1. Summary

1.1 Introduction

2020 Full Year highlights (relative to 2019)

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

Market background and segment performance

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

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

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

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[1] Adjusted to exclude costs related to the implementation of the cost savings program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €93.4 million and €169.1 million in the fourth quarter and the full year 2020, respectively (€66.4 million and €120.9 million in the fourth quarter and the full year 2020, respectively, post tax). See sections 3 and 5 for more details.

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

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

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

5 Based on our credit facility agreements' definition.

[6] Composed of cash (€1,555.1 million), short term investments (€900.5 million) and an undrawn revolving credit facility (€1,000 million).

7 Source: IATA Air Passenger Market Analysis of September, October, November and December. Quarterly air traffic contraction is calculated as the average of the reported IATA monthly growth rates.

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

Fourth quarter 2020 Group financial performance

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

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

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

2020 Full Year Group financial performance

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

Business update

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

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[8] Adjusted to exclude costs amounting to €93.4 million, incurred in the fourth quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.

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

[10] Adjusted to exclude costs amounting to €169.1 million, incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.

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

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

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

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

Liquidity enhancement and plan to strengthen Amadeus for the future

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

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

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

1.2 Summary of operating and financial information

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

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

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

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

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

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

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

(millions of euros)

2. Business highlights

Distribution

- Continue broadening and enhancing our content offering for our customers remains one of our priorities During 2020, we signed 67 new contracts or renewals of distribution agreements with airlines, including Air New Zealand, Fiji Airways , Frontier Airlines and Icelandair.
- Since October, and following our agreement with Southwest Airlines, the airline's complete offer for business travel is available through the Amadeus Travel Platform.
- We made steady progress on our NDC strategy despite the challenges posed by the COVID-19 pandemic. In September, we announced a strategic and innovative NDC distribution agreement with Air France-KLM Group thanks to which the group's NDC offers will be made available for travel agents through the Amadeus Travel Platform. Finally, in December, we announced that Singapore Airlines will start offering its NDC content through Amadeus from January 2021.
- In 2020, we signed our first distribution agreement with Priceline, one of North America's leading online travel agencies and a subsidiary of industry giant Booking Holdings Inc.
- In January 2021, Amadeus and Expedia Group reinforced their strategic partnership with the renewal of their long-term global distribution agreement covering air, car, hotel and rail distribution. Expedia Group will also leverage Amadeus' latest technology and IT solutions to innovate in searching and booking travel globally, and to optimize its business performance and experience for travelers.
- Our customer base for Amadeus merchanding solutions for the travel agency channel continued to expand. At the close of the year, 116 airlines had signed up for Amadeus Fare Families and 173 airlines had contracted Amadeus Airline Ancillary Services.

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

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

Airline IT

- At the close of 2020, 206 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 195 customers had implemented either of them.
- Among the key deals of the year, we announced a 40m PB carrier, and three African carriers, Air Senegal, Air Burkina and Uganda Airlines that contracted for the Altea PSS. Also, Jeju Air, the first and largest South Korean low-cost airline, signed up for New Skies PSS. Etihad Airways contracted Altéa Departure Control System Flight Management to support its ongoing mission to transform the overall travel experience while improving operational capabilities and efficiencies.

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

Hospitality

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

Airport IT

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

Payments

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

Other

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

3. Presentation of financial information

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

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

Alternative Performance Measures

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

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

Underlying performance view

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

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

Cost savings program implementation costs

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

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

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

3.1 ICM Airport Technics acquisition

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

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

3.2 Optym's Sky Suite acquisition

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

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

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

4. Main financial risks and hedging policy

4.1 Foreign exchange rate risk

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

Exposure to foreign currencies

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

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

Hedging policy

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

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

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

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

4.2 Interest rate risk

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

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

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

4.3 Own shares price evolution risk

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

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

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

5. Group income statement

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

[1] Figures adjusted to exclude costs amounting to €169.1 million (€120.9 million post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020. See sections 3 and below for more detail.
[2] Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5.
[3] From Q2 2020, capitalized D&A, which used to be reported within the Other operating expenses caption in the Group income statement, has been reclassified to D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.
[4] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.
[5] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

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

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

Cost savings program implementation costs

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

Presentation of Underlying performance view

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

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

- An increase in the bad debt provision, negatively impacting the Other operating expenses cost line, driven by (i) the reassessment of the credit risk of some customers that became high risk customers in accordance with our default definition, and (ii) the changes in the provision matrix, in the context of COVID-19. The bad debt provision increased by €5.2 million and €70.1 million in the fourth quarter and the full year 2020, respectively (increasing by €12.8 million and €37.1 million in the fourth quarter and the full year 2019, respectively). Excluding bad debt, Other operating expenses declined by 70.2% and 51.7%, in the fourth quarter and the full year 2020, respectively.
- The combination of the unusually high level of air booking cancellations ratio to gross bookings and the increase in bad debt provision had a negative impact on EBITDA of €43.5 million and €341.5 million in the fourth quarter and the full year 2020, respectively. Excluding both effects, as well as the implementation costs related to our cost savings programs, EBITDA declined by 84.8% and 74.9%, in the fourth quarter and the full year 2020, respectively.
- In the fourth quarter of 2020, impairment charges amounted to €58.8 million (€139.6 million in the full year), and were related to some customers ceasing operations or cancelling contracts, as well as to some assets that will not deliver the expected benefits over the same timeframe as before. If we exclude impairment charges from the 2020 and 2019 results (which amounted to €6.5 million in the fourth quarter of 2019 and €29.2 million in the full year 2019), D&A expense declined by 18.8% in the fourth quarter and 5.2% in the full year 2020.
- Upfront bank fees in relation to the bridge to bond facility signed in March and the convertible bond issued in April 2020, raised the net financial expense by €0.9 million and €5.9 million in the fourth quarter and the full year 2020, respectively.
- Excluding the (post-tax) effects mentioned above, as well as the implementation costs related to our cost savings programs, Profit (Loss) for the fourth quarter and the full year declined by 130.8% and 113.1% vs. 2019, respectively, and Adjusted profit (loss) declined by 119.7% and 103.9% for the fourth quarter and the full year vs. 2019, respectively.

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

5.1 Revenue

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

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

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

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

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

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

5.1.1 Distribution

Evolution of Amadeus bookings

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

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

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

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

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

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

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

Revenue

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

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

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

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

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

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

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

5.1.2 IT Solutions

Evolution of Amadeus Passengers boarded

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

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

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

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

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

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

Revenue

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

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

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

IT transactional revenue[17]

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

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

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

Direct distribution revenue

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

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

Airline services and Hospitality IT revenue

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

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

5.2 Group operating costs

5.2.1 Cost of revenue

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

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

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

5.2.2 Personnel and related expenses and other operating expenses

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

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

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

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

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

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

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

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

5.2.3 Depreciation and amortization

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

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

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

5.3 EBITDA and Operating income

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

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

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

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

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

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

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

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

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

- A 54.2% contraction in our IT Solutions contribution (a -51.9% underlying evolution, pre bad debt effects) as a result of a 40.2% revenue decrease, as explained in section 5.1.2, and a 15.1% net operating costs reduction, supported by cost saving measures, including, among others, but most importantly, the reduction in our contractor base.
- A 13.2% decline in indirect costs, impacted by the cost contention measures adopted in the year.

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

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

5.4 Net financial expense

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

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

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

5.5 Income taxes

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

5.6 Profit for the period. Adjusted profit

5.6.1 Reported and Adjusted profit

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

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

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

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

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

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

5.6.2 Earnings (loss) per share (EPS)

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

(millions of euros)

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

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

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

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

6. Statement of financial position

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

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

6.1 Intangible assets

This caption principally includes the cost of acquisition or development, as well as the excess purchase price allocated to, patents, trademarks and licenses20, technology and content21 and contractual relationships22, net of amortization.

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

6.2 Goodwill

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

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

6.3 Property, plant and equipment (PP&E)

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

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

6.4 Equity, share capital

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

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

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

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

6.5 Financial indebtedness

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

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

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

The main changes to our debt in 2020 were:

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

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

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

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

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

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

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

Reconciliation with net financial debt as per our financial statements

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

7. Group cash flow

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

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

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

7.1 Change in working capital

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

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

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

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

7.2 Capital expenditure, R&D investment

Capital expenditure

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

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

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

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

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

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

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

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

_ Ongoing efforts for NDC industrialization. Investments related to the development of our platform to combine content from different sources (existing technology, NDC and content from aggregators and other sources), ensuring easy adoption in the marketplace with minimal disruption.

_ Investments in digitalization and enhanced shopping, retailing and merchandizing tools.

_ For the hospitality industry: continued efforts devoted to the evolution of our hospitality platform to integrate our offering, resources dedicated to the development of our modular and combined central reservation system and property management system and further enhancements to our sales and catering technology stack.

_ Continued shift to cloud services and next-generation technologies, including the application of artificial intelligence and machine learning to our product portfolio.

_ Efforts related to customer implementations across our businesses.

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

7.3 Cash taxes

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

7.4 Interest and financial fees paid

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

7.5 Equity investments

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

7.6 Non-operating items

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

(millions of euros)

7.7 Cash from/to shareholders

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

7.8 Other financial flows

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

8. Investor information

8.1 Capital stock. Share ownership structure

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

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

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

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

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

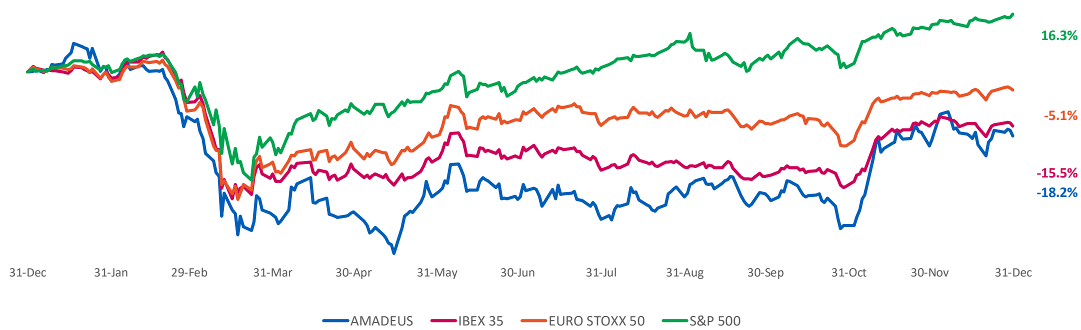
On April 3, 2020, Amadeus undertook a capital increase of c.€750 million, corresponding to 19,230,769 new shares at an issue price of €39.00 (of which €0.01 corresponds to the nominal amount and €38.99 to the issue premium).

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

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

For further details on these transactions, see communications filed by Amadeus with the CNMV.

8.2 Share price performance in 2020



Key trading data (as of December 31, 2020)	
Number of publicly traded shares (# shares)	450,499,205
Share price at December 31, 2020 (in €)	59.56
Maximum share price in 2020 (in €) (January 17, 2020)	78.60
Minimum share price in 2020 (in €) (May 15, 2020)	35.22
Market capitalization at December 31, 2020 (in € million)	26,831.7
Weighted average share price in 2020 (in €)[1]	52.81
Average daily volume in 2020 (# shares)	1,822,987.7

[1] Excluding cross trade

8.3 Shareholder remuneration

On December 12, 2019 the Board of Directors of Amadeus proposed a 50% pay-out ratio for the 2019 dividend. The Board of Directors of Amadeus also agreed to distribute an interim dividend of €0.56 per share (gross), corresponding to the 2019 profit, which was paid in full on January 17, 2020.

On February 27, 2020 the Board of Directors of Amadeus agreed to submit a final gross dividend of €1.30 per share corresponding to the 2019 profit to the General Shareholders' Meeting approval.

On March 23, 2020, as part of a set of measures that Amadeus announced in response to the COVID-19 pandemic, the Board of Directors of Amadeus approved the cancellation of the complementary dividend of €0.74 per share. The cancellation of the complementary dividend was ratified at our General Shareholders' Meeting in June 2020.

Considering the financial results due to the COVID-19 pandemic, the Board of Directors of Amadeus has agreed to not distribute a dividend pertaining to the 2020 exercise.

9. Other additional information

9.1 Expected Business Evolution

9.1.1 Macroeconomic environment

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

In 2021, the COVID-19 pandemic will continue to have a negative impact on the economy and the travel industry, and it is difficult to predict how travel volumes will evolve during the year. An improvement on 2020 is expected, thanks to more established testing protocols and the launch of vaccination programs. However, in December 2020, the International Air Transport Association (IATA) forecasts that air traffic in 2021 will be 50%[23] below 2019 levels (vs. -66% in 2020 over 2019). By region, with respect to 2019, IATA estimates: Africa (-62%), Asia-Pacific (-43%), Middle East (-61%), Latin America (-50%), North America (-45%) and Europe (-56%). More recently, in February 2021, IATA published a downside risk to their forecast, indicating that 2021 air traffic could be limited to -62%[24] vs. 2019 levels, if more severe travel restrictions in response to new variants persist.

9.1.2 Amadeus strategic priorities and expected business evolution in 2021

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

In 2021, the performance in all our business units will depend on the evolution of the COVID -19 pandemic and the recovery of the travel industry. We expect to maintain our leadership positions in both Distribution and Airline IT, supported by our focus on R&D, local market understanding and travel industry expertise.

In Distribution, the Amadeus Travel Platform continues to bring together travel content from different sources, including NDC content, as evidenced by our recent agreement with Air France KLM. In Airline IT, we will continue to enhance and expand our solutions portfolio, in areas such as NDC, revenue optimization, network planning and data analytics. In Hospitality we are further advancing with the integration of our portfolio to create a hospitality leader that offers a broad range of innovative solutions to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2021, while investment will be prioritized and closely managed, Amadeus will maintain investment in R&D to support long term growth, such as new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which consists of an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

[23] IATA Airline Industry Economic Performance - November 2020

[24] IATA – COVID19 Weak year-end for air travel and outlook is deteriorating- February 2021

9.2 Research and Development Activities

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

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

During the year ended December 31, 2020, Amadeus expensed €408.3 million for R&D activities and capitalized €467.3 million (before deducting any incentives), which compares to €479.3 million and €591.5 million, respectively, in 2019.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

9.3 Treasury Shares

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

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

9.4 Other financial risks

9.4.1 Credit risk

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

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

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

- the tri-party repo could be liquidated at the end of March 2021 and it has the double guarantee of a diversified portfolio of financial instruments acting as underlying and the bank acting as the counterparty of the transaction. The counterparty bank is a prime investment grade global bank. The portfolio of assets underlying is valued by a third party (Euroclear) and matched on daily basis in order to reach at least 75% of the value of the investment.
- in the case of the Trade Finance Fund, this fund is invested in a diversified portfolio of receivables shorter than 3 months being the obligors US investment grade companies.

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

9.4.2 Liquidity risk

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

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

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

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

9.5 Subsequent events

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

10. Non-financial information statement

See Annex 2

11. Corporate Governance Information

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