Management Review January-September 2020

November 6, 2020

Index

1 Summary

1.1 Introduction

Highlights for the first nine months ended September 30, 2020 (relative to the same period of 2019)

- In Distribution, our travel agency air bookings decreased by 82.1%, to 80.1 million.
- In IT Solutions, our passengers boarded declined 63.0%, to 553.2 million.
- Revenue contracted by 59.8%, to €1,699.8 million.
- EBITDA[1] decreased by 88.8%, to €196.2 million.
- Adjusted profit[2] contracted by 121.7%, to a loss of €214.2 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) was -50.2%, -72.1% and -99.5%, respectively.
- Free Cash Flow[4] decreased by 140.6%, to a cash outflow of €328.3 million.
- Net financial debt[5] was €2,787.6 million at September 30, 2020 (4.6 times last-twelve-month EBITDA[5]).

Market background and segment performance

During the third quarter of 2020, air travel remained depressed, heavily impacted by the COVID-19 pandemic. Following the initial signs of activity in May and June, over the summer period we continued to see global air traffic improve slowly across regions on the back of travel restrictions being lifted in parts of the world. In July, air traffic declined by 79.8%[6] vs. 2019, improving from the 86.5%[6] decline in June. In August, global air traffic contracted by 75.3%[6] relative to 2019. In September, air traffic declined by 72.8%[6], a sustained advancement with respect to August air traffic performance, albeit, a weaker one, with the return of governmental restrictions in response to new COVID-19 outbreaks impacting the tail of the summer season. The traffic evolution we saw in the third quarter was driven by domestic air travel, as international air travel continued to be broadly muted by cross-border mobility restrictions.

In the third quarter of 2020, Amadeus air travel agency (net) bookings remained positive, as gross bookings outweighed cancellations. We saw air travel agency (net) bookings growth relative to prior year gradually improve each month, supported by gross bookings growing sequentially as well as by a continued normalization of the cancellation ratio. As a result, air

[1] Adjusted to exclude costs related to the implemention of the cost savings program announced in the second quarter of 2020. These costs relate mostly to severance payments and amounted to €75.8 million in the third quarter of 2020. See sections 3 and 5 for more detail.

[2] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) costs related to the implementation of the cost savings programs and other 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] Source: IATA Air Passenger Market Analysis of June, July, August and September 2020, RPK growth.

travel agency (net) bookings decreased by 89.8% in the third quarter of 2020 relative to 2019 and Distribution revenue declined by 85.3% vs. prior year. Excluding the effect from cancellations associated with COVID-19, our underlying Distribution revenue evolution in the third quarter was -75.0%. In the first nine months of 2020, our air travel agency volumes and Distribution revenues decreased by 82.1% and 76.9%, respectively (a -59.9% underlying revenue evolution excluding the COVID-19 cancellations effect).

Amadeus Passengers Boarded performed in line with industry traffic throughout the third quarter and thus continued to also improve slightly month over month. In the third quarter, Amadeus Passengers Boarded declined by 74.9%, following a decline of 93.9% in the second quarter, resulting in an evolution of -63.0% in the first nine months of 2020. In Hospitality, our CRS transactions continued to outperform air volumes. IT Solutions revenue contraction in the third quarter of 52.4% outperformed 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 first nine months of 2020, IT Solutions revenue experienced a 37.5% revenue decline relative to 2019.

Third quarter 2020 Group financial performance

As a result of the above dynamics, in the third quarter of 2020, Amadeus Group revenue declined by 70.1%, or by 64.6% excluding the COVID-19 related cancellations effect.

In the third quarter of 2020, cost of revenue contracted by 94.2%, flexing with the air travel agency booking evolution. The fixed cost reduction plans we announced in the first half of 2020 are yielding positive results and, in the third quarter, our P&L fixed costs (composed of Personnel and Other Operating Expenses) also declined by 16.8%. This P&L fixed cost reduction was hindered by an increase in the bad debt provision associated with the COVID-19 crisis. Excluding bad debt effects, our P&L fixed costs decreased by 19.5% in the third quarter.

As a result, in the third quarter of 2020, EBITDA[7] amounted to €2.1 million, an evolution of -99.6% relative to 2019 (or a decline of 86.6%[7] 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 30.3% in the quarter compared to prior year and supported a Free Cash Flow result for the third quarter of a cash outflow of €156.0 million.

In the third quarter of 2020, we suffered an Adjusted Profit[8] loss of €125.0 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 -121.1%.

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[7] Adjusted to exclude costs amounting to €75.8 million, incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.

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

First nine months of 2020 Group financial performance

In the first nine months of 2020, Amadeus Group revenue declined by 59.8%, or by 50.2% excluding the COVID-19 cancellations effect. EBITDA[9] experienced a negative evolution of -88.8%, impacted by COVID-19 associated cancellation and bad debt effects, excluding which our underlying EBITDA performance was -72.1%[9], supported by the progress in our fixed cost reduction plan. We experienced an Adjusted Profit[10] loss of €214.2 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 -99.5%. Free cash flow amounted to a cash outflow of €328.3 million, with leverage closing at 4.6 times last-twelve-month EBITDA[11].

Business update

Our business activity continued through the quarter and included the signing of 24 new contracts or renewals of distribution agreements with airlines, amounting to 56 in the first nine months of the year. Also, since October and following our agreement, Southwest's complete offer for business travel is available through the Amadeus Travel Platform. In September, we were pleased to announce a key, strategic, NDC distribution agreeement with Air France-KLM Group. Amadeus subscribed travel agents will be able to compare, order, pay and service the airline group's NDC content on our platform..

In Airline IT, Jeju Air, the largest South Korean low-cost airline, carrying pre-COVID approximately 14m passengers per year, has contracted our New Skies PSS. We had several upselling successes amongst our airline customers, including Turkish Airlines. Also, Alaska Airlines became the first airline in the world to implement Amadeus Revenue Management as a non-Altéa passenger service system carrier. 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

On September 17, 2020, Amadeus strengthened its liquidity and extended its debt maturities by issuing a €750 million Eurobond maturing in September 2028, at a fixed interest rate, with an annual coupon of 1.875% and an issue price of 99.194% of its nominal value. Following this, Amadeus cancelled the outstanding €500 million of its undrawn bridge to bond loan executed on March 25, 2020.

At September 30, liquidity available to Amadeus amounted to c.€4.2 billion, represented by cash (€2,952.4 million), an undrawn revolving facility (€1,000 million), and an undrawn covenant-free EIB loan (€200m). Our main financial maturities over 2020 and 2021 include (i)

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[9] Adjusted to exclude costs amounting to €75.8 million, incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020.

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

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

a €500 million bond maturity in October 2020, (ii) a €500 million bond maturity in November 2021, and (iii) several maturities in aggregate amounting to €80.0 million of our older EIB loan (whose covenants have been waived until September 2021), and Commercial Paper of €558.5 million outstanding as of September 30, 2020. Amadeus has been able to refinance its commercial paper maturities during the second and third quarter. Additionally, our Commercial Paper is eligible for European Central Bank purchases under the Pandemic Emergency Purchase Program. Please note that adjusting for the €500 million bond maturity payment on October 6, 2020, the resulting liquidity available amounted to c.€3.7 billion.

Furthermore, in March 2020 Amadeus announced an initial set of measures to reduce costs, generating an estimated €300 million in annual savings. Following this, in July, we announced a plan of actions to strengthen our capabilities for the future, to improve the way we operate, the way we serve our customers and to enhance innovation, that would bring an incremental €250 million in savings.

As a result, we expect to achieve a permanent fixed cost reduction amounting to approximately €550 million in 2021 vs. 2019, part of which has and will benefit 2020. Of this €550 million fixed cost reduction, we expect approximately 50%-60% to be reflected in the Income Statement and the remainder, in the Capital Expenditure caption in the Consolidated Statement of Cash Flows. The implementation of the operational programs together with the workforce reduction will generate associated implementation costs of broadly €200 million, the majority of which we expect to be incurred in 2020.

Together in the Income Statement and in the Consolidated Statement of Cash Flows combined, we have achieved a fixed cost reduction (excluding bad debt) relative to 2019 of €144.2 million in the third quarter of 2020, and €310.3 million in the first nine months of 2020. Implementation costs incurred to achieve these cost reductions amounted to €75.8 million in the third quarter and in the first nine month period.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Jan-Sep 2020	Jan-Sep 2019	Change	*Underlying financial performance*[1]
Operating KPI				
TA air bookings (m)	80.1	447.0	(82.1%)	
Non air bookings (m)	23.7	49.4	(52.0%)	
Total bookings (m)	**103.8**	**496.4**	**(79.1%)**	
Passengers boarded (m)	**553.2**	**1,496.6**	**(63.0%)**	
Financial results[2]				
Distribution revenue	553.1	2,394.8	(76.9%)	*(59.9%)*
IT Solutions revenue	1,146.6	1,834.0	(37.5%)	*(37.5%)*
Revenue	**1,699.8**	**4,228.8**	**(59.8%)**	***(50.2%)***
EBITDA	**196.2**	**1,751.0**	**(88.8%)**	***(72.1%)***
Profit (Loss) for the period	(356.4)	886.3	(140.2%)	*(108.5%)*
Adjusted profit[3]	**(214.2)**	**987.0**	**(121.7%)**	***(99.5%)***
Adjusted EPS (euros)[4]	**(0.48)**	**2.29**	**(121.0%)**	***(99.4%)***
Cash flow				
Capital expenditure	385.9	544.0	(29.1%)	
Free cash flow[5]	**(328.3)**	**820.0**	**(140.6%)**	
Indebtedness[6]	Sep 30,2020	Dec 31,2019	Change	
Net financial debt	**2,787.6**	**2,758.4**	**29.2**	
Net financial debt/LTM EBITDA	4.6x	1.2x		

[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 €75.8 million (€54.5 million post tax), incurred in the third quarter 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.

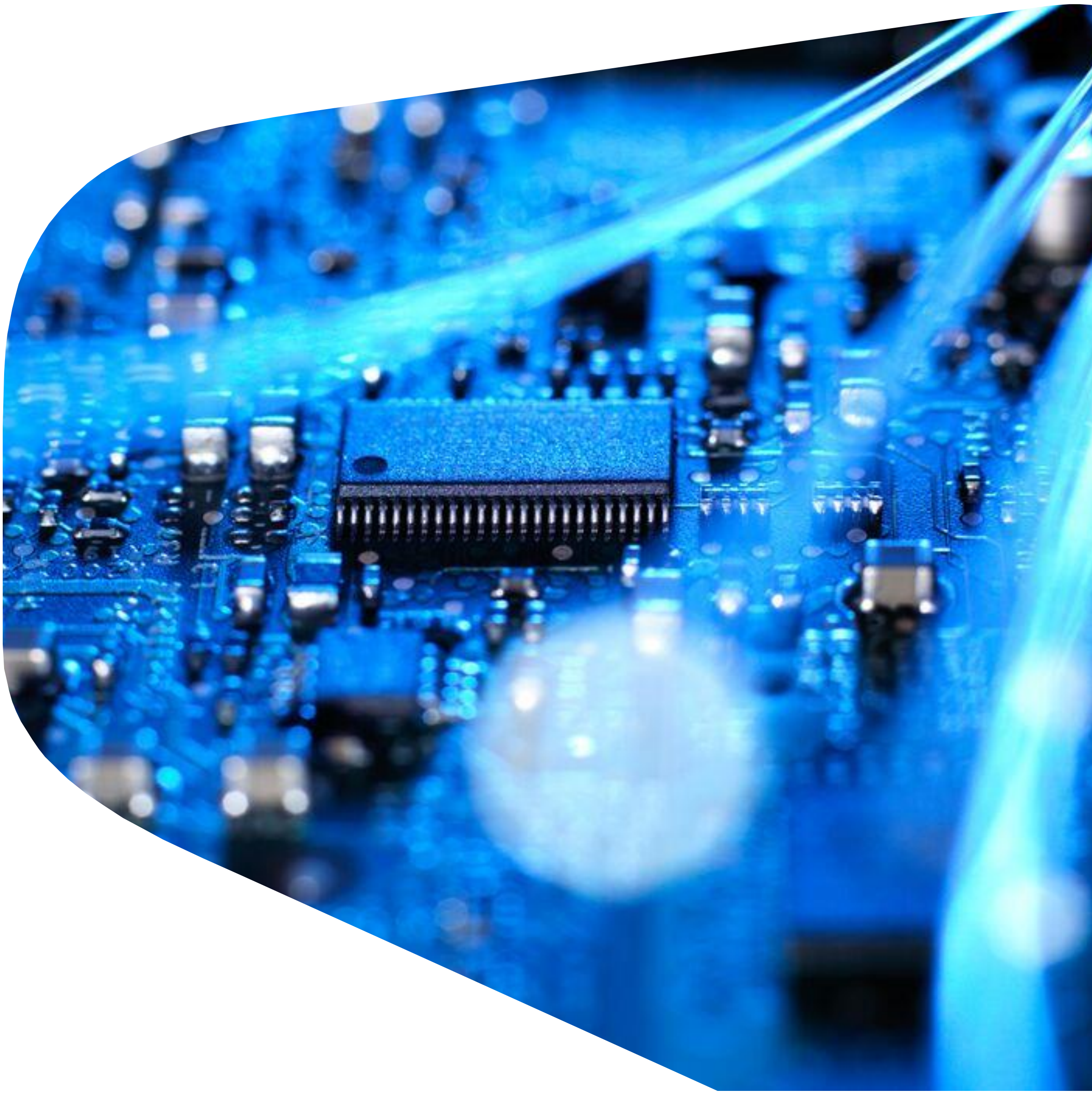
[3] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) costs related to the implementation of the cost savings programs and other effects.

[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.

2 Business highlights



Distribution

- During the third quarter of 2020, we signed 24 new contracts or renewals of distribution agreements with airlines, amounting to a total of 56 in the first nine months of the year.
- Since October, and following our agreement with Southwest Airlines, the airline's complete offer for business travel is available through the Amadeus Travel Platform. As such, corporate travel buyers, travel management companies, and business travel decision-makers will be able to easily book and service reservations on the world's largest distribution system.
- We continued to make progress with our NDC program. In September, we announced a strategic and innovative NDC distribution agreeement with Air France-KLM Group. The agreement establishes that Air France-KLM NDC offers will be made available for travel agents through the Amadeus Travel Platform. To access Air France-KLM content distributed via NDC, agents will need to sign bilateral agreements with Air France-KLM and Amadeus. The prime booking flow of shop, order and payment has already been integrated, meaning pilot travel agents will be able to book via NDC through the platform as soon as in the fourth quarter of this year. The full integration with servicing capabilities is expected to be complete in the first half of 2021. Agents will be able to search, compare, book, and service Air France-KLM content through the Amadeus selling tools, Amadeus' Travel API or Selling Platform Connect. Amadeus will also be enabling corporate travelers to book via NDC through cytric Travel & Expense.
- Our customer base for Amadeus merchandizing solutions for the travel agency channel continued to expand. During the third quarter, one airline signed Amadeus Fare Families and four airlines, including Southwest Airlines, implemented it, while three airlines contracted Amadeus Ancillary Services for the indirect channel and four airlines implemented it. At the close of September, 111 airlines had signed up for Amadeus Fare Families, and 168 airlines had contracted Amadeus Ancillary Services.

Number of customers (at September 30, 2020)	Implemented	Contracted
Amadeus Ancillary Services	140	168
Amadeus Airline Fare Families	92	111

- In August, we announced a partnership with South East Asian online travel agency 12Go to give its customers access to European rail content. This new distribution agreement will allow 12Go customers to search and book European rail tickets in their own language and currency.
- In October, we extended our partnership with Deutsche Bahn to enable travelers to book their journeys across multiple countries and operators including offers from different distribution systems and inventories directly at the train station. In 2017, Deutsche Bahn partnered with Amadeus to develop a new booking engine so that passengers can book rail journeys across Europe online, in one place, and have full visibility of the different offers and their conditions throughout the purchasing process. This solution was first integrated with Deutsche Bahn's website, and now, thanks to the latest agreement, is available for use in Deutsche Bahn Travel Centers inside railway stations.

- During the same month, we launched the Amadeus Cruise Portal. Using this tool, agents will have access to bookable content from 30+ cruise lines, almost double that which was previously offered. They can upsell pre-and post-cruise content such as air, hotel, transfers or insurance and easily offer cruise upgrades and amenities to boost revenues and efficiencies. This global solution is available now in the United States and Canada, and it will be then rolled out to other markets.

Airline IT

- At the close of September, 209 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 199 customers had implemented either of them.
- In October, Jeju Air, the first and largest South Korean low-cost airline, carrying pre-COVID approximately 14 million passengers per year, signed for New Skies PSS. The carrier offers scheduled domestic services between several cities in South Korea, as well as between Seoul and international destinations including Japan, China, Russia, the Mariana Islands and various Southeast Asian countries.
- 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. The Turkish flag carrier will be able to deliver personalized offers to travellers across all platforms and devices. These solutions will also pave the way for Turkish Airlines to be able to integrate content via NDC into the airline's existing infrastructure, allowing the airline to distribute content via NDC in the near future.
- Mauritania Airlines, an Altéa Inventory customer, contracted and implemented Altéa DCS Flight Management. Also, Azores Airlines contracted Altéa NDC, our IATA-certified Level 4 solution that allows the airline to distribute advanced merchandizing offers. The airline also signed up for the Amadeus Payments Platform and Amadeus Metaconnect solutions.
- Alaska Airlines became the first airline in the world to implement Amadeus Revenue Management as a non-Altéa passenger service system carrier. Amadeus Revenue Management will allow Alaska Airlines to optimize business processes and better understand customer behavior, improving revenue performance. 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.

Hospitality

- In Hospitality we had a number of successful agreements during the third quarter. We expanded our strategic partnership with Accor hoteliers to include the use of Demand360. The solution provides the most comprehensive, forward-looking market data in the hospitality industry. 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 announced the renewal and expansion of our business intelligence partnership with Hilton. Amadeus Demand360, Rate360, Agency360 will continue to

provide forward-looking data to advance decision making, optimize channel mix and strengthen Revenue per Available Room. As part of the new deal, Demand360 will be the exclusive provider of forward-looking data integrated into the Hilton Revenue Management System (GRO). The result seen by the properties that have recently completed the pilot of this integration is refined decision making, enabling revenue improvement. Finally, the hotel chain will also encourage hotels in their portfolio to use Amadeus GDS Advertising services to attract high value GDS bookings and target travel agents in any of the main global distribution systems.

- 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. This partnership will enable Sunway to streamline reservations and loyalty programs across its 11 independent properties in Malaysia, Cambodia, and Vietnam, as well as future developments which include a new hotel in Malaysia's southern state of Johor.
- During the third quarter, Blossom Hotel Houston selected our full hospitality platform for their hotel (Reservation, Web, Loyalty, Business Intelligence, Sales & Catering and Service Optimization). The hotel is scheduled to open at the end of the year.
- Resorts World Las Vegas contracted our service optimization solution HotSOS Advanced (which includes HotSOS and Housekeeping) for its 3,500 room property in Las Vegas.
- Northland Properties selected our comprehensive Amadeus Integrated Booking Suite. This packaged offering includes iHotelier (Channel Management, Reservations, Booking Engine), Guest Management, Loyalty and Website, in a single solution to drive demand, increase guest loyalty and improve brand recognition in their key markets.

Airport IT

- In September, Stuttgart Airport (Germany) 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 to help passengers easily pay for additional services like excess baggage allowance or seat upgrades, using contactless payment methods during the check-in process.
- Nashville International Airport (U.S.), 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. By implementing common-use kiosks, travelers have the ability to manage their own check-in process without the need to visit the ticket counter, reducing contact and expediting their journey.
- We also signed Long Beach International Airport (U.S.) for Amadeus Extended Airline System Environment and Common Use Self Service kiosks. The deployment will happen in conjunction with their new terminal renovation project to facilitate the airlines sharing of ticket counter and gate resources and the automation of passenger processing.
- Fort Lauderdale Hollywood International Airport (U.S.) implemented Amadeus Biometric Boarding successfully in October with Spirit Airlines, the first carrier to go-live with this capability.

Other

- On September 1, 2020, we announced the appointment of a new Chief Financial Officer to Amadeus. Till Streichert, a former Vodafone executive and Boston Consulting Group consultant, joins Amadeus with more than 20 years' experience across a range of high-profile global financial and strategic executive positions. Current Amadeus Chief Financial Officer Ana de Pro will leave Amadeus at the end of this year, after more than a decade at the company. Till and Ana are working in partnership throughout the rest of this year for the transition. Ana will embark on the next stage of her career in 2021 outside of Amadeus, focusing on Board and Audit Committee positions as a non-executive director.

3 Presentation of financial information

The consolidated financial information included in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) and has not been audited.

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.

- 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 items, as detailed in section 5.6.1.
- Net financial debt as defined by our credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.1.1.

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

Cost savings program implementation costs

In the third quarter of 2020, we incurred one-time costs amounting to €75.8 million (€54.5 million post tax), related to the implementation of the cost savings program announced in the second quarter of 2020. 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.

	Jul-Sep 2020			Jan-Sep 2020		
Income statement (€millions)	Excl. implementation costs	Implementation costs	As reported	Excl. implementation costs	Implementation costs	As reported
Group revenue	**418.6**	**0.0**	**418.6**	**1,699.8**	**0.0**	**1,699.8**
Cost of revenue	(21.0)	0.0	(21.0)	(220.0)	0.0	(220.0)
Personnel expenses	(357.3)	(73.6)	(430.9)	(1,092.1)	(73.6)	(1,165.8)
Other operating expenses	(38.2)	(2.1)	(40.3)	(191.5)	(2.1)	(193.6)
Dep. and amortization	(184.0)	0.0	(184.0)	(614.1)	0.0	(614.1)
Operating income	**(181.9)**	**(75.8)**	**(257.6)**	**(417.9)**	**(75.8)**	**(493.6)**
Net financial expense	(36.5)	0.0	(36.5)	(70.2)	0.0	(70.2)
Other income (expense)	(0.2)	0.0	(0.2)	(0.4)	0.0	(0.4)
Profit before income taxes	**(218.5)**	**(75.8)**	**(294.3)**	**(488.5)**	**(75.8)**	**(564.2)**
Income taxes	62.6	21.3	83.9	139.5	21.3	160.8
Profit after taxes	**(155.9)**	**(54.5)**	**(210.4)**	**(349.0)**	**(54.5)**	**(403.4)**
Share in profit assoc/JV	(3.5)	0.0	(3.5)	(7.5)	0.0	(7.5)
Profit for the period	**(159.5)**	**(54.5)**	**(214.0)**	**(356.4)**	**(54.5)**	**(410.9)**
EPS (€)	**(0.35)**	**(0.12)**	**(0.47)**	**(0.80)**	**(0.12)**	**(0.92)**
EBITDA	**2.1**	**(75.8)**	**(73.7)**	**196.2**	**(75.8)**	**120.4**
Adjusted profit	**(125.0)**	**0.0**	**(125.0)**	**(214.2)**	**0.0**	**(214.2)**
Adjusted EPS (€)	**(0.28)**	**0.00**	**(0.28)**	**(0.48)**	**0.00**	**(0.48)**

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[12] are denominated in many currencies different from the Euro, including the US Dollar, which represents 35%-45% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

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

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

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

In the the first nine months of 2020, foreign exchange fluctuations had a broadly neutral impact on revenue and a small positive impact on costs and EBITDA. In the third quarter, foreign exchange fluctuations had a small negative impact on revenue, a positive impact on costs and a small positive impact on EBITDA.

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

4.2 Interest rate risk

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

At September 30, 2020, 18% of our total financial debt[13] (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 372,000 shares and a maximum of 1,487,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

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

5 Group income statement

Jan-Sep Income Statement (€millions)	Jan-Sep 2020[1]	Jan-Sep 2019	Change	*Underlying performance[2]*
Revenue	1,699.8	4,228.8	(59.8%)	*(50.2%)*
Cost of revenue	(220.0)	(1,082.6)	(79.7%)	*(63.7%)*
Personnel and related expenses	(1,092.1)	(1,149.1)	(5.0%)	*(5.0%)*
Other operating expenses[3]	(191.5)	(246.1)	(22.2%)	*(42.9%)*
Depreciation and amortization[3]	(614.1)	(557.6)	10.1%	*(0.3%)*
Operating income (loss)	(417.9)	1,193.4	(135.0%)	*(103.2%)*
Net financial expense	(70.2)	(43.6)	61.0%	*49.6%*
Other income (expense)	(0.4)	11.5	(103.5%)	*(103.5%)*
Profit (loss) before income tax	(488.5)	1,161.3	(142.1%)	*(108.7%)*
Income taxes	139.5	(279.1)	(150.0%)	*(111.6%)*
Profit (loss) after taxes	(349.0)	882.2	(139.6%)	*(107.7%)*
Share in profit from assoc./JVs	(7.5)	4.1	n.m.	*n.m.*
Profit (loss) for the period	(356.4)	886.3	(140.2%)	*(108.5%)*
EPS (€)	(0.80)	2.06	(139.0%)	*(108.2%)*
Key financial metrics				
EBITDA	196.2	1,751.0	(88.8%)	*(72.1%)*
Adjusted profit (loss)[4]	(214.2)	987.0	(121.7%)	*(99.5%)*
Adjusted EPS (€)[5]	(0.48)	2.29	(121.0%)	*(99.4%)*

[1] Figures adjusted to exclude costs amounting to €75.8 million (€54.5 million post tax), incurred in the third quarter 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) and (iii) costs related to the implementation of the cost savings programs and other effects.
[5] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Q3 Income Statement (€millions)	Jul-Sep 2020[1]	Jul-Sep 2019	Change	*Underlying performance[2]*
Revenue	**418.6**	**1,402.2**	**(70.1%)**	***(64.6%)***
Cost of revenue	(21.0)	(360.4)	(94.2%)	*(88.2%)*
Personnel and related expenses	(357.3)	(396.5)	(9.9%)	*(9.9%)*
Other operating expenses[3]	(38.2)	(78.7)	(51.5%)	*(72.5%)*
Depreciation and amortization[3]	(184.0)	(206.2)	(10.8%)	*(11.4%)*
Operating income (loss)	**(181.9)**	**360.4**	**(150.5%)**	***(123.8%)***
Net financial expense	(36.5)	2.3	n.m.	*n.m.*
Other income (expense)	(0.2)	(1.0)	(81.6%)	*(81.6%)*
Profit (loss) before income tax	**(218.5)**	**361.7**	**(160.4%)**	***(132.6%)***
Income taxes	62.6	(71.3)	(187.8%)	*(147.6%)*
Profit (loss) after taxes	**(155.9)**	**290.4**	**(153.7%)**	***(128.7%)***
Share in profit from assoc./JVs	(3.5)	1.5	n.m.	*n.m.*
Profit (loss) for the period	**(159.5)**	**291.9**	**(154.6%)**	***(129.8%)***
EPS (€)	**(0.35)**	**0.68**	**(152.2%)**	***(128.4%)***
Key financial metrics				
EBITDA	**2.1**	**566.6**	**(99.6%)**	***(86.6%)***
Adjusted profit (loss)[4]	**(125.0)**	**323.0**	**(138.7%)**	***(121.1%)***
Adjusted EPS (€)[5]	**(0.28)**	**0.75**	**(136.9%)**	***(120.1%)***

[1] Figures adjusted to exclude costs amounting to €75.8 million (€54.5 million post tax), incurred in the third 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) and (iii) costs related to the implementation of the cost savings programs and other 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 the third quarter of 2020, Amadeus incurred costs amounting to €75.8 million (€54.5 million post tax) related to the implementation of the cost savings program announced in the second quarter of 2020. 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 the first nine months of 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[14]. Both effects combined (above historical average booking cancellations and the cancellation provision) had a negative impact of €77.5 million on revenue in the third quarter of 2020 (€406.7 million in the first nine months), and a positive impact of €21.4 million on cost of revenue in the third quarter of 2020 (€173.6 million in the first nine months). Excluding both effects, our revenue declined by 64.6% and 50.2% in the third quarter and the first nine months of 2020, respectively, and cost of revenue declined by 88.2% and 63.7% in the third quarter and the first nine months of 2020, respectively.
- An increase in the bad debt provision, negatively impacting the Other operating expenses cost line, driven by (i) the reassessment of the credit risk of some customers that became high risk customers in accordance with our default definition, and (ii) the changes in the provision matrix, in the context of COVID-19. The bad debt provision increased by €18.4 million and €64.9 million in the third quarter and first nine months of 2020, respectively (increasing by €6.6 million and €24.3 million in the third quarter and first nine months of 2019, respectively). Excluding bad debt, Other operating expenses declined by 72.5% and 42.9%, in the third quarter and the first nine months of 2020, respectively.
- The combination of the unusually high level of air booking cancellations ratio to gross bookings and the increase in bad debt provision had a negative impact on EBITDA of €74.4 million and €298.0 million in the third quarter and the first nine months of 2020, respectively. Excluding both effects, as well as the implementation costs related to our cost savings programs, EBITDA declined by 86.6% and 72.1%, in the third quarter and the first nine months of 2020, respectively.
- In the third quarter of 2020, impairment charges amounted to €16.2 million (€80.8 million in the nine-month period), and were related to some customers ceasing operations or cancelling contracts, as well as some assets that would not deliver the expected benefits over the same timeframe as before. If we exclude impairment charges from the 2020 and 2019 nine-month results (which amounted to €16.9 million in the third quarter of 2019 and €22.7 million in the first nine months of 2019), D&A expense declined by 11.4% in the third quarter and 0.3% in the first nine months of 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 €2.8 million and €5.0 million in the third quarter and the first nine months of 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 third quarter and the first nine

[14] As a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of consideration from unusued travel agency air bookings (billed and not flown yet) which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

months of the year declined by 129.8% and 108.5% vs. 2019, respectively, and Adjusted profit (loss) declined by 121.1% and 99.5% for the third quarter and the first nine months of the year vs. 2019, respectively.

5.1 Revenue

In the third quarter of 2020, revenue amounted to €418.6 million, a decline of 70.1% vs. prior year. Third quarter revenue continued to be impacted by the low levels of air traffic, as well as a high level of air booking cancellations relative to gross bookings, driven by the COVID-19 pandemic. Excluding the effects from the higher level of cancellations and related movements in the cancellation provision[15], our underlying revenue declined by 64.6% in the third quarter. This underlying group revenue evolution in the third quarter resulted from segment revenue underlying declines of 75.0% and 52.4% in Distribution and IT Solutions revenue, respectively.

In the first nine months of 2020, revenue amounted to €1,699.8 million, a decline of 59.8% 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 50.2% vs. the first nine months of 2019.

Q3 Revenue (€millions)	Jul-Sep 2020	Jul-Sep 2019	Change	*Underlying performance[1]*
Distribution revenue	111.6	757.8	(85.3%)	*(75.0%)*
IT Solutions revenue	307.0	644.4	(52.4%)	*(52.4%)*
Revenue	**418.6**	**1,402.2**	**(70.1%)**	***(64.6%)***

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

Jan-Sep Revenue (€millions)	Jan-Sep 2020	Jan-Sep 2019	Change	*Underlying performance[1]*
Distribution revenue	553.1	2,394.8	(76.9%)	*(59.9%)*
IT Solutions revenue	1,146.6	1,834.0	(37.5%)	*(37.5%)*
Revenue	**1,699.8**	**4,228.8**	**(59.8%)**	***(50.2%)***

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

[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 consideration from unusued travel agency air bookings (billed and not flown yet) which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

5.1.1 Distribution

In the third quarter of 2020, Distribution revenue declined by 85.3% driven by a decrease in Amadeus travel agency air bookings vs. the same quarter of 2019, impacted by the COVID-19 pandemic, as well as higher than usual booking cancellations, relative to gross bookings. This revenue decline represents an improvement from the -102.0% Distribution revenue decline reported in the second quarter of 2020, supported by improvements in the gross travel agency air booking growth rates across the quarter, and a softening in the ratio of cancellations over gross bookings. In the nine-month period, Distribution revenue declined by 76.9% vs. the same period of 2019.

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 75.0% in the third quarter, and by 59.9% in the first nine months of 2020, when compared to 2019.

The Distribution revenue contraction in the third quarter was primarily caused by the decrease in air travel agency bookings and, to a lesser extent, a lower air booking revenue per booking, driven by a higher weight of local bookings, impacted by the faster recovery in domestic air traffic compared to international air traffic. Also, other revenue lines declined, albeit at softer rates than the air travel agency bookings decline, such as revenues from both travel agency IT and non-air solutions. These effects were partly mitigated by a positive revenue impact from the cancellation provision and an increase in revenues from solutions supporting processes related to ticketing and cancellations.

Evolution of Amadeus bookings

Operating KPI	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
TA air bookings (m)	14.2	139.3	(89.8%)	80.1	447.0	(82.1%)
Non air bookings (m)	6.7	15.5	(56.8%)	23.7	49.4	(52.0%)
Total bookings (m)	**20.9**	154.8	**(86.5%)**	**103.8**	**496.4**	**(79.1%)**

In the third quarter of 2020, Amadeus travel agency air bookings contracted by 89.8% vs. the same period in 2019, an improvement from the 113.2% air booking decline we saw in the second quarter. After reaching a low in April and May, with cancellations exceeding gross bookings, volumes turned positive from mid-June and improved sequentially during the third quarter, on the back of enhanced gross booking growth rates and a slow down in the level of cancellations. Improvements in the volume growth rates compared to the second quarter of the year were seen across regions. The best performing regions for Amadeus in the third quarter were Central, Eastern and Southern Europe, mainly driven by Russia (IATA reported Russia domestic air traffic positive growth in August), and North America, supported as well by the performance in domestic traffic over the period in the U.S.

In the first nine months of 2020, Amadeus travel agency air bookings fell by 82.1%. 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.

Amadeus TA air bookings	Change Apr-Jun 2020	Change Jul-Sep 2020	Change Jan-Sep 2020
Western Europe	(118.1%)	(95.3%)	(84.0%)
North America	(115.0%)	(83.4%)	(79.3%)
Middle East and Africa	(106.6%)	(84.5%)	(76.7%)
Central, Eastern and Southern Europe	(106.0%)	(78.0%)	(73.2%)
Asia-Pacific	(110.5%)	(96.7%)	(90.8%)
Latin America	(112.8%)	(89.9%)	(79.7%)
Amadeus TA air bookings	**(113.2%)**	**(89.8%)**	**(82.1%)**

Amadeus' non air bookings decreased by 56.8% in the third quarter of 2020, or by 52.0% in the nine-month period, caused by the overall negative impact of the COVID-19 pandemic on the global travel industry. Improvements in the volume declines reported in the third quarter compared to the second quarter of 2020 (-85.3%) were noticeable across our non-air products, and most particularly in hospitality, rail and car rental.

5.1.2 IT Solutions

In the third quarter of 2020, IT Solutions revenue decreased by 52.4% vs. the same period of 2019, driving a revenue contraction in the first nine months of 37.5%. The 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, but also due to the positive effect from new customer implementations across our new businesses.

Evolution of Amadeus Passengers boarded

Passengers boarded (millions)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
Organic growth[1]	133.7	534.2	(75.0%)	525.6	1,460.3	(64.0%)
Non organic growth[2]	4.3	15.4	(72.4%)	27.6	36.3	(23.9%)
Total passengers boarded	**138.0**	**549.6**	**(74.9%)**	**553.2**	**1,496.6**	**(63.0%)**

[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 third quarter of 2020, Amadeus passengers boarded decreased by 74.9% to 138.0 million, impacted by the COVID-19 pandemic. Organic passengers boarded growth rates improved softly across the quarter, declining by 75.0% in the three-month period, compared to -93.9% in the second quarter. Contractions were reported across regions, with Central, Eastern and Southern Europe and North America as the best performing regions, both supported by improvements in domestic traffic growth rates.

Amadeus PB volumes in the third quarter 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 and TAAG Angola. 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.

In the first nine months of 2020, Amadeus passengers boarded contracted by 63.0%, as the negative impact from the COVID-19 pandemic from February offset the good performance of Amadeus organic PB reported at the beginning of the year, as well as offsetting the contribution from the new PSS customers since 2019.

Passengers boarded (millions)	Change Apr-Jun 2020	Change Jul-Sep 2020	Change Jan-Sep 2020
Asia-Pacific	(94.0%)	(83.3%)	(65.9%)
Western Europe	(97.2%)	(75.7%)	(68.1%)
North America	(85.8%)	(58.9%)	(47.4%)
Middle East and Africa	(96.0%)	(85.0%)	(65.8%)
Latin America	(93.1%)	(77.2%)	(60.5%)
Central, Eastern and Southern Europe	(90.9%)	(53.1%)	(54.2%)
Amadeus Passengers boarded	**(93.9%)**	**(74.9%)**	**(63.0%)**

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 third quarter of 2020, cost of revenue amounted to €21.0 million, a 94.2% decline vs. the same period of 2019. In the first nine months of the year, cost of revenue amounted to €220.0 million, a reduction of 79.7% vs. the first nine months of 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[16]. Excluding the effects from the higher than usual cancellations and the cancellation provision, cost of revenue declined by 88.2% in the third quarter (by 63.7% in the first nine months), 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 reduction of our combined operating expenses cost line, including both Personnel and Other operating expenses, by 16.8% and 8.0%, in the third quarter and the first nine months of 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 €18.4 million and €64.9 million in the third quarter and the first nine months of 2020, respectively (€6.6 million and €24.3 million in the third quarter and the first nine months of 2019, respectively). Excluding bad debt effects and cost savings programs implementation costs, our combined operating expenses cost line declined by 19.5% and 11.1%, in the third quarter and the first nine months of 2020, respectively.

Personnel + Other op. expenses (€millions)	Jan-Sep 2020[1]	Jan-Sep 2019	Change	*Underlying performance[2]*
Personnel+Other operating expenses[3]	(1,283.6)	(1,395.2)	(8.0%)	*(11.1%)*

[1] Figures adjusted to exclude costs amounting to €75.8 million, incurred in the third 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.

[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 consideration from travel agency unusued air bookings (billed and not flown yet) which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail on this adjustment in section 3.

Personnel + Other op. expenses (€millions)	Jul-Sep 2020[1]	Jul-Sep 2019	Change	*Underlying performance[2]*
Personnel+Other operating expenses[3]	(395.5)	(475.2)	(16.8%)	*(19.5%)*

[1] Figures adjusted to exclude costs amounting to €75.8 million, incurred in the third 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 the first nine months of 2020, depreciation and amortization expense amounted to €614.1 million, an increase of 10.1% vs. the same period of 2019. This increase was mainly driven by impairment losses amounting to €80.8 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.

In the third quarter of 2020, depreciation and amortization expense declined by 10.8% vs. the same period of 2019, 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.

Depreciation & Amort. (€millions)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
Ordinary D&A[1]	(148.6)	(151.3)	(1.8%)	(436.1)	(421.2)	3.5%
Amortization derived from PPA	(19.2)	(38.0)	(49.5%)	(97.2)	(113.7)	(14.5%)
Impairments	(16.2)	(16.9)	(4.2%)	(80.8)	(22.7)	256.5%
D&A expense[1]	**(184.0)**	**(206.2)**	**(10.8%)**	**(614.1)**	**(557.6)**	**10.1%**

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

5.3 EBITDA and Operating income

In the third quarter of 2020, Operating income contracted by 150.5%, leading to a loss in the first nine months of 2020 of €417.9 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 123.8% and 103.2% in the third quarter and in the first nine months of 2020, respectively.

Jan-Sep Operating income – EBITDA (€millions)	Jan-Sep 2020[1]	Jan-Sep 2019	Change	*Underlying performance[2]*
Operating income (loss)	(417.9)	1,193.4	(135.0%)	*(103.2%)*
D&A[3]	614.1	557.6	10.1%	*(0.3%)*
EBITDA	196.2	1,751.0	(88.8%)	*(72.1%)*

[1] Adjusted to exclude costs amounting to €75.8 million, incurred in the third 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 Ordinary D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

Q3 Operating income – EBITDA (€millions)	Jul-Sep 2020[1]	Jul-Sep 2019	Change	*Underlying performance[2]*
Operating income (loss)	(181.9)	360.4	(150.5%)	*(123.8%)*
D&A[3]	184.0	206.2	10.8%	*(11.4%)*
EBITDA	2.1	566.6	(99.6%)	*(86.6%)*

[1] Adjusted to exclude costs amounting to €75.8 million, incurred in the third 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 Ordinary D&A. For comparison purposes, 2019 figures have been adjusted to reflect this reclassification.

In the third quarter of 2020, EBITDA amounted to €2.1 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 86.6% and 72.1% in the third quarter and the first nine months of 2020, respectively.

5.4 Net financial expense

In the third quarter of 2020, net financial expense amounted to an expense of €36.5 million, compared to an income of €2.3 million in the same period of 2019. This variation was mainly driven by €11.3 million exchange losses, vs. €14.7 million exchange gains in the prior year. Also, interest expense increased by €13.6 million (or by €10.8 million, if we exclude the effect from upfront financing fees from the bridge to bond facility and the convertible bond), as a consequence of both a higher average gross debt outstanding and a higher average cost of debt, driven by the new financings.

In the first nine months of 2020, net financial expense increased by 61.0% vs. the first nine months of 2019, mostly due to an increase of €20.8 million, or 66.4%, in interest expense. Interest expense was impacted by €5.0 million financing fees, which were recognized through the P&L in the second and third quarter[17], in relation to the bridge to bond facility signed in March and the convertible bond issued in April this year. Excluding this impact, interest

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

expense increased by €15.8 million, or 50.5%, in the first nine months of 2020, driven by both a higher average gross debt outstanding and a higher average cost of debt, as a consequence of the new financings. See section 6.1.1 for details on our debt structure.

Net financial expense (€millions)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
Financial income	1.7	0.4	n.m.	6.6	1.1	n.m.
Interest expense	(24.1)	(10.5)	129.7%	(52.1)	(31.3)	66.4%
Other financial expenses	(2.8)	(2.3)	21.8%	(8.7)	(6.4)	35.2%
Exchange gains (losses)	(11.3)	14.7	n.m.	(16.0)	(7.0)	129.0%
Net financial expense	(36.5)	2.3	n.m.	(70.2)	(43.6)	61.0%

5.5 Income taxes

In the first nine months of 2020, income taxes (adjusted to exclude €21.3 million tax income impact from costs related to the implementation of the cost savings programs) amounted to an income of €139.5 million. The Group income tax rate for the period was 28.6%, higher than 24.0% and 22.0% income tax rates reported in the first nine months of 2019 and in 2019 full-year, respectively. This increase in the tax rate comes from the effect of tax deductions (associated with R&D) in the context of a negative taxable income result.

5.6 Profit for the period. Adjusted profit

5.6.1 Reported and Adjusted profit

In the first nine months of 2020, Reported profit (adjusted to exclude post-tax costs amounting to €54.5 million, incurred in the third quarter of 2020, related to the implementation of the cost savings program announced in the second quarter of 2020) amounted to losses of €356.4 million, a contraction of 140.2% 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 108.5% in the first nine months of 2020. In turn, Adjusted profit decreased by 121.7% to a loss of €214.2 million in the nine-month period, or by 99.5% if (post-tax) effects from booking cancellations, bad debt, impairments, upfront financing fees and cost savings programs implementation costs are excluded.

Jan-Sep Reported-Adj. profit (loss) (€millions)	Jan-Sep 2020[1]	Jan-Sep 2019	Change	*Underlying performance[2]*
Reported profit (loss)	(356.4)	886.3	(140.2%)	*(108.5%)*
Adjustments				
Impact of PPA[3]	72.7	86.5	(16.0%)	
Impairments[3]	57.8	17.5	n.m.	
Non-operating FX[4]	11.5	5.5	106.9%	
Non-recurring items	0.3	(8.9)	n.m.	
Adjusted profit (loss)	(214.2)	987.0	(121.7%)	*(99.5%)*

[1] Adjusted to exclude costs amounting to €54.5 million (post tax), incurred in the third 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).

Q3 Reported-Adj. profit (loss) (€millions)	Jul-Sep 2020[1]	Jul-Sep 2019	Change	*Underlying performance[2]*
Reported profit (loss)	(159.5)	291.9	(154.6%)	*(129.8%)*
Adjustments				
Impact of PPA[3]	14.6	28.2	(48.3%)	
Impairments[3]	11.7	13.0	(10.2%)	
Non-operating FX[4]	8.1	(11.0)	n.m.	
Non-recurring items	0.1	0.8	(83.2%)	
Adjusted profit (loss)	(125.0)	323.0	(138.7%)	*(121.1%)*

[1] Adjusted to exclude costs amounting to €54.5 million (post tax), incurred in the third 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 the first nine months of 2020, our reported EPS (excluding costs related to the implementation of the cost savings program announced in the second quarter of 2020) decreased by 139.0% to a loss of €0.80 and our adjusted EPS by 121.0% to a loss of €0.48. 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 108.2% and 99.4%, respectively, in the nine-month period.

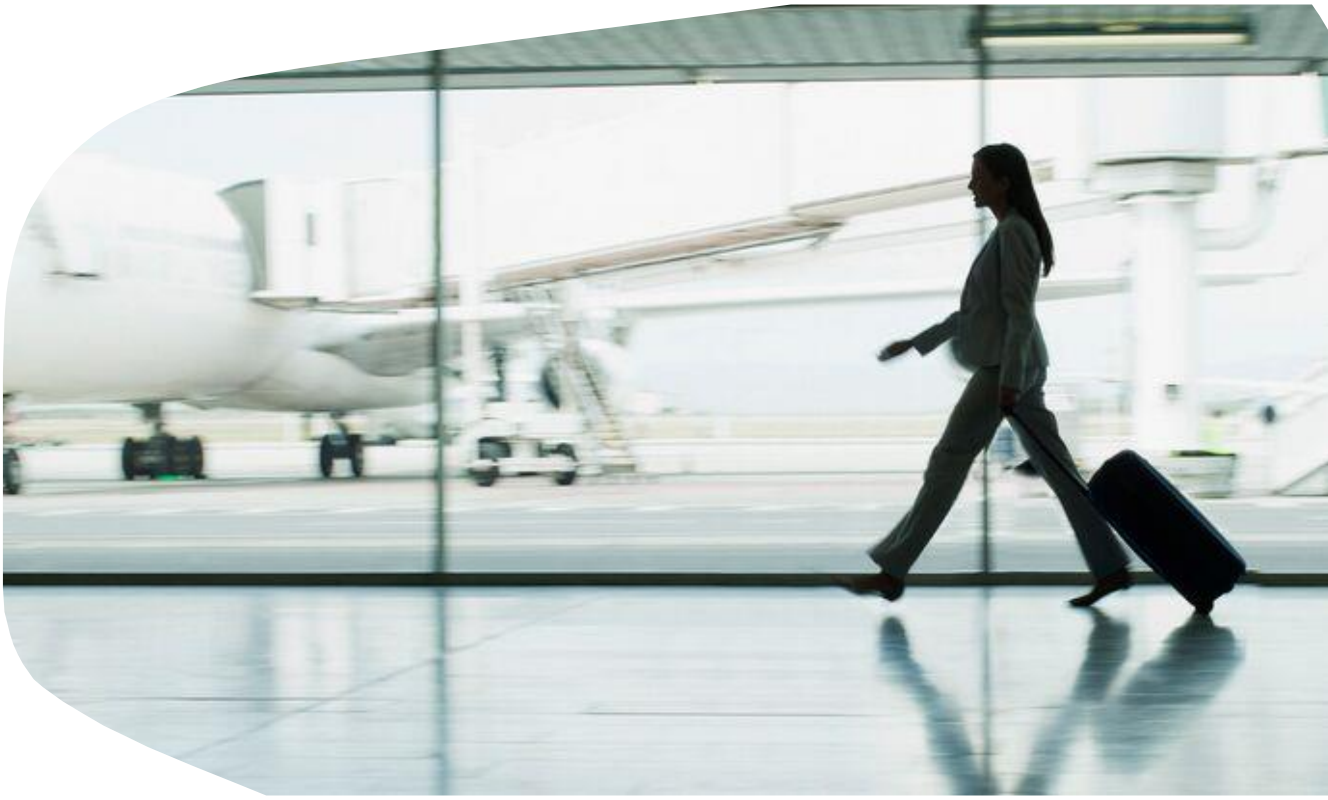
Jan-Sep Earnings (loss) per share	Jan-Sep 2020[1]	Jan-Sep 2019	Change	*Underlying performance[2]*
Weighted average issued shares (m)	443.9	436.3		
Weighted av. treasury shares (m)	(0.4)	(5.5)		
Outstanding shares (m)	443.5	430.7		
EPS (€)[3]	(0.80)	2.06	(139.0%)	*(108.2%)*
Adjusted EPS (€)[4]	(0.48)	2.29	(121.0%)	*(99.4%)*

[1] Adjusted to exclude costs amounting to €54.5 million (post tax), incurred in the third 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.

Q3 Earnings per share	Jul-Sep 2020[1]	Jul-Sep 2019	Change	*Underlying performance[2]*
Weighted average issued shares (m)	450.5	431.3		
Weighted av. treasury shares (m)	(0.3)	(0.2)		
Outstanding shares (m)	450.2	431.0		
EPS (€)[3]	(0.35)	0.68	(152.2%)	*(128.4%)*
Adjusted EPS (€)[4]	(0.28)	0.75	(136.9%)	*(120.1%)*

[1] Adjusted to exclude costs amounting to €54.5 million (post tax), incurred in the third 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 Other financial information



6.1 Statement of financial position (condensed)

Statement of financial position (€millions)	Sep 30,2020	Dec 31,2019	Change
Intangible assets	4,062.5	4,187.8	(125.3)
Goodwill	3,608.8	3,661.5	(52.7)
Property, plant and equipment	360.1	432.1	(72.0)
Right of use assets	284.6	336.4	(51.8)
Other non-current assets	416.9	340.2	76.7
Non-current assets	8,732.9	8,958.0	(225.1)
Cash and equivalents	2,952.4	564.0	2,388.4
Other current assets	702.6	879.1	(176.5)
Current assets	3,655.0	1,443.2	2,211.8
Total assets	**12,387.9**	**10,401.1**	**1,986.8**
Equity	4,044.9	3,797.1	247.8
Non-current debt	4,689.4	2,328.2	2,361.2
Other non-current liabilities	1,204.1	1,305.5	(101.4)
Non-current liabilities	5,893.5	3,633.7	2,259.8
Current debt	1,214.7	1,245.5	(30.9)
Other current liabilities	1,234.9	1,724.8	(489.9)
Current liabilities	2,449.6	2,970.3	(520.7)
Total liabilities and equity	**12,387.9**	**10,401.1**	**1,986.8**
Net financial debt (as per financial statements)	2,951.7	3,009.7	(58.0)

6.1.1 Financial indebtedness

Indebtedness[1] (€millions)	Sep 30, 2020	Dec 31, 2019	Change
Long term bonds	3,750.0	2,000.0	1,750.0
Short term bonds	500.0	500.0	0.0
Convertible bonds	750.0	0.0	750.0
European Commercial Paper	558.5	580.0	(21.5)
EIB loan	95.0	127.5	(32.5)
Obligations under finance leases	71.4	83.7	(12.3)
Other debt with financial institutions	15.1	31.1	(16.1)
Financial debt	**5,740.0**	**3,322.4**	**2,417.6**
Cash and cash equivalents	(2,952.4)	(564.0)	(2,388.4)
Net financial debt	**2,787.6**	**2,758.4**	**29.2**
Net financial debt / LTM EBITDA	**4.6x**	**1.2x**	
Reconciliation with financial statements			
Net financial debt (as per financial statements)	**2,951.7**	**3,009.7**	**(58.0)**
Operating lease liabilities	(216.1)	(257.1)	41.0
Interest payable	(24.6)	(5.7)	(18.9)
Convertible bonds	36.6	0.0	36.6
Deferred financing fees	39.7	10.6	29.1
EIB loan adjustment	0.3	0.9	(0.6)
Net financial debt (as per credit facility agreements)	**2,787.6**	**2,758.4**	**29.2**

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

Net financial debt, as per our credit facility agreements' terms, amounted to €2,787.6 million at September 30, 2020 (representing 4.6 times last-twelve-month EBITDA).

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

- 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 €1,000.0 million, with the following conditions: (i) the first issue has a nominal value of €500.0 million, with a maturity date of 4 years, at a fixed interest rate, with an annual coupon of 2.500%; (ii) the second issue has a nominal value of €500.0 million, with a maturity date of 7 years, at a fixed interest rate, with an annual coupon of 2.875%.
- On April 3, 2020, Amadeus announced a €750 million convertible bond issue. Each bond has a nominal amount of €100,000, carries a coupon of 1.5% per annum and matures, at

par, on April 9, 2025 (unless previously converted, redeemed or purchased and cancelled). The bonds will be convertible into shares with an initial conversion price of €54.60.

- The decrease in the use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €21.5 million.
- The repayment of €32.5 million related to our European Investment Bank (EIB) loan.

On June 29, 2020, Amadeus signed a new covenant-free unsecured senior loan of €200 million from the European Investment Bank, with a maturity date of between 4 and 7 years from the disposal date if repaid in one single instalment, and up to 12 years if repaid on a regular basis by instalments, at Amadeus' choice. This loan was undrawn at September 30, 2020.

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 September 30, 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 €216.1 million at September 30, 2020, (ii) does not include the accrued interest payable (€24.6 million at September 30, 2020) which is treated as financial debt in our financial statements, (iii) includes the part of the convertible bond that has been accounted for as equity in our financial statements (€40.1 million) and does not include the accrued interest of the convertible bonds (€3.6 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 €39.7 million at September 30, 2020), and (v) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€0.3 million at September 30, 2020).

6.2 Group cash flow

Consolidated Statement of Cash Flows (€millions)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
EBITDA	(73.7)	566.6	(113.0%)	120.4	1,751.0	(93.1%)
Change in working capital	88.2	62.9	40.2%	17.6	(149.3)	(111.8%)
Capital expenditure	(121.4)	(174.1)	(30.3%)	(385.9)	(544.0)	(29.1%)
Pre-tax operating cash flow	**(106.8)**	**455.4**	**(123.5%)**	**(247.9)**	**1,057.7**	**(123.4%)**
Cash taxes	(25.8)	(72.6)	(64.5%)	(24.5)	(226.3)	(89.2%)
Interest & financial fees paid	(23.3)	(15.7)	49.0%	(56.0)	(22.1)	153.8%
Free cash flow	**(156.0)**	**367.1**	**(142.5%)**	**(328.3)**	**809.3**	**(140.6%)**
Equity investment[1]	0.0	(7.5)	(100.0%)	(39.4)	(50.3)	(21.7%)
Non-operating items[2]	(43.4)	(22.5)	92.7%	(77.4)	(53.5)	44.6%
Debt payment	773.1	(19.2)	n.m.	2,367.7	(179.1)	n.m.
Cash to shareholders	(1.2)	(289.0)	(99.6%)	468.3	(516.3)	(190.7%)
Change in cash	**572.6**	**29.0**	**n.m.**	**2,390.8**	**10.0**	**n.m.**
Cash and cash equivalents, net[3]						
Opening balance	2,379.1	542.8	n.m.	561.0	561.7	(0.1%)
Closing balance	2,951.7	571.7	n.m.	2,951.7	571.7	n.m.

[1] Mainly related to Optym's Sky Suite's acquisition in January 2020 and ICM's acquisition in May 2019.
[2] Mainly driven by exchange losses from USD-denominated cash, which is hedged. The related FX hedge matures in October 2020, and we expect a c.€53 million cash inflow related to it in the fourth quarter of 2020.
[3] Cash and cash equivalents are presented net of overdraft bank accounts.

Amadeus Group free cash flow amounted to -€156.0 million and -€328.3 million in the third quarter and the first nine months of 2020, respectively. Excluding the €2.5 million cost savings program implementation costs paid in the third quarter, free cash flow amounted to -€153.5 million and -€325.8 million in the third quarter and the first nine months of 2020, respectively.

6.2.1 Change in working capital

Change in working capital amounted to an inflow of €88.2 million and €17.6 million in the third quarter and in the first nine months of 2020, respectively. Change in working capital both in the third quarter and in the first nine months of 2020 was positively impacted by €73.3 million costs related to the implementation of the cost savings program announced in the second quarter of 2020, incurred in the third quarter of 2020 but not paid yet. Excluding this effect, change in working capital amounted to €14.9 million and -€55.7 million in the third quarter and the nine-month period of 2020, respectively.

In the third quarter of 2020, change in working capital excluding the implementation cost effect mentioned above, deteriorated by €48.0 million vs. the same period of 2019. This deterioration was primarily caused by a negative effect in change in working capital that resulted from the activity deceleration since February 2020. In the quarter, we saw higher cash distribution cost payments associated to past period activity, in proportion to the distribution expenses accounted for in the quarter, as compared to prior year. This effect was partly offset by payments amounting to €29 million delayed, partly to the fourth quarter of 2020, and related to social security and payroll taxes.

In the first nine months of 2020, Change in working capital excluding the implementation cost effect improved by €93.6 million vs. the same period of 2019, mainly resulting from (i) timing differences in collections and payments, including payments amounting to €131 million delayed, partly to the fourth quarter of 2020, as well as, payments amounting to €34.3 million, which were advanced from January 2020 to December 2019, (ii) changes in payment terms with vendors, and (iii) lower advanced payments related to customer renegotiations. These effects were partially offset by an increase in the net outflow resulting from higher collections and payments from previous periods vs. revenues and expenses accounted for in the first nine months of 2020, compared to the same period of 2019.

6.2.2 Capital expenditure, R&D investment

Capital expenditure

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

Capital Expenditure (€millions)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
Capital Expenditure PP&E	8.2	17.8	(53.8%)	30.9	64.4	(52.0%)
Capital Expenditure in intangible assets	113.2	156.3	(27.6%)	355.0	479.6	(26.0%)
Capital Expenditure	121.4	174.1	(30.3%)	385.9	544.0	(29.1%)

In the third quarter of 2020, capex declined by €52.7 million, or 30.3%, vs. the same period of 2019, driving a nine-month capex decrease of €158.1 million, or 29.1%.

In the first nine months of the year, capex in intangible assets decreased by €124.6 million, or 26.0%, as a result of:

- Lower capitalizations from software development, driven by (i) a 12.9% 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)	Jul-Sep 2020	Jul-Sep 2019	Change	Jan-Sep 2020	Jan-Sep 2019	Change
R&D investment[1]	197.8	257.6	(23.2%)	673.5	772.9	(12.9%)

[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 Q3 and the first nine months of 2019 before restatement was €238.5 million and €712.1 million, respectively. R&D investment is reported net of Research Tax Credit (RTC).

In the first nine months of 2020, capex in property, plant and equipment declined by €33.5 million, or 52.0%, impacted by the cash saving measures put in place in the period.

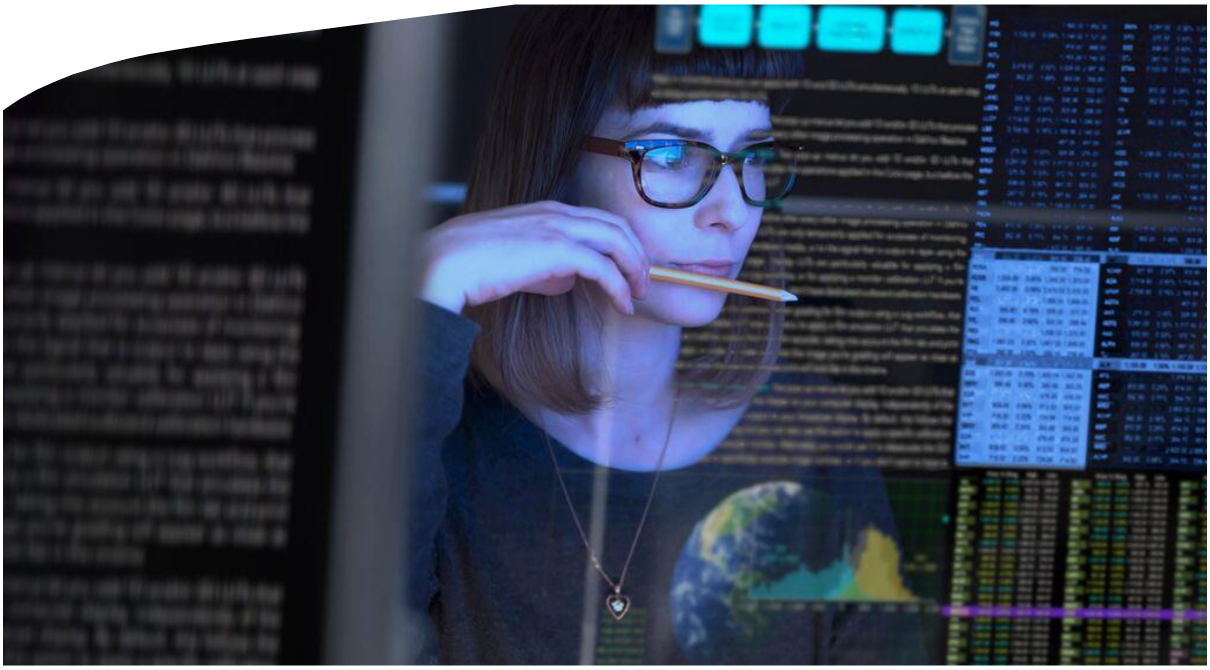
6.2.3 Cash taxes

In the first nine months of 2020, cash taxes amounted to €24.5 million, a reduction of €201.8 million vs. €226.3 million taxes paid in the same period of 2019. In the third quarter, cash taxes decreased by €46.8 million. The three-month and nine-month 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.

6.2.4 Interest and financial fees paid

In the first nine months of 2020, interest and financial fees paid amounted to €56.0 million, an increase of €33.9 million vs. the same period of 2019, resulting from (i) upfront financing fees paid in relation to the new financing and the issuance of convertible bonds, amounting to €36.3 million, partly offset by (ii) an increase in bank interest collections, driven by a higher average amount of cash at hand in the period.

7 Investor information



7.1 Capital stock. Share ownership structure

At September 30, 2020, Amadeus' capital stock amounted to €4,504,992.05, represented by 450,499,205 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of September 30, 2020 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	449,958,977	99.88%
Treasury shares[1]	246,048	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.

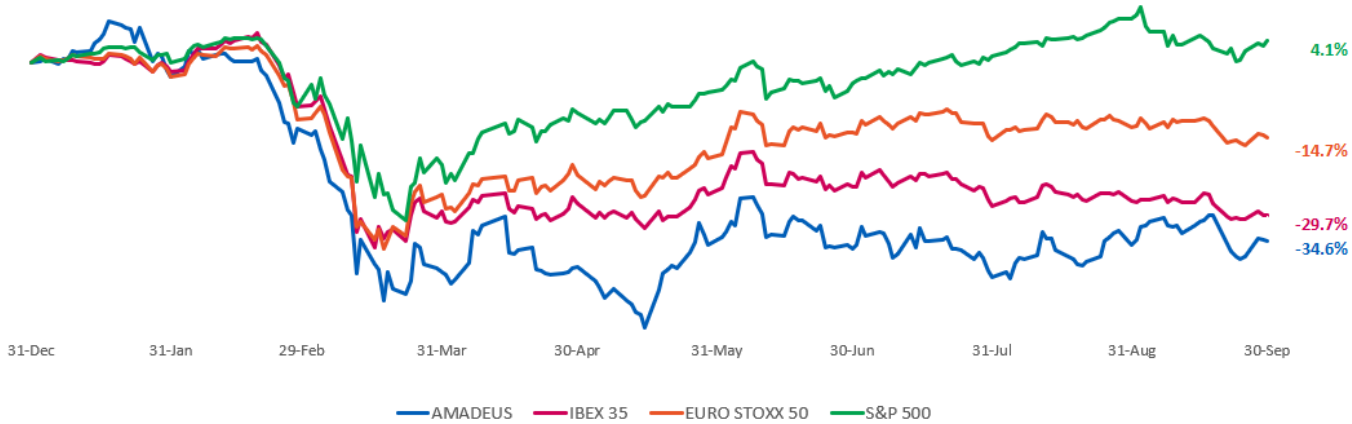
On April 3, 2020, Amadeus undertook a capital increase of c.€750 million, corresponding to 19,230,769 new shares at an issue price of €39.00 (of which €0.01 corresponds to the nominal amount and €38.99 to the issue premium).

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.

7.2 Share price performance in 2020



Key trading data (as of September 30, 2020)	
Number of publicly traded shares (# shares)	450,499,205
Share price at September 30, 2020 (in €)	47.59
Maximum share price in Jan - Sep 2020 (in €) (January 17, 2020)	78.60
Minimum share price in Jan - Sep 2020 (in €) (May 15, 2020)	35.22
Market capitalization at September 30, 2020 (in € million)	21,439.3
Weighted average share price in Jan - Sep 2020 (in €)[1]	52.43
Average Daily Volume in Jan - Sep 2020 (# shares)	1,877,778.8

[1] Excluding cross trade

7.3 Shareholder remuneration

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

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

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

8 Annex

8.1 Key terms

- Cancellation provision: as a general rule, when a travel agency air booking is cancelled, Amadeus cancels both the booking fee billed to the airline (accounting for it as less revenue) and the incentive fee to be provided to the travel agency (accounting for it as less cost of revenue). As per IFRS, we estimate the amount of consideration from unusued travel agency air bookings (billed and not flown yet) which may be cancelled in future periods. Accounts receivable are recorded net of a cancellation reserve and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. Adjustments to this provision impact both the revenue and cost of revenue captions. See further detail in section 3.
- "CNMV": refers to Comisión Nacional del Mercado de Valores (the Spanish stock regulator)
- "D&A": refers to "depreciation and amortization"
- "ECP": refers to "European Commercial Paper"
- "EIB": refers to "European Investment Bank"
- "EPS": refers to "Earnings Per Share"
- "IFRS": refers to "International Financial Reporting Standards"
- "JV": refers to "Joint Venture"
- "KPI": refers to "Key Performance Indicators"
- "LTM": refers to "last twelve months"
- "NDC": refers to "New Distribution Capability". NDC is a travel industry-supported program launched by IATA for the development and market adoption of a new, XML-based data transmission standard
- "n.m.": refers to "not meaningful"
- "PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- "p.p.": refers to "percentage point"
- "PPA": refers to "Purchase Price Allocation"
- "PP&E": refers to "Property, Plant and Equipment"
- "PSS": refers to "Passenger Service System"
- "R&D": refers to "Research and Development"
- "RevPAR": refers to "Revenue Per Available Room"
- "RPK": refers to "Revenue Passenger-Kilometres"
- "TA": refers to "travel agencies"
- "TA air bookings": air bookings processed by travel agencies using our distribution platform
- "XML": refers to "Extensible Markup Language"

8.2 Product descriptions

Airline portfolio

_ Altéa Segment Revenue Management: helps airlines to maximize profits on their routes by determining the most profitable inventory allocation, combining innovative airline demand forecasting techniques with real-time data exchange.
_ Amadeus Altéa Departure Control - Flight Management: analyzes passenger and cargo loads with precision, automatically defines optimal aircraft load utilizing a fully Graphical User Interface to maximize productivity and centralize airlines' operations.
_ Amadeus Altéa Inventory: is one of our Passenger Service System modules. It includes solutions related to scheduling, codeshare, waitlist management and re-accommodation policies considering customers value.
_ Amadeus Altéa NDC: is an IATA-certified level 4 solution which enables Altéa airlines to reach more distribution channels, deliver a consistent shopping experience, and apply advanced merchandising techniques to their offers. Thanks to complete Offer & Order Management Systems integration it supports end-to-end NDC booking flows from shopping to purchasing to servicing.
_ Amadeus Flex Pricer: helps the airline to improve the shopping experience and boost sales by grouping online fares.
_ Amadeus Instant Search: helps the airline to convert lookers into bookers by promoting the most interesting fares and streamlining the airline SEO (Search Engine Optimization) to appear in more online searches.
_ Amadeus Massive Search: ensures that travelers get a consistent, accurate and fast response independently of the channel they use to initiate the search.
_ Amadeus Metaconnect solutions: make the airline offers available, accurately, to a global network of Metasearch sites through a single and unique entry point to maximize reach of the commercial strategy.
_ Amadeus Payments platform: offers a full suite of solutions for airline payment processing, which help merchants to improve conversion rate, ensure revenue protection and reduce costs.
_ Amadeus Ticket Changer Reissue Shopper and Refund: this set of tools automatically processes voluntary exchange, reduces the time to calculate refunds and allows the traveler to rebook their own trip from the airline's website. It seamlessly handles the information and transactions to process the exchanges.
_ Digital experience suite: Amadeus Digital Experience Suite provides an open and flexible platform where Amadeus, airlines, and third-party providers can connect, develop and share technology, which helps airlines to differentiate their business with a high speed to market.

Hospitality portfolio

_ Amadeus GDS advertising services: helps the hotel to attract high-value bookings through advertising hotel promotions at the travel agency point of sale across the major industry-leading global distributions systems (GDSs).

- Amadeus Sales and Event Management: helps hoteliers to sell, organize and manage events efficiently.
- Amadeus Service Optimization HotSOS: is a cloud-based, service optimization enterprise product that streamlines complex preventative maintenance projects.
- iHotelier: is a TravelClick web-based hotel central reservation system. Flexible and integrated, this solution connects to multiple distribution channels and offers distribution modules for your web, mobile, voice, travel agent and online travel agent channels.
- Demand360: is a business intelligence product that helps the hotel to proactively identify future need periods compared to a competitive set, creating a strategy to maximize RevPAR.
- HotSOS Housekeeping: is a cloud-based solution engineered specifically to help housekeeping streamline their workflows and reduce response times and check-in waiting times, to enhance guest experience.
- Guest Management Solutions (GMS): is a comprehensive suite of marketing tools to engage with hotel guests before, during and after their stay to drive incremental revenue and engagement.
- TravelClick Loyalty: provides centralized guest profile management with in-depth reporting and insight, enabling strategic marketing to enhance customer experience and build customer loyalty, from reservation through pre-stay, arrival, during stay and post departure.
- Travelclick Web Solutions: Helps hoteliers to improve their online presence and accelerate direct bookings simplifying the process of building their hotel's website and giving them full control over their content.

Airport portfolio

- Amadeus Airport Common Use Service (ACUS): is a cloud- based solution, which enables airlines' passenger processing systems to be accessed and deployed anywhere, on demand (both inside and outside the airport terminal).
- Amadeus Biometric Boarding Solutions: Amadeus provides airport customers with a complete one-stop shop solution to enable boarding on flights with biometric facial recognition. This means Amadeus provides cameras (Biopod) at boarding gates, connectivity with airlines for booking data and connectivity with the US Customs and Border Protection data, and integration services to match information: the image of faces captured at the cameras is matched with the passenger's reservation and the passenger's data provided by the border authorities. Amadeus can integrate with any biometric vendor.
- Amadeus EASE (Amadeus Extended Airline System Environment): allows airlines to connect airports directly to their data hosts and run their own native applications, without any modification or limitations due to the airport's infrastructure.
- Airport Operational Database (AODB): is an intelligent repository to host, manage and disseminate complex flight-related information to improve critical decision-making across the airport environment.
- Amadeus Resource Management System: provides the airport with a complete overview of its fixed resources, allowing the optimal use of the existing infrastructures to maximize resources' performance and value.

Corporations portfolio

- Amadeus Cytric Travel and Expense Management: a fully integrated solution that offers to the corporations the widest travel content, ensuring travel policy compliance and duty of care while containing costs.

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