. will approve its specific share buy-back program (total or partial) for Amadeus S.A.S. and its wholly owned subsidiary Amadeus Software Labs Ltd. up to a maximum of 350,000 ordinary shares, representing 0.08% of the share capital of the Company. This specific share buy-back programs will cover the obligations of these two companies arising from share-based plans (see note 20) during 2020.

8.4.4 Credit risk

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

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

The credit risk of the Group's customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and mitigate the credit risk partially 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 our credit risk.

8.4.5 Liquidity risk

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

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

- Three different cash pooling agreements. One with most of the subsidiaries located in the Euro area; another one in US Dollars for the US subsidiaries and another one in British Pounds for the UK subsidiaries.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

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

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2019 and 2018 is described in the note 17 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facility as detailed in note 17. The facility has a notional of €1,000.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2019, this facility was fully unused and thus €1,000.0 million can be used to cover the liquidity needs of the Group (as of December 31, 2018, there wasn't any used amount either).

Finally, Amadeus has a Multi-Currency European Commercial Paper (ECP) program amounting to €750.0 million. This program can be used for raising short term financing. As of December 31, 2019, €580.0 million of this program were in use (€330.0 million, 2018).

8.5 Subsequent events

Amadeus completed the acquisition of Optym's Sky business on January 31, 2020 through its subsidiary Amadeus North America Inc. The transaction 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 Sky Suite Products" acquired 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.

The initial purchase price amounts to 40 million US Dollar. The transaction price includes different earn-out scenarios based on annual qualified net revenues for the years 2022 and 2023 and on qualified new sales between closing and December 31, 2023. The amount of contingent consideration recognized as of the acquisition date amounts to 15 million US Dollar.

The main assets acquired consist of the software and contractual relationships linked to the Sky Suite Products acquired. Cash, bank accounts, tax assets and all accounts receivable have been excluded, as well as any liabilities to the extent related to the excluded assets. The Group is on the process of engaging a valuation company to help us on the determination of the fair values of the assets acquired and that is why as of the date of issuance of these consolidated annual accounts the Group has not completed the initial accounting for the carved-out business acquired.

Acquisition related costs amounting to €0.6 million have been recorded as expenses under "Other operating expenses" in 2019.

9 Non-financial information statement

See Annexe 2

10 Corporate Governance Information

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website www.cnmv.es.

Annexe 1: Key terms

- "API": refers to "Application Programming Interface"
- "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"
- "PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- "p.p.": refers to "percentage point"
- "PPA": refers to "Purchase Price Allocation"
- "PP&E": refers to "Property, Plant and Equipment"
- "PNR": refers to "Passenger Name Record"
- "PSS": refers to "Passenger Service System"
- "R&D": refers to "Research and Development"
- "TA": refers to "travel agencies"
- "TA air bookings": air bookings processed by travel agencies using our distribution platform
- "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

Annexe 2: Non-financial information statement

Non-financial information 2019

(This statement of non-financial information is part of the consolidated Directors' report approved by the Board of Directors at the meeting held on February 27, 2020)

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1. Introduction

1.1 Scope and limitations of the non-financial information statement

This document includes the information required by the Non-Financial Reporting and Diversity Law (11/2018), of 28 December 2018, and details the main aspects of Amadeus Group business model and corporate risk management, as well as its sustainability plans, environmental matters, social issues and subjects related to workforce, human rights, prevention of corruption and bribery and societal information.

The document provides a summary of Amadeus business model, a description of the policies in relation to these matters and the measures adopted, the results of these policies, the related risks identified, the management of these risks and the indicators of its non-financial results.

The reporting scope for each material aspect includes the entire Amadeus Group unless otherwise is indicated. In terms of the data-gathering process and scope of this document, we have considered the materiality of the information on one hand and the effort of collecting the data on the other to provide a sensible balance between these two elements.

This document includes certain information that is also provided in other documents, such as the annual Amadeus Global Report.

The principal objective of the Amadeus Global Report is to provide a comprehensive and transparent view of Amadeus' activities, operations and performance from a commercial, financial and sustainability perspective. As a communication tool, the Report contains a basic explanation of our business lines for any internal or external audience, as well as a summary of our financial results and management review of the year. A significant portion of the report is dedicated to environmental, social and governance matters (ESG), in addition to a description of our activities in the areas of industry relations and corporate risk management.

The Amadeus Global Report is verified by an external firm, and it follows the Global Reporting Initiative (GRI) in accordance with the GRI Standards (core option) for the reporting of non-financial information.

1.2 Methodology

1.2.1 Reporting principles

Based on our materiality analysis, this non-financial information report has been produced following the requirements of the Spanish Law 11/2018 on non-financial information reporting, as well as the Global Reporting Initiative (GRI) standards. Annex A of this report includes a table of content in which all the information items required by the Law are listed, with a reference to the page(s) where the information is included and the corresponding, if any, GRI indicator.

According to the Spanish Law 11/2018 requirements, this non-financial report has been externally reviewed by external consultant EY. The external assurance of this document by an independent organization (EY) ensures that the quantitative and qualitative material issues are reported accurately. The corresponding Limited Assurance Report is attached to this report.

1.2.2 Materiality analysis

A principal driver for the selection of the specific non-financial indicators chosen is the materiality analysis carried out by Amadeus.

The travel industry is rapidly changing and growing, and all players need to adapt to new demands and contexts. This evolution is highly dependent on technology and, as a travel technology provider, Amadeus' business has also adapted to this complex environment. This fact, together with the new trends in non-financial reporting, led us to the decision to make an in-depth review of our materiality analysis in 2019.

In this review process we have relied on the expertise of external consultants (Mazars Group) to identify the material issues relevant to our stakeholders and to our business.

The assessment process consisted of the following phases

1. Identification and update of relevant material issues

The pre-selected issues were classified in three areas: business and corporate governance, social dimension (labor and social responsibility) and environmental sustainability. The selection was mainly based on our previous materiality analysis, the latest ESG trends, best practices and new regulation. The result included renaming and clustering some of the issues.

2. External assessment of relevant issues

The aim of this phase was to identify our stakeholders' concern to every issue, including peers, industry opinion makers, mass media, employees, main reporting standards (GRI, Sustainability Accounting Standards Board, the United Nations Sustainable Development Goals), ESG investors and ratings (Dow Jones Sustainability Indices, FTSE4Good, Ecovadis or BlackRock).

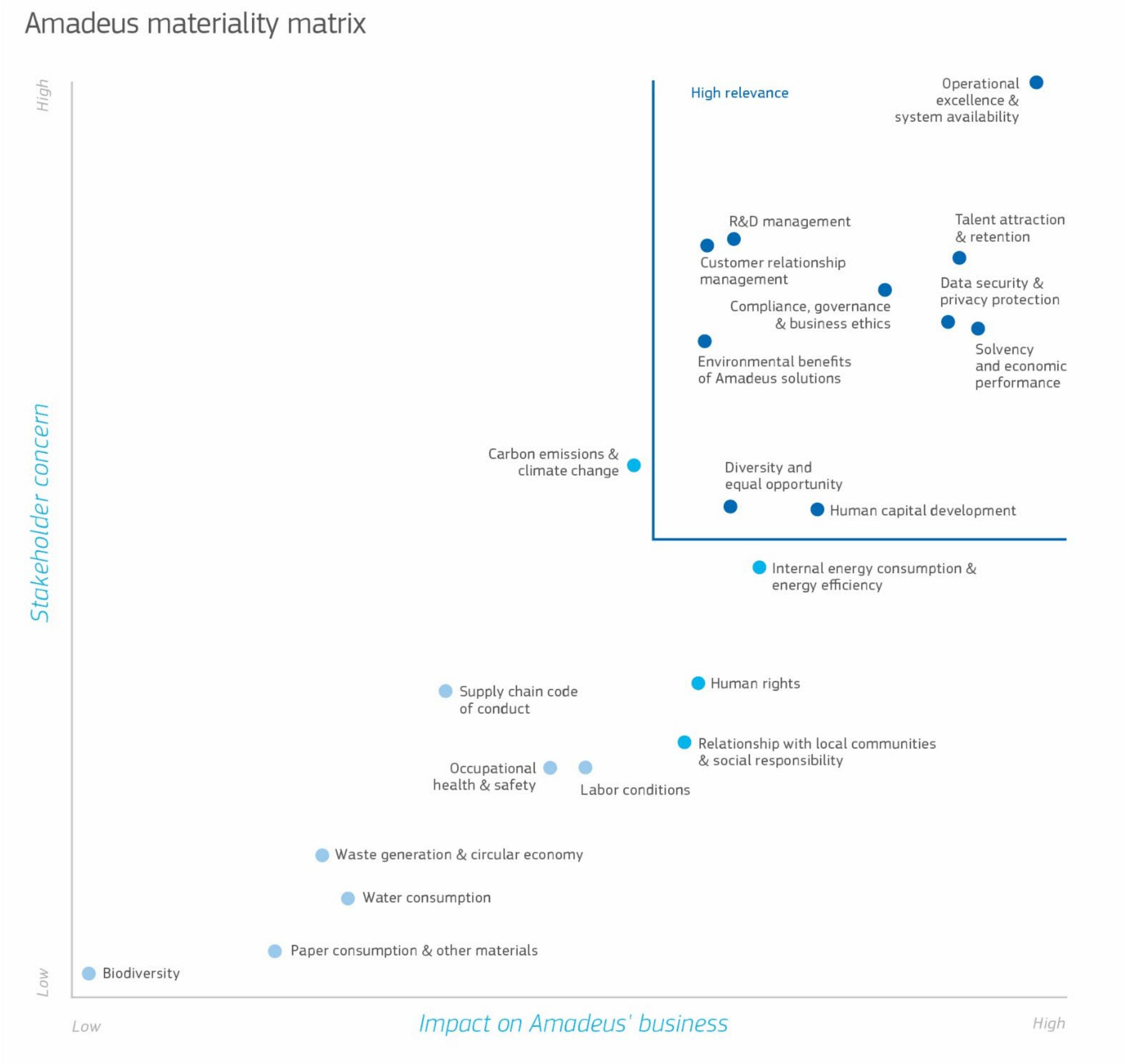
3. Internal assessment of relevant issues

The consultants interviewed Amadeus' top management to identify the relevance and impact of each material issue to Amadeus for the short to medium term.

4. Prioritization and materiality matrix

The results of the assessment of the previous phases were aggregated in order to create the materiality matrix. The graphic below represents the material matters resulting from the assessment. The materiality matrix is created with two axes, showing in the Y axis the relevance to Amadeus stakeholders and in the X axis the internal significance to Amadeus. Material issues are those that exceed the average scoring on both axes. Some issues are classified as internally or externally relevant if they only exceed the average score internally or externally respectively.

It is important to note that this chart is not meant to be a precise representation, but rather an indication of principal factors. In addition to the overall revamp of the materiality matrix carried out in 2019, the materiality matrix is reviewed on a yearly basis.



In addition to the most relevant aspects determined from the materiality analysis, we report on other matters for the purpose of improving overall transparency and stakeholder engagement. The requirements of the Spanish Law 11/2018 on non-financial information reporting and key sustainability rankings determined the reporting of issues located in a lower position in our materiality matrix. Therefore, we have included indicators on carbon emissions and climate change, energy consumption and energy efficiency, social responsibility, human rights, occupational health and safety, labor conditions, materials, water, waste generation and circular economy, biodiversity and supplier (social and environmental) assessment.

2. Amadeus' business model

Amadeus is a leading provider of technology solutions and services for the travel industry: airlines, airports, ground handlers, car rental agencies, corporations, cruise and ferry operators, hotels and event venues, insurance providers, travel sellers, tourism boards, travelers themselves and more. Amadeus facilitates complex transactions between travel providers and travel sellers and provides mission critical IT solutions for travel providers. Amadeus operates in more than 190 countries with more than 70 commercial offices worldwide. Amadeus workforce exceeds 19,000 (internal and external) people.

Amadeus was founded in 1987 to develop a standard system for connecting airlines with travel agencies. The company created the world's leading Global Distribution System[1], offering unmatched search, pricing, booking, ticketing, and servicing capabilities.

In the year 2000, Amadeus pioneered the development of a revolutionary reservation technology that provided airlines and travel agencies with a shared view of travelers and allowed for truly seamless reservation servicing across direct and indirect channels to create a state-of-the-art airline Passenger Service System[2]. Building on this success, Amadeus has continued to expand our IT portfolio to include a variety of other applications.

At the beginning of 2016 Amadeus acquired the US-based company Navitaire, allowing us to broaden the scope of our services, particularly for low-cost carriers. Regarding the hospitality sector, Amadeus strengthen its position into the sector with the acquisition of Newmarket in 2014. The latest acquisition of TravelClick in 2018, the largest in Amadeus history, confirms its strong commitment to the hospitality industry.

Amadeus has also expanded its portfolio to merchandising, revenue management, travel intelligence and travel expense management, harnessing the potential of cloud computing, mobile and big data for our customers. In fact, investment in research and development has been integral to Amadeus growth.

Over the years Amadeus has built a global commercial and operational network that has become one of the key components of our value proposition. The corporate headquarters are in Madrid, Spain. The main research and product development site is located in Nice, France, while the core components of Amadeus operations are run from the site in Germany.

Amadeus is a publicly listed company and part of the Spanish IBEX 35, as well as stock indices worldwide like the EURO STOXX 50. Amadeus has more than 99.8% of its equity in free float[3] as at December 31, 2019.

Amadeus invested close to 990 million EUR in R&D in 2019. Amadeus is constantly exploring new business models that will drive our own and our customers' growth, experimenting with technologies that will make travel more rewarding and sustainable. Amadeus continues to recruit the best people in the industry – a workforce that is multi-cultural, multi-generational and multi-skilled. Amadeus investment in innovation is a strategic priority. As the travel ecosystem expands, Amadeus also continues to broaden its focus, collaborating with industry partners, investing in acquisitions and new ventures and nurturing start-ups to ensure the most comprehensive travel offer.

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[1] A Global Distribution System (GDS) is a computer network containing travel-related information such as schedules, availability, fares and related services, which also enables automated travel-related transactions between travel providers and travel sellers. GDSs offer travel-related content to a broad range of agents worldwide, making global reach an important element of their value proposition.

[2] Passenger Service System (PSS), a series of mission-critical systems used by airlines. The PSS usually comprises a Reservation System, an Inventory System and a Departure Control System.

[3] This figure includes significant direct and indirect shareholders reported to the CNMV as of December 31, 2019.

2.1 Amadeus business lines

Amadeus offers solutions and services for travel companies all over the world. Amadeus powers commerce and mission-critical operations for the entire travel ecosystem through its highly synergistic business lines.

2.1.1 Distribution

Through the Distribution business area, Amadeus acts as a global network providing comprehensive real-time search, pricing, booking, ticketing and other processing solutions to our travel providers and travel agency customers.

Amadeus offers a full range of commercial services and complementary technologies that:

- Connect sellers, buyers and partners across the global travel industry and beyond
- Create opportunities to increase revenue by maximizing existing and new sales channels
- Provide economies of scale and unparalleled efficiency in delivering high-yield travel reservations

2.1.2 IT solutions

Through the IT Solutions business area, Amadeus offers travel providers an extensive portfolio of technology solutions which facilitate mission-critical business processes, such as reservations, ticketing, inventory management and departure control.

Airline IT

Amadeus supports airlines so they can provide travelers with a consistent, personalized customer experience throughout every stage of the journey. Amadeus offers airlines integrated Passenger Service System (PSS), standalone software, analytics and consulting solutions that:

- Grow revenues by helping travel business reach more potential customers more profitably through direct sales and merchandising.
- Optimize costs by streamlining marketing, sales and business operations.
- Increase customer loyalty with better brand differentiation and data-driven personalization.

Hospitality

Amadeus is focused on helping its hospitality customers in three key ways:

- Understanding their guests and market
- Enhancing guest experience
- Driving loyalty and increasing profitability

Other areas of diversification

Complementing the offer in the travel industry, Amadeus diversified its business, providing cutting-edge technology to other key sectors in the industry like airports and ground handlers, railways and ground transportation, as well as to transversal segments that are relevant to all travel industry players such as payment systems or travel advertising.

2.2 Amadeus strategic priorities and expected business evolution

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the evolution of the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

In the Distribution business area, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In Airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs. Additionally, we expect growth to come from our new businesses, including Hospitality, Airport IT and Payments, as we further progress in each of them.

In 2020, we expect to continue evolving positively. In Distribution, we expect to maintain our leadership position, supported by our sustained investment in R&D and focus on innovation, global presence, local market understanding and travel industry expertise.

In Airline IT, our PSS business will continue to expand as we implement our upcoming, contracted migrations, while also benefiting from the full-year impact of the 2019 customer implementations such as Air Canada. Beyond PSS business, we will focus on the areas of merchandising, personalization, revenue optimization, digitalization, and disruption management.

In Hospitality, 2019 saw a solid performance, with a double-digit growth giving us a good foundation to deliver growth in the coming years. During 2020, we will continue to progress in seamlessly integrating our offering, to reap the synergies and address the opportunity we have to cross-sell across our technology stack, creating a hospitality leader that provides a broad range of innovative solutions to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2020, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC[4] vision, which is to develop an integrated solution that can be widely adopted by both travel agencies and airlines. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

We are proud of our digital technology leadership in the travel and tourism industry and of improving consumer choice and transparency about travel options to travelers. Amadeus makes a significant contribution to improving the efficiency and sustainability of the travel industry. Combating climate change is a priority for every globally responsible corporate. In 2019, we achieved a significant milestone at our data center, reducing our emissions to zero. This was achieved through the use of renewable energy. Our goal is to be a driving force within the industry to help accelerate the speed at which emissions are being tackled at a global level.

2.3 Trends with a potential to impact travel volumes

Travel volumes can be affected, among others, by geopolitical events, economic growth levels, capacity constraints, the evolution of multimodal travel, and sustainability issues.

2.3.1 Geopolitics

Geopolitical and security events in certain parts of the world are affecting travel significantly.

Political tensions and an increased level of protectionism are affecting travel negatively. Indeed, in 2018 the International Air Transport Association (IATA) projected significant differences in the growth of air travel over the next 20 years under a

[4] NDC refers to New Distribution Capability, a program launched by the International Air Transport Association (IATA) for the development and market adoption of a new xml-based data transmission standard (NDC standard) between airlines and travel agencies. IATA establishes various levels of NDC certification, depending on the NDC capabilities.

base case scenario ("Constant Policy": 3.5% growth p.a.) and two extreme scenarios ("Reverse Globalization": 2.4% p.a.; "Maximum Liberalization": 5.5% p.a.).[5] These different scenarios translate into a projected number of passengers by 2037 that can differ by almost a factor of two between the best- and worst-case scenarios.

At the same time, threats of terrorism are leading to restrictions on travel, increased security and border control, and an increased administrative burden on the traveler. This, coupled with a reduced appetite for travel, can have a dampening effect on demand. But experience has shown that security issues tend to only affect specific countries or regions and are generally short-lived. In addition, Amadeus' broad geographical reach helps to limit the impact of such issues on our business.

Technology has provided solutions for security issues in the past, and this is likely to continue, presenting further opportunities for large travel IT providers with the required scale and reach such as Amadeus.

2.3.2 Economic growth

Economic growth levels are significantly correlated with travel industry growth. Although this correlation varies substantially over time and from one region to another, overall economic recessions or upturns do have a strong impact on travel volumes.

2.3.3 Capacity constraints

The increase in travel volumes is leading to strains on travel infrastructure, and in particular on airports. In the summer of 2018, 204 airports were designated Level 3 slot-coordinated facilities, meaning that they do not have the runway, ramp or gate capacity to handle all of the flights that carriers would like to operate.[6] As technology can facilitate more efficient use of these scarce resources, the industry will need to invest in IT systems.

2.3.4 Multimodal travel

Multimodal travel means using different modes of transport for a particular journey. Multimodal travel is gaining ground not just because there's an increasing demand for seamless door-to-door travel, but also because governmental agencies and transport authorities are seeing an opportunity to reduce carbon emissions and to alleviate congestion and pollution at urban transit levels. The extent to which travel supply chains can integrate multimodal transport services into a one-search, one-ticket, one-click purchase could boost both future travel volumes and travel satisfaction levels.

The European Union declaration of 2018 as the Year of Multimodality[7] is a clear illustration of policy intent to support "one-stop-shop" technology solution that can enable the sale of multimodal travel. Amadeus' strong business lines in distribution and IT position us well to deliver solutions for this emerging trend.

In fact, Amadeus has been working with the European Commission on multimodality projects for some years now. Among other projects, we have been involved in Shift 2 Rail and All Ways Travelling. As a facilitator of connectivity, Amadeus is in a unique position to make multimodality a reality, which we are committed to.

[5] https://www.iata.org/pressroom/speeches/Pages/2018-10-24-01.aspx.

[6] https://www.iata.org/pressroom/facts_figures/fact_sheets/Documents/fact-sheet-airport-slots.pdf.

[7] https://ec.europa.eu/transport/themes/logistics-and-multimodal-transport/2018-year-multimodality_en.

2.3.5 Sustainability

The travel and tourism industry faces issues such as overcrowded destinations, income inequalities and climate change. The climate issue, in particular, has received increasing attention over recent years. Social movements like "flight-shaming" have attracted unprecedented attention, and the industry needs to respond with facts and action. We expect a more specific and stricter legal framework on these and other issues to emerge, which could have a negative impact on travel, at least on the short term.

Regarding aviation, however, the industry is determined to grow sustainably, committing to cutting net emissions to half the 2005 levels by 2050.[8] As such, many airlines have taken an active role in addressing this issue. For example, a number of carriers have announced ambitious carbon offsetting plans. Technology from IT companies such as Amadeus can contribute to the more efficient use of infrastructure and energy.

2.4 Headcount information

Amadeus total workforce as of 31 December 2019 was 19,437 FTEs (Full-Time Equivalent). In terms of Amadeus headcount, the total was 17,789 people, including acquisitions carried out in 2019. This figure is the one reflected on section six, Amadeus workforce, as reporting is based on Amadeus employees (excluding external manpower).

For environmental reporting, given the fact that resources consumption take place across the year, we use average FTEs in the year (19,402).

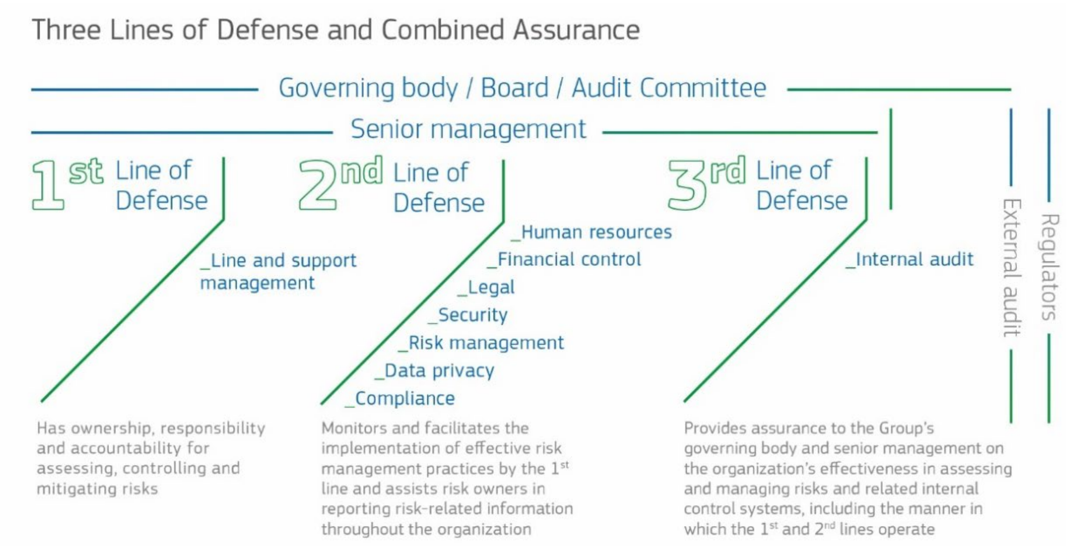
	December 31, 2019
FTEs (internal + external)	19,437
Headcount including 2019 acquisitions	17,789
Average FTEs internal + external 2019	19,402

[8] https://www.iata.org/en/pressroom/pr/2009-12-08-01/

3. Corporate risk management

Amadeus adopted the Three Lines of Defense Model in 2015, with the endorsement of the Board of Directors and the Executive Committee. This model integrates, coordinates and aligns all Amadeus support and assurance functions for the effective management of risk across the group.

Since its adoption, the model has fostered effective risk management across Amadeus, especially through the adoption of a Combined Assurance concept, through which we have expanded the coordinated management of control activities and the sharing of results.



3.1 First Line of Defense: executive management, management and staff

Amadeus' commitment to integrity and transparency begins with its own staff. Amadeus employees adhere to the ethical standards set forth in the Amadeus Code of Ethics & Business Conduct and related policies. We do not see this code and our core policies purely as a 'rule book', but as a mutual agreement across the company to promote positive behaviors that will add value to our business and ensure the highest standards of integrity at all times. The areas covered in the Code are as follows:

- Commitment to the environment
- Avoiding conflicts of interest
- Protecting personal data and confidentiality
- Handling relations with third parties and the media in a sensitive manner
- Handling company property, equipment and installations with care

We also respect and promote international human rights and expect all our vendors and business partners to uphold internationally recognized standards regarding working conditions and the dignified treatment of employees.

Human rights form part of Amadeus' risk analysis. The company evaluates the risks of infringing on the following rights: non-discrimination, collective bargaining, freedom of association, fair wages, no child or forced labor and adequate health and safety working conditions. Although such risks fall very low on our risk map, we have a series of mitigating and monitoring procedures to manage them, both internally and with our vendors and business partners.

Our mergers and acquisitions process also include due diligence on human rights-related risks. Our Integration team ensures that the company's policies are effectively implemented into newly integrated companies. Furthermore, our Speak Up Policy encourages employees to report any breach of the Code of Ethics & Business Conduct and possible resulting human rights violations.

3.2 Second Line of Defense: internal governance functions

Control activities are embedded in all areas of the company. Major control activities are carried out from departments such as Risk & Compliance, Security, Privacy, Legal, Finance, Human Resources and others.

Risk management and controls

Risk & Compliance is responsible for centralizing the continuous monitoring of major risk and compliance issues within Amadeus and also leads a transversal Combined Assurance program involving the Risk & Compliance Office, the Group Privacy Unit and the Information Security Office. Through this Combined Assurance program, we have expanded the coordinated management of oversight control activities and the sharing of results.

Risk & Compliance develops the Corporate Risk Map and establishes control and monitoring procedures for each of the identified risks, in conjunction with the 'owner' responsible for each risk. The risks ascertained from analysis as well as monitoring measures are reported on a regular basis to the Risk Steering Committee and the Audit Committee, as well as to the Executive Committee and the Board of Directors.

We continually monitor the most significant risks that could affect Amadeus and the companies that make up the Group, as well as Amadeus' own activities and objectives.

Amadeus' general policy regarding risk management and monitoring focuses on:

- Achieving its long-term objectives as per its established strategic plan
- Contributing the maximum level of guarantees to shareholders and defending their interests
- Protecting the company's earnings
- Protecting the company's image and reputation
- Contributing the maximum level of guarantees to customers and defending their interests
- Guaranteeing corporate stability and financial strength over time

The ultimate aim of the Corporate Risk Map is to provide visibility on significant risks and facilitate effective risk management. Risk analysis is a fundamental element of the company's decision-making processes, both within the governing bodies and in the management of the business as a whole.

The Corporate Risk Map also takes into account the global risks identified each year by the World Economic Forum,[9] such as economic, environmental, geopolitical, societal and technological risks.

Amadeus is concerned about immediate and emerging risks. Newly developing or changing risks that are difficult to quantify and could have a major impact on society and the industry are considered in the exercise.

The latest version of the Corporate Risk Map defines the most critical risks relating to Amadeus' operations and objectives, among which the following are highlighted: technological risks, operational risks that could affect the efficiency of business processes and services, commercial risks that could affect customer satisfaction, reputational risks, security and compliance

[9] World Economic Forum (2019). Global Risks Report 2019, 14th Edition

risks, the macro-economic and geopolitical environment, and trends in the travel and tourism industry. Some of these risks have evolved from the previous Corporate Risk Map while others have been newly identified.

These highlighted risks are assigned to risk owners at the highest level of the company management, who are given the duty to propose the risk response. Progress with mitigation and evolution of key risks is submitted to the Risk Steering Committee for review and consideration, together with proposed action plans, when required, to take any necessary measures or further actions.

Due to its transversal and dynamic character, the process described above identifies new risks that affect the Group arising as a result of changes in the environment, or as a consequence of the revision of objectives and strategies.

In the current business environment, which is characterized by increasing stakeholder demand for transparency, ethics and social responsibility, reputational risk management is becoming increasingly relevant. The Amadeus Reputational Risk Map is fully integrated with the overall Corporate Risk Map of the company. Therefore, assessing the reputational impact of a particular risk is embedded into our methodology.

In addition to managing risks, Amadeus is very focused on ensuring compliance with emerging initiatives such as the General Data Protection Regulation (GDPR) of the EU as well as existing control standards such as PCI-DSS (credit cards), SOC1 (computer controls) and ISO 27001 (security).

Also, through the training and awareness plan under coordination of the Risk & Compliance unit, we try to ensure that all employees understand and apply best practices on ethical as well as security and privacy principles.

Risk & Compliance chairs the following committees:

Ethics Committee

The Ethics Committee provides guidance on ethical behavior and compliance issues. This committee also addresses any concerns that employees may have and simultaneously assists in the implementation of the Code of Ethics & Business Conduct throughout the Amadeus Group. We attach great importance to promoting integrity, transparency and ethical conduct in all our operations, and we are committed to applying a zero-tolerance approach regarding prohibited practices, both in our internal affairs and external operations.

Risk Steering Committee

The Risk Steering Committee is a decision-making body empowered by the Executive Committee to provide oversight and guidance on risk management activities and issues across the Group, including risk assessment and prioritization, risk mitigation strategies and crisis responses.

Both the Ethics Committee and the Risk Steering Committee meet on a regular basis.

3.3 Third Line of Defense: Group Internal Audit

Group Internal Audit provides independent and objective assurance and consulting services designed to add value and improve Amadeus' operations. It helps accomplish our goals by using a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes, including the potential for the occurrence of fraud and how the organization manages fraud risk.

Group Internal Audit covers all companies, businesses and processes majority-owned or controlled by Amadeus. Every year, Group Internal Audit performs a thorough background and risk assessment exercise to verify and update the established audit priorities. This exercise considers, namely but not exclusively, elements such as the Group's strategic objectives and projects; the Corporate Risk Map; internal and external challenges and enablers identified through interviews with senior management and major control functions; business magnitudes; and audit cycles. The output leads to the formalization and approval by the Audit Committee of a yearly internal audit plan.

The legal entities included in Group Internal Audit reviews during 2019[10] represented more than 60% of the total Amadeus workforce. Main risks identified in the course of internal audit engagements are reported to senior management and the Audit Committee, and their status is periodically updated until resolution or acceptance by the governing bodies.

The coordination streams in place between Group Internal Audit and the main control, business and technology units ensure a continuous and optimum complement to Group Internal Audit's independent and objective assurance activities.

Group Internal Audit is governed according to the mandatory elements of The Institute of Internal Auditors (IIA)'s International Professional Practices Framework (IPPF), including its Core Principles, its Definition of Internal Auditing, its International Standards and its Code of Ethics. Furthermore, Group Internal Audit runs a Quality Assurance and Improvement Program that combines ongoing monitoring with periodic internal and external assessments. The program includes the evaluation of Group Internal Audit's conformance with the International Professional Practices Framework (IPPF). The program also assesses the efficiency and effectiveness of Group Internal Audit and identifies opportunities for continuous improvement.

[10] Including internal audit reviews, and the assessment of the design and effectiveness of the Internal Control over Financial Reporting (ICFR) and the Corporate Crime Prevention (CCP) models.

4. Amadeus policies – fight against bribery, corruption and money laundering

Amadeus supports the business with a set of policies designed to comply with certain agreed behaviors. The Amadeus core policies are supported by systems which undergo regular internal and external quality reviews to ensure regulatory compliance and application of best practices.

Among Amadeus' main corporate policies, the following contribute to the prevention of illegal activities such as bribery, corruption and money laundering:

- Code of Ethics & Business Conduct
- Speak Up Policy
- Anti-Fraud Policy
- Anti-Bribery Policy
- Entertainment & Gifts Policies
- Charitable Contributions Policy
- Political Contributions & Lobbying Policy
- Powers of Attorney
- Banking Powers
- Antitrust & Competition Law – Compliance Manual
- On-Site Investigation Policy
- Data Privacy Manual
- Security & Privacy Handbook
- External Legal Counsel Policy
- Sales Manual
- Corporate Purchasing Policy
- Health & Safety Policy
- Environmental Policy
- Tax Policy

Further details of the environmental and social policies, including Human Rights, are described in chapters below.

With respect to preventing bribery, corruption and money laundering practices in Amadeus, in addition to the specific policies focused to that topic, Amadeus has also developed policies to prevent this from occurring through charitable and/or political contributions. Controls are enforced through our Industry Affairs and CSR area to control this type of contributions.

4.1 Code of Ethics and Business Conduct

The Amadeus Code of Ethics and Business Conduct (CEBC) sets forth the commitment of the company to conduct business pursuant to the highest ethical standards.

This Code of Ethics and Business Conduct (the "CEBC") is based on the following values: Customers First, Working Together, Taking Responsibility and Aiming for Excellence. The CEBC reflects who we are and how we conduct our business. Our guiding principle is integrity – the personal integrity of each and every member of the Amadeus community and our professional integrity as a business organization.

4.2 Anti-Bribery Policy

Amadeus is committed to winning business through fair and honest competition in the marketplace. We are committed to the highest standards of ethics, as outlined in the Amadeus Code of Ethics and Business Conduct. This includes complying with obligations under international anti-corruption laws, including but not limited to: Law 10/1995 of the Criminal Code of Spain, The Anti-Corruption Act 2007 of France, the Criminal Code and the Act on Combating International Bribery 1997 of Germany, the Bribery Act 2010 of the UK and the Foreign Corrupt Practices Act ("FCPA") of the U.S.A.

Specifically, we will abide by the letter and spirit of applicable international anti-corruption laws in conducting our business. Promising, authorizing, offering, giving, accepting or soliciting anything of value, or any advantage, to anyone, with the intention or appearance of improperly influencing his or her decisions or conduct, or as reward for improper performance, is strictly prohibited.

As well as reading and understanding the Amadeus Anti-Bribery Policy, all Amadeus employees must also read and comply with the Amadeus Code of Ethics and Business Conduct, the Charitable Contributions Policy and the Political Contributions Policy.

This Policy applies to all Amadeus Group employees, agents, intermediaries, consultants, sub-contractors, vendors and Joint Venture partners working on behalf of Amadeus worldwide.

The owner of this Policy is Risk & Compliance. This unit shall oversee and administer the Policy, develop and maintain procedures and guidelines to support the Policy and work with key stakeholders to ensure Amadeus' officers, employees and contingent staff affected by the Policy receive adequate communication and training.

4.3 Anti-Fraud Policy

Amadeus has no tolerance for fraud, and thus fraudulent practices of any kind are prohibited at Amadeus. All Amadeus employees are accountable for complying with appropriate procedures, controls and monitoring activities to protect Amadeus against the commission of fraud. Where there are reasonable grounds to indicate that a fraud may have occurred, senior management has a duty to ensure a fair and respectful clarification of facts and prompt action to resolve the issue.

In the event that a fraud has been committed, Amadeus will promptly take such action as is appropriate to remedy the situation, clarify individual responsibilities, take appropriate disciplinary and legal actions, and leverage lessons learned in order to improve the internal controls wherever needed.

4.4 Anti-Money Laundering

As part of its global anti-corruption efforts, Amadeus is committed to conducting its business professionally, fairly and ethically, and in full compliance with anti-money laundering laws, and laws and regulations countering terrorist financing which are applicable to Amadeus.

4.5 Training and communication

Preventing corruption issues is not only achieved through policies published in our intranet. It also requires that the message reaches Amadeus people, especially to certain teams more exposed to these illegal practices due to the activity and role they perform in the organization. For this reason, training and communication is a key activity, which is performed in various manners (face-to-face, webinars, e-learning…). Many financial processes to approve payments ensure as well that illegal activities are prevented from occurring.

4.6 Corporate Criminal Prevention Program

The Corporate Criminal Prevention Compliance Program, implemented as a result of the amendments to the Spanish Criminal Code in 2010 and later in 2015 and 2019, consists of a set of processes and procedures to ensure that risks are identified, and also that the controls that Amadeus has in place to prevent activities such as bribery, corruption or money laundering, are in place and effectively help to prevent and/or mitigate the commission of any criminal action that could impact the Company.

5. Amadeus' environmental sustainability strategy

Amadeus' sustainability strategy is based on the premise that active involvement in improving environmental performance is fundamental to (among others):

- Achieving travel industry sustainability over the long term, capitalizing on common economic and environmental objectives shared with our industry stakeholders
- Improving the Amadeus value proposition for customers
- Improving the operational efficiency of the industry

In accordance with the above, Amadeus' environmental sustainability strategy includes three pillars:

1_ Environmental efficiency of Amadeus operations

We measure the environmental impact of our operations, identify areas for improvement, implement solutions and continue to monitor our performance for achieving continuous improvement in environmental efficiency. The Amadeus Environmental Management System (EMS) is the tool we use in Amadeus to achieve these objectives.

2_ Development of IT solutions that improve economic and environmental efficiency

We deliver IT solutions that improve customers' operational and environmental efficiency. Amadeus invests approximately one billion EUR annually in R&D. R&D is therefore a fundamental component of our business strategy and of our contribution to the sustainability of our customers and the industry.

3_ Participation and fostering of joint industry environmental initiatives

We work in partnership with other industry stakeholders on projects to improve travel industry sustainability. Our partnerships include UN agencies like the International Civil Association Organization (ICAO), the World Tourism Organization (UNWTO) or the UN Climate Secretariat (UNFCCC). We also work with academic institutions from around the world and with travel industry associations like the World Travel and Tourism Council (WTTC).

5.1 Amadeus Environmental Management System (EMS)

The Amadeus Environmental Management System (EMS) is the tool we use at Amadeus to measure, monitor, identify best practices, and continuously improve the environmental performance of our worldwide operations.

Amadeus' Environmental Management System measures the impact of our operations considering five elements: energy, CO_2 emissions, paper used, water and waste generated. We evaluate our performance considering both total consumption of resources and also efficiency ratios based on the business transactions processed and on the number of employees. We also factor in company growth to evaluate our performance. We guarantee long-term improvement in our environmental performance by setting annual targets to improve the environmental performance of the previous year.

5.1.1 EMS material elements

The EMS helps to manage the five principal elements related to the environmental impact of Amadeus' operations. These elements were identified in the initial materiality exercise in which we consulted our own internal experts and benchmarked with other companies in similar economic sectors. The five elements included in Amadeus EMS are: energy consumption, CO_2 emissions, paper consumption, water use and waste generation.

5.1.2 EMS geographical scope and methodology

The EMS includes the reporting of Amadeus' operations environmental impact. Amadeus has offices in more than 70 countries. Some of these offices are small and it becomes inefficient to measure and report the impact of all of them in a direct manner. Therefore, we have adopted a more efficient and pragmatic approach by which we report direct measurements of impacts in our 15 largest sites (which represent more than 70% of total Amadeus workforce worldwide) and then we make an estimation of the remaining sites, based on the average consumption factors per employee of the sites where we measure our impact directly. In summary, we measure our impact directly for 70% of our employees and indirectly for the remaining 30%. This new methodology was implemented in 2018. Before this date, we were reporting the impact of the sites where our measurement was direct. It is important to note that the reporting of the Amadeus Data Center is included in the direct reporting.

The 15 Amadeus sites included in the direct reporting are:

1_ Nice, France

2_ Bangalore, India

3_ Miami, US

4_ Erding, Germany

5_ Madrid, Spain (headquarters)

6_ London, United Kingdom

7_ Bad Homburg, Germany

8_ Bangkok, Thailand

9_ Sydney, Australia

10_ Paris, France

11_ Madrid, Spain (Amadeus Commercial Organization)

12_Waltham, US

13_Singapore

14_Manila, Philippines

15_Portsmouth, US

The scope of the Amadeus EMS direct reporting reaches 15 of our largest sites across the world, which account for more than 70% of all Amadeus employees and approximately 90% of the total estimated Amadeus resource consumption worldwide (considering that our Data Center in Germany is by far the largest energy consumer in the Amadeus Group).

Our Data Center located in Germany is included in the EMS and until 2018 it accounted for almost 50% of the overall estimated environmental impact and more than 70% of scopes 1 and 2 CO_2 emissions. In 2019 the Amadeus Data Center reduced CO_2 emissions to zero thorough the use of Guarantees of Origin of renewable energy.

The scope of the Amadeus EMS direct reporting is regularly reviewed and adapted to the changing circumstances of Amadeus and of our business environment. Since 2013, we have progressively expanded the scope of the EMS direct reporting to our sites in Bangalore (India), Waltham (US), Singapore and Manila (Philippines) and in 2019 we incorporated to the EMS our premises in Portsmouth (USA).

In order to make sure that the EMS remains an efficient tool to provide visibility of Amadeus operations' environmental impact and that it also allows the proper monitoring by comparing performance from one year to the next, every year the scope of the EMS is reviewed; and when new additions are included, we provide proper comparisons including and excluding the new additions, so that internal and external audiences can easily understand the information and the performance. At the same time, all the 15 sites included in the EMS have remained operational since their inclusion in the EMS so, we haven't had the need to remove any of the sites from the EMS.

We have prioritized those elements in the EMS that are quantitatively more relevant for Amadeus global performance and those where we have room for management and improvement. Following this reasoning, for example electricity gets a higher weight in our objectives than waste generation, since our electricity consumption is more important in absolute terms than the waste generated and also because, arguably, we have more capacity to manage our electricity consumption than the waste generated through our operations. In addition, and given the different nature of activities and environmental impact, we analyze separately the impact of the Data Center from the impact of office buildings.

We have introduced a number of environmentally friendly measures that helped to improve efficiency in the use of resources.

Energy efficiency at the Amadeus Data Center remains a priority. In the last five years, we have reduced the PUE[11] from 1.39 to 1.33 in 2019.

The number of transactions and queries processed at the Data Center has increased dramatically over recent years, due to the increasing number of online devices that can connect and trigger queries: broad use of the internet, increase of ancillary and customized services to travelers, ability to change travel plans using different means, etc. One of the consequences of this increase in hits in the Amadeus system is that the energy required to process the increasing number of transactions also continues to increase, despite the improvements in energy efficiency. As a way to counteract this trend in energy consumption and greenhouse gas emissions, and following our initiative to reach carbon neutrality, we worked with the UNFCCC (United Nations Framework Convention on Climate Change) to invest in Clean Development Mechanism projects in India. For three year we offset an accumulated total of 32,091 t CO_2 with Certified Emissions Reductions from these projects. From 2019 onwards, we will reduce our CO_2 emissions to zero thorough the use of Guarantees of Origin of renewable energy.

5.2 Detailed information on environmental matters

5.2.1 Pollution

Delivering sustainable growth and reducing CO_2 emissions are some of the challenges that we face today. Electricity consumption is one of the largest sources of CO_2 emissions at Amadeus, but also paper use, business travel, natural gas and diesel contribute to our carbon footprint.

We follow the Greenhouse Gas Protocol (GHGP)[12] to manage and report our CO_2 emissions.

- In Scope 1, we include emissions from natural gas and diesel.
- In Scope 2, we include emissions linked to the use of electricity[13] at our office buildings worldwide and at the Data Center.
- In Scope 3, we include emissions from paper consumption and from business travel. We gather information about business trips from our travel agency provider and we use the International Civil Aviation Organization (ICAO) carbon calculator to estimate emissions per passenger. Emissions are therefore calculated for each

[11] PUE stands for Power Usage Effectiveness and is a common metric used to measure the energy efficiency of data centers. The closer to 1 the PUE, the more efficient the data center is.

[12] The Greenhouse Gas Protocol (GHGP) is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. The GHGP classifies emissions into three scopes. Scope 1: direct GHG emissions from sources owned by the company; Scope 2: indirect GHG emissions produced as a consequence of the company's operations; and Scope 3: other indirect GHG emissions, such as emissions from travel providers for business travel.

[13] The conversion factors applied, i.e. the amount of CO_2 emitted per kWh used, are obtained from the latest updated averages for each country, published by the International Energy Agency in its publication: CO_2 Emissions from Fuel Combustion 2019. Paris, IEA Publications, pp. 182-469.

individual trip. The scope of measurement of emissions from air business travel includes 62% of our total workforce.

In 2015, we made a commitment to run Amadeus operations under a carbon neutral growth policy. This implies that we implement measures to reduce emissions as much as possible, and if we emit more than our baseline year, we offset the increase of our CO_2 emissions using Certified Emissions Reductions from Clean Development Mechanism projects in India. In 2019 we updated and enhanced this commitment by reducing our Data Center CO_2 emissions to zero, thanks to the use Guarantees of Origin of renewable energy. In addition, an in order to reduce CO_2 emissions, our sites have implemented some best practices, for example:

Data Center:

Amadeus has always been focused on the energy efficiency of all its operations. The measures taken come from a combination of internal analysis by our experts, as well as reviews and recommendations from external consultants. In this respect, the Amadeus Data Center has maintained since 2010 the Energy-Efficient certification from TÜV SÜD for its power supply, cooling and climate control processes and IT equipment, as well as its procurement, installation and de-installation procedures, following a thorough analysis of our infrastructure. The certification has been subsequently renewed in 2012, 2015 and 2018. The current certification is valid until 2021. Amadeus has also extended the data center certification to EN 50600, the new EU standard for data centers that is even broader in scope and more demanding.

In 2019 the Amadeus Data Center reduced CO_2 emissions to zero. This was achieved through the use of Guarantees of Origin of renewable energy. This initiative also had a significant positive impact in overall company emissions. Our scope 1 CO_2 emissions were reduced by 61% if we compare with 2018, making a significant step toward the ambition of zero company emissions by 2050, in alignment with the objectives of the Paris Climate Change agreement.

Examples of other recent measures taken to improve our energy efficiency and reduce CO_2 emissions include the implementation of more efficient cooling machines that reduce the energy required to cool servers and also optimize the use of water. In addition, with the excess heat produced by this cooling machines and a heat exchanger, we are now able to heat the Systems and Network Control Center. The old, electrical heating was dismantled. Moreover, we replaced nine old transformers with energy optimized transformers. The estimated savings generated by these operational efficiency improvements would be 306,000 kWh (34,000 kWh per transformer). In 2019 we have also replaced the exterior light bulbs for LED lights. This action reduced the power consumption by an estimated 42,760 kWh/year.

Office buildings:

Some of the measures implemented include:

- Adapting room temperature to weather seasons
- Promoting the use of carpooling/public transportation. Some of our largest sites like Bangalore or Nice provide shuttle services and shared transport for employees to reduce environmental footprint and traffic congestion.
- Purchase of carbon-neutral paper
- Electric vehicle charging points

Given the nature of our business activities noise and light pollution are not material for Amadeus. Our operations involve the running of our Data Center in Germany and office buildings around the world therefore we are not directly involved in the generation of significant noise or light pollution.

5.2.2 Circular economy and waste management

One of the elements included in our EMS is waste generation. Waste is generated at our premises from kitchens and from general office use. Waste is difficult to measure, since in some cases we do not have the means or documentation to report part of the waste. The principal sources of information to report waste at Amadeus are the recycling companies that provide their services to Amadeus, since they can report the amount of waste collected for recycling, as this is the basis for their invoices. On the other hand, waste generated by extraordinary activities, like works done in buildings, is generally measured, but for comparability reasons it is reported separately from regular waste. At Amadeus, waste generation is generally low compared with other sectors or other types of impact like energy use or greenhouse gas emissions. Nonetheless, we are committed to a reduce-reuse-recycle policy. We develop management procedures aimed at minimizing waste. Some of our sites have implemented local actions to reduce food waste. For example, in Nice a percentage over our total waste is sent to compost.

Some best practices to reduce waste generation are the following:

- Implementing proper infrastructure to promote classification of waste
- Replacing individual workstation bins with common area bins
- Communication campaigns to raise awareness among employees to minimize waste and the use of plastic
- Producing energy from waste
- Working with external vendors to improve the measurement and management of waste
- Reusing obsolete PC screens and other electronic equipment
- Replacing paper cups with glass/ceramic mugs

5.2.3 Sustainable use of resources

We focus on making an efficient and responsible use of natural resources that we use directly, like water, or indirectly, like paper.

The use of water at Amadeus is divided into three categories:

1) Water used for cooling of servers, principally at the Data Centre in Erding. Continuous water quality tests are carried out at the Data Center to ensure high water quality standards. With these tests and subsequent increased water quality, we reduce the need add new water in the circuits, reducing the overall consumption.

2) Water used at office buildings in kitchens, toilets, etc. The amount used for this purpose is relatively low, and thanks to the continuous improvement measures the overall consumption has remained stable, despite the increase in number of employees. The improvement measures are related to communication campaigns among Amadeus employees, implementation of new equipment like automatic sensor faucets, etc.

3) Water used for irrigation. Our gardens and irrigation system in Nice minimize the use of water since the plants in the garden are adapted to local weather.

In specific regions or seasons, water frequently becomes a scarce resource, especially drinking water. As a company, it's key to keep a responsible use of water in every action we take. Examples of initiatives carried out at our offices worldwide to reduce water consumption:

- Implementing motion sensor taps and flow regulators in washrooms
- Use of drip irrigation systems and plants with low water consumption
- Use of water-efficient household appliances in kitchens
- Implementing leak detention units to reduce the loss of water
- In Singapore, our office building has a condenser water system to avoid the waste of water in the cooling system due to condensation. The building also harvests rainwater from the roof top for landscape irrigation.
- In Sydney, our office building harvests rainwater by using a downpipe system to collect roof catchment runoff and then deliver it to rainwater storage tanks. Filtered water from the harvesting system is then used for use in

the shower and toilets in all bathroom facilities in the building, to hose down the hard-external surfaces of the building and, when possible, to clean the windows.

We report paper consumption at our premises either by summing up the amount of paper bought during the year or, when available, through automated badge-based printing system. These automated systems permit a more precise monitoring of use and facilitate the identification of areas for improvement.

Examples of initiatives carried out at our offices worldwide to reduce paper consumption:

- Implementing badge-based printing systems
- Use of carbon-neutral paper
- Setting all printers by default to black-and-white double-sided printing
- Raising awareness among users of the environmental and economic cost of printing
- Use of recycled paper
- Sending used paper for recycling
- Implementing electronic signature to reduce the printing and delivery of hard-copy contract versions
- Reducing paper advertising replacing it by digital means

Electricity is the principal type of energy we use in our operations. It also represents the main source of our carbon footprint.

We measure electricity consumption at our Data Center and at our office buildings separately. We also report natural gas consumption, which is normally used for heating some of our buildings, as well as diesel, used mainly at our Data Center for a guaranteed uninterrupted power supply through the use of a large generator.

Most sites included in the Environmental Management System have implemented best practices on energy efficiency and behavioral change. For example:

- Replacing incandescent bulbs with LEDs
- Switches connected to movement-detection control systems
- Thorough planning of areas covered by specific light switches
- Automatically switching off lights at certain hours
- Switching off PCs after working hours
- Maximizing the use of natural light
- Adapting room temperature to weather seasons
- Use of energy saving stickers and other means to encourage frugal energy consumption
- Investing in renewable energy
- Implementing photovoltaic (PV) cells on roofs

In addition, as indicated above (see section on pollution), the Data Center follows a strict energy efficiency policy that involves several actions on different fronts, from the optimization of energy used for cooling to the improvement of the process to decommission IT equipment.

Regarding renewable energy, in 2019 the Amadeus Data Center reduced CO_2 emissions to zero through the use Guarantees of Origin of renewable energy. In the rest of office buildings where Amadeus doesn't purchase renewable energy certificates, we report renewable energy use based on the production mix per country published by the International Energy Agency. Accordingly, we report on the primary sources of energy necessary for the electricity that has been consumed and the total energy consumption from renewable sources as shown below.

Through the use of Guarantees of Origin, the proportion of renewable energy for our Data Center is 100%. The source of the renewable energy is hydropower.

We have also calculated the proportion of renewable energy for our total Amadeus sites worldwide which corresponds to 26.6% over the total.

The percentage of total renewable for our Data Center and total Amadeus sites worldwide is 65.8% which corresponds to 82,997 MWh (298,791 GJ).

5.2.4 Biodiversity protection

Amadeus operations do not generate significant or direct biodiversity risks and therefore biodiversity is not identified as a material issue.

Amadeus has a broad network of partners and customers across the industry. We take advantage of this to participate in joint industry sustainability projects. For example, in 2018 we joined the initiative led by the World Travel and Tourism Council (WTTC) to fight against the illegal trade of wildlife and supported the implementation of a corporate illegal wildlife trade policy.

Other related activities Amadeus is engaged include the reduction of the amount of waste that goes to the landfill, reduction of the use of plastics or eliminating single-use kitchenware in our office buildings.

5.2.5 Climate change

We follow the Greenhouse Gas Protocol (GHGP) standards to measure and report our CO_2 emissions.

To achieve our strategic objective of sustainable profitable growth and to be aligned with 1.5-2 degrees objective of the Paris Agreement, Amadeus has established objectives to reduce our greenhouse gas emissions.

Until 2018 we had the objective of not increasing net emissions (Scope 1 and 2) compared to our baseline year of 2015. This was a challenging target since it required efficiency improvements due to the fact that the company is growing at a fast pace. In order to achieve this objective, we worked with the UNFCCC (United Nations Framework Convention on Climate Change) investing in Clean Development Mechanism projects in India. For three years we offset an accumulated total of 32,091 t CO_2 with Certified Emissions Reductions from these projects.

In 2019 we revisited this target to make it more ambitious and start delivering net emissions reduction even if the company is growing in revenues and employees. From 2019 onwards, we will reduce our CO_2 emissions through the use of Guarantees of Origin of renewable energy. With this measure we have reduced our total CO_2 emissions by 28,250 tons in 2019.

On the other hand, Amadeus invested 988.3 million EUR in R&D in 2019. We develop IT solutions that improve the operational and environmental efficiency of our customers. This helps particularly airlines and other customers to meet their own scope 1 targets.

In 2017 we signed the UN Climate Neutral Pledge. In line with the Paris Agreement on climate change, and by signing the pledge, we commit to become climate neutral by 2050. Our goal for 2050 is to not release carbon dioxide and having a net zero carbon footprint. The achievement of this target is planned in different phases. We started the first one in which we were committed to carbon neutral growth and now we have started delivering net emissions reduction with the purchase of renewable energy for our Data Center in Germany.

5.3 Climate change-related risks and opportunities

5.3.1 Background

Greenhouse gas emissions and climate change are a principal concern for the travel industry, due to the high-energy intensity of different modes of transportation. Climate change is one of the main risks our planet faces today, the effects of which are predicted to intensify in the following decades, as illustrated by the Intergovernmental Panel on Climate Change (IPCC).[14] Moreover, some of the places most vulnerable to climate change are tourist destinations in developing countries, whose economies depend greatly on the jobs and income generated by tourism.

Most travel industry associations and organizations are addressing climate change as a matter of priority. For example, the International Air Transport Association (IATA), the World Travel and Tourism Council (WTTC) and the International Civil Aviation Organization (ICAO) have put in place specific plans and targets for the reduction of emissions over the mid and long term. The actions required for the achievement of these targets mean, among other things, that the foundations of the travel industry as we know it today will need to change.

Amadeus is involved in the travel experience of more than 2 million passengers daily. We are an important player in the travel and tourism industry and we acknowledge our responsibility to contribute to the fight against climate change.

On the other hand, given the relatively low exposure to environmental related risks of our business, and the geographical diversification that helps to reduce the risks, Amadeus exposure to climate risk is low and mitigated by our geographical coverage. Nonetheless, some of our most critical installations for our operations are covered by insurance policies that include environmental related risks like damages caused by severe weather events. Our locations, assets and related business interruption affected by any such cause would be covered both for mission critical locations and also for the rest of sites.

5.3.2 Risks and opportunities

The climate change related risks faced by Amadeus can be classified into the following categories:

Physical risks

Physical risks affecting the communities in which we operate

Amadeus operates in over 190 countries. The risk of climate change impact and/or extreme weather events affecting any of these communities is therefore very high. As part of our social responsibility efforts, we have built a global team of more than 80 social responsibility representatives who, among other things, coordinates emergency responses in the event of natural disasters occurring in the markets we serve.

Physical risks affecting our travel providers and/or customers

Risk of exposure in this case is limited, and the impacts tend to be local. As a mitigation measure, our 24-hour follow-the-sun customer service network is set up to provide extra support in case of need.

Physical risks affecting Amadeus' operations

Amadeus' operations rely on two basic kinds of infrastructure: (1) commercial and support organizations, with offices across all continents; and (2) the Amadeus Data Center. The probability of a severe weather event affecting any of our numerous offices worldwide is relatively high given our global presence, but fortunately the adverse impact of such events is mitigated by communications technology that allows for uninterrupted customer service in most cases. Moreover, strict prevention measures to ensure business and service continuity are implemented at all infrastructure-related risks for the Data Center. The Amadeus Data Center remains as a critical infrastructure, but over recent years we have reduced the dependency of

[14] IPCC (2014). Climate Change 2014 Synthesis Report – Summary for Policymakers. Geneva, IPCC.

the Data Center through the use of alternative data centers of different types and locations, including subcontracted services, rented space and the use of the cloud. This network of worldwide infrastructure provides the necessary redundancy and guarantees uninterrupted service to our customers.

Regulatory risks

Climate-related discussions and initiatives at local, national and international level continue to increase, and we expect they will continue to gain momentum over the mid-term. Accordingly, many countries have introduced climate change-related regulations. A principal focus of these regulations is the reduction of greenhouse gas emissions, particularly of CO_2, as well as the promotion of renewable sources of energy. At the moment, we identify two kinds of environmental regulations that may present an opportunity or a risk to Amadeus:

Carbon reporting regulations

Some countries like France have already passed legislation mandating corporations to build and report carbon footprint inventories. In the specific sector of transport,[15] travel providers are requested to inform travelers about emissions produced on their trips. Amadeus can help corporations gather the data required for this kind of reporting.

However, there is also the risk that these regulations will become too complex or heterogeneous, making it costly for Amadeus to help corporations report emissions. The Amadeus Industry Affairs team is working with several stakeholders, including the European Union and ICAO, to promote an industry-standard methodology to estimate emissions related to travel.

Regulations that impose charges on emissions and/or impose emissions reductions

An example of such a regulation is the EU Emissions Trading Scheme (ETS). The ETS was first implemented in 2005 and extended to the aviation sector in 2012.

At the moment, we do not expect these regulations to have a significant impact on Amadeus, given the relatively low cost of compliance with the scheme (which is unlikely to reduce travel demand) as well as the geographical spread of Amadeus' operations.

In addition, any IT solution that includes in its value proposition a reduction of fuel consumption and emissions becomes more attractive to customers.

Reputational risks

Travelers and the general public are increasingly aware of climate change risks and expect environmentally responsible operations from companies. Even though Amadeus' direct exposure to consumers, we need to prioritize compliance with industry environmental standards, making sure our performance in this field excels.

The Amadeus Environmental Management System provides a solid record of our performance evolution and permits the identification of areas for improvement. Additionally, Amadeus has been included in external sustainability indices like the Dow Jones Sustainability Index (DJSI)[16] and the CDP,[17] which provide recognition of commitment to sustainability.

The opportunities for Amadeus relating to climate change are divided into two categories:

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[15] Decree No. 2011 – 1336 (France), 24 October 2011.

[16] The Dow Jones Sustainability Indices (DJSI), launched in 1999, are a family of indices evaluating the sustainability performance of the largest 2,500 companies listed on the Dow Jones Global Total Stock Market Index.

[17] The CDP (formerly Carbon Disclosure Project) is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share environmental information. CDP is recognized as the main international standard for climate change reporting and management for corporations.

— Opportunities for new products and services

As mentioned above, corporations are becoming increasingly involved in the reporting of greenhouse gas emissions associated with their operations, including emissions linked to the business travel of employees. Taking advantage of the data and information processed by Amadeus, we can offer solutions that:

- Display emissions during the booking process
- Compare emissions released on different alternative itineraries
- Provide post-trip reports to corporations so they can measure, report and follow up on their environmental impact relating to business travel
- Facilitate mitigation measures, such as carbon offsetting programs

— Opportunities for enhanced value proposition

Amadeus designs IT solutions to improve operational efficiencies for our customers. These operational efficiencies are linked in many cases to better environmental performance, particularly in relation to reduced fuel consumption and emissions for travel provider customers. Examples of these Amadeus solutions include Amadeus Altéa Departure Control-Flight Management, implemented for airlines and ground handlers; Airport IT solutions such as Sequence Manager, which reduces the amount of time spent by ground movements and queuing of aircraft; Amadeus Airport Common Use Service, which helps airports reduce energy costs; and Amadeus Schedule Recovery, which helps airlines react quickly and efficiently to disruptions to their operations caused by events such as bad weather and air traffic congestion.

Technology risks

As a technology provider for the travel and tourism industry, it is fundamental that at Amadeus we make sure that our solutions improve the operational efficiency of our customers.

Sustainability, and environmental performance in particular, are increasingly becoming an important element of the airlines' operational performance. Therefore, knowing that airlines are principal customers of Amadeus, we need to make sure that our IT solutions help airlines improve their environmental performance, by for example optimizing fuel consumption and consequently reducing emissions.

Market risks

Travel industry stakeholders are under increasing pressure to include environmental sustainability, and climate change in particular, in their value proposition and portfolio of products and solutions.

The number of travelers demanding sustainable travel options is significantly increasing and we see social movements like "flygskam" (shame of flying) rapidly expanding in certain markets.

We need to help our customers, and specially airlines, to make visible efforts to reduce their emissions. At the same time, we need to facilitate carbon offsetting for those emissions that cannot be avoided so that the passengers are offered different options to minimize the climate change impacts of their journeys.

At internal level, our workforce demonstrates increasing concern in making sure that Amadeus lives up to the expectations in terms of environmental credentials, and therefore we need to respond to these expectations to maintain good levels of employee engagement and attract talent.

5.4 Tables related to environmental sustainability

Energy consumption [1]

	2019	2018
Electricity consumption top Amadeus sites* (GJ)	211,484	201,124
Number of employees	19,402	17,598
Electricity consumption per employee* (GJ)	10.9	11.4
Electricity consumption Amadeus data center (GJ)	242,590	231,801
Number of transactions processed at the data center (millions)	1,907	1,849
Electricity required per one million transactions (GJ)	127.2	125.4
Total electricity consumption top Amadeus sites and data center (GJ)	454,074	432,925
Natural gas (GJ)	25,662	30,110
Diesel oil (GJ)	7,271	2,481
Total energy consumption top Amadeus sites and data center (GJ)	487,007	465,516

[1]Scope: Estimated total Amadeus sites worldwide. The figures for 2019 and 2018 have been calculated based on the average consumption factor of the 15 sites where we measure our environmental impact directly.

*Does not include Amadeus Data Center.

Type of fuel used for electricity generation (GJ)*

	Coal	Fuel Oil	Natural Gas	Biofuel	Waste	Other**	Total
Amadeus sites worldwide (excluding the Data Center)	147,505	10,342	84,650	11,380	3,738	119,399	377,014
Data Center***	0	0	0	0	0	242,590	242,590

*All figures expressed in gigajoules equivalent, obtained from the energy mix data of each country and the energy-transformation efficiency factor for each type of energy source.

**Other: Nuclear, hydropower, geothermal, photovoltaic, solar thermal, wind power, tidal power and other sources

***In 2019 we purchased Guarantees of Origin (GOs) of renewable energy from hydropower plants in Northern Europe for all electricity used at the Data Center. Without considering the use of GOs; the energy mix for the Data Center would result in the following split, calculated as per the German energy mix: Coal: 273,163; Fuel Oil: 5,207; Natural Gas: 79,366; Biofuel: 44,896; Waste: 13,184; Other: 96,967; Total: 512,783

CO_2 emissions [1]

	2019	2018
Scope 1. Direct emissions (fossil fuels) **	1,849	1,754
Scope 2. Indirect emissions from purchased electricity**	18,213	46,463
Scope 3. Indirect emissions from other sources***	7,424	9,468
Carbon offset	-	16,410
Natural gas (m^3)	668,071	783,878
Diesel oil (L)	188,317	64,257

[1]Scope: Estimated total Amadeus sites worldwide. The figures for 2019 and 2018 have been calculated based on the average consumption factor of the 15 sites where we measure our environmental impact directly. All figures in t of CO_2 unless otherwise indicated.

**Carbon offset not discounted

*** The figure reported for 2018 includes emissions from air travel (10 sites) and for paper use (14 sites). In 2019 the scope includes 11 sites for air travel emissions and the total Amadeus paper use, estimated from the 15 sites included in the direct reporting of the EMS.

Paper consumption [1]

	2019	2018
Paper consumption (kg)	66,988	79,044
Number of employees	19,402	17,598
Paper consumption per employee (A4 sheets per working day)	3.14	4.08

Water consumption and waste generation [1]

	2019	2018
Water consumption (m^3)	248,641	255,512
Total estimated waste (kg)*	427,722	507,220

[1]Scope: Estimated total Amadeus sites worldwide. The figures for 2019 and 2018 have been calculated based on the average consumption factor of the 15 sites where we measure our environmental impact directly.

*For comparability purposes, the figures for waste do not include obsolete equipment or hazardous waste. Total obsolete equipment in 2019 was 124.1 tonnes and total hazardous waste was 8.4 tonnes. The percentage of obsolete equipment and hazardous waste that was sent for recycling in 2019 was 100% and 90%, respectively. For non-hazardous waste, 51% was sent for recycling and 10% was sent to composting.

6. Amadeus workforce

6.1 Employment

The people at Amadeus are the company's one true competitive advantage. It is their creativity, commitment, expertise and experience that have allowed us to build a leading position in our industry. They are critical to the successful delivery of our strategy and maintaining our long-term business performance.

The role of the People, Culture, Communications and Brand (PCCB) team within Amadeus is to ensure that the company can attract, retain and develop the best talent so that we can deliver for our customers every day.

Our aim therefore is to create the conditions in which all our people can thrive, to build an inclusive culture in which diversity is valued and celebrated. We provide a culture and environment that values each individual and gives them the best possible opportunity to have a productive, stimulating and enjoyable career. The encouraging results of our 2018 Employee Engagement, as well as the external recognition, suggest we are on the right path to achieve these goals.

Our PCCB teams provide a wide variety of services and processes to achieve our goals, from imaginative rewards and benefits to tailored learning and development programs and international mobility opportunities. They also manage our brand and communications. Our brand comes alive in all what we do. A key element for success is also how we communicate externally and internally. Our social media tools enjoy one of the highest number of followers in the industry and we keep employees abreast of what's happening in the company through relevant storytelling and live webcasts with senior management.

All of this makes a significant contribution to a vibrant and successful company.

Total number of employees by Region

Total Workforce by main countries 2019*

Country	Number of Employees
France	4,482
United States	2,732
India	2,065
Germany	1,744
Spain	1,513
United Kingdom	629
Philippines	525
Australia	478
Thailand	362
Singapore	360
Turkey	268
Ukraine	210
Bulgaria	185
Netherlands	169
Colombia	148
United Arab Emirates	129
Others	1,790
Total	17,789

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. Reporting criteria between 2018 and 2019 changes, therefore data is not fully comparable.

Total Workforce by main countries/ Regions 2018*

	Number of Employees
Asia – Pacific	1,918
India	1,849
Germany	1,674
Spain	1,455
Middle east and Africa	432
France	4,457
North America	2,787
South America	490
Rest of Europe	1,858
Total	16,920

*Scope for this table included all employees in controlled companies, including new acquisitions in 2018.

Gender diversity by employment type and contract

2019*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Male	10,515	205	10,720	158	5	163
Female	6,003	742	6,745	150	11	161
Total	16,518	947	17,465	308	16	324

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. Reporting criteria between 2018 and 2019 changes, therefore data is not fully comparable. The information provided refers to the number of contracts at the end of the year due to the difficulty to obtain average annual values. Given the company's low turnover rate (10.96%), it is a good estimation of the average number of contracts for 2019.

2018*

	Employment type		Employment contract	
	Full-time	Part-time	Permanent	Temporary
Male	10,062	210	10,004	268
Female	5,905	743	6,424	224
Total	15,967	953	16,428	492

*Scope for this table included all employees in controlled companies, including new acquisitions in 2018.

Age diversity by employment type and contract

2019*

	Permanent			Temporary		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<30	2,900	20	2,920	121	8	129
>50	2,871	282	3,153	18	3	21
Between 30 and 50	10,747	645	11,392	169	5	174
Total	16,518	947	17,465	308	16	324

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. Reporting criteria between 2018 and 2019 changes, therefore data is not fully comparable. The information refers to the number of contracts at the end of the year due to the difficulty to obtain average annual values. Given the company's low turnover rate (10.96%), it is a good estimation of the average number of contracts for 2019.

2018*

Age		Employment type		Contract type
	Full-time	Part-time	Permanent	Temporary
<30	3,055	25	2,779	301
>50	2,640	254	2,879	15
Between 30 and 50	10,272	674	10,770	176
Total	15,967	953	16,428	492

*Scope for this table included all employees in controlled companies, including new acquisitions in 2018.

Professional category (Corporate Level) by employment type and contract in 2019*

		Permanent			Temporary	
	Full-time	Part-time	Total	Full-time	Part-time	Total
VPs and directors	192	1	193	0	0	0
Senior Managers and Managers	3,849	221	4,070	16	1	17
Staff	12,477	725	13,202	292	15	307
Total	16,518	947	17,465	308	16	324

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. VPs and directors category includes: Top management, General Management and department directors. The information refers to the number of contracts at the end of the year due to the difficulty to obtain average annual values. Given the company's low turnover rate (10.96%), it is a good estimation of the average number of contracts for 2019.

Gender Diversity by professional category (Corporate level)

2019*

	VPs and directors	Senior managers and managers	Staff
By age range			
<30	0	13	3,036
30-50	81	2,945	8,540
>50	112	1,129	1,933
By gender			
Male	155	2,742	7,986
Female	38	1,345	5,523
Total workforce	193	4,087	13,509

*Scope for this table included all employees in controlled companies, Including new acquisitions in 2019. Reporting criteria between 2018 and 2019 changes, therefore data is not fully comparable.

Gender Diversity by professional category (Corporate level)

2018*

	VPs and directors	Senior managers and managers	Staff
By age range			
<30	0	10	2,836
30-50	80	2,677	7,426
>50	109	971	1,666
By gender			
Male	154	2,465	7,143
Female	35	1,193	4,785
Total workforce	189	3,658	11,928

*Scope for this table included all employees in controlled companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Dismissal by age, Gender and professional category (Corporate level)

2019*

	Staff	Senior managers and managers	VPs and directors	Grand Total
<30	164			164
Male	99			99
Female	65			65
Between 30 and 50 years old	186	35		221
Male	103	24		127
Female	83	11		94
>50	79	23	7	109
Male	36	15	6	57
Female	43	8	1	52
Grand Total	429	58	7	494

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. Dismissals include unsuccessful probation period, disciplinary reasons, performance, redundancy, end of contract.

2018*

	Staff	Senior managers and managers	VPs and directors	Grand Total
<30	143			143
Male	77			77
Female	65			66
Between 30 and 50 years old	136	41		177
Male	66	27		93
Female	70	14		84
>50	56	29	5	90
Male	24	18	5	47
Female	32	11		43
Grand Total	335	70	5	410

*Scope for this table included all employees in controlled companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Average remunerations and their evolution disaggregated by sex, age and professional classification or "equal value".

Average remuneration by gender:

Average Compensation (in EUR)

	2019	2018
Female	56,923	55,544
Male	67,887	66,472

Average remuneration by age:

Average Compensation (in EUR)

	2019	2018
<30 years	32,524	31,334
30-50 years	64,090	63,342
>50 years	97,111	96,144

Average remuneration by level:

Average Compensation (in EUR)

	2019	2018
Executive Level	282,912	276,759
Management Level	130,914	126,297
Non-management Level	55,225	53,995

Average remuneration shown above refers to total target compensation (base salary, target annual bonus and target long-term incentive).

Variations between 2019 and 2018 are impacted by exchange rate evolution and difference in workforce composition.

Salary gap

Pay Gap of Average Compensation (2019)

	(Average Male – Average Female) / Average Male
Executive Level	-8.1%
Management Level	4.2%
Non-management Level	10.8%
Total (weighted average)	10.1%

Pay Gap of Median Compensation (2019)

	(Median Male – Median Female) / Median Male
Executive Level	7.4%
Management Level	7.0%
Non-management Level	9.3%
Total (weighted average)	9.1%

Pay Gap of Median Compensation (2018)

	(Median Male – Median Female) / Median Male
Executive Level	7.6%
Management Level	5.5%
Non-management Level	9.6%
Total (weighted average)	9.2%

The average remuneration of the directors and executives, including the variable remuneration, allowances, indemnities, the payment to long-term savings systems and any other perception broken down by sex

2019 Average Compensation (in EUR)

	Female	Male
Board of Directors		
External Directors (1)	139,650	125,017
Executive Director		5,281,643
Executives (2)	382,221	343,377

2018 Average Compensation (in EUR)

	Female	Male
Executive Level		
External Directors (1)	123,495	114,275
Executive Director		5,035,718
Executives (2)	393,159	360,762

(1) Remuneration paid to External Directors consists of an annual fixed fee for Chairmanship / membership of the Board, plus an additional annual fixed fee for Chairmanship / membership of the Board's Committees. Hence, total remuneration received by External Directors only depends on the time they serve on the Board during the year, and whether they are also members of one or more of the Board's Committees during part or the full year.

(2) Includes the Company's Executive Committee as well as other individuals with senior leadership responsibilities (referred to as Executive Level in the previous remuneration tables).

As previously indicated, variations between 2019 and 2018 are impacted by exchange rate evolution and difference in workforce composition.

Work Disconnect policy

Work life balance is embedded in our culture and promoted across the organization. The diversity in our culture implies that we have different laws and policies applicable in the different Amadeus sites worldwide. All of our main sites promote teleworking and flexible working hours opportunities, as well as two of our main sites, NICE and NORAM, (39% of overall population) recently implemented policies related to labor disconnection.

This policy confirms that employees have the right to disconnect outside of working hours (except for on-call periods), during their statutory daily and weekly rest periods, and during leave and periods when the contract is suspended.

Consequently, mobile equipment and email and other messaging systems should not be used during employees' rest periods (of all kinds); periods when the employment contract is suspended must be observed by all parties.

In our Amadeus Headquarters, following the current Spanish law ("articulo 34.2"), we have a maximum of 40 weekly working hours, with the exception of the months of July and September with 32.5 weekly hours.

Working hours should be in all cases between 8am and 8pm.

There is a maximum of 9 daily working hours, ensuring a minimum of 30 mins break for lunch time. The minimum daily hours should be of 4 hours, respecting the overall weekly schedule of 40/ 32.5 hours per week.

These flexible hours are applicable in all cases in which the function and goals of the area allow this flexibility, maintaining always a minimum coverage of service between 9am and 6pm during the week and from 9am to 5pm on Fridays.

The distribution of hours/ employee should always be agreed with the department manager.

Disabled employees

At Amadeus, our culture of inclusivity is shaped by our people: a global community of over 140 different nationalities. But diversity means more than simply being a group of people from different backgrounds and places. We are actively committed to promoting a welcoming, inclusive and supportive atmosphere across every office – a shared culture of respect, openness and thoughtfulness, underpinned by our collective enthusiasm for technology, travel and innovation.

Our commitment is to accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

Our largest site, in Nice, took the lead on inclusion of people with disabilities, hosting disability awareness training sessions and other activities in honor of European Disability Employment Week. We constantly review accessibility to our sites, equipment is available, and offer diversity awareness training for managers. In addition, we engage with schools, universities and job fairs to promote the hiring of people with disabilities.

	Employees with disabilities*
Total 2019	193
Total 2018	186

*In 2019 the scope for this table included all employees in controlled companies. In 2018 the scope included all employees in controlled companies, excluding new acquisitions in 2018, as they were not fully integrated in our corporate classifications.

6.2 Work-life balance and absenteeism

At Amadeus we believe A good work/life balance can enable employees to feel more in control of their working life and lead to:

- increased productivity
- lower absenteeism
- a happier, less stressed workforce
- improvements in employee health and well-being
- a more positive perception of you as an employer
- greater employee loyalty, commitment and motivation
- a reduction in staff turnover and recruitment costs

In Amadeus we have implemented in the last few years a number of initiatives to support and embrace work-life balance. As a latest example in our Headquarters in Madrid we implemented the "smart work" program. The aim of this policy is to allow more flexibility to those employees who are willing to perform part of their working activities outside the Amadeus premises. The independent Smart Work days allow the employee to better engage with personal needs, without having to commit to a fixed teleworking regime.

	Male	Female	Totals
Number of Absentees hours* **2019**	156,484	192,052	348,537
Number of Absentees hours **2018**	222,983	214,788	437,771

*An employee absents from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded (following Global Reporting Initiative standards)

6.3 Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who might be affected by our operations.

Injuries per type

	Female 2019	Female 2018	Male 2019	Male 2018
Neck or back	7	4	5	7
Bone	5	4	3	9
Soft Tissue	3	3	5	4
Burns	-	2	-	-
RMI	1	-	-	1
Other	23	49	47	62
Totals	39	62	60	83

	Female 2019	Female 2018	Male	Male 2018
Total Injuries	39	62	60	83
Total Occupational Disease	6	N/A	10	N/A
Injury Rate*	3.55	6.34	3.13	5.27
Occupational Disease Rate**	0.01	0.01	0.01	0.01
Lost Day Rate***	0.48	0.11	0.16	0.08

Injury rate calculated based on the number of injuries/ the effectively worked hours in the year 1,000,000.

**Occupational Disease Rate calculated based on the Occupational diseases/ the effectively worked hours in the year* 10,000.

***Lost Day Rate calculated based on the total number of lost working dates/ the effectively worked hours in the year* 1,000.

6.4 Relationship with employees

We have a culture of open, transparent and inclusive employee communications. Our goal is to help our people connect what they do individually with the company vision and strategy, to be more engaged in their day to day work, and to build a sense of belonging to one global team.

Good communications drive performance: we inform our employees about our business strategy, our customers, the market and technology landscape and key events both external and internal. We work to make relevant resources and information accessible through a variety of channels. We build a sense of belonging by sharing stories that unite us as a global workforce with common values. And we work to empower our employees at all times by encouraging greater exchange, input and dialogue.

Each and every employee makes a unique contribution to Amadeus' goals. We take pride in delivering better journeys, helping our customers be successful, innovating and giving back to our communities and society. This is brought to life by the personal experiences, perspectives and stories shared on a daily basis with colleagues around the world. In 2018 our most popular communications were '5-minute jabbers' with senior leaders, and stories on the following topics: diversity and gender equality, our employee home and language exchange program, GDPR readiness, employee relocation experiences, and customer first stories from around the world.

The internal communications team also played an important role in informing employees during key Mergers & Acquisitions developments and business transformation programs that took place across the company in 2018.

During 2018, we ran our 5th employee survey in 2018 which was answered by Over 12,500 employees – (86% of the Amadeus population).

We had 5th consecutive year of improvement in overall company score (graph of five waves) with a 0.04 score increase since our last survey, which is in line with Gallup norms.

In 2018, we ran our very first company-wide broadcasting, called Amadeus Live. The purpose is to strengthen the sense of belonging and connect every single employee with the strategy of the company. The format allows us to align the entire company on strategic topics in one single day, across the globe. The topics vary from business to people and culture and anything in between. The results were impressive: more than 7,700 people registered, and there were more than 6,300 live connections throughout the day from 80 countries.

A European Work Council agreement is available for AMADEUS companies located in member states of the European Union and states signatories of the European Economic Area, and non-members of the EU including Switzerland, on the provision of consultation and information sharing on transnational matters affecting employees within those companies defined later on.

The parties recognize this Agreement as a negotiated agreement under Spanish law 10/1997 of April 24, as amended by the Act 10/2011 of 19 May 2011 implementing the Council Directive 2009/38/EC of 6 May 2009.

This Agreement will apply to all AMADEUS companies located in member states of the European Union and states signatories of the European Economic Area and non-members of the European Union including Switzerland, and it does not exclude any European country where an Amadeus Company with majority shareholding exists.

The scope of the Amadeus European Employee Council consists of significant subjects of a transnational nature based on a Central Management report and relating to the following:

Information shall be provided regarding, but not limited to, the following subjects:

- the structure of the business;
- the economic and financial situation and forecast of the Company, including likely business forecasts and activities of the undertaking;
- the development of the business;
- production and commercial activities and sales;
- employment trends;
- Company strategy and investments;
- establishment of undertakings;
- exceptional events affecting any of the above;
- Headcount evolution and forecasts;
- Corporate Policies;

- Employees' financial participation in the Company (eg. Future share options).

Consultation shall be undertaken regarding, but not limited to, the following subjects:

- Substantial changes of organization such as mergers, cut-backs, closures or relocation of tasks resulting in collective redundancies;
- Cost reduction programs impacting staff;
- New working methods;
- Significant transfers of production;
- Environmental issues;
- Outsourcing plans of a transnational nature;
- Costs and benefits of transnational issues.

If the local regulation across the agreement requires additional details or procedures, the local law will always prevail.

Total Workforce by main countries/ regions covered with collective agreements 2019*

Country	Percentage
France	100%
United States	0%
India	0%
Germany	62%
Spain	100%
United Kingdom	72%
Philippines	0%
Australia	73%
Thailand	0%
Singapore	0%
Turkey	0%
Ukraine	0%
Bulgaria	0%
Netherlands	0%
Colombia	0%
United Arab Emirates	0%
Others	22%
TOTAL	47%

*Scope for this table included all employees in controlled companies, including new acquisitions in 2019. Reporting criteria between 2018 and 2019 changes, therefore data is not fully comparable.

Total Workforce by main countries/ regions covered with collective agreements 2018 *	
Asia- Pacific	19%
India	0%
Germany	69%
Spain	100%
Middle east and Africa	0%
France	95%
North America	0%
South America	0%
Rest of Europe	26%
Totals	47%

*Scope for this table included all employees in controlled companies, including new acquisitions in 2018.

An overall population of 47% worldwide is covered by collective agreements, however most of European sites like Madrid (Spain), Nice (France) or Erding (Germany) the percentage of workforce increases significantly.

The health and safety of our employees is a matter of the utmost importance for us. In order to ensure all local regulations are complied with, each Amadeus office coordinate this activity at local level. The health and safety topics are covered by collective agreements where available.

One of our main sites in Erding (Germany) has built a strong relationship with the work council. In 2019 we concluded in Erding a total of 11 new work agreements, with 3 additional ones being in progress:

- PSM and Box Moves
- Mobile Working Pilot 2019, Pilot Extension 2019, GBV Mobile Working
- Global Exit Survey
- GWAN - Balance of Interest and Social Plan
- Employee Surveys ED

In addition, they were included on a total of 3 processes in improvements.

This year there was a total of 180 hours spent with all the work councils located in Germany.

6.5 Training and development

Learning and Development are the two essential ingredients needed to keep the teams mobile and actively engaged. A Competency Model is available to all employees to give them an excellent insight and overview of what key behaviors and required skillsets are essential at every level of the business.

Every employee is considered as unique, with their own set of special aspirations, suite of skillsets and bank of knowledge. Whether they want to pursue a career in leadership, or try their hand at becoming a technical expert, the Competency Model can point them in the right direction.

We have a decentralized learning program in which each site and company of the group manages their own training budget and policies based on market requirements. We provide available corporate training tools which gives employees empowerment to decide on their own training demands.

Employee category total number of hours	Male 2019	Male 2018	Female 2019	Female 2018	Total 2019	Total 2018
SVPs, EVPs and VPs	91.46	89.02	10.05	19.34	101.51	108.36
Directors	668.44	1,802.44	234.86	400.16	903.30	2,202.60
Associate directors	1,511.44	1,873.47	509.64	618.59	2,021.08	2,492.06
Senior managers	8,605.33	10,547.78	4,309.20	4,650.49	12,914.53	15,198.27
Managers	27,425.78	31,510.87	15,672.39	17,407.50	43,098.17	48,918.37
Staff	161,041.12	179,871.85	92,011.69	101,497.48	253,052.81	281,369.33
					312,091.40	350,288.99

*Scope for this table included all employees in controlled companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications. The figures show training average per employee category.

Employee category Average	Male 2019	Male 2018	Female 2019	Female 2018	Total 2019	Total 2018
SVPs, EVPs and VPs	6.10	3.87	2.51	6.45	5.34	4.17
Directors	5.76	13.76	8.10	12.51	6.23	13.51
Associate directors	8.08	10.13	8.49	11.90	8.18	10.52
Senior managers	11.66	14.51	14.76	16.04	12.54	14.94
Managers	16.36	11.21	17.41	20.46	16.73	20.35
Staff	20.05	25.18	17.43	21.21	19.01	23.59

*Scope for this table included all employees in controlled companies, excluding new acquisition ICM. The figures show training average per employee category.

Amadeus invests heavily in training specially for woman, as shown above on the higher average number of training hours they received compared to the male average.

6.6 Accessibility

For Amadeus, developing an accessible workplace is an imperative to help expand workplace diversity, and ultimately improve the hire, retention of employees with disabilities. Therefore, in sites like Madrid we develop individualized accessibility actions for each employee with disabilities, providing the required tools and support for their daily activities. In the USA we participate in the equal employer opportunity (EEO) program.

In accordance with the Americas with disabilities Act of 1990 (ADA), Amadeus prohibits any form of discriminations against individuals with physical or mental disabilities in hiring as well as in all terms and conditions of employment.

6.7 Equity

Amadeus works to help everyone shape their own journeys, creating value for customers, travelers and society. Our culture promotes respect, fairness, equal opportunities and dignity for everybody and allows our people to be the best version of themselves.

At Amadeus, we accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

We work to build a workplace with equal opportunities for all employees. We regularly review our selection processes for bias and ensure our job offers are gender neutral. We closely monitor remuneration processes for gender bias. Women at Amadeus are further empowered through cross mentoring programs, and the work of the employee-led Amadeus Women's Network which operates at many of our offices.

We're also focusing on encouraging girls and young women to pursue careers in STEM fields through our support of Inspiring Girls (see below) in Spain and our sponsorship of the Code First: Girls conference in London.

Amadeus was proud to show its commitment to the LGBTI community this year as the 150th company to support the UN Standards of Conduct for Business for tackling discrimination against Lesbian, Gay, Bi, Trans, & Intersex people. Amadeus also joined other leading Spanish companies to create REDI (Red Empresarial por la Diversidad y la Inclusion LGBTI) to promote best practices in the workplace for LGBTI diversity and inclusion. Our LGBTI employee resource group, Amadeus Proud, opened a chapter at our Madrid headquarters, increasing visibility and expanding the LGBTI and Ally network.

We were proud to support the work of Inspiring Girls, an organization that provides female professional role models to 11-15-year-old girls. The girls have an opportunity to meet women in a variety of non-traditional professions so that they can expand their view of available professions, ask questions, and see that the women who work in these fields are not outliers. Amadeus was delighted to host one of these sessions at our Madrid office

Amadeus is fully committed to comply with all appropriate laws and regulations in all countries and jurisdictions in which we operate. This includes, but is not limited to, laws and regulations pertaining to health and safety, labor, discrimination, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, anti-bribery and anti-money laundering. Madrid headquarters complies with the legal obligations stated in Law 3/2007 of effective equality between women and men.

Compliance alone, however, is not enough. Consistent with the values and principles set forth in this Code, we are guided by the highest ethical standards and are firmly committed to excellence in the fields of corporate governance, social responsibility and environmental sustainability.

6.8 Human Rights Policy

Amadeus is committed to developing an organizational culture and structure that supports human rights policies all around the world. Amadeus aims to clearly set out its views on potential issues surrounding human rights such as fair wages and compensation, freedom of association and collective bargaining, health and safety, migrant workers, and non-discrimination of the workforce.

Amadeus, and its global group of companies worldwide, is committed to developing an organizational culture and structure based upon the principles set forth in The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, The International Covenant on Economic, Social and Cultural Rights and The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

We seek to establish relationships with entities and organizations that share the same principles and values as Amadeus. It is expected from our partners to respect and not infringe upon human rights. Within our company, should any employee believe that someone is violating the Human Rights Policy or the legislation, they are asked to immediately report it to their manager, to the Human Resources department or to the Ethics Committee.

Our senior management has the responsibility for ensuring adherence to these commitments as well as for overseeing their implementation and guaranteeing that any breaches are investigated.

Amadeus adheres to national law and regulation in each market in which it operates. In situations where Amadeus faces conflicts between internationally recognized human rights and national regulations, the company will follow processes that seek ways to honor the principles of international human rights.

In addition to working within the respect for human rights, we also pursue opportunities to support human rights in areas where we can make a positive impact, in local communities, through our CSR initiatives.

Our commitment to excellence has made us leaders in our industry. The same spirit of excellence informs our professional behavior and how we treat one another. It guides our relations with stakeholders, our conduct in the communities in which we operate, and our efforts to contribute to a healthier, cleaner and more sustainable environment.

Amadeus teamwork is based on trust and integrity. We expect employees to honor the trust placed in them by acting at all times with personal and professional integrity. Employees must avoid conflicts of interests, including all situations where competing professional or personal interests put in question the impartial fulfilment of professional duties. Employees should never use their position within Amadeus, or the resources of Amadeus, to obtain benefits for themselves, relatives, or third parties connected to them.

This Amadeus code of ethics and business conduct (https://corporate.amadeus.com/documents/en/corporate-sustainability/report/amadeus-code-of-ethics-and-business-conduct.pdf) is binding on all employees of the Amadeus Group, including the members of the Executive Committee and VP/Directors, and forms part of their employment relationship with the Group or the relevant Amadeus Company. For this purpose, "Amadeus Group" or "Group" is the set of companies in which Amadeus IT Group, S.A. has a direct or indirect holding and which it controls.

On top of the high commitment with Human Rights, Amadeus is committed with the application, among others, with the content of the main agreements included in the ILO (International Labour organization) related to unacceptance of forced labor, modern slavery and human trafficking.

6.8.1 Child labor

There is no child labor in Amadeus, therefore it is excluded from any recruitment activity. This statement uses the applicable local legislation to determine the definition of a child.

6.8.2 Fair wages/compensation

Every Amadeus employee has the right to a fair compensation for his/her work. The company is committed to remunerating employees in line with the labor market best practices and local legislation.

Our current compensation policies include global guidelines which are being applied globally during our Salary review process, ensuring fairness, and equity across the different markets, and no discrimination of minority groups.

6.8.3 Freedom of association/collective bargaining

Amadeus reaffirms its support to the freedom of association and the right to collective bargaining. In that regard, the company is committed to complying with the ILO Conventions with respect to freedom of association and trade union rights, fully acknowledging the right to organize and the right of unions to represent and negotiate on behalf of the employees, without prejudice to existing local legislation.

6.8.4 Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who may be affected by our operations. Amadeus' Health and Safety policy requires that each of its companies or legal entities develops and approves a Health and Safety Policy. Programs and procedures in line with this policy are developed and implemented at local level following the approval of the General Manager/Site Manager.

6.8.5 Migrant workers

All of Amadeus employees, including migrant workers, are provided wages, benefits and working conditions that are fair and in accordance with local legislations. We do not permit holding workers' passports to keep them from leaving, charging any type of fee or deposit for employment, or any other unfair practice. Amadeus repudiates human trafficking.

6.8.6 Non-discrimination

At Amadeus, we value and respect the differences of our workforce. We are committed to ensuring that every single employee is treated with respect, dignity and fairness and that he/she is given equal opportunities. This means that throughout all our HR processes - recruitment, compensation and benefits, training, development, promotion, transfer, mobility and termination -, individuals are solely assessed based on their merit and their ability to meet the requirements and standards of the role and that they are not discriminated against. For our company, valuing diversity and inclusion means accepting and respecting differences between and within cultures, while acknowledging and endorsing differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities. We respect everybody's rights and we have a zero-tolerance policy to discrimination.

6.8.7 Non-Compliance with Policy and consequences

Non-compliance with this policy will not only violate Amadeus values, but it may also have a wider socio-economic impact on the Amadeus company as a whole. Negative press and links with human rights violations can be very damaging to a company's reputation and can lead to loss of customer trust and engagement.

Reporting violations will be treated as highly confidential and will be recorded anonymously. All reports will be taken seriously and will be treated on a case by case basis, with adequate escalation to relevant governing bodies if needed.

6.8.8 Escalation Procedure

The members of the Ethics Committee responsible of the compliance of the Human rights policy can be reached through direct contact, or through a confidential email sent to ethics@amadeus.com. Whenever necessary and appropriate, Amadeus will establish alternative means of communication outside of normal email to ensure confidentiality.

In 2018 and 2019 we have not received any complaints related to Human Rights violations.

7. Societal information

7.1 Social commitment

Our corporate social responsibility strategy is to bring together our technology and our people in programs and partnerships that can make a real difference. Our objective is to help build a more responsible travel and tourism industry by fostering long-term development in the communities where we operate.

Amadeus Corporate Social Responsibility is the global framework through which we deliver this positive change, supporting socio-economic development, education, entrepreneurship and employment in those communities.

Our ambition for 2019 was to bolster our social responsibility engagement by increasing the impact and reach of our strategic projects and leveraging our core strengths more systematically. In 2019 CSR activities were rolled out in 64 sites (48 countries), where over 80% of staff are based. We also further aligned our programs and activities with the United Nations Sustainable Development Goals (SDGs) in order to increase our efforts toward a more responsible global travel and tourism industry.

We have a wide array of projects designed to respond to local needs, based on the three strategic pillars of our global CSR framework:

Technology for Good

In partnership with our customers and global non-governmental organizations (NGOs), we provide technology and data solutions to help them meet their commitments toward inclusive social development. Since 2013, we've worked together with UNICEF to maximize its impact and reach through fundraising, predicting how best to respond to natural disasters and emergencies and giving it exposure to global audiences.

Click for change

The Click for Change campaign is powered by the Amadeus Donation Engine. Through the Click for Change program, travelers are provided the option to make a voluntary donation to UNICEF programs. Since 2013, almost USD 3.5 million have been donated by travelers purchasing travel products and services on our partners' websites, including Iberia, Finnair, Almundo and Avianca. UNICEF channels these funds into multi-country programs that give thousands of children a fair start in life through education, health care and emergency response programs. The Click for Change funding improves UNICEF's ability to deliver results for every child, especially those at greatest risk and in greatest need.

Knowledge & Skills Transfer

Together with local governments, our customers and development organizations, we help people get the skills to succeed in the digitalized travel and tourism industry. Our objective is to increase the employability of our beneficiaries through travel and tourism training and digital inclusion.

We've been promoting training for employment projects in African and Latin American countries since 2016. The objective of these projects is to give people in vulnerable situations the practical skills to increase their employability in the travel and tourism industry.

In 2019 we promoted a multi-stakeholder partnership to develop employment training for people with disabilities in Morocco, which will be implemented throughout the period 2020–2023. By increasing the employment opportunities of people with disabilities in Morocco, we will be contributing to the long-term educational and socio-economic growth of the local community.

In today's world, digital inclusion is a key factor in improving the quality of life of many, across all generations. We believe that with the help of basic technological equipment and skills, we can make a real difference in the learning and professional paths of many.

Community Support

We engage our employees and customers in a great variety of community support programs around the world, supporting local socio-economic initiatives that facilitate long-term growth at community level.

Through our Community Support initiatives, we engage with local communities to foster their socio-economic development. In 2019 we collaborated on 149 projects with 96 non-profit organizations and local authorities in 31 countries.

Our people find creative ways to help their local communities – from charity sports events to food and clothing drives to mentoring programs. In 2019 Amadeus staff dedicated 19,383 volunteer hours.

Amadeus IT Group spent in 2019 a total of 269,469 EUR in terms of contribution to non-profit organizations.

In relation to the impact on local development and communities, one of our principal contributions is based on the provision of high-quality jobs that generate local positive direct and indirect impact. Out of the total workforce of more than 19,000 FTEs, more than 90% are outside Spain and spread across more than 70 countries. In this respect, our historical growth and positive economic results has resulted in a significant total tax contribution.

At Amadeus, want to make sure that all our stakeholders have easy access to up-to-date information about the company. In addition to several publications we use additional channels to facilitate dialog.

Stakeholder	Communication channels
Employees and external candidates	Direct engagement through local, regional and global Amadeus People & Culture teams Engagement surveys across all sites Collective bargaining agreements Employee Box email Intranet and internal weekly newsletter https://jobs.amadeus.com/
Shareholders	Direct engagement through Investor Relations team and periodic reports Roadshows and conferences Investor Relations Inbox https://corporate.amadeus.com/ (specific pages for investors)
Customers	Press releases Direct engagement through local, regional and global sales, as well as customer management teams around the world Voice of the Customer Program Local and global customer support centers
Vendors	Direct contact through the Amadeus Corporate Purchasing department, other internal units and local teams across offices worldwide Social responsibility and environmental surveys
Industry associations	Direct engagement through participation in main industry associations Blog posts
Governments, authorities and regulatory bodies	Direct contact through the Industry Affairs team and local Amadeus general managers Participation in related meetings and events https://corporate.amadeus.com/ (specific pages for industry affairs)

Society and the environment	Direct engagement through multi-stakeholder panels Industry Affairs Box email Collaboration on joint social responsibility and sustainability initiatives Blog posts https://corporate.amadeus.com/ (specific pages for sustainability)

7.2 Relationship with vendors

Our goal is to make Amadeus the most respected brand in the industry. The Amadeus Corporate Purchasing Policy sets the policies needed to help Amadeus to achieve this goal.

Amadeus expects all internal and external participants in the purchasing process to observe the highest standards of ethical conduct. We expect business to be conducted in accordance with the Amadeus Code of Ethics and Business Conduct (CEBC) (could be found on www.amadeus.com) and Amadeus Environmental Policy.

All Amadeus employees, especially the ones involved on the procurement process, have to develop plans to ensure that all potential vendors are in line with the Amadeus Code of Ethics. Amadeus has to favor vendors which are committed to environmental responsibility.

Internally, we expect all Amadeus Employees involved in the purchasing process to maintain the highest level of integrity and objectivity in the decision-making process; therefore, we discourage Employees and vendors from doing anything to compromise or appear to compromise objectivity. All Amadeus employees will have to adhere to the provisions included in the Amadeus Code of Ethics and Business Conduct (CEBC). Amadeus employees should also be aligned to main environmental principles in our outsourcing process, considering for example buy goods and services that are truly necessary (e.g. no warehousing, make or by evaluation or check if internal transfer of existing goods makes sense).

Externally, we expect all Amadeus Vendors to commit with a minimum set of ethical standards, such as business ethical, social and environmental commitments. All Vendors of Amadeus shall be fully committed to comply in strict compliance with all appropriate laws and regulations in all countries and jurisdictions in which they operate, such as laws and regulations pertaining to health and safety, labor, human rights and discrimination, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, and anti-bribery. We expect that Vendors shall be guided by the highest ethical standards and shall be firmly committed to excellence in the fields of corporate governance, social responsibility and environmental sustainability. In order to verify that we should ensure:

- At least strategic vendors for each Amadeus Company will have to explicitly adhere in writing to the Amadeus CEBC extract for vendors. In case any of those vendors are having their own documented CEBC in place (which Amadeus has the right to ask for and/or audit) and it is demonstrated that their own CEBC is at least as strict as the Amadeus one, it will be accepted that they adhere to their own CEBC, but this has to be confirmed in writing. In case vendor is not in agreement with this wording, it is vendor's responsibility to explicitly say if they are not adhering to CEBC, which are the reasons that motivate this and then the respective Purchasing Department together with Risk and Compliance department will decide how to move forward in each specific case
- Favor vendors which are committed to environmental and Social responsibility practices such as having an environmental policy in place, demonstrate ability and willingness to comply with environmental obligations, prioritize goods which are produced in an eco-friendly way and can be disposed in an environmental responsible way
- Avoid relationship vendors whose cannot fulfil following principles:
  - Respect the human rights of employees, and never treat employees in an inhuman manner
  - Prevent forced labor or child labor
  - Not practice discrimination in hiring and employment

– Prevent unfair low-wage labor
– Respect the right of employees to organize, for smooth negotiation between labor and management
– Create and maintain healthy and safe work conditions and environment for all their employees
– Observe all related laws and international rules, and ensure fair transactions and prevent corruption

7.2.1 Vendor qualification policy

The vendor qualification process helps identify candidates for strategic relationships, facilitates communication with potential vendors, and ensures new vendors meet firm-wide quality, management and safety standards.

Amadeus's vendor qualification procedure will provide a holistic view of our entire global supply base by

_ Identifying approved and preferred vendors for the products and services we want to buy
_ Better understand the potential risks of buying products or services in all geographies
_ Encourage improvements in supplier standards

Qualification process that needs to be applied to any new vendor for Amadeus could be divided in two steps, one related to the qualification as a vendor to provide any kind of service to Amadeus and one service qualification to ensure the Vendor can provide determine type of services such as Business Continuity Critical or IT Security Relevant

Initial Vendor Assessment / Registration

As a first step in evaluating vendor capacity to fulfil Amadeus requirements, a pre-qualification questionnaire is submitted according to the vendor criticality in addition to general contact information

This initial assessment could include at least the following aspects:

- Vendor general information
- Corporate Social Responsibility and Environmental information
- Reputational analysis
- Financial health information

This assessment could be complemented as mentioned above depending on the service this supplier should provide, if needed, with a more detailed audit of the capabilities of the vendor to respond to the requirements that Amadeus needs from them.

- Security policies or adherence to Amadeus security policies and other requirements (i.e. PCI…)
- Quality systems in place
- Competitive advantage with rest of industry
- Service levels
- Demand management capabilities
- References from similar industries

It is a good practice as well (depending on the country/location) to as for specific registration document of the vendor to ensure proper adherence to legal local requirements.

Qualification

Output of the previous processes will be evaluated between Purchasing, Functional departments and Risk area owners. This review will decide whether vendor is allowed to work with any Amadeus company for that respective service.

The output of this evaluation will be stored in Coupa Supplier Information Management module (data related to vendor) and Contract Lifecycle Management module (data related to service to be provided)

This is just ensuring that vendor is meeting Amadeus' requirements in order to be able to work with us and in no way is to be understood and communicated to vendor as an awarding of any contract.

When running an RFX event, vendors already included in Coupa will be automatically qualified to participate if the service is similar to the ones provided before by this vendor. If service is different, Service Risk assessment will have to be performed again.

7.2.2 Amadeus vendors

Most of our external vendors fall under the following categories:

- Consulting and marketing services
- Hardware vendors
- Software vendors
- Data communication vendors

Although Amadeus has a worldwide presence, most of the spend, around an 80%, is concentrated in Spain, France, Germany and North America.

From a supply chain perspective, our activity is related to online transaction processing and technology development. In this context, Amadeus' exposure to third-party vendors that may not comply with minimal social or environmental requirements is low, and that is a principal reason our external reporting is limited.

Despite having around 10,000 vendors, our top 50 represent approximately 62% of our total spend with external vendors. Nonetheless considering total number of vendors, 37% would be the total procurement spend. This facilitates our control and access to information in the supply chain.

The Amadeus Corporate Purchasing Policy aims at ensuring that all employees involved in the procurement of goods and services factor in social and environmental responsibility aspects in their purchasing decisions.

An organization of local, regional and global Amadeus purchasing teams oversees the operations on the supply chain side and deals with both internal stakeholders and vendors.

7.2.3 Supervision systems and audits, and their results

Evaluation of supervision systems in our vendors is carried out by internal and external audits.

The selection of activities to be reviewed by Group Internal Audit is mostly risk based, and has to be formally approved by the Audit Committee of the Group. Through our engagements, we assess the adequacy and the effectiveness of the internal controls within the organization. This includes, whenever deemed relevant, the effectiveness of the controls over outsourced activities.

In addition to the previous, and on an ad hoc basis according to our risk-based approach, Group Internal Audit can also directly assess the activity at selected vendors, both at the Group Level and at the entity level.

External auditors provide independent assurance over Business Continuity. In 2018 we have assessed a total number of 4 vendors and in 2019 we have assessed 10 vendors in regard to Business Continuity capabilities.

100% of new vendors in Madrid, US, Philippines and Dubai were screened using environmental criteria. Amadeus has implemented a new Vendor Creation process. For the time being is only available in Madrid, US, Philippines and Dubai. The other main sites (Nice, Erding and Bangalore) will be included in early 2020 and then, gradually, the other countries. As part of this process, Amadeus has a mandatory questionnaire to be completed by all the vendors, which includes issues related to human rights, discrimination or environmental policies. If vendors respond incorrectly they can not move forward in the process and Amadeus could not work with them.

7.3 Customer services

We develop and deliver a wide range of services to maximize our customers' efficiency, business continuity and performance. In the customer service sphere, we strive to serve each of our customers in the best possible way and address their specific needs. Our customer service and support delivers a wide range of learning, support, automation, content and security management services.

In order to ensure proximity to our customers, we have built a strong local, regional and global customer service presence.

Our Customer Experience program collects the voice of our customers to identify from their perspective areas for improvement and areas of excellence. It monitors customer loyalty through multiple sources and channels to transform customer feedback into insights. All teams across Amadeus – whether or not on the frontline – have a role to play and are exposed to that feedback to improve our performance. This helps us continually revisit our way of doing things and focus on the areas that are a priority for our customers. This feedback is also key to defining Amadeus' strategic investments.

Our Voice of the Customer Program monitors customer loyalty and evolves to open new feedback sources and channels between customers and Amadeus. The main purpose of the program is to transform customer feedback into insights that teams across Amadeus will use to improve our performance. This helps us to continually revisit our way of doing things and focus on the areas that are priorities for our customers. This feedback is also key to defining Amadeus' strategic investments.

Customers actively participate in the design of our action plans, and we keep them informed regularly of the progress made. This communication is always carried out face-to-face via our regional teams or the various customer forums we organize throughout the year.

We vary our methodology for gathering feedback and measuring loyalty to adapt to the characteristics of each customer segment and market. The approach includes in-depth sessions with customers, interviews, and relationship and transactional surveys to identify main focus areas in the customer journey and where Amadeus is progressing well.

Our main measure is the Net Promoter Score, and we set targets at the beginning of the year.

There are certain key satisfaction drivers measured across all customer segments:

- Quality and reliability of Amadeus solutions, as a reflection of our focus on R&D
- Our customers' experience of working with Amadeus across the various stages of the customer journey
- Overall relationship with Amadeus, highlighting the engagement and service mindset of our people

On the one hand, in our Distribution business line, our global and extensive network of experts provides functional and technical support in different languages across markets. In 2019 we scored consistently above 90% in terms of customer satisfaction – proof of our dedication to our customers' business continuity.

From the insights we've gathered, we know today's support needs to be simple, interactive and personal. That's why in 2019 we introduced a new support flow to guide our customers through all available support channels and recommend the best options for their needs.

Customer journey mapping methodology is part of our yearly activities, where together with our customers we discuss their internal processes and interaction with Amadeus. It gives a unique space to openly address in detail what works and what doesn't.

On the quantitative side, we received feedback from over 80,000 customers worldwide. This gave our customer experience teams and the rest of Amadeus key information across multiple touchpoints. After we analyzed the feedback, we developed a detailed action plan. Some actions are having an immediate positive effect on our customer's experience, while others have a longer timeframe and require further adjustments.

Regarding customers that have contacted Amadeus for support, once they get assistance, they receive a request to fill out a feedback survey. If the feedback does not reflect a satisfied customer (in 2019, we got 6.5% of low satisfying results), an alert is triggered to the entities in charge of taking the following actions as relevant: improving internal processes, training staff, providing feedback to the product teams and contacting the customer back.

As we incorporate and integrate other sources of information, we aim to reduce the length of our surveys so less time is needed to respond to them.

On the other hand, regarding our Airline IT business lines, in 2019 Amadeus conducted both quantitative and qualitative surveys with our airline customers. To obtain a 360-degree customer view, we use our Voice of the Customer platform, which allows us to systematically collect and consolidate the feedback from different types of surveys, as well as to speed up communication with teams worldwide.

In our Airline Customer unit, over 200 improvement actions were developed and executed in 2019 based on the findings of our most recent surveys. These improvements were communicated back to our customers in a series of infographics highlighting the main points of feedback that our customers expressed to us and explaining what we've done based on that feedback to meet their expectations.

Amadeus has been working actively toward the new General Data Protection Regulation (GDPR) enforcement introduced in May 2018 by the European Community regarding data privacy. A global review of the compliance of all our systems and processes pertaining to personal private information (PII) has taken place with the support of specialized consulting firms. All immediate actions have been implemented, and a detailed plan has been laid down for further evolutions.

7.4 Industry relations

In the vast landscape of different private sector and trade industry stakeholders in travel and tourism, Amadeus engages with selected players in an open and constructive dialogue on industry issues. We collaborate in our own trade associations and partner with our airline and travel agency customer organizations to work toward common public policy goals. As an active partner, we have strong relations and work closely with institutional stakeholders, consumer advocates and many other travel and tourism associations across the globe.

7.5 Fiscal information

The tax contribution provided by the Group through compliance with its fiscal duties, in relation to both taxes paid directly by the Group companies and those collected from third parties but derived from the Group´s activities, is part of its core contribution to the sustainability of public finances and the development of the communities in which it operates.

The tax strategy of Amadeus IT Group, S.A. ("Amadeus" or the "Company") is aimed at the full and strict compliance with all appropriate tax laws and regulations in every country and jurisdiction in which it operates. Moreover, Amadeus strives to follow the best standards in the business community and aims to be recognized for its practices and programs on corporate and tax governance. Amadeus tax policy is publicly available at:

https://corporate.amadeus.com/documents/en/corporate-sustainability/report/tax-strategy.pdf

Since 2018, Spanish companies have the possibility of assigning 0.7% of their respective tax due to entities which pursue social purposes. This option is exercised in the company's corporate income tax return. In a continuous effort to contribute to the communities in which is involved, Amadeus has opted to exercise this option. In 2018 this has represented a contribution of €1,130,147 and in 2019 it represented an estimated contribution of €1,200,000.

Fiscal information (all figures in Euros)

	2019		2018*	
Country	Pre-Tax Results ***	Tax Cash Paid ****	Pre-Tax Results ***	Tax Cash Paid ****
Albania	20,063.58	10,687.00	5,130.79	16,593.00
Angola	35,924.64	N/A*****	127,600.36	N/A*****
Argentina	1,115,895.82	198,114.00	(524,266.00)	534,783.00
Australia	3,338,200.72	1,427,109.57	6,691,808.77	1,112,694.00
Austria	1,020,753.27	221,918.00	746,240.28	217,213.00
Barbados	9,906.98	3,979.03	6,434.92	3,689.92
Belgium	1,594,952.02	463,351.88	1,864,393.41	406,559.00
Bolivia	78,943.20	37,887.00	48,880.76	5,271.00
Bosnia	69,314.63	1,599.00	46,749.86	4,993.00
Brazil	112,243.11	198,178.00	67,629.90	24,898.00
Bulgaria	931,624.53	89,439.99	157,136.93	8,692.00
Cameroon	48,940.11	22,145.00	41,045.42	26,806.38
Canada	1,262,763.95	590,070.56	692,770.87	189,528.00
Cape Verde	10,434.05	7,776.00	9,097.78	11,051.76
Chile	226,467.34	169,871.00	152,429.49	214,188.00
China	6,044,954.71	1,502,529.43	5,579,955.42	372,629.00
Colombia	444,028.79	221,539.00	1,120,622.30	45,630.00
Congo Republic	14,806.64	14,377.00	14,168.27	2,923.64
Costa Rica	748,109.32	291,739.59	586,485.72	99,028.83
Czech Republic	149,950.74	30,662.00	(118,732.71)	71,468.00
Democratic Republic of the Congo	(21,020.82)	10,207.00	(966.27)	13,337.52
Denmark	648,381.69	64,549.22	633,653.71	131,333.00
Dominican Republic	105,919.33	109,337.10	53,260.49	38,525.67
Dubai**	3,013,041.89	N/A*****	2,756,079.43	0
Ecuador	95,073.13	100,607.00	35,655.23	65,135.00
El Salvador	34,613.49	19,824.58	50,286.05	15,735.91
Estonia	64,627.67	673.00	(131,959.51)	125,404.00
France	402,716,613.29	69,458,702.00	435,288,792.13	84,624,942.00
Gabon	17,767.20	9,251.00	21,909.50	3,376.85
Germany	176,883,687.46	42,564,994.81	167,702,074.49	46,880,347.00
Ghana	53,032.34	42,657.00	88,568.20	43,535.00
Greece	(23,348,505.54)	3,506.00	327,673.93	2,676.00
Guam	4,573.56	N/A*****	4,104.69	N/A*****
Guatemala	89,021.46	88,453.23	71,750.66	80,562.60
Honduras	52,387.31	47,348.21	37,060.34	N/A*****
Hong Kong	2,947,679.10	357,960.00	-	-
Hungary	102,451.34	4,254.00	108,092.18	7,841.00

India	14,476,085.39	4,220,525.00	9,566,111.33	5,118,009.00
Indonesia	165,934.01	34,417.00	(183,929.38)	8,236.00
Ireland	39,765.49	9,227.00	43,506.44	44,247.00
Israel	(33,293.97)	80,364.00	291,247.70	83,960.00
Italy	455,348.40	300,936.00	2,445,608.51	298,485.00
Ivory Coast	(203,388.44)	18,004.00	154,316.92	10,079.65
Japan	740,973.77	465,734.00	916,305.07	600,365.00
Kazakhstan	2,213,936.28	69,027.00	(52,122.02)	237,047.00
Kenya	(1,580,867.19)	346,870.33	419,819.55	411,346.16
Latvia	319,826.22	95,105.00	1,136,537.43	47,465.00
Lebanon	(101,141.34)	36,951.00	(2,738.76)	12,131.00
Lithuania	77,279.38	N/A*****	214,781.96	N/A*****
Luxembourg	72,387.16	38,569.00	79,664.13	22,371.00
Macedonia	34,894.16	1,981.00	2,652.19	12,093.00
Malaysia	393,291.03	149,878.00	115,373.22	158,785.00
Malta	22,038.91	8,809.00	22,876.00	9,938.00
Mauritius	46,463.73	3,632.28	11,798.05	N/A*****
Mexico	197,020.25	134,237.00	136,634.81	147,301.00
Mozambique	(22,895.48)	N/A*****	7,492.44	N/A*****
Netherlands	(6,430,984.52)	320,785.00	(3,900,230.43)	21,412.00
New Zealand	455,369.19	414,640.59	600,161.00	158,831.00
Nicaragua	17,126.94	15,178.36	12,661.85	4,124.27
Nigeria	719,775.41	200,106.00	376,284.23	N/A*****
Norway	385,844.86	75,190.56	467,005.53	98,183.00
Panama	37,296.69	9,543.42	23,178.48	12,566.71
Paraguay	35,662.99	1,026.00	37,761.93	N/A*****
Peru	93,195.51	72,223.00	(161,712.16)	N/A*****
Philippines	1,045,505.37	154,060.00	783,764.52	93,548.00
Poland	428,865.55	296,046.00	701,155.07	227,372.00
Portugal	54,387.96	N/A*****	(91,427.46)	79,762.00
Puerto Rico	5,121.28	40.19	275.75	165.11
Romania	292,474.67	52,758.00	178,911.79	31,643.00
Russia	500,228.10	248,404.00	933,170.83	182,605.00
Senegal	(61,475.56)	56,849.00	114,906.60	55,843.46
Singapore	5,054,086.66	202,786.52	3,564,354.09	N/A*****
Slovenia	43,347.90	7,907.00	36,897.95	(41,632.00)
South Africa	944,214.83	472,721.16	1,032,807.59	277,811.00
South Korea	189,874.15	40,986.00	198,489.29	54,439.00
Spain	1,024,252,752.23	153,773,116.18	646,317,740.17	94,390,591.00
Sweden	2,813,397.92	919,612.48	2,344,272.87	889,968.00
Switzerland	589,696.32	169,616.00	493,729.24	364,653.00
Taiwan	266,977.94	65,991.00	314,086.79	42,849.00
Tanzania	92,620.41	4,391.71	23,516.34	13,968.58
Thailand	6,697,993.05	1,181,451.00	4,246,634.42	872,493.00
Trinidad & Tobago	30,826.42	5,266.97	21,648.11	10,420.33

Turkey	1,379,970.71	N/A*****	121,378.90	23,764.00
Uganda	11,854.90	16,158.38	16,635.15	16,765.26
Ukraine	2,840,487.49	299,641.00	1,294,897.17	139,304.00
United Kingdom	11,769,745.41	1,296,500.99	8,552,231.56	998,299.00
Uruguay	318,701.77	51,923.00	(240,577.93)	57,528.00
USA	171,409,930.46	9,417,852.38	119,424,316.97	7,249,007.65
Venezuela	(34,145.86)	N/A*****	6,439.53	10,985.00
Yemen	-	-	(25,372.63)	N/A*****

Notes:

*In 2018 Tax Cash Paid information about the recent acquisition TravelClick was not material and had not been included in the report.

** Dubai: Amadeus operates in Dubai through a branch of Amadeus IT Group, S.A. (Spanish Head Office).

*** Pre-tax results are calculated under IFRS accounting principles

**** Tax Cash Paid applies on tax basis calculated under domestic accounting legislation

***** N/A means no cash payment during year 2019 (no tax exemption from Corporate Income Tax).

Amadeus has not received any subsidy from any public institution during year 2019. Neither in 2018.

8. Annex A. Table of contents as required by Law 11/2018

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
Business model				
- Business model description			8-12	102-1, 102-2, 102-3
- Geographical presence			8	102,4, 102-5, 102-6
- Objectives and strategy			8-10	102-7, 102-15
- Principal factors and trends that affect future evolution			10-12	
Reporting Standard			5	
- Materiality analysis			5-7	102-54
Risks linked to company activity			13-16	102-15, 102-29, 102-30, 102-31
Fight against corruption and bribery			17-19	
- Measures adopted to prevent corruption and bribery	Compliance, Governance & Business ethics	Y	17-19	102-16, 102-17, 205-1, 205-2
- Measures to fight against money laundering	Compliance, Governance & Business ethics	Y	17-19	102-16, 102-17
- Contributions to charities and non-governmental organizations	Relationship with local communities & social responsibility	Y	47;48	102-13
Environmental matters			20-31	
- Current and future potential impact of company operations over the environment	Compliance, Governance & Business ethics	Y	20	103-2
- Procedures for environmental certifications and evaluations	Compliance, Governance & Business ethics	Y	23	103-2
- Dedicated resources to prevent environmental risks	Compliance, Governance & Business ethics	Y	20-22	103-2
- Application of the precautionary principle	Compliance, Governance & Business ethics	Y	20	102-11
- Provisions in relation to environmental risks	Solvency and economic performance	Y	27-29	103-2
- Pollution: measures to prevent, reduce or restore carbon emissions	Carbon emissions and climate change	Y	22-23	305-1, 305-2, 305-3
- Circular economy and waste management: measures to reuse, recycle or otherwise prevent waste generation and waste food	Waste generation and circular economy	N	23-24	103-2, 306-2
- Sustainable use of resources			24-26	
o Water consumption	Water consumption	N	24-25;31	303-1, 303-3
o Use of raw materials	Paper consumption & other materials	N	25;31	301-1
o Energy consumption (direct and indirect)	Internal energy consumption and efficiency	Y	25-26;30	302-1
o Measures to improve energy efficiency	Internal energy consumption and efficiency	Y	25	302-4

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
o Renewable energy use	Internal energy consumption and efficiency	Y	25-26	302-1
- Biodiversity protection	Biodiversity	N	26	304-4
- Climate change			10, 23, 26-29	
o Greenhouse gas emissions	Carbon emissions and climate change	Y	31	305-1, 305-2, 305-3
o Measures to adapt to climate change	Carbon emissions and climate change	Y	27-29	103-2, 201-2
o Mid and long-term emissions targets	Carbon emissions and climate change	Y	26	305-5
Workforce, social and human rights related information			32-49	
Employment			32-38	
- Number of employees by region, gender, age, type of contract and professional category			32-35	102-8, 405-1
- Dismissals by age, gender and profession-al category	Talent attraction & retention	Y	35	103-2
- Average remuneration evolution by gender, age and professional category	Talent attraction & retention	Y	36	103-2
- Average remuneration of board members and executive team	Compliance, Governance & Business Ethics	Y	37	102-35
- Pay gap	Diversity and equal opportunities	Y	36-37	103-2
- Work Disconnect policy	Labor conditions	N	37-38	103-2
- Employees with disabilities	Diversity and equal opportunities	Y	38	405-1
Working-time management			38-39	
- Working-time management	Labor conditions	N	37-38	103-2
- Hours of absenteeism	Occupational Health & Safety	N	39	103-2
- Work-life balance measures	Labor conditions	N	38-39	401-3
Health and safety			39	
- Health and safety working conditions	Occupational Health & Safety	N	39	103-2
- Number of work accidents, Injury rate by sex and Lost day rate, by gender	Occupational Health & Safety	N	39	403-2
- Occupational disease rates by gender	Occupational Health & Safety	N	39	403-2
Social dialogue - Relationship with employees			39-42	
- Organization of social dialogue	Labor conditions	N	39-41	103-2
- Percentage of employees covered by collective agreements	Labor conditions	N	41-42	102-41
- Results of collective agreements on health and safety	Labor conditions	N	42	403-4
Training and development			42-43	

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
- Policies implemented in the field of training	Human Capital Development	Y	42	404-2
- Total amount of training hours by professional	Human Capital Development	Y	43	404-1
Accessibility for people with disabilities	Diversity and equal opportunities	Y	43	405-1
Equity	Diversity and equal opportunities	Y	43-44	103-2
Human rights related information			44-46	
- Implementation of human rights related procedures	Human rights	Y	44-45	102-16, 102-17
- Compliance with and promotion of agreements in accordance with the ILO related to respect for freedom of association and the right to collective bargaining, elimination of employment discrimination, elimination of forced labor and effective abolition of child labor.	Human rights	Y	44-46	407-1, 408-1, 409-1
- Prevention, management and complaints about cases of violation of human rights	Human rights	Y	44-46	102-17, 406-1
Social commitment			47-49	
- Impact over local development and employment	Relationship with local communities & social responsibility	Y	47-49	413-1
- Impact over local populations and on the territory	Relationship with local communities & social responsibility	Y	47-49	413-1
- Relationships with local stakeholders	Relationship with local communities & social responsibility	Y	47-49	102-43, 413-1
- Association and sponsorship actions	Relationship with local communities & social responsibility	Y	48, 49; 53	102-12, 102-13
Relationship with vendors			49-52	
- Inclusion of social, environmental and gender considerations in purchasing policy	Supply Chain Code of Conduct	N	49-50	102-9
- Social and environmental responsibility of vendors	Supply Chain Code of Conduct	N	49-50	102-9, 308-1, 414-1
- Supplier evaluation procedures: Monitoring systems and audits and results	Supply Chain Code of Conduct	N	50-52	308-2, 414-2

Content	Amadeus ESG Issue	Material (Y/N)	Page	GRI related indicator
Customer services			52-53	
- Measures for customer health and safety	Customer Relationship Management Data security & privacy protection	Y Y	52-53	103-2
- Customer complaints management and number of complaints received and resolution	Customer Relationship Management	Y	52-53	102-17
Fiscal information			53-56	
- Pre-Tax Results and tax cash paid per country	Solvency and economic performance Compliance, Governance & Business Ethics	Y Y	53-56	103-2
- Public subsidies received	Compliance, Governance & Business Ethics	Y	56	201-4

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Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel.: 902 365 456
Fax.: 915 727 300
ey.com

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

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

To the Shareholders of AMADEUS IT GROUP, S.A.

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter, NFS) for the year ended December 31, 2019, of AMADEUS IT GROUP, S.A. and Subsidiaries (hereinafter, the Group), which is part of the Consolidated Directors' Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information statement that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the Annex A "Table of contents as required by Law 11/2018" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Directors' Report and its content is the responsibility of the Board of Directors of AMADEUS IT GROUP, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in the Annex A "Table of contents as required by Law 11/2018" of the NFS.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information Statement and, specifically, in information about economic, social and environmental performance.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

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Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

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

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

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.

- Analyzing the scope, relevance and integrity of the content included in the NFS based on the materiality analysis made by the Group and described in chapter 1 "Introduction", considering the content required by prevailing mercantile regulations.

- Analyzing the processes for gathering and validating the data included in the 2019 NFS.

- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.

- Checking, through tests, based on a selection of a sample, the information related to the content of the 2019 NFS and its correct compilation from the data provided.

- Obtaining a representation letter from the Board of Directors and Management.

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Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2019 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the Annex A "Table of contents as required by Law 11/2018" of the NFS.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

Alberto Castilla Vida

February 27, 2020

BOARD OF DIRECTORS

Members of the Board of Director on the date when the annual accounts and the Directors' Report were prepared.

CHAIRMAN

José Antonio Tazón García

VICE-CHAIRMAN

Guillermo de la Dehesa Romero

EXECUTIVE DIRECTOR

Luis Maroto Camino

DIRECTORS

Clara Furse

David Webster

Francesco Loredan

Josep Piqué Camps

Nicolas Huss

Peter Kuerpick

Pierre-Henri Gourgeon

Pilar García Ceballos-Zúñiga

Stephan Gemkow

William Connelly

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2020